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URBAN LANDUSE STRATEGY

COMMERCIAL
INDUSTRIAL
RESIDENTIAL

June 2016

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DRAFT GUNNEDAH URBAN LANDUSE STRATEGY
VOLUME 1:
Contextual Profile Report

June 2016

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PART ONE: INTRODUCTION

1. BACKGROUND AND CONTEXT

1.1 Background

The draft Gunnedah Urban Land Use Strategy represents a comprehensive suite of strategies dealing with residential, commercial and industrial land use. The Council has a residential release strategy that has worked quite well for it over the last 30 years and has done a lot of work over the last five years or so in terms of undertaking a commercial and industrial land use strategies. However in recent times there have been new development initiatives including some which are considered potential "game changers" which Council wants to be in a position to activate where there is a community benefit.

These would result in future Planning Proposals to rezone certain land in and around the town. Some of these developments include a proposed second rail overpass to improve Gunnedah's accessibility limits for Heavy Mass Vehicles, a realigned state and regional road network through the town, and potential major business interests potentially stemming from large coal mining developments and continuing growth trends. These 'game changers' may have significant implications for how Gunnedah grows over the next decade. It is therefore essential that Council takes account of these economic implications and puts mechanisms in place that provide development opportunity and at the same time ensure broad and equitable community benefit.

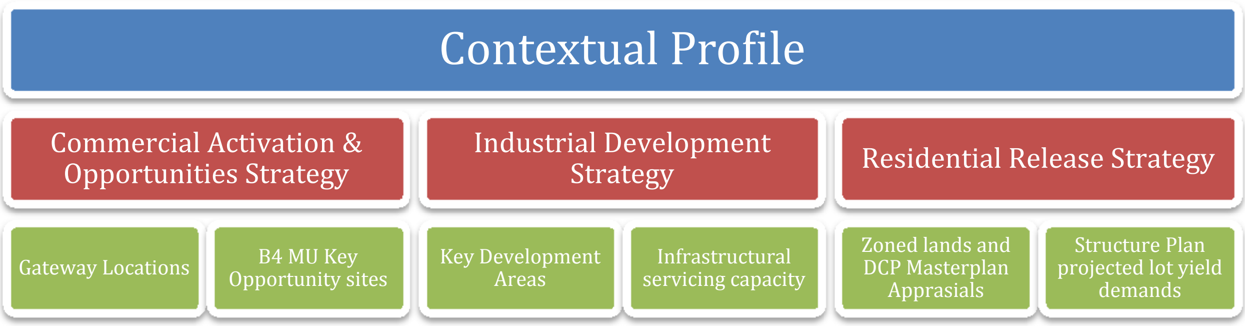
Gunnedah has also experienced exceptional residential development over the last six years. A significant component of the land currently zoned residential in Gunnedah now carries subdivision approvals, so it is timely that the next phases of residential subdivision release be examined to ensure sustainable growth within appropriate urban fringe areas. Council needs to confirm its long-term approach to residential subdivision, particularly in respect of infrastructural service provision and extension.

This strategic review has assessed potential land uses that are capable of being supported by the necessary infrastructure such as water supply, sewer, storm water and suitable road access. Likely changes to highway and traffic movements through Gunnedah in the near future will be of particular significance in the analysis of potential business and commercial development having regard to highway entry points and the opportunities that consequently may arise in the west and east entry gateway locations to the town. Council wants to be in a position to capitalise on any economic opportunities that may consequently arise in these locations.

1.2 Scope of the Strategy and Methodology

The review process has involved targeted consultation with relevant sectors of the community, particularly business, and a public exhibition process of the draft strategies prior to their consideration by Council.

A Situational Issues Report (SIR) was prepared mid-project to highlight key issues brought to light through research and consultation undertaken, addressing the direction of each section of the strategy in response to these issues. In summary the Structure of the Strategic Review and key elements is set out below.



Section One - the Contextual Profile provides a brief shire wide strategic context to support the Commercial, Industrial and Residential Strategies presented in Volumes 2,3 and 4.

Section Two - the Commercial Activation & Opportunities Strategy, addresses:

- Opportunities to embellish economic activity and business development within the commercial sector and particularly the B4 Mixed Use and B5 Business Development Zones having regard for previous strategies, and
- Evaluate specific highway gateway entrance locations.

The existing CBD represents a thriving and resilient town centre and it not necessarily in need of 'revitalising'. Therefore the Strategy addresses measures to 'activate' economic activity and identify opportunities to take advantage of key strategic infrastructural transportation projects and resulting potential development growth locations.

Section Three - the Industrial Development Strategy:

- Appraises the existing Industrial zoned areas within the 2012 LEP,
- Identifies land availability to service projected demand whilst having clear regard for proposed infrastructural servicing capacity and constraints, and
- Key opportunity areas already identified as focal industrial precincts within previous strategies are highlighted and discussed in order to encourage continued investment to support industry growth in particular those to support mining related services and continued agricultural sector sustainability.

Section Four - the Residential Release Strategy:

- Identifies all residentially zoned land in the context the Gunnedah Local Environmental Study 1982 undertaking an appraisal of current approvals and final development (mostly within DCP Masterplan Areas identified as Stage 1 and 2).
- The evaluation assesses current lot availability and future lot yield levels to accommodate future population projections.
- Additionally lands identified as Stage 3 and Stage 4 not already zoned residential will be reevaluated for suitability for residential development based on the sustainability assessment matrix.

1.3 Regional Policy Framework Review

1.3.1 New England – North West Regional Action Plan

An integrated planning approach has been developed for the Region with this articulated through the New England ‐ North West Regional Action Plan (2012). This Plan recognises a number of existing regional plans and strategies including the RDA Australian Northern Inland Regional Plan, the NE ‐ NW Strategic Regional Landuse Plan and the Catchment Management Plans for the major river systems. The planning framework is summarised in Figure 1 on the following page.

The Regional Action Plan recognises the impacts that the mining sector is having on regional and local economies and the need to provide infrastructure and services to capitalise on emerging opportunities as well ameliorate the negative impacts resulting from competition for resources, including the workforce, rising prices and costs and potential impacts on the physical environment and production systems. Two key 'Priorities and Key Directions' of the New England - North West Regional Action Plan' are of particular relevance to this Strategic Review as follows:

PRIORITY	KEY DIRECTIONS
1. Support sustainable economic growth	To support economic growth in New England North West, the NSW Government will: • Foster growth sectors such as value ‐ adding industries, agriculture, agribusiness and food processing, aviation and advanced technology • Promote the region to attract new residents and businesses • Continue to build a skilled local workforce • Balance strong economic growth with sustainable management of natural • resources and the protection of agricultural land.
2. Invest in regional and local infrastructure.	The NSW Government will increase investment in regional and local infrastructure through: • Provision of transport infrastructure, including upgrades to roads, and improved transport corridors and availability of services, including rail and air, to support industry expansion • Delivery of local infrastructure projects in partnership with local government to improve service delivery to the community.

Source: NSW Department of Premier & Cabinet (2012) New England North West Regional Action Plan

Source: NSW Department of Premier & Cabinet (2012) *New England North West Regional Action Plan*

Figure 1 Regional Planning Framework

1.3.2 Regional Development Australia ‐ Northern Inland NSW Regional Plan 2011 ‐ 2015

The priorities set by Regional Development Australia for the Northern Inland Region in the Regional Plan 2011 ‐ 2015, are similar in content and direction to the Regional Action Plan, with these priorities being:

- *Regional community regeneration and sustainable population growth*
- *Industry diversification, business growth and job creation*
- *Integrated and improved health care*
- *Investment in regional infrastructure and education*
- *Social inclusion and engaging aboriginal communities*
- *Environmental achievement.*

1.3.3 New England North West Strategic Regional Landuse Plan 2012

The New England North West Strategic Regional Land Use Plan represents one component of the Government's broader Strategic Regional Land Use Policy which comprises multiple initiatives being staged over time to address land use conflict in regional areas, particularly focused on managing coal and coal seam gas issues. The plan provides a clear strategic framework for the New England North West region, delivering the necessary context for Government investment priorities, servicing strategies and local environmental plan making.

Chapters 5: Economic Development and Employment and Chapter 6: Housing and Settlement identifies clear policy actions mandated the responsibilities of Local Councils directly relevant actions to this review process including:

- *Action 5.1: Local councils will prepare local strategies to identify an adequate supply of appropriately located commercial and industrial land in order to meet local demand.*
- *Action 5.2: Local councils will zone land through their local environmental plans to ensure an adequate supply of employment land.*
- *Action 6.1: Local councils will prepare land and housing supply strategies that identify sufficient land to facilitate an adequate supply of appropriately located housing to meet identified demand.*
- *Action 6.2: Local councils will zone land through their local environmental plans to ensure an adequate supply of land for residential development and to facilitate delivery of a range of housing types.*
- *Action 6.3: Local councils will ensure that new residential development makes a positive contribution to liveability and character by ensuring residential areas are planned in accordance with the settlement planning principles in this plan.*

Also Chapter 6: Housing and Settlement discusses the challenges associated with Housing and residential land supply and states:

> *'New housing will be needed to cater for the expected population growth, as well as growing demand for a wider variety of housing. The greatest demand for new housing is in the Tamworth, Armidale, Liverpool Plains,* ***Gunnedah*** *and Narrabri LGAs. Even in areas with low population growth, there will be demand for new dwellings to provide greater housing choice.*
>
> *Part of this challenge is to ensure there is sufficient capacity in the supply of housing to cope with peaks in the demand for housing that will occur during the development and construction of new coal mining and coal seam gas projects. Planning will need to take place for new urban areas as well as for new development within existing urban areas.*
>
> *Local councils in the region have actively sought to understand changing population and economic structures and the subsequent impacts on the housing market, through the development of growth management strategies or land use strategies. These inform the preparation of planning documents such as local environmental plans (LEPs). Councils have generally identified an adequate supply of land zoned for different housing types to facilitate predicted growth in demand. For example, Tamworth and Armidale councils have both recently released significant quantities of residential land to support housing growth.*
>
> *Tamworth was one of the fastest growing population centres in regional NSW in the 2009- 10 financial year with a growth rate of 1.7 per cent. Other parts of the region are also experiencing strong demand for housing. Narrabri, Gunnedah and Liverpool Plains LGAs are all experiencing increased demand, largely owing to the emerging coal and coal seam gas industries.'*

1.3.4 Namoi 2030 - Regional Resource Strategy

The Namoi 2030 Regional Resource Strategy has been prepared in association with Tamworth Regional Council and the Namoi Catchment Management Authority to consider the impact of mining in the area.

The Strategy identifies that sufficient zoned residential land already exists in the Narrabri and Liverpool Plains LGAs until 2026, even under a high growth projection scenario associated with the rapid expansion of the mining industry, while Tamworth and Gunnedah councils may need to rezone additional residential land by 2016 and 2018 respectively.

The Strategy concluded that resource development in the Namoi Region presents some considerable economic opportunities. It stresses that agriculture must and will remain important to the Region during and beyond the development of coal and gas extraction. The Strategy supports the view that building local economies will remain an important factor in maintaining viable and vibrant communities within the larger Namoi Region. Key factors that exist across scenarios which require further planning and investment, include priorities associated with: water availability and future use, adequate provision of rail and road infrastructure, energy and utilities and health services. Population growth will determine much of the emphasis on the soft infrastructure elements such as education, housing and social services.

1.4 Local Policy Framework Review

1.4.1 Gunnedah Shire Community Strategic Plan

As required by the NSW Local Government Act 1993, Gunnedah Shire Council delivers its services through an integrated planning approach, with the Gunnedah Community Strategic Plan 2012 ‐ 22 being the ‘coordinating’ plan that sets the vision, direction and framework for the Gunnedah Shire for the next decade. The Gunnedah Community Strategic Plan recognises the strategic importance of diversifying the economic base of the Shire, for the Shire community. The

Plan articulates a range of desired outcomes for 'Building the Shire's Economy' as well as engaging and supporting the community, retaining the quality of life, and protecting and enjoying Gunnedah's beautiful surrounds.

The Community Strategic Plan identifies a range of outcomes being sought for the Shire over the 10 year planning period. The outcomes relevant to this Strategy are:

OBJECTIVES	OUTCOMES:
Building Our Shire's Economy	• Our economic employment base diversified • Our infrastructure strategically managed • Access to our goods, services and markets • Our identity and reputation promoted to tourists • Entrepreneurs and developers contribute to local economic growth.
Protecting and Enjoying Our Beautiful Surrounds	• Balance between development and environmental protection • A secure and high quality water supply • Investment in new technologies and renewable energy • Dealing with our waste • Manage our exposure and contribution to the changing climate • Enhance our Streetscapes in Gunnedah and Villages.

The Community Strategic Plan recognises that the Shire has a strong and diverse agricultural - based economy as well as substantial mineral resources. It also recognises that the Shire faces a number of challenges, including the 'boom and bust' cycles in the agricultural and mining sectors, the competition between these two sectors for access to land, resources and infrastructure (eg rail access for freight), competition from Tamworth and infrastructure constraints. The need to augment infrastructure (transport, sewerage, electricity etc) to accommodate growth was identified by the Community Strategic Plan as the most immediate challenge for the Shire.

1.4.2 Gunnedah Local Environmental Plan 2012

Council's current principal planning document, the Gunnedah Local Environment Plan was gazetted on the 29th June 2012 as a Standard Instrument. It superseded the LEP 1998 with key recommendations and amendments in policy direction from the previous LEP being derived from the Rural Strategy and the Commercial Industrial Strategy (2008). In summary some of the key significant policy changes under the LEP 2012 were:

- Removal of 'existing holdings' and concession provisions in the RU1 zone
- Expansion of the RU5 zone – Rural Residential zone
- Minimum area for a dwelling in certain areas of RU1 Primary Production – 200ha
- Three Commercial zones – B3, B4 & B5
- Lot Area Map – variable areas in same zone
- Sunset clause (30 June 2014) for nominated rural lots to seek consent for a dwelling.

1.4.3 Gunnedah Development Control Plan 2012

This Plan contains more detailed guidelines for development to complement the provisions contained in the Gunnedah Local Environmental Plan 2012. It applies to all land within the Gunnedah Shire Local Government Area (LGA).

The development control plan (DCP) has been prepared under Section 74C of the Environmental Planning and Assessment Act, 1979 and the Environmental Planning and Assessment Regulations. This development control plan (DCP) provides the key criteria for specific types of development that commonly occur in the Gunnedah Shire Local Government Area.

Development controls are also provided for specific locations within the shire including Masterplans for key residential development areas. Development controls have been grouped into type of development, Residential, Commercial & Retail, Industrial, Subdivision and General Development Specifications.

1.4.4 Gunnedah Satellite Development Strategy 2011

The Gunnedah Satellite Development Strategy (SDS) was adopted by Council in December 2011. The Strategy was prepared in response to several requests from developers to establish commercial and industrial developments outside the Gunnedah CBD with the strategy being a targeted investigation of three separate landholdings. These included the following sites with the summarised recommendations as follows:

East Gunnedah Site: Curlewis Road, 1 Boundary Road, Lots 1 & 5 DP828373, Commercial Planning Proposal Site.

- Site not considered appropriate for general commercial / retail purposes;
- Other recommendations to encourage redevelopment within existing Business Zones including amongst other things, a levy on zoned land to encourage consolidation of land.

Corner of Black Jack and Quia Roads Disused Abattoir Site, 90 Lot Industrial Subdivision

- Numerous recommendations relating to supporting establishment of water and sewage infrastructure in to service the site.

84-86 Oxley Highway, 28 Lot Industrial Subdivision.

- Supporting establishment of water and sewage infrastructure in to service the site.

1.4.5 Gunnedah Shire Commercial and Industrial Land Use Study 2008

The Gunnedah Commercial and Industrial Land Use Strategy (CILUS) was adopted by Council in November 2008. The CILUS Strategy identified the need for additional retail and commercial floor space within the Town Centre (based on projected high growth scenario) particularly bulky goods type development. The Strategy recommended that this type of development be located within the west end (B5 Business Development Zone).

The Strategy had two broad principal objectives being:

- The focus of the town centre is to provide a range and diversity of commercial, retail and community facilitates, including bulky goods, commensurate with its role as a district level centre.
- Development should contribute to the consolidation of a compact town centre.

This Strategy is discussed and appraised in more detail in Volume 2: Commercial Activation and Opportunities Strategy, and Volume 3: Industrial Development Strategy.

1.4.6 1982 Environmental Study and 2003 Review – Planning Workshop Pty Ltd.

The 1982 Report extensively identified the geographic, topographical, demographic factors that contributed to the urban context of Gunnedah, also providing a history of the settlement of the area. Recommendations were provided for expansion areas and residential release phasing as seen below. Overall the residential strategy identified within the Gunnedah Local Environmental Study 1982 has worked well and has been consistently followed with some minor exceptions.

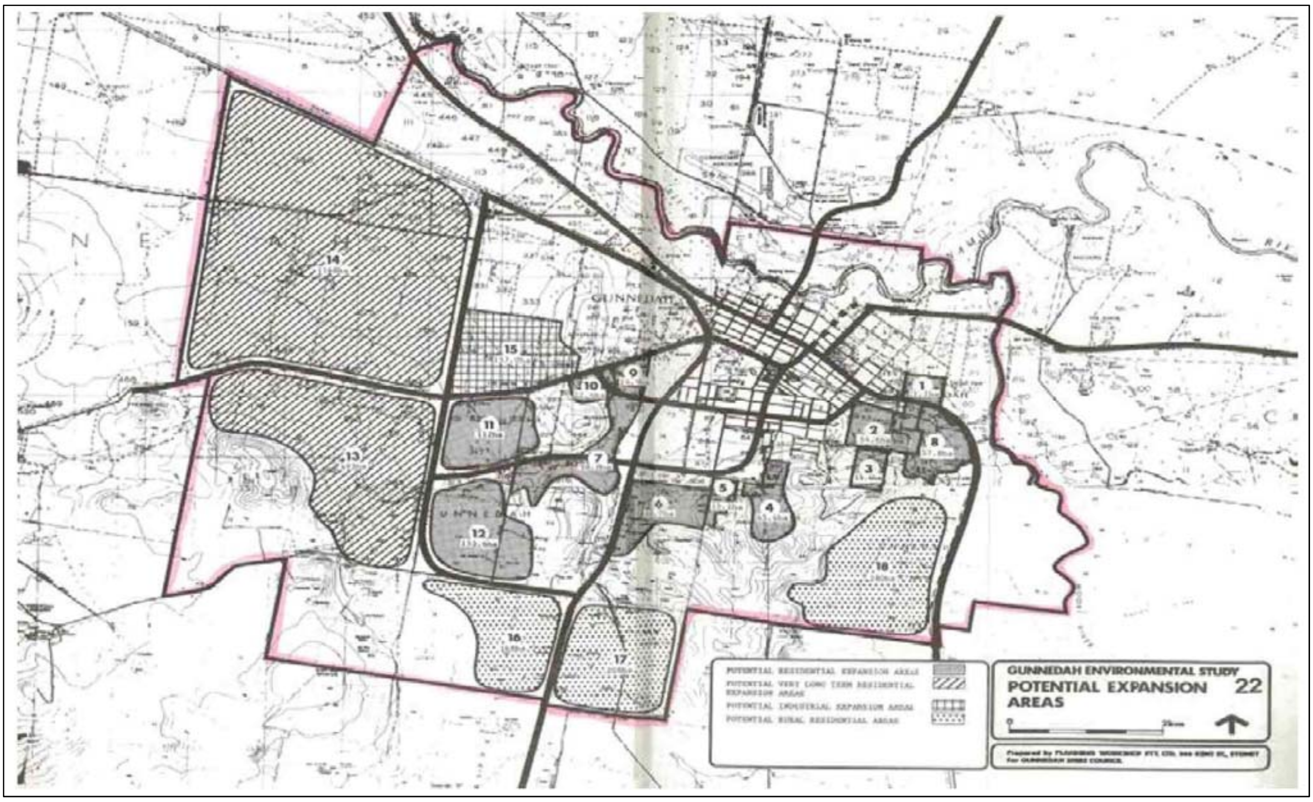


Figure 2 1981 Environmental Report 'Potential Expansion Areas'

Figure 3 1981 Environmental Report – Residential Release Recommended Staging

The 1981 Study had a 30 year time frame from which the 1998 LEP based most of recommendations. The changing growth patterns and land use needs and community expectations lead to thirteen amendments to the 1998 LEP and a review of the 1981 Study to assess the effectiveness of landuse controls requiring amendment. The 2003 report outlined that the environment in which the 1982 study was prepared was quite different, where the changing nature of the economy and new agricultural methods leading to a steady decline in population, and the full extent of the potential impact of mining projects was yet to be realised.

The key Planning Recommendations arising from the 2003 review of the 1982 Environmental Report relevant to this Strategic review were:

*‘**Rural Residential Areas**: No further rural residential land should be released on the fringe of settlements.*

***Residential Development**:*

- *There is currently a sufficient supply of residential land to cater for demand without further fringe expansion.*
- *Residential Development should be encouraged through consolidation and infill development.*

***Retail / Commercial Areas:** Existing viability of Gunnedah CBD should be maintained and strengthened.‘*

The recommended residential release phasing from the 1981 report has been superimposed over the 2012 LEP Land Use Zonings also showing current subdivision approvals shown in the figure below. Almost all of the Stage 1 release land has been developed or is subject to subdivision approvals. Further parts of Stage 2 are also subject to consents. The release of the Stage 3 and Stage 4 areas is to be assessed under this Strategic Review, given consideration of and integration with significant infrastructure extension is required.

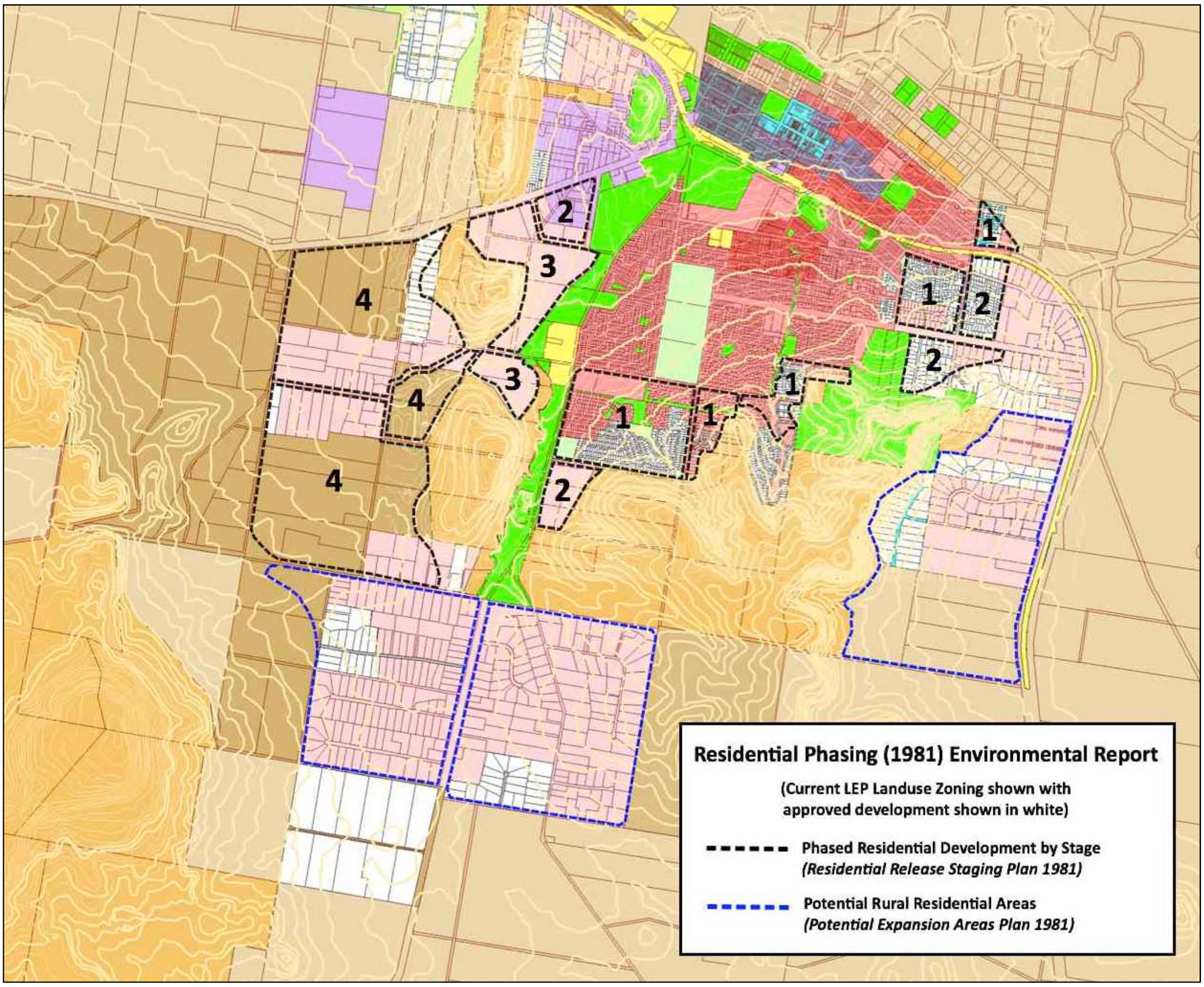


Figure 4 2012 LEP Landuse Zoning with 1981 Residential Release Recommended Staging

2. GUNNEDAH CONTEXTUAL PROFILE

Volume One of the Strategy provides a brief contextual profile of Gunnedah acting as a reference point for key data and trends to support the strategic direction and rationale behind the commercial, industrial and residential strategies.

Key issues brought to light through research and consultation undertaken to date of most direct relevance to the specific nature of the strategies as outlined above can be summarized as follows:

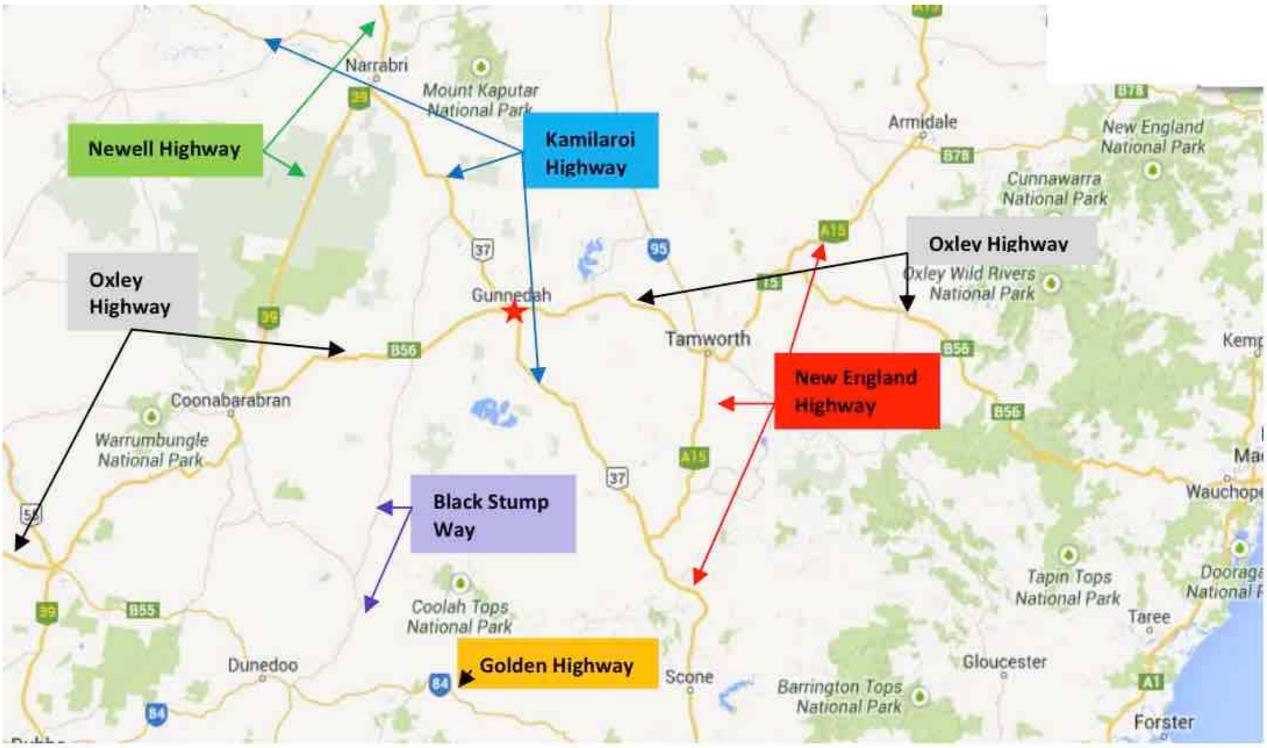
2.1 The Natural Environment

2.1.1 Regional Location and Setting

The Shire of Gunnedah covers an area of 4,994 square km in North West NSW that supports a population of 12,265 (ABS 2010). Located in the Upper Namoi Valley, it is bordered by the Shires of Narrabri, Liverpool Plains, Warrumbungle and the Tamworth Regional Council.

Gunnedah is the service and retail hub of the Shire and beyond, particularly to the south. Outlying villages include Curlewis and Breeza to the southeast, Carroll to the east and Tambar Springs and Mullaley to the southwest. By road Gunnedah is 77 km from Tamworth, 443 km from Sydney, 651 km from Brisbane and just over 1,100 km from Melbourne.

It is serviced daily by rail via the North West rail line and is at the intersection of the busy Oxley and Kamilaroi Highways. Air travel is possible into Gunnedah airport via charter flights or by regular passenger flights to and from Tamworth, only 50 minutes away by car.



Source: Base Map – Google Maps

Figure 5 Highway & Regional Road Network – Northern Inland NSW

2.1.2 Climate

Gunnedah Shire experiences very warm to hot summers and cool to mild winters. Average maximum temperatures vary from 34°C in January to 16.9°C in July, while average minimum temperatures range from 18.4°C in January to 3°C degrees in July. Extreme temperatures, exceeding 38°C and as low as minus 5°C, have been recorded. Average annual rainfall is between 500mm and 600mm and tends to be summer dominant, mostly as storm events. The climate is conducive to cropping and grazing year round.

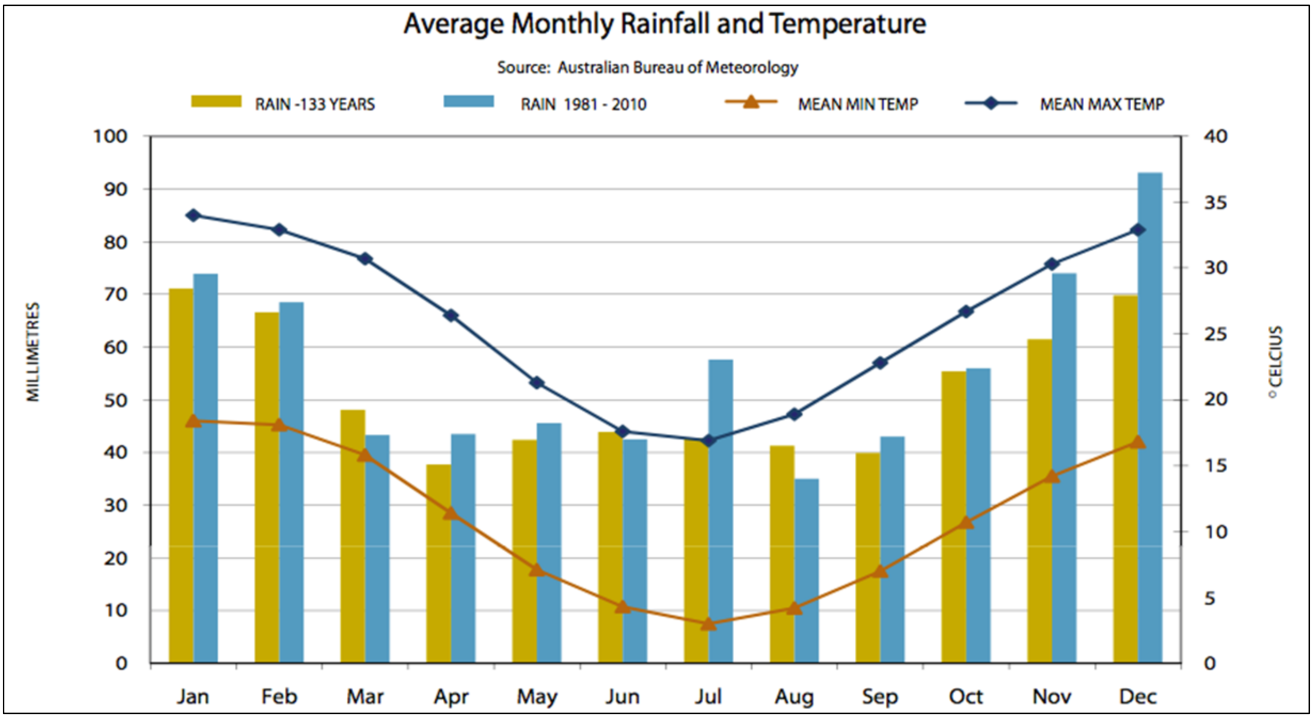


Figure 6 Average Monthly Rainfall and Temperature

2.1.3 Landuse patterns and mix

Agriculture is the primary land - use in Gunnedah Shire, accounting for 88.5% of the land area of the Shire. Dryland Agriculture accounts for 77.4% of the land area, with 5.6% of the land area being irrigated. Conservation and Natural Areas (National Park Estate and Crown Reserves) account for 8.4% of the land area. When at full capacity, Lake Keepit and Lake Goran cover an area of 14,205 hectares. The urban areas of the towns and villages account for 0.2% of the land area, while coal mining covers around 0.1% of the Shire.

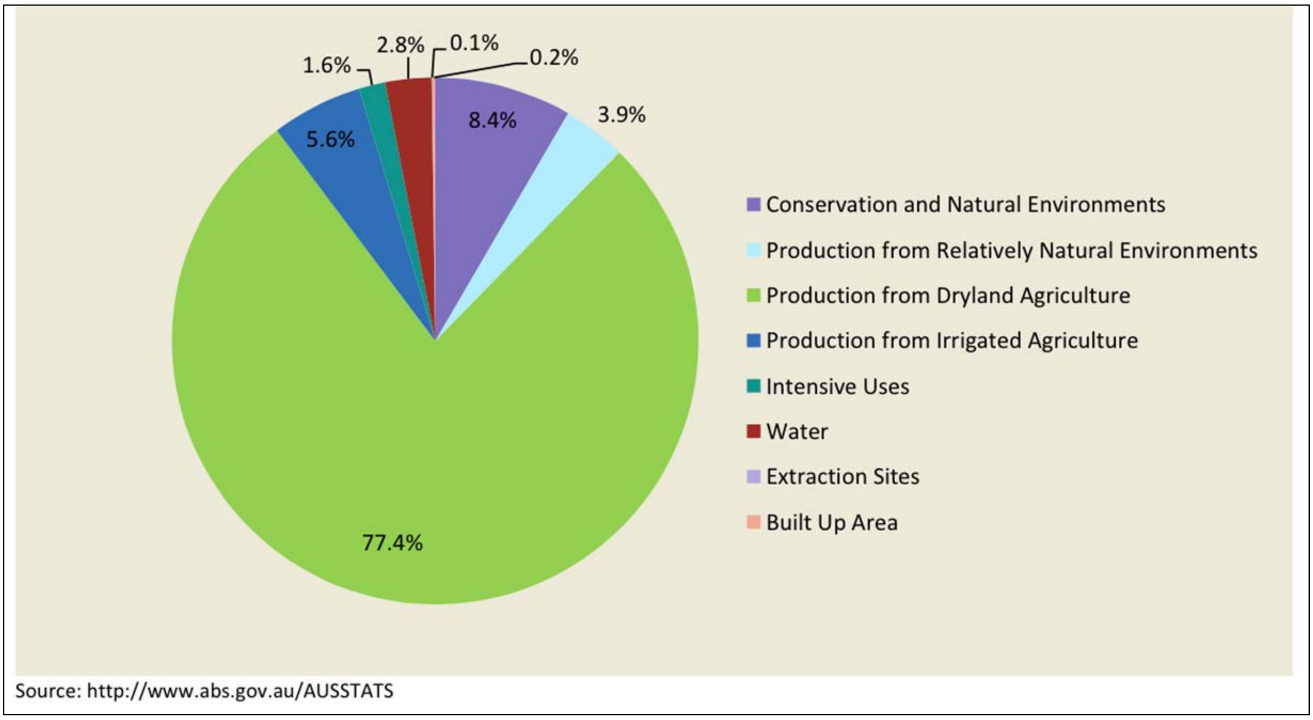


Figure 7 Landuse Mix Gunnedah Shire

2.1.4 Vegetation and Bushfire Risk

Areas of significant ecological value being indigenous vegetation within the urban area of Gunnedah generally occur on the upper slopes to the south correlating directly to the Bushfire Risk Areas as shown in the image below.

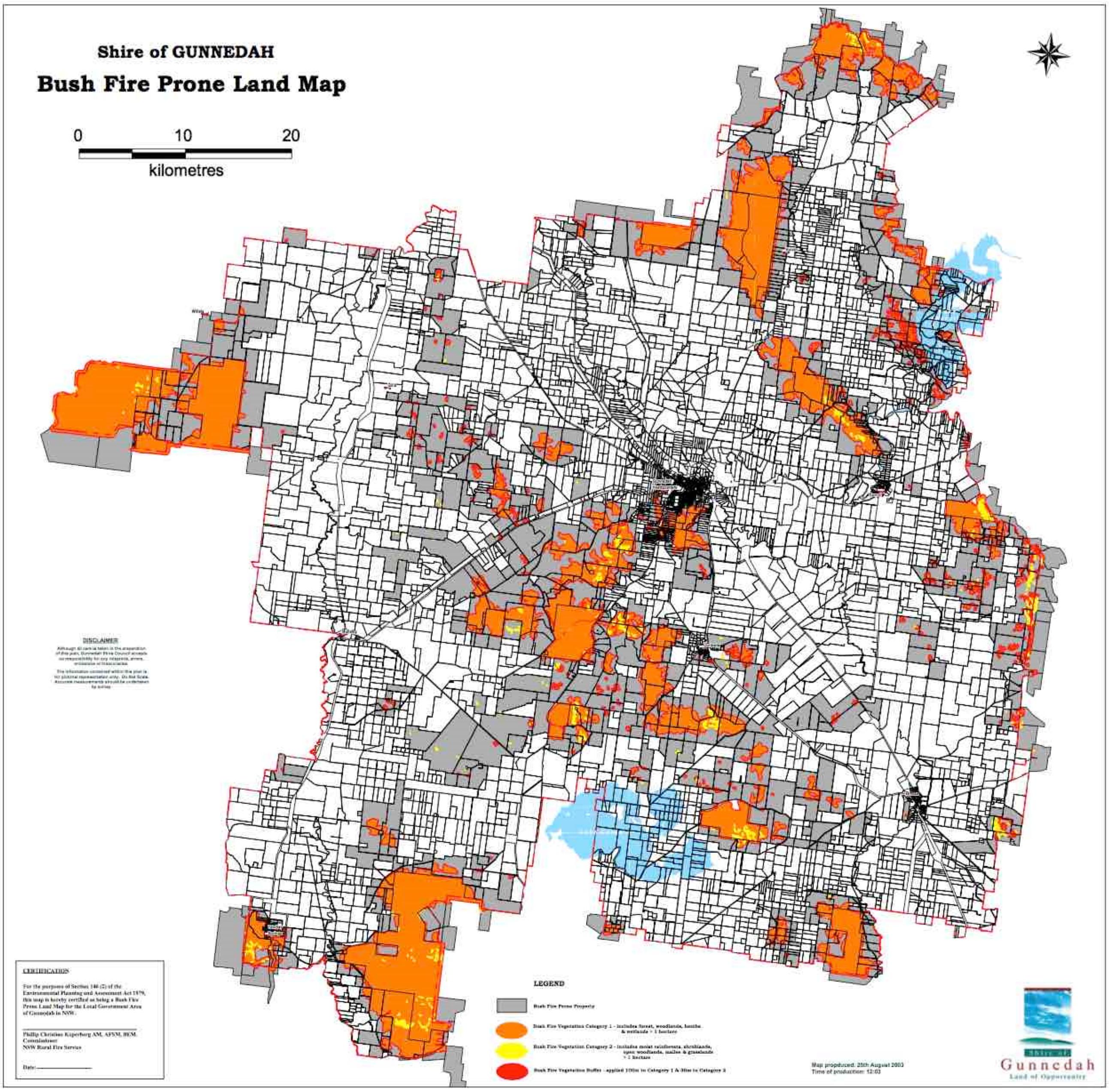


Figure 8 Bushfire Risk Areas

2.1.5 Koala Habitat Management

Council in 2013 prepared a Draft Comprehensive Koala Plan of Management (CKPoM) in accordance with the aims of State Environmental Planning Policy No. 44 – Koala Habitat Protection (SEPP 44). The supporting research confirmed that the Gunnedah area supports a Koala population of State and National significance such that promotion of Gunnedah as the "Koala capital of the world" appears justified.

Increases in the Koala population in the Gunnedah area over the last 20 – 30 years can in part be attributed to the general level of concern for individual animals and local sub-populations evident amongst both rural and urban residents through fruit tree planting and water station monitoring during drought periods.

Within the study area, a total of 42,492ha of Preferred Koala Habitat has been identified, based on Namoi CMA's RVC mapping. Eleven of the currently recognised vegetation communities qualify as Koala habitat and all three habitat categories recognised by the Recovery Plan are represented. A special category containing elements of Secondary A and B Koala habitat is also present. One of the measures contained within SEPP 44 is the preparation of plans of management within areas identified as 'core Koala habitat', prior to development consent being granted.

Generally the preparation of any development application (DA) potentially triggers application of this CKPoM, which in turn provides direction on how potential impacts on Koalas or their habitat will need to be addressed in the preparation of the DA. The Management objectives of the KMP include:

- Creating or enhancing habitat linkages between other habitat areas;
- Increasing community awareness and knowledge regarding the threats to Koalas and habitat usage in the area;
- Maximising protection of remaining Koala habitat areas through zonings and appropriate development controls;
- Requiring best practice assessment and development standards so as to minimize the potential for negative impacts arising from development; and
- Where best practice development standards cannot be met, providing alternative options with positive outcomes in terms of Koala management.

The Draft Plan also concludes *'There is an extensive framework of legal protection afforded Koalas and their habitat within the Gunnedah study area, upon which long-term sustainable management of the Gunnedah Koalas ideally can be based. At a local level however, the Gunnedah LEP zoning and DCP currently do not reflect the value of Koala habitat and the fire management provisions under the LRBFRMP also do not consider Koala habitat as an Asset.'*

The amended Draft CKPoM is expected to be publicly exhibited in May 2015. Consideration of potential future zonings to facilitate development through this Landuse Strategy must have regard to the Koala Habitat areas as shown in the figure below to ensure any potential impacts on Koala populations are avoided.

Source: Gunnedah LGA (Part) Comprehensive Koala Plan of Management 2013

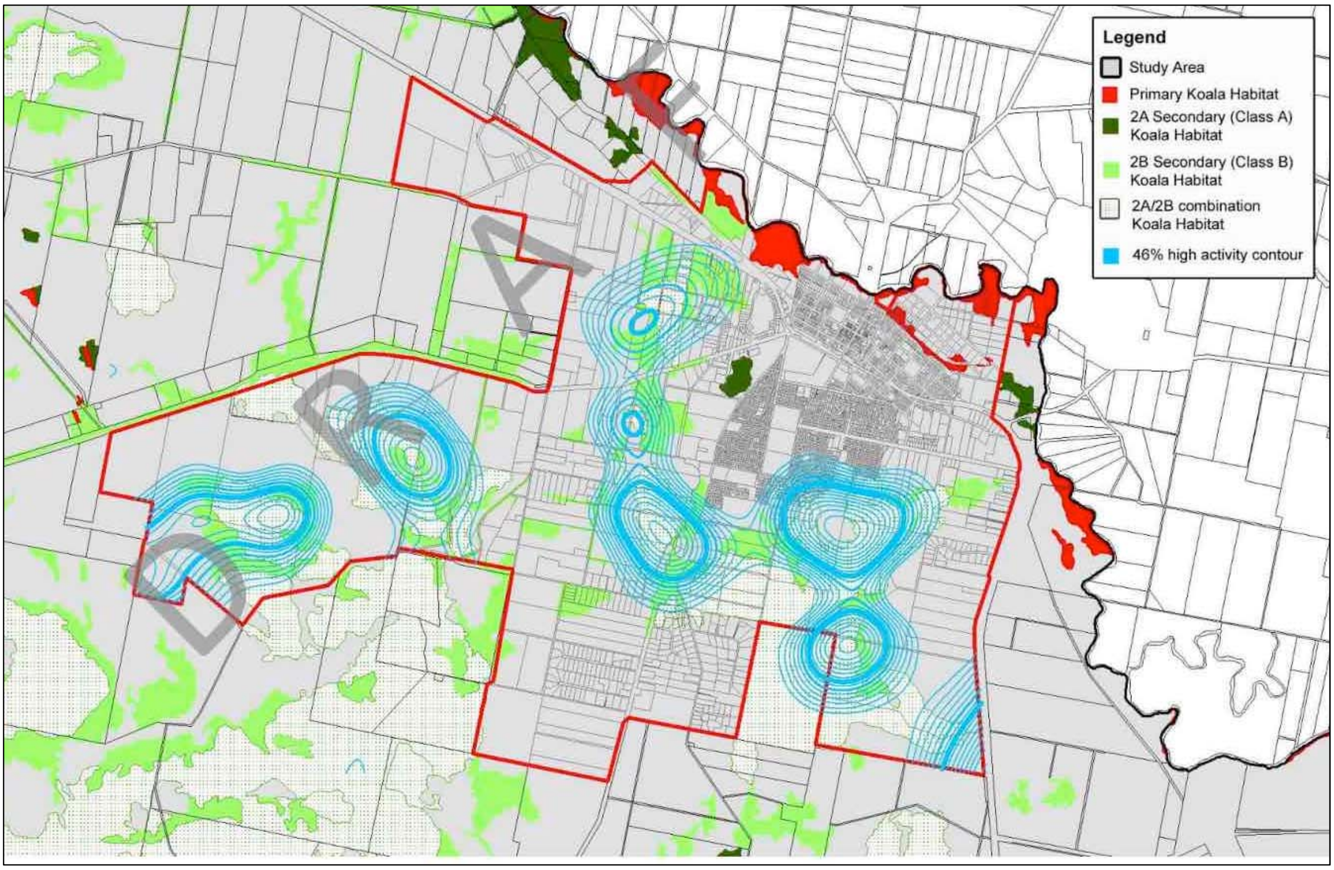


Figure 9 Distribution of Koala Activity in the Gunnedah Focus Area

2.1.6 Flood Risk and Hydrology

Flooding is a frequent occurrence in Gunnedah where periodically waters from the Namoi, Peel and Mooki Rivers sub-catchments flow into the northern section of the township. In response to the impact of flooding in these areas the Department of Lands and Water Conservation (DLWC) completed an integrated Floodplain Management Study in 1999. The Blackjack Creek Floodplain Risk Management Study and Plan was also completed in October 2010. The implications of flood mitigational works proposed for Black Jack Creek Floodplain area are discussed further in the residential release strategy.

The LEP 2012 contains clear restrictions for landuse within any area affected by flood hazard, although flood affected lands to the south of the town Black Jack Creek is within contained to RE1 Public Reserve Zone, where the northern section of the town centre including residential areas is zoned RU1 Rural to prevent further development or RE1 Public Reserve.

The areas affected by the flood hazard are identified in the plan below indicating the 1 in 100 year flood event.

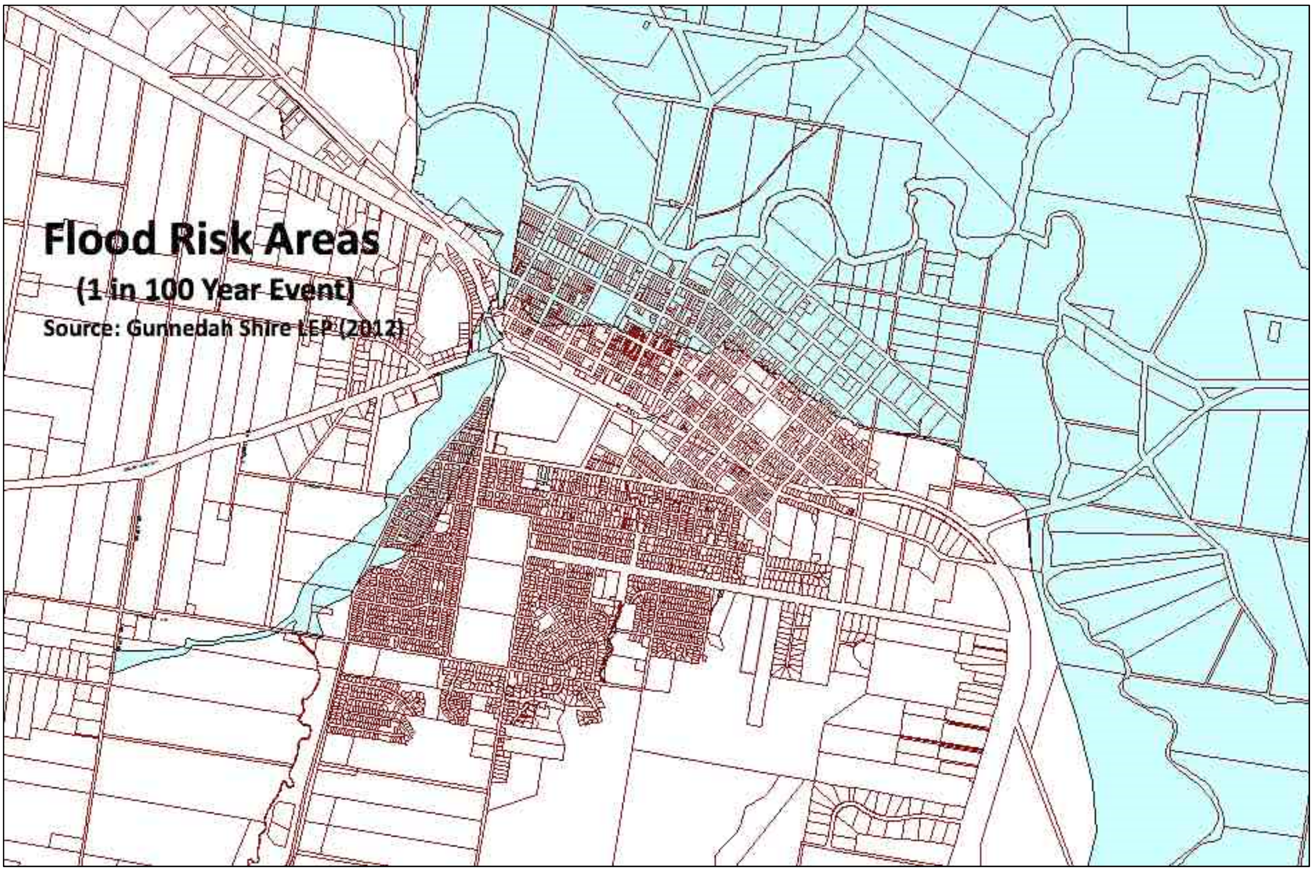


Figure 10 Flood Risk Areas – 1 in 100 year Event Level

2.1.7 Landscape and Topography

Three hill ridge systems lie centrally and on the eastern and western margins of Gunnedah's urban area. These ridges are aligned in a north / south direction, with general elevations being from 350 to 500 metres above sea level. The highest point visually prominent from the urban area is Black Jack Mountain at 670 metres. Other significant hills are Porcupine Hill (450m) to the south east of the urban area, Borthistle Hill (360m) and Pensioners Hill (340m) to the west.

The hill ridge systems are asymmetrical in form, with steep to precipitous slopes greater than 25% along the eastern face, and more gentle slopes (15-20%) to the west of the ridge. Precipitous scarps up to 50 metres in height occur along the eastern faces. These areas are mostly all protected under the ENV1 Environmental Management Zone where development is limited, thereby preserving the landscape values of prominent ridgelines and visual perspectives from the urban area.

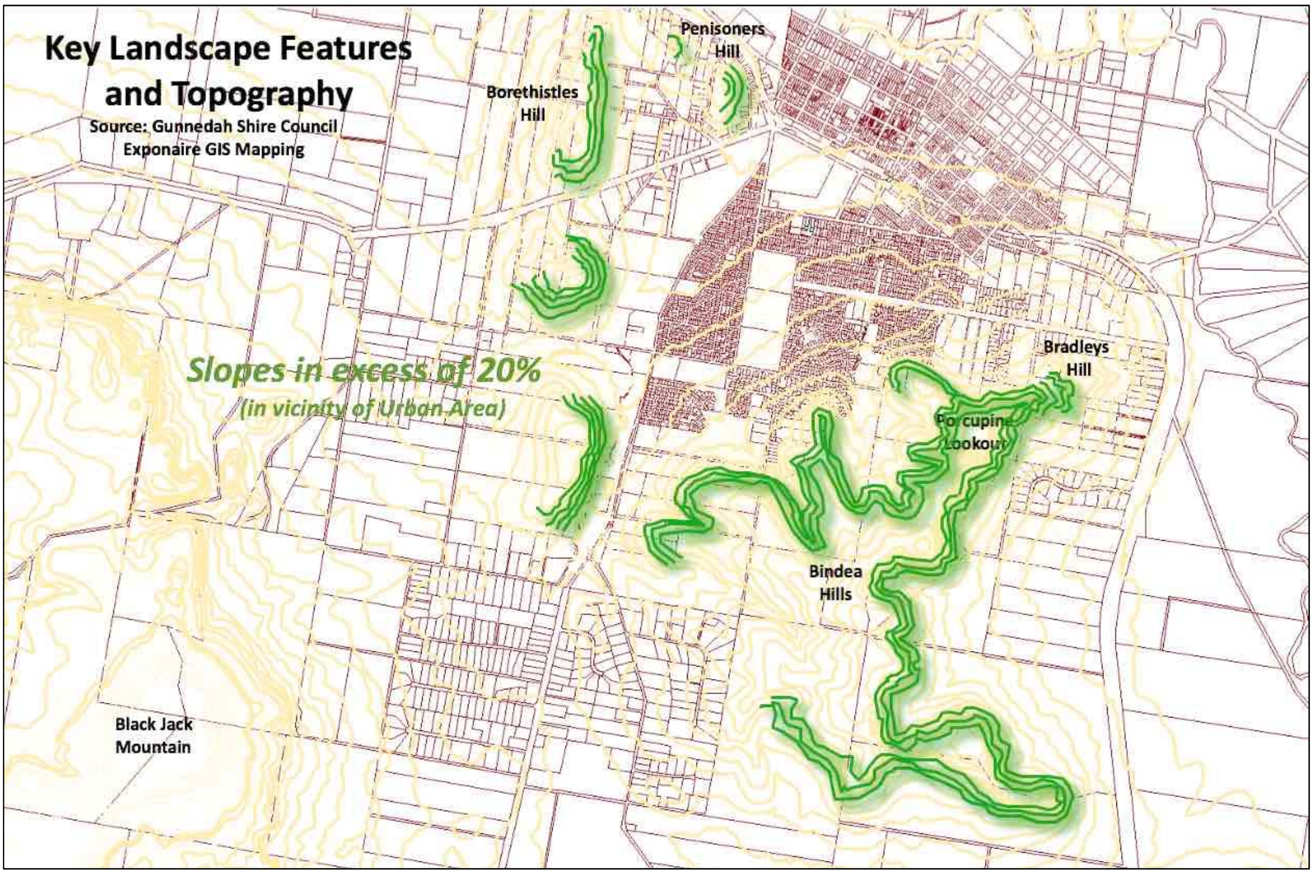


Figure 11 Landscape Features and Topography

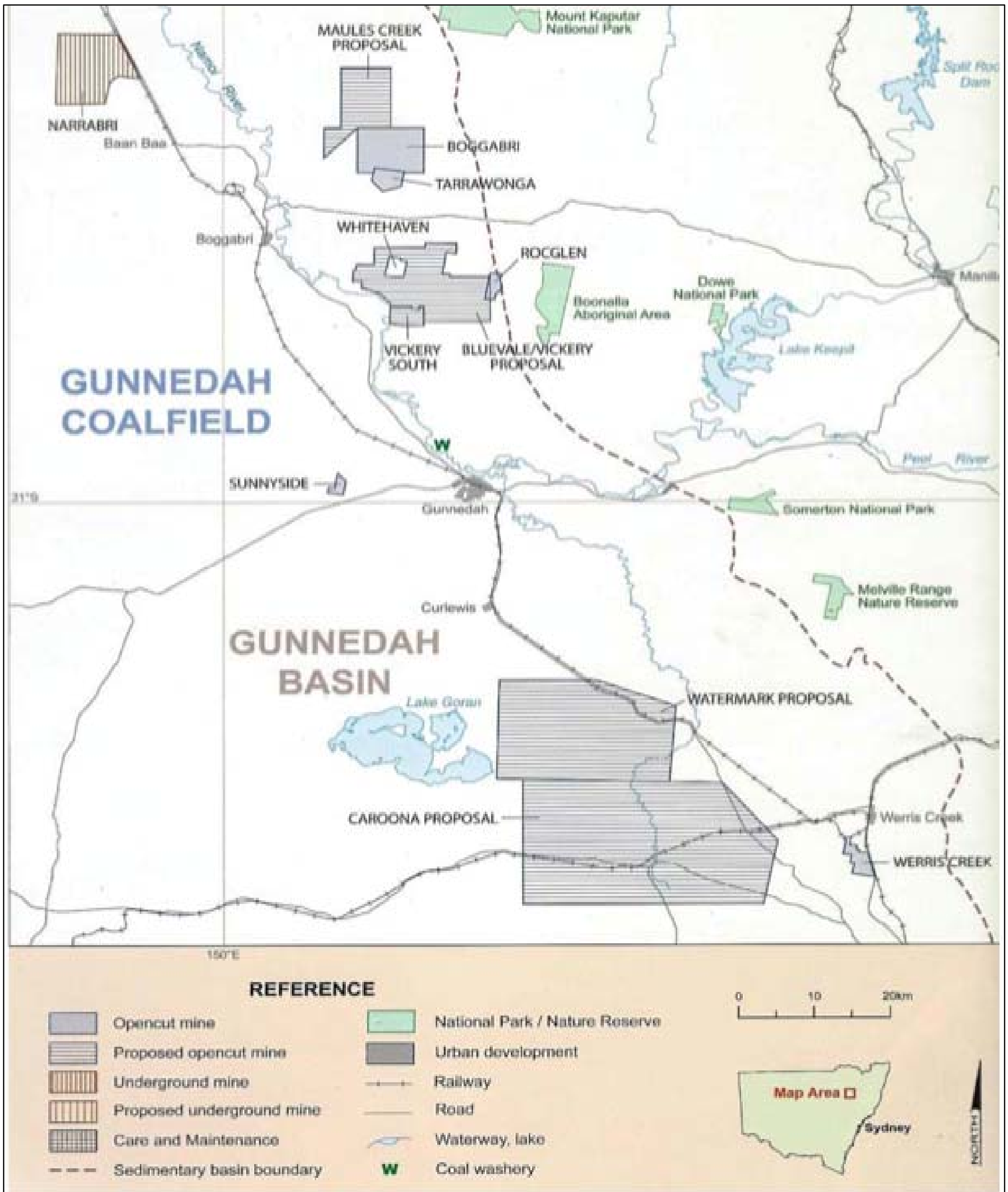
2.2 Economic Drivers and Key Employment Sectors

2.2.1 Mining Projects and Socio-Economic Impacts

The Gunnedah coalfield is NSW's most rapidly expanding coalfield and has the potential to become one of the biggest coalmining regions in the State, at about 13% of NSW total estimated reserves. A brief summary of the key aspects of each major mining project affecting Gunnedah is outlined in the table below.

Whitehaven Maules Creek Coal Project	• *40 km north of Gunnedah, 15km east of Boggabri village.* • *Construction started January 2014, currently over 50% complete* • *One of the most significant investments underway in regional NSW, construction costs estimated at $767 million* • *430 people engaged on site in construction activity, at full capacity expected to employ about 470 people.* • *As at the end of June 2014, rail line construction is 43% complete. Mining of the box cut expected commence in August 2014.* • *321mt of marketable reserves, 13 mtpa, 21 years extraction period.*
Shenhua Watermark Coal Project	• *25 km south-east of Gunnedah and 3km to the west of Breeza village* • *Project currently being assessed by Dept of Planning, potential determination due* • *Up to 600 full-time equivalent employees during construction and an average of 434 full-time equivalent employees* • *Comprises the construction and operation of an open cut coal mining operation extracting up to 10 Million tonnes per annum (Mtpa) of Run of Mine (ROM) coal for a 30 year period, 434 employees.* • *Exploration License – China Shenhua Energy Corporation* • *Status:* o *First assessment by Planning Assessment Commission – September 2014* o *Second Public Hearing by Planning Assessment Commission – 11 December 2014* o *Consent granted by Commission January 2015.* o *Proponent seeking approvals under Commonwealth's Environmental Protection and Biodiversity Conservation Act 1999.* • *Voluntary Planning Agreement Offer –* o *$6 million lump sum* o *$500K community project technical support, $0.06 per ton production payment*

Whitehaven Vickery Coal Project	• *15 km south-east of Boggabri and 25 km north of Gunnedah* • *Mining on the greater site commenced in 1986 until 1998, when rehabilitation works were undertaken.* • *The proposed life of the Project is 30 years, remove up to 4.5 million tonnes per annum (Mtpa) of ROM coal and approximately 48 million bank cubic metres (Mbcm) of waste rock per annum from the planned open cut.* • *Other Whitehaven owned Coal Mines in vicinity include: Rocglen Coal Mine 5 km east, the Tarrawonga Coal Mine (70% Whitehaven owned) 10 km north, Maules Creek (see above), Narrabri Coal Mine (70% Whitehaven) 40 km west-northwest, Sunnyside Coal Mine (100% Whitehaven owned) located approximately 25 km south* • *140 mt of coal production, 4.5 mtpa – 30 years, 200 jobs, Status: Approved, Voluntary Planning Agreement Offer - $5.25 million.*
Caroona Coal Project	*Exploration Licence – Coal Mines Australia Pty Ltd* • *Doona Ridge & Nicholas Ridge* • *Mine Plan Prepared* • *Status: EIS being prepared*



Source: Trade and Investment NSW, Division of Resources and Energy (2013) New South Wales Coal Industry Profile

Figure 12 Major Mining Project Locations

A report produced on behalf of the Narrabri Shire in June 2007 (Implications for the Gunnedah Basin – *(Assessment of Opportunities for Narrabri Shire from Coal Mining & Gas Extraction in the Gunnedah Basin – 19 June 2007)* identified that:

"Mining related industrial development will be concentrated in the centres close to the mines. Gunnedah is likely to be the main centre, primarily because of its central location and existing small group of mine service companies".

Gunnedah is therefore in the best position to take advantage of mining related industrial development. The Namoi 2030 Regional Resource Strategy estimated population growth figures for communities within the Namoi Valley out to 2030. A survey of resource companies operating in the shire was undertaken in late 2010 of their employment projections revealed a significant growth in mining-related employment.

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total/year:	575	1 375	2 061	2 078	2 958	2 965	3 025	2 630	2 835	2 985

The attraction and establishment of key support industry services/businesses to Gunnedah, positions Gunnedah as the support centre for North West resource companies. In turn, those service sectors can also attract non-resource sector manufacturing industry, so broadening Gunnedah's and the North West's industrial and economic base. Gunnedah's proximity to Tamworth also enables a strategic broadening of industry and business to Gunnedah.

Other Strategic Considerations of Mining were extensively discussed in the Economic Development Strategy 2014 which have direct relevance to the Strategic review (page 118):

- Encouraging mine and mine-related workers to relocate to Gunnedah Shire, competing with surrounding LGAs, in particular Tamworth.
- Competiveness of local firms to compete for service and supply contracts.
- Encouraging mine - related service firms to relocate to Gunnedah - availability of serviced industrial land and support services.
- Managing conflict between mining and other activities and Building resilience to boom - bust cycles.
- Provision of reticulated natural gas and improving road and rail infrastructure.

2.2.2 Coal Seam Gas Exploration

NSW currently imports about 95 percent of its gas from interstate where the Queensland Hunter Gas Pipeline project route has been established through Gunnedah. Under the recent NSW Coal Seam Gas Review 16 recommendations by NSW Chief Scientist & Engineer, Professor Mary O'Kane were adopted by the NSW Government with some modifications. To increase fuel security for NSW:

- The Government will work with other State and Territory Governments and the private sector to explore the possibilities for gas pipelines to NSW;
- Gas companies will be asked to demonstrate how projects that develop NSW gas reserves will benefit NSW gas consumers; and
- Royalties will be reviewed

The Environment Protection Authority will be the lead regulator for gas exploration and production.

- Landholders will have a mandated right for compensation.
- Gas companies and the NSW Government will make contributions to a new Community Benefits Fund, which will fund local projects in communities where gas exploration and production occurs.

2.2.3 Agriculture and Other Industry Sectors

It is important to emphasise that notwithstanding the potential positive development impacts from mining, Agriculture is the dominant landuse and economic activity in Gunnedah Shire.

Agriculture makes up the highest employment sector in Gunnedah with 16.9% of the labour force (884 persons in 2011) with the next highest industry being mining at 7.5% (390 persons) – See table below. Agriculture occupies approximately 85% of the land area of the Shire (77.6% dryland cropping and livestock production, 5.6% being irrigated and 1.6% in intensive production). Large areas of the Shire are classified as being *Strategic Agricultural Land of State significance.*

Performance of the Agricultural sector is closely linked with climate patterns, commodity prices and the value of the Australian dollar. Global demand for food expected to increase by 77% by 2050. This should be kept in perspective when considering the long-term impacts and strategic development focus related to the mining industry on Gunnedah.

Industry Sector	Number of People			Change Over Time		
	2001	2006	2011	2001-11	2001-11	2006-11
Agriculture, forestry and fishing	981	851	884	- 97	-9.9%	3.9%
Mining	43	118	390	347	807.0%	230.5%
Manufacturing	382	421	368	-14	-3.7%	-12.6%
Electricity, gas, water and waste services	20	44	66	46	230.0%	50.0%
Construction	193	220	271	78	40.4%	23.2%
Wholesale trade	242	146	139	-103	-42.6%	-4.8%
Retail trade	712	481	515	-197	-27.7%	7.1%
Accommodation and food services	181	308	358	177	97.8%	16.2%
Transport, postal and warehousing	182	221	250	68	37.4%	13.1%
Information media & telecommunications	50	45	28	-22	-44.0%	-37.8%
Financial and insurance services	83	64	66	-17	-20.5%	3.1%
Rental, hiring and real estate services	288	67	63	-225	-78.1%	-6.0%
Professional, scientific & technical services	-	163	167	167	-	2.5%
Administrative and support services	166	74	109	-57	-34.3%	47.3%
Public administration and safety	-	273	260	260	-	-4.8%
Education and training	350	354	403	53	15.1%	13.8%
Health care and social assistance	461	430	491	30	6.5%	14.2%
Arts and recreation services	38	35	35	-3	-7.9%	0.0%
Other services	158	219	228	70	44.3%	4.1%
Not stated	133	147	135	2	1.5%	-8.2%

Source: Australian Bureau of Statistics, Census of Population and Housing, Basic Community Profile, 2011

Figure 13 Gunnedah Employment by Industry Sector

2.3 Population Growth and Dwelling Approvals

2.3.1 Past Trends

From 1996 to 2006, the population of Gunnedah Shire declined by 10.1% from 12,812 to 11,513 residents, with the decline due to a combination of factors including the closure of the abattoir (1997) and the Gunnedah Colliery (2000), and the severe drought (2001 - 2008). From 2006 to 2011, the population of the Shire increased by 5.9% (683 people), corresponding with an increase in exploration and mining activities.

Source: Gunnedah Shire Council: Our Shire – Our Future Presentation

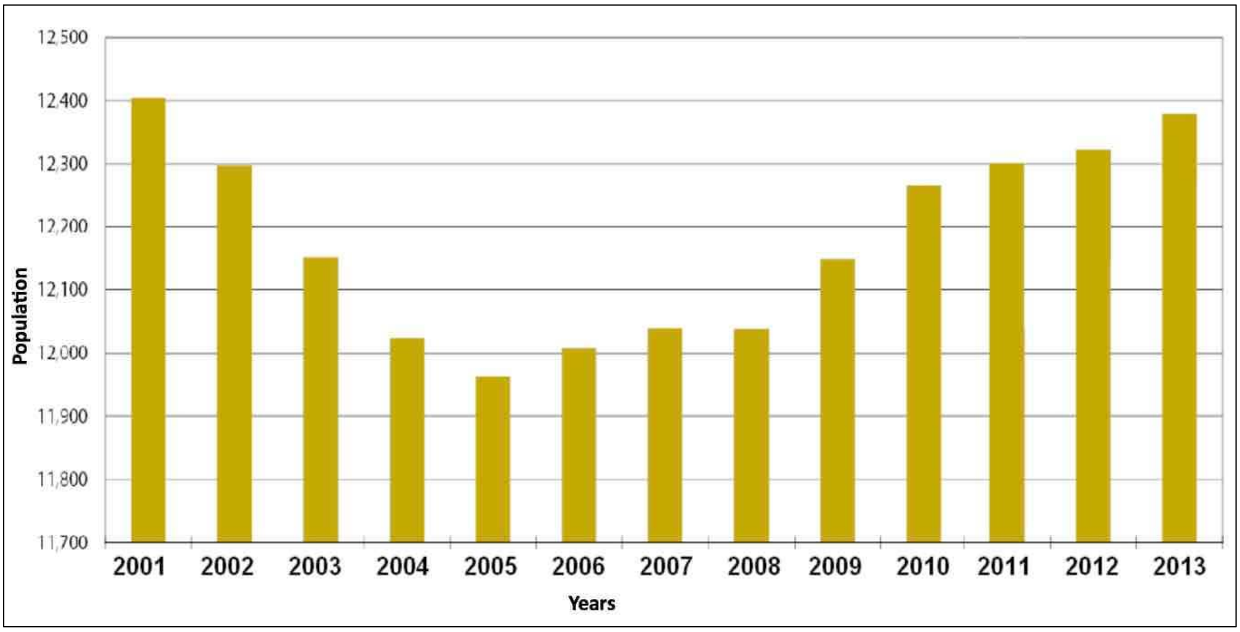
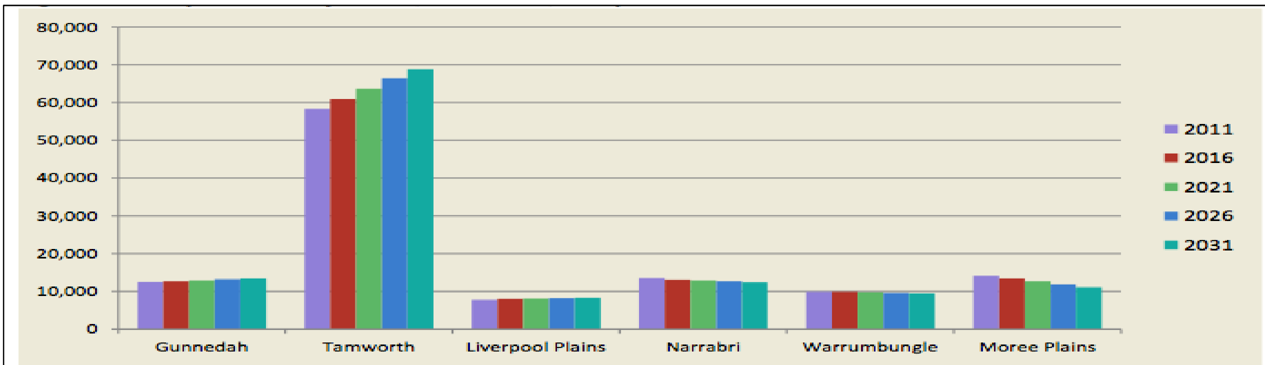


Figure 14 Population Growth 2001-2013

2.3.2 Population Projections

For the period 2011 to 2031 the population growth within the Region is predicted to be concentrated in Tamworth (10,500 additional people) and Armidale (6,200 additional people), followed by Inverell (3,000), Tenterfield (1,500), Uralla (1,200) and Gunnedah (900). Projections forecast that the population of Gunnedah Shire will increase by 7.2% between 2011 and 2031 (0.3% per annum compound), to 13,400 people.



Source: Planning NSW (2013) New South Wales State and Local Government Area Population Projections: 2013 preliminary revision

Figure 15 Population Projections Planning NSW (2013)

Population projections population released by Planning NSW In 2013 forecast that the population of Gunnedah Shire will increase by 7.2% between 2011 and 2031 (0.3% per annum compound), to 13,400 people, an increase from 2011 population of 900 persons as shown in the table below.

	Population Projections					Change 2011-2031		Growth
	2011	2016	2021	2026	2031	Persons	%	pa
Population	12,500	12,700	12,900	13,200	13,400	900	7.2	0.3%
Increase persons from 2011		+200	+400	+700	+900			
Additional Dwellings required @ 2.1 per household		95	190	333	429			

Figure 16 NSW Planning Population Projections & Future Dwelling requirements

In 2012 - 13, Gunnedah Shire accounted for 16.5% of dwelling approvals in the Northern Inland Region, ranking second to Tamworth in terms of number of dwelling approvals within the Region. The impacts of the growth in the coal mining sector are evident in the Building Approval figures.

	Gunnedah	Tamworth	Liverpool Plains	Narrabri	Warrum-bungle	Moree	Northern Inland Region	Gunnedah as % of NI Region
2012-13	103	269	5	73	13	21	625	16.5%
2011-12	81	290	9	19	6	13	568	14.3%
2010-11	69	259	12	7	13	7	616	11.2%
2009-10	45	504	9	34	16	80	1085	4.1%
2008-09	27	294	19	28	13	26	632	3.5%
2007-08	61	331	33	58	14	19	776	9.7%
2006-07	38	395	1	24	6	61	799	4.8%
2005-06	49	353	16	33	16	41	908	5.4%
2004-05	33	374	23	17	17	28	804	4.1%
2003-04	21	298	10	22	14	19	661	3.2%
2002-03	19	288	9	34	16	30	562	3.4%
2001-02	13	265	6	30	15	62	534	2.4%

Source: Australian Bureau of Statistics, Building Approvals, Australia (8731.0).

Figure 17 Building Approvals Northern Inland Region (2001-2013)

The forecast for Gunnedah Shire shows an aging population, with the number of people aged 64+ years expected to increase from 17.4% of the population in 2011 to 23.1% in 2031, an increase of 900 people (42%).

Age Group	Number of People			% of Population			Change 2011-13	
	2011	2021	2031	2011	2021	2031	People	%
<15 years	2,650	2,750	2,750	21.1%	21.2%	20.6%	100	4.5%
15-64 years	7,700	7,600	7,550	61.5%	58.8%	56.3%	-150	-1.9%
65+ years	2,200	2,600	3,100	17.4%	20.0%	23.1%	900	42.0%

Source: Planning NSW (2013) New South Wales State and Local Government Area Population Projections: 2013 preliminary revision

Figure 18 Aging Population Projections

2.3.3 Catering for Growth – Alternative Projections

Volume 4: The Residential Development Strategy presents a more detailed alternative population projections based on dwelling approval data from the last decade indicating a varied outcome from the NSW Department of Planning data, as seen in the table below. From 2009 to 2014 there was a significant increase in dwelling approvals per year which is remaining constant. This indicates a substantial level of growth that it is reasonable to expect to increase and sustain at least current levels for a decade while mining sector growth continues and stabilises. Accordingly an alternative population projection is presented based on a reasonable average number of dwellings to be approved (average of 2010-2014 being 75 dwelling approvals per year) with the anticipated additional population growth shown.

Year	Dwelling Approvals	Change from previous year		Future Forecasting Average of 75 dwellings per year:	Lots remaining from 801 @ 2014
2013-2014	**71**	**-27**		2015: 75 dwelling approvals projected	726 lots remaining
2012-2013	**98**	**+1**		2016: 75 dwelling approvals projected	651 lots remaining
2011-2012	**97**	**+22**		2017: 75 dwelling approvals projected	576 lots remaining
2010-2011	**75**	+37		2018: 75 dwelling approvals projected	501 lots remaining
2009-2010	38	NC		2019: 75 dwelling approvals projected	426 lots remaining
2008-2009	*38 (GFC)*	-40		2020: 75 dwelling approvals projected	351 lots remaining
2007-2008	78	+20		2021: 75 dwelling approvals projected	276 lots remaining
2006-2007	58	-8		2022: 75 dwelling approvals projected	201 lots remaining
2005-2006	66			2023: 75 dwelling approvals projected	126 lots remaining
				2024: 75 dwelling approvals projected	51 lots remaining
				2025	MASTERPLAN LOTS EXHAUSTED REQUIRING ADDITIONAL LANDS

Figure 19 Dwelling Approval Projections and forecasted Residential Lot Take up

The above alternative population projections indicates that the existing 801 lots currently undeveloped (as outlined in Section 6 Residential Issues) will be exhausted by approximately 2025 and consequently there is cause in rezoning additional lands for residential to provide for future demand in the short term.

2.4 Infrastructure

2.4.1 Gunnedah Sewerage Treatment Plant

The Gunnedah Treatment Plan (STP) is operating as follows:

- Currently running at approximately 8,500-9,000 Equivalent Population (EP);
- Current capacity is approximate3ly 11,000 EP;
- EP:ET ratio of 2 is adopted for Gunnedah;
- Spare capacity is therefore approximately 1,000ET.

The table below outlines the impact on demand for sewer under a number of different industrial development scenarios assuming that there is 65% or 268Ha undeveloped or underdeveloped industrial land in the Shire. Spare capacity is likely to be taken within 3 to 4 years by significant developments, and regardless of residential expansion, capacity could be realistically absorbed by industrial development if additional sewer capacity is not developed immediately. Council will be undertaking a plant capacity review for the next plant upgrade within the next year.

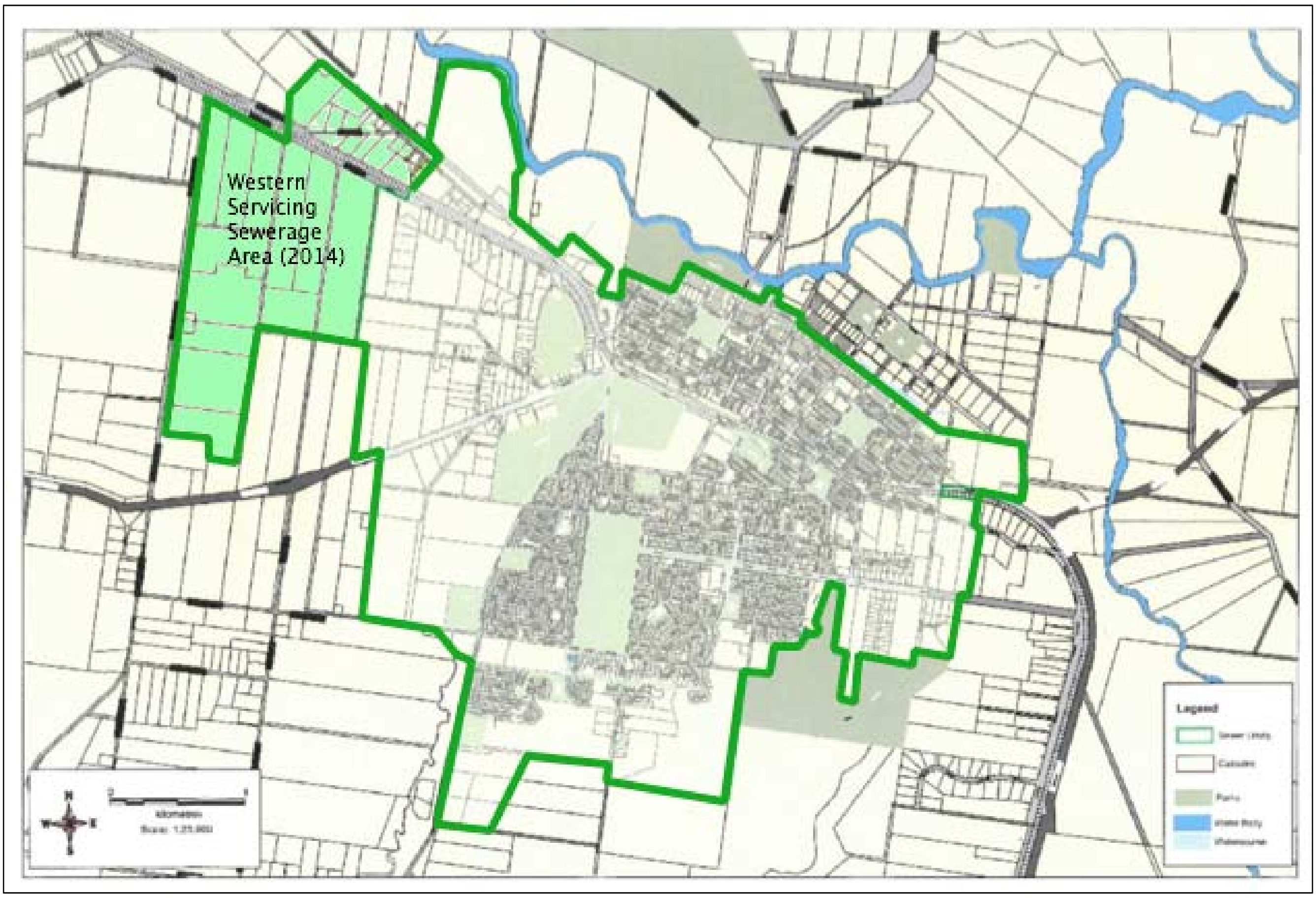
Industrial Category	ETs required per Ha	Total Sewer ETs
Light Industrial	15	4 020
Medium Industrial	30	8 040
Heavy Industrial	50	13 400

The lack of appropriate sewer infrastructure is proving to be a severe limiter to industrial expansion in the Gunnedah Shire. Specifically in relation to industrial servicing issues the following is relevant:

- Warranuna Industrial Estate has the minimum sewerage infrastructure required for an industrial estate with limited capacity to accommodate businesses with high discharge requirements.
- North Gunnedah Industrial Estate has no sewerage infrastructure that limits the number and type of businesses that can establish in this Estate.
- Blackjack & Quia Road Industrial Precinct has no sewerage infrastructure at this stage that limits the number and type of businesses that can establish in this Estate. Any developer is required to meet the costs of connection to the sewerage Treatment Plant. It is estimated that total wastewater costs for this subdivision are $ 3,400,000.

2.4.2 Waste Water System

Within the Shire, Gunnedah and Curlewis are sewered, with the remaining villages and properties in rural areas being on septic tanks. While all residential and commercial areas in Gunnedah are sewered as outlined in green below, funding to allow servicing of the Western Industrial Area (shown shaded green above) has only been included in Gunnedah Shire Councils s.64 Development Servicing Plan.



Source: Gunnedah Shire Council Section 64 Development Servicing Plan (2014)

Figure 20 Gunnedah Shire Sewerage Servicing Area (2014)

The Development Servicing Plan (DSP) for Gunnedah was adopted in 2012 and updated in 2014 to include servicing of the western industrial area of Gunnedah. The DSP covers sewerage developer charges (DC) for the Gunnedah Shire Council. This relates to assets such as treatment facilities, transfer and collection systems. This DSP has been prepared with consideration to Developer Charges Guidelines for Water Supply, Sewerage and Stormwater (2002). These are the final relevant guidelines, managed by the Department of Primary Industries, Utilities (DPI).

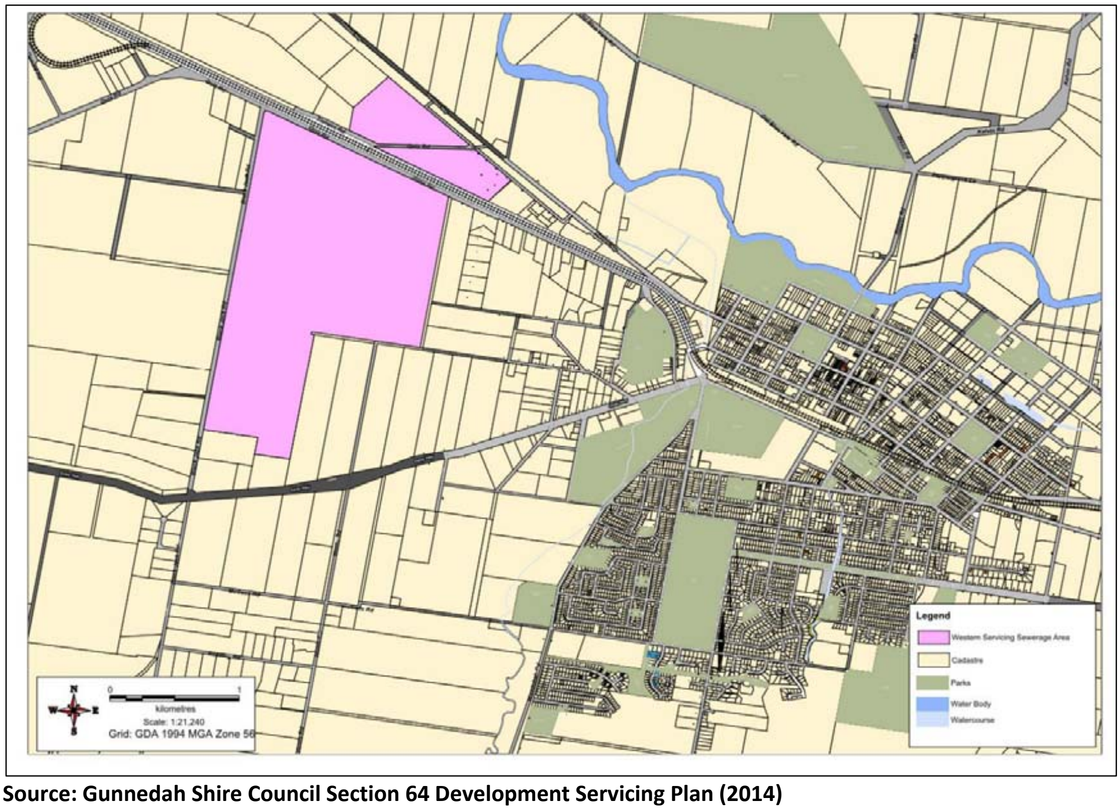
This DSP aims to:

1. Allow Council to require an equitable monetary contribution for the provision of sewerage infrastructure to meet the loading generated by development.
2. Facilitate the future provision of sewerage services to the Gunnedah Shire Council area which meets the required levels of service with regard to pump station capacity, collector main capacity and treated effluent quality.
3. Set out the schedule and programme of proposed works to meet increasing sewerage loads generated by development.
4. Detail the contribution charges and Gunnedah Shire Council's payment policies.

To enable this, a future demand estimate of sewerage load for the Council has been undertaken. The demand estimate is the basis used for determining the infrastructure required to meet the need generated by future development. Developer contributions are applicable for existing and proposed works which serve future development, where the DSP (Section 3) details the existing works and proposed works schedule for sewerage infrastructure to meet the expected loading.

The DSP applies to all land in Gunnedah Shire Council area that is within the sewerage benefit area which is to be connected to the sewerage system as a result of development. This includes connection of land with existing residences and/or non-residential buildings if sewerage DC have not been paid previously, and may be in addition to costs for shared, special extension of system outside the general sewerage benefit area as shown in the image below.

The sewerage benefit area also includes the area known as the Western Servicing Area. The Western Servicing Area is on the western side of Gunnedah township and includes the land along Torrens and Quia Roads and the land of the former abattoir site on Ross and Blackjack Roads. This DSP has been updated to include sewerage DC for the Western Servicing Area.



Source: Gunnedah Shire Council Section 64 Development Servicing Plan (2014)
Figure 21 Western Sewerage Servicing Area Addition (2014)

2.4.3 Water Supply

Council currently source bulk water from borefields to the north of the town. Bore pumps transfer this water to the bulk service reservoirs in the town to supply water to the township. Council have indicated that bore pumps can meet the peak demand needs of Gunnedah. This issue seeks to be resolved through the actions outlined in the Section 64 Development Services Plan which was adopted in July 2014.

The existing water supply system in the vicinity of the North and West Gunnedah Industrial areas is part of a pressure zone supplied by the Links Road (1 and 2) and Apex Reservoirs. The Council have indicated that due to the significant investment being made in the western servicing area of Gunnedah for sewerage, the following water supply assets are required to be constructed:

- DN150 ‘loop’ water main along Black Jack Road (from the end of the DN200 water main to the Oxley Highway) and a DN100 loop’ water main along the Oxley Highway (from the Black Jack Road to the existing industrial area); and
- DN250/300 water mains to connect the ‘loop’ main and existing water supply system to the proposed 4ML reservoir on the hill to the southeast of the North Gunnedah (Old Abattoir) site.

Council have revised their development charges to recover the cost of these works that are to service future development.

2.4.4 Electricity and Gas

Previous enquiries with Essential Energy revealed that their network has spare capacity, although significant development investment in the western industrial precincts will requiring upgrading of the electricity supply network when demand exceeds spare capacity.

Central Ranges Pipeline (CRP) owns the gas network in the region, and have built a gas pipeline from Dubbo to Tamworth. While gas is not currently available to Gunnedah, CRP has advised that they are interested in supplying gas to the area once demand is present. As evidence of this, CRP has already secured the necessary land and approvals to extend this service from Breeza (closest connection point to Gunnedah).

2.5 Town Centre Infrastructural Road Project 'Game Changers'

2.5.1 Establishment of a second rail overpass.

Roads and Maritime Services (RMS) is currently in the final stages of carrying out the development and assessment of options for the Gunnedah second road over rail bridge project. The Abbott Street Bridge on the Oxley Highway is a Higher Mass Limit (HML) deficient bridge, restricting the transport network through Gunnedah. The provision of a second road over rail bridge in Gunnedah will facilitate a HML route through Gunnedah, delivering an additional continuous 660 kilometres for HML freight vehicles.

The objectives of this project are to:

- Provide a grade separated crossing of the rail line to facilitate a HML route through Gunnedah
- Improve local traffic efficiency
- Improve road safety
- Improve road transport productivity, efficiency and reliability of travel
- Minimise the impact on the natural, cultural and built environment
- Provide value for money.

The project also responds to the Transport for New South Wales and Australian Rail Track Corporation (ARTC) level crossing closure policies by removing a vehicular and pedestrian crossing at New Street. In May 2013, Roads and Maritime sought community feedback on three preliminary options for the project. These options were described in the May 2013 community update and the Preliminary Concept Options Report (RMS, May 2013).

Following consideration of community and stakeholder feedback on the preliminary options display, each option was further developed and assessed against the project objectives. During this process, it was identified that while Option C performed strongest against constructability and visual impact criteria, it did not perform well against community, engineering and environmental assessment criteria.

Further investigations also identified that Option A presented significant constructability challenges and required very steep grades to maintain the required clearances over the railway line. As a result, a refined Option C was developed which included elements of Options B and C which would better achieve the project objectives. Options A, B and the refined Option C were then assessed at a Value Management Workshop held in September 2013. The Value Management Workshop was independently facilitated and included representatives of the project team, ARTC, Transport for NSW and Gunnedah Shire Council. While not a decision making body, the value management workshop recommended that a refined Option C be adopted as the preferred route.

In March 2014, Roads and Maritime confirmed with Transport for NSW Freight Branch and ARTC, that the project will replace the existing level crossing at New Street. The crossing will be closed to vehicular traffic, pedestrians and cyclists when the new bridge is open to traffic. The key advantages of closing a level crossing relate to safety for motorists and pedestrians and improved transport efficiency. The disadvantage of closing the level crossing was a potential business impact on Barber Street businesses due to the removal of direct access for motorists, pedestrians and cyclists.

In response to feedback from some sections of the local business community, Gunnedah Shire Council, the local community and representations from the Local Member about the New Street level crossing closure, an economic impact assessment was undertaken. The report identified there would be an economic impact in Barber Street, with business being redistributed within the Gunnedah Central Business District.

Providing a direct connection from the project to Barber Street would help manage this business impact. There are however, several disadvantages in providing a direct connection to Barber Street. These include additional project costs, and the acquisition of two properties to provide sufficient area for the intersection to be constructed.

Feedback provided by the community combined with technical, environmental and social investigations and the outcomes of the Value Management Workshop were carefully considered in identifying the recommended option. The recommended option is the refined Option C (figure S1). It would be built over the rail line, west of the Gunnedah Maize Mill to connect the Oxley Highway roundabout with a new roundabout at the Conadilly and Warrabungle Streets intersection. It would also maintain direct access into Barber Street.

The Minister for Roads has approved Option C as the design for the second rail overpass in January 2015.

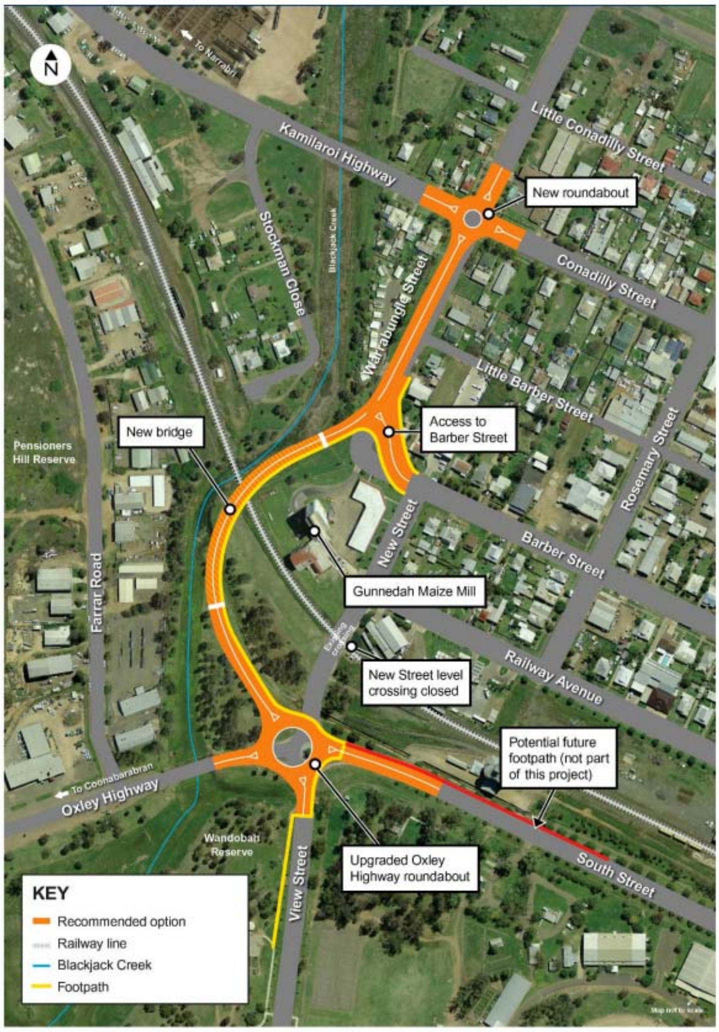


Figure S1: Recommended Option C (Refined)

Figure 22 Second Rail Overpass Recommended Option C

2.5.2 Bloomfield Street Regional Road Designation and Oxley Highway realignment

Council considered recommendations at its December 2014 meeting based on correspondence from the RMS to reclassify Bloomfield Street as a regional road being the formal alternative heavy vehicle route to be opened up to HML vehicles following completion of the construction of the new bridge project.

Currently RMS is progressing the second road bridge project discussed above which has the primary objective of providing Higher Mass Limit (HML) continuity though Gunnedah, enabling an additional 660km of the State Road Network to be accessed for these vehicles.

The Oxley and Kamilaroi Highways intersect at the western end of Gunnedah, where the new bridge is proposed to be sited at a location away from the existing State Road network, thereby creating a new linkage between these roads. As a result, it will be necessary to classify the road on which the new bridge sits as a State Road, in order to ensure connectivity for HML access through Gunnedah.

Gunnedah is at the confluence of two distinct heavy vehicle routes which effectively facilitates travel to the north and south of Gunnedah Central Business District (CBD). Heavy vehicle movement is presently catered for by the Oxley Highway (State Road) and Bloomfield Street (Local Road).

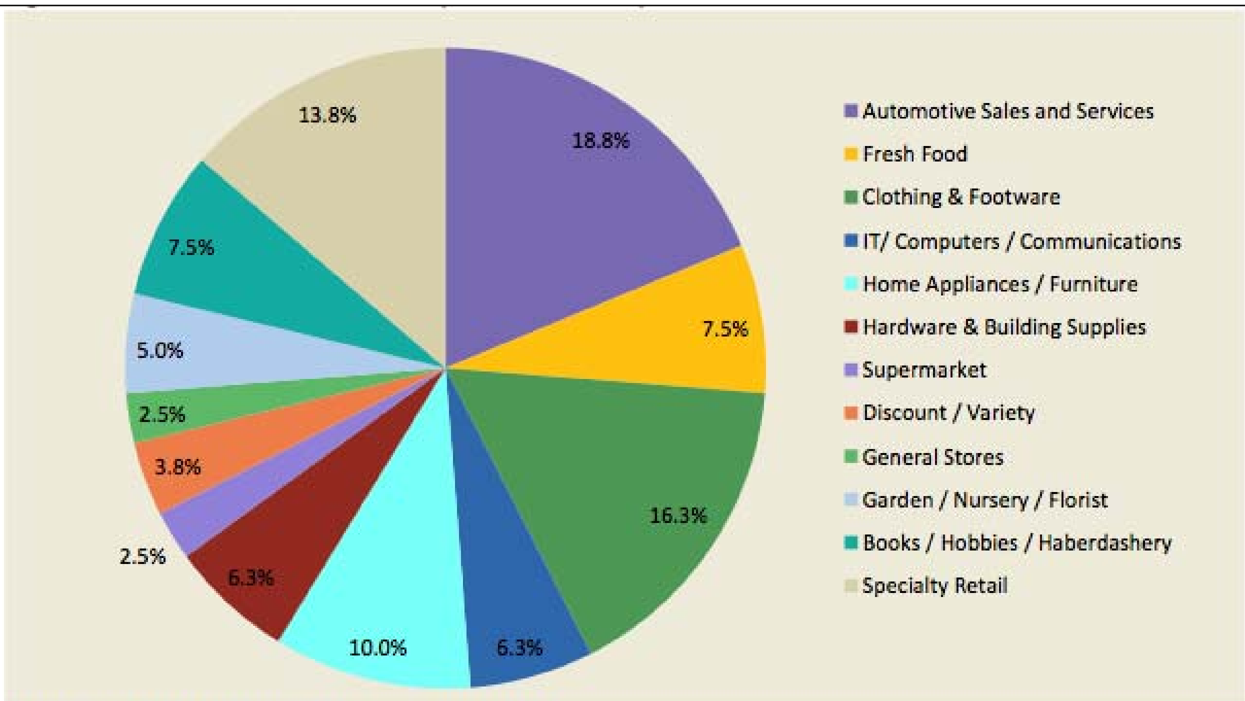
The Kamilaroi Highway (Conadilly Street) does not provide direct State Road linkage through Gunnedah, and while being available, it is not presently favoured by heavy vehicles due to it being the ‘main street’ of the CBD and shopping area. While the Oxley Highway (Abbott and South Streets) is available for heavy vehicles, this is complicated by the HML restriction on the Abbott Street Bridge. Both of these issues will remain, following construction of the new bridge. The following road status arrangements are proposed by the RMS following completion of the construction of the second road over rail bridge project:

Highway / Street:	Current Road Status:	Recommended Road Status:
1. Oxley Highway (South and Abbott Streets)	State Road	Regional Road
2. Kamilaroi Highway	State Road	State Road
3. New Bridge and approaches / Warrabungle Street	Local Road	State Road
4. Bloomfield Street	Local Road	Regional Road

2.6 Retail and Town Centre Activity

In 2011, 9.9% of Gunnedah Shire residents in the workforce were employed in the retail sector (515 people). Employment in the retail sector contracted significantly between 2001 and 2006 (down 32.4%, 231 people) with employment recovering (up 7.1% / 34 additional employees) between 2006 and 2011. The performance of the retail sector is very closely tied with the performance of the agricultural sector, and to a lesser extent, to the performance of the mining sector.

The Business Audit undertaken by Gunnedah Shire Council (April 2013), identified 80 retail businesses in Gunnedah, the majority of which were located in the town centre – Barber Street precincts. Automotive sales, parts and services accounted for 18.8% of retail businesses, followed by clothing and footwear (16.3%) and specialty retail outlets (eg newsagent, pharmacy, jeweler etc) – 13.8%).



Source: Gunnedah Shire Council, Business Audit (April 2013)

Figure 23 Retail Mix, Gunnedah (% of businesses)

In 2012, the ABS identified 75 retail businesses in the combined area of Gunnedah Town and rural areas, 57 (76%) in the town centre. As the regional centre, Tamworth has a concentration (347 retail businesses) Armidale ranks second (216) followed by Inverell (154), then Glen Innes (77) and Gunnedah (75).

The retail sector is comprised primarily of small businesses with 49.3% being sole traders (employed no staff), 21.3% employing 1 ‐ 4 people, 21.3% employing 5 ‐ 19 people and 8% (3 businesses) employing between 20 and 200 staff.

Statistical Area (SAL2)	No. Businesses 0 staff	1-4 staff	5-19 staff	20+ staff	Total Staff	As % of businesses
Gunnedah	25	16	10	6	57	76%
Gunnedah Region	12	0	6	0	18	24%
Total	**37**	**16**	**16**	**6**	**75**	
As % of Total	49.3%	21.3%	21.3%	8.0%	100.0%	
Comparative Areas						
Tamworth (SALs	125	104	97	21	347	
combined)	36.0%	30.0%	28.0%	6.1%	100.0%	
Quirindi	16	9	15	3	43	
	37.2%	20.9%	34.9%	7.0%	100.0%	
Narrabri /	12	17	27	4	60	
Narrabri Region	20.0%	28.3%	45.0%	6.7%	100.0%	
Coonabarabran	19	19	11	3	52	
	36.5%	36.5%	21.2%	5.8%	100.0%	
Moree / Moree	34	23	18	5	80	
Region	42.5%	28.8%	22.5%	6.3%	100.0%	

Source: Australian Bureau of Statistics Businesses by Industry Division by Statistical Area Level 2 by Employment Size Ranges, June 2012

Figure 24 Business Size – Gunnedah Employee Numbers

The consultation associated with the Economic Development Strategy (2014) identified the key strengths and attributes of the Gunnedah town centre as:

- Compact town centre, ease of parking, with no parking meters.
- Attractive town centre – with the landscaping and Wolsley Park. Safe– very limited anti-social behaviour.
- Residents have a strong 'buy local' ethos with most goods and services are available locally
- Growing cafe / dining scene and lifestyle / specialty shops – not dominated by national traders.

Challenges facing the retail sector in Gunnedah include:

- Competition from Tamworth.
- High rent for commercial and retail premises, with the rent not reducing when markets contract.
- Aging business owners, most with no succession plans.
- Commercial activities are occupying prime street - front retail space, creating 'dead spots'

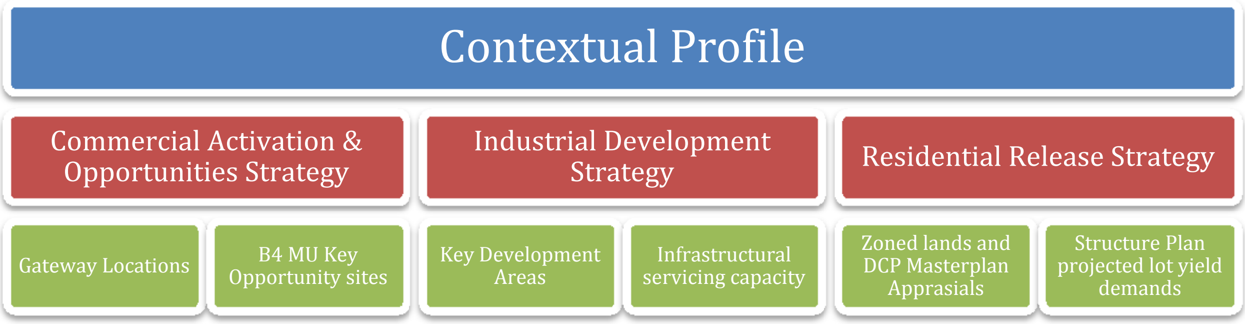
The Community Workshops identified the following gaps in retailing in Gunnedah:

- Lack of a discount department store – eg Big W, K Mart, a full - line Target store.
- 24 hour petrol station / truck stop.
- Large hardware (Bunnings, Masters) with extended trading hours, seven days per week.

CONTEXUAL PROFILE CONCLUSION

This Contextual Profile Report (Volume 1) has provided a brief shire wide strategic context to support the Commercial, Industrial and Residential Strategies presented in Volumes 2,3 and 4.

In summary the Structure of the Strategic Review to follow this Contextual Profile report is set out below.



Section Two - the Commercial Activation & Opportunities Strategy, addresses:

- Opportunities to embellish economic activity and business development within the commercial sector and particularly the B5 Mixed Use Zone having regard for previous strategies, and
- Evaluate specific highway gateway entrance locations.

The existing CBD represents a thriving and resilient town centre and it not necessarily in need of 'revitalising'. Therefore the Strategy addresses measures to 'activate' economic activity and identify opportunities to take advantage of key strategic infrastructural transportation projects and resulting potential development growth locations.

Section Three - the Industrial Development Strategy:

- Appraises the existing Industrial zoned areas within the 2012 LEP,
- Identifies land availability to service projected demand whilst having clear regard for proposed infrastructural servicing capacity and constraints, and
- Key opportunity areas already identified as focal industrial precincts within previous strategies are highlighted and discussed in order to encourage continued investment to support industry growth in particular those to support mining related services and continued agricultural sector sustainability.

Section Four - the Residential Release Strategy:

- Identifies all residentially zoned land in the context the Gunnedah Local Environmental Study 1982 undertaking an appraisal of current approvals and final development (mostly within DCP Masterplan Areas identified as Stage 1 and 2).
- The evaluation assesses current lot availability and future lot yield levels to accommodate future population projections.
- Additionally lands identified as Stage 3 and Stage 4 not already zoned residential will be reevaluated for suitability for residential development based on the sustainability assessment matrix.