

Economic Benefits – Dubbo Urban Precinct

North West Precinct Community

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Executive summary

1.1 Introduction

SGS Economics and Planning was commissioned by North West Precinct Community (NWPC) to provide an analysis of the economic contributions and benefits of a master planned community in the North West Dubbo Urban Release Area, identified as an urban growth area for Dubbo.

In the region, significant capital investment is slated to occur over the next few decades related to infrastructure, renewable energy generation and transmission. The commitment and success of such capital investment will only be realised if a skilled workforce is available and can be housed. That will require housing investment and production that not only meets the demands of the temporary (construction-related) workforce but also the housing demands of the ongoing (operational) workforce.

However, the region faces serious barriers to meeting such demands. Not only are the scale and pace of dwelling completions (the building industry) in Dubbo reflective of the limited capacity of the industry (and is broadly representative of industry capacity constraints in all regional areas), the capacity to design and develop such scale is limited.

Accordingly, enabling new housing development is key to supporting the local and regional economy, and the Master Plan being proposed by NWPC reflects both capacity to design and deliver to scale what is needed in terms of diversity, quality and type of housing and commercial development above and beyond the status quo. To characterise the value that this Master Plan brings above and beyond the status quo (Business as Usual (BAU)), SGS has employed three techniques common to economic analysis related to infrastructure investment – economic impacts or contributions, economic and social benefits, and residual land value analysis.

The key outputs of the analysis are provided below and characterise the difference between the economic contributions and benefits of a Master Plan versus the typical scale and pace of development, represented as the BaU case.

1.2 Summary of Findings

Regional economic impact assessment

The assessment of direct and flow-on impacts used an input-output model with constrained multipliers. This analysis quantified:

- one-time economic activities generated from construction of the proposed Master Plan, including all supporting infrastructure required, and;
- on-going local spending and the spillover effects of business surplus (i.e., profits and taxes paid) and labour surplus (i.e., wages) that result from the presence of additional local resident households.

Estimates of these economic impacts are presented as ‘**Total Impacts**’ and the ‘**Difference**’ between the economic impacts generated by the Master Plan and the BaU. Economic impacts are estimated in present value (PV) terms, discounted at 7%. The first outputs of the analysis (**Table 1**) are **construction-related impacts** and reflect a 20-year period of housing product delivery (in both Master Plan and BaU).

TABLE 1: CONSTRUCTION-RELATED IMPACTS

Construction-related impacts	BaU	Master Plan	Difference
Total economic activity (over 20 years)	\$1.4 billion	\$2.4 billion	\$1.1 billion
Gross value-added (over 20 years)	\$191.6 million	\$343.7 million	\$152.2 million
Average FTE jobs supported per year	297 per year	534 per year	237 per year

Source: SGS Economics and Planning (2023)

The second set of outputs of the analysis (**Table 2**) are **on-going impacts** and reflect the impacts of ongoing household expenditure to the community over the 20-year period.

TABLE 2: ONGOING IMPACTS

On-going impacts	BaU	Master Plan	Difference
Total economic activity (over 20 years)	\$570.3 million	\$1.2 billion	\$598.1 million
Gross value-added (over 20 years)	\$343.8 million	\$704.4 million	\$360.6 million
Average annual FTE jobs supported	65 per year	136 per year	71 per year

Source: SGS Economics and Planning (2023)

Community Benefits Assessment

This assessment quantifies the social and community benefits of the Master Plan, the BaU and the difference between the two scenarios to the community, including:

- **Provision of affordable housing** helps people avoid housing stress, which in turn improves their physical and mental wellbeing. From a societal perspective, the investment in affordable housing creates fiscal savings to governments in terms of reduced outlays (or the avoidance of public costs) for the healthcare and criminal justice systems as well as costs associated with domestic violence services, etc.
- **Provision of childcare services** allow parents to return to work or use the time for personal activities or pursuing hobbies, while their child is in the care facility. This benefit has been monetised hours of leisure time gained by parents who would otherwise spend time looking after a child.
- **Health benefits from increased vegetation and tree canopy coverage:** the additional tree canopy coverage from green open space can reduce the temperature of surrounding areas, which generates health benefits related to reduced mortality and morbidity associated with urban heat.
- **Provision of public open space generates community use value** which people experience through outdoor leisure activities such as walking, cycling, playing sports and games, etc.

On an **annual** basis, SGS’s analysis estimates that the Master Plan generates \$27 million worth of community benefits – a difference of \$21 million annually above the BaU. On an annual basis, childcare centres provide the greatest benefit to the community, followed by the community benefit from the provision of affordable housing floorspace in the development.

TABLE 3: COMMUNITY BENEFIT ASSESSMENT RESULTS (IN ANNUAL \$)

Community benefit	BaU	Master Plan	Difference
Childcare benefits	\$5,480,000	\$13,700,000	\$8,220,000
Provision of affordable housing	\$0	\$11,470,000	\$11,470,000
Health benefits from increased vegetation and tree coverage	\$0	\$1,149,000	\$1,149,000
Community use value of open space	\$5,000	\$711,000	\$706,000
Total	\$5,485,000	\$27,030,000	\$21,545,000

Source: SGS Economics and Planning (2023)

Residual land value (RLV) analysis

The third component of SGS's economic analysis relates to monetising the difference between the residual land value of the Master Plan and the BaU. This analysis quantifies the increased value being generated by the Master Plan above the BaU on the same area of land using estimates of revenues, development (construction and infrastructure) costs, and a development margin.

- **Table 4** presents the difference between the two scenarios in the first stage of development, in which the Master Plan would provide an estimated 425 low- to medium-density dwellings and the BaU would be anticipated to deliver approximately 195 low density dwellings. With a higher density overall, the Master Plan creates an additional \$18 million of land value in today's dollars.
- **Table 5** provides the high-level RLV outputs for the whole site. These outputs are representative of total development, including a town centre which provides retail and commercial typologies in the Master Plan Scenario. Across the entirety of the proposed Master Plan as conceived of today, the Master Plan would create an estimated additional \$99 million of land value in today's dollars.

TABLE 4: STAGE 1 RLV OUTPUTS

	Business as usual	Master Plan Scenario	Difference
Dwellings in Stage 1	195	425	230
Gross revenue	\$146,250,000	\$289,000,000	\$142,750,000
Net revenue	\$130,960,000	\$258,786,000	\$127,826,000
Total development costs excluding infrastructure	\$74,292,000	\$148,572,000	\$74,280,000
Infrastructure	\$22,488,000	\$32,125,000	\$9,637,000
Margin (20% of net revenue)	\$26,192,000	\$51,757,000	\$25,565,000
Residual Land Value	\$7,988,000	\$26,332,000	\$18,344,000

Source: SGS Economics and Planning (2023)

TABLE 5: TOTAL SITE RLV OUTPUTS

	Business as usual	Master Plan Scenario	Difference
Net revenue	\$1,757,956,000	\$3,172,373,000	\$1,414,417,000
Total development costs excluding infrastructure	\$990,562,000	\$1,898,107,000	\$907,545,000
Infrastructure	\$291,142,000	\$415,917,000	\$124,775,000
Margin (20% of net revenue)	\$351,591,000	\$634,475,000	\$282,884,000
Residual Land Value	\$124,661,000	\$223,874,000	\$99,213,000

Source: SGS Economics and Planning (2023)

Glossary and abbreviations

Term	Description
BaU	Business as Usual, i.e., refers to the status quo development
EIA	Economic Impact Assessment
FTE	Full-time equivalent
GRP	Gross Regional Product
GSP	Gross State Product
IO Model	Input-Output Model
Job-years	A job-year is one full-time equivalent job for one year. One worker employed for five years for construction is counted as five job-years.
NWPC	North West Precinct Community
RLV	Residual Land Value
SAH	Social and affordable housing
SGS	SGS Economics and Planning
Value-added	Value added reflects the value generated by producing goods and services and is measured as the value of output minus the value of intermediate consumption. Value added also represents the income available for the contributions of labour and capital to the production process.

2. Introduction

2.1 Background

This background section contextualises how challenges related to housing delivery and economic development have played out recently in regional NSW.

Context

Australia has one of the most unaffordable housing markets in the world. The decline in housing affordability since the early 1980s has led to falling levels of home ownership and more expensive rental markets.¹ Pre-COVID-19, a shortage of affordable housing and housing in general had contributed to rates of price escalation that were global outliers. The pandemic and a variety of other factors related to it exacerbated underlying trends by amplifying existing housing and development pressures.

Regional NSW has been Australia's largest and fastest-growing regional economy, housing a third of NSW's population and a fifth of the state's gross state product.² As such, it faces significant and growing housing challenges, many of which are intertwined with economic development opportunities and housing delivery challenges. A number of factors at play include:

- Increased demand from people relocating from major cities
- Increases in properties used as short-term accommodation
- Land available for development not being developed
- Costs of mitigating enabling infrastructure deficiencies (e.g., roads, waters, sewer)
- Limited public sector capacity to generate sufficient funds (i.e., through limited rate setting abilities) to fund critical and infrastructure works

While different regions face different challenges, a 'chicken-or-egg' situation has arisen for inland regions such as Central West-Orana. For this area demand for new housing is expected to be high, owing the creation of jobs through Special Activation Precincts, Renewable Energy Zones etc, but the jobs are not yet 'ready' and the development industry in general is reluctant to build housing until market demand is certain (less risky). This creates an issue whereby jobs are less likely to be created because of a lack of housing (and accompanying social infrastructure).

¹ Thomas & Hall (n.d.), Housing affordability in Australia, https://www.aph.gov.au/about_parliament/parliamentary_departments/parliamentary_library/pubs/briefingbook45p/housingaffordability

² NSW Government (n.d.), Regional NSW Today, <https://www.nsw.gov.au/regional-nsw-today#:~:text=%20Regional%20NSW%20Today%20%201%20A%20state,NSW%20%287%20per%20cent%29%20but%20are...%20More%20>

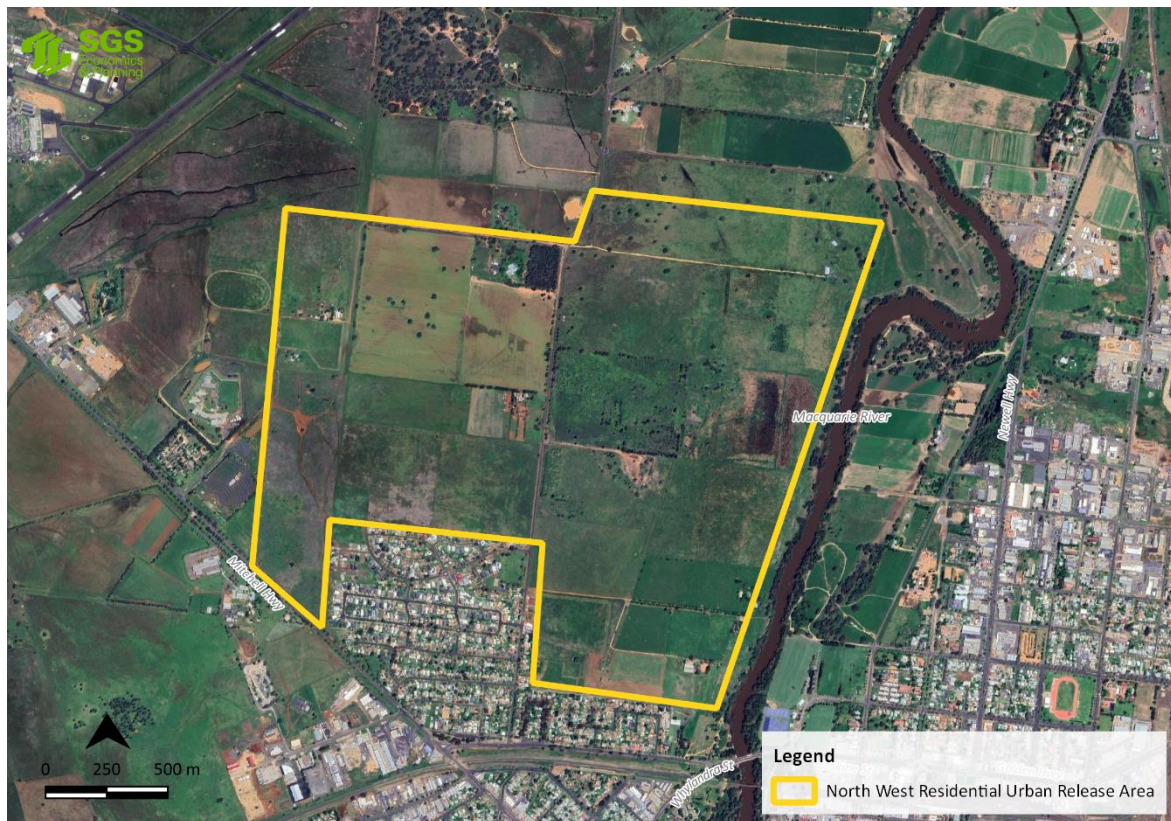
Study Area

The Dubbo Regional Council Local Government Area (LGA) has a population of approximately 54,000 people.³ The town of Dubbo provides healthcare, cultural and retail services for up to 120,000 people from surrounding towns and rural areas, including the nearby town of Wellington, and is under pressure to provide adequate housing for a growing region.

In Dubbo specifically, dwelling completions have barely increased, creating a shortage of housing and not keeping up with population growth.⁴ Demand for key worker housing is expected to rise as Dubbo is part of the Central-West Orana Renewable Energy Zone⁵, where new wind and solar power generation projects are expected to take place.

The North West Dubbo Urban Release Area Precinct is identified as a key urban growth area for Dubbo. Situated approximately 2 km from Dubbo Central Business District (CBD), the precinct consists of 375 hectares of underdeveloped land on the north-western fringe of the Dubbo urban area as shown in Figure 1.

FIGURE 1: NORTH WEST RESIDENTIAL URBAN RELEASE AREA



Source: SGS Economics and Planning (2023)

³ ABS Census (2021).

⁴ North West Dubbo Urban Release Area Precinct Masterplan Report (2023).

⁵ <https://www.energyco.nsw.gov.au/cwo-rez>

Master Plan Development

Developed by North West Precinct Community in collaboration with Dubbo Regional Council (Council), the Master Plan seeks to deliver a best-practice and world-class development and provides a framework to guide future development within the Precinct.

The development of the NWPC Master Plan has been informed by a six-month design process, which included a review of key policy and local planning documents, site visits, multiple rounds of stakeholder engagement and design workshops.

Purpose

The aim of this report is to:

- Quantify the economic benefits of master-planned projects in contrast to the business-as-usual land use outcomes; and
- Identify the project's alignment with relevant governmental guidance, plans, and potential funding opportunities.

2.2 Report structure

This report is structured as follows:

- Chapter 3 outlines the methodology of the Residual Land Value Analysis, the Regional Economic Impact Assessment and the Community Benefit Assessment
- Chapter 4 documents the alignment between the Master Plan and the strategic planning direction and positions of various levels of government
- Chapter 5 presents the results of the multiple economic assessments

3. Methodology

This chapter outlines the methodology, assessment frameworks and key assumptions adopted to complete the residual land value, economic impact, and economic benefits analysis.

3.1 Introduction

Technical approach

The technical components of the analysis include three approaches, including:

- **Residual land value (RLV) analysis** – an analysis of supportable land value accounting for realistic estimates of realisable value across different land uses and dwelling typologies, development costs (including construction, professional fees and charges, etc.), and a reasonable development margin.
- **Economic impact assessment (EIA)** – an analysis to identify the spillover effects resulting from a “shock” or stimulus, such as capital investment to an economy. Outputs of an EIA typically include the quantification of the gross value-added (a composite of labour and business surplus, and an equivalent to gross regional product) as well as jobs generated.
- **Economic benefits assessment** – an analysis that quantifies the community welfare benefits or externalities (including quality of life improvements, the avoidance of costs, etc.) related to specific types of capital investment.

Scenarios

Each component of the analysis contrasts the outputs of these three methodologies and nets out the difference between the following two scenarios:

- **Business-as-usual (BaU)** – the Business-as-Usual (BaU) scenario assumes that the site will be developed according to Dubbo Regional Council’s plan. In other words, the NWPC’s Master Plan will not take place. The total delivery across the precinct under this scenario is approximately 2,600 potential lots in the R2 Low Density Residential Zone, with a minimum lot size of 600 sqm.⁶ Open space area is estimated to be 40 hectares. The BaU does not contemplate the provision of social or affordable housing.⁷
- **Project case** – The vision of the Master Plan is to “promote a range of housing forms and welcoming streetscapes, the Precinct is ecologically and economically sustainable, supports walkability, diversity and the protection of the natural landscape.”⁸ The precinct is envisioned to accommodate approximately 5,500 new dwellings, alongside open and green spaces, and

⁶ West Dubbo Residential Release Strategy.pdf.aspx (nsw.gov.au)

⁷ Based on consultation with NWPC.

⁸ North West Dubbo Urban Release Area Precinct Masterplan Report (2023).

community infrastructure. Approximately 20% of the precinct will be dedicated to open and green spaces, which feature naturalised stormwater management and treatment systems, active open space, passive recreational zones, and a plant palette that ties into the site's unique location and history. At the heart of the precinct is the Village Centre, which supports multiple-dwelling housing options and integration with ground floor mixed-use developments, enabling residents to enjoy immediate access to retail, commercial and community facilities in one place. **Table 6** shows a breakdown of developable area by land use types.

TABLE 6: DEVELOPABLE AREA BY LAND USE TYPE

Land use type	Area (ha)
Open space	85
Low rise/ low density housing	33
Low rise/ medium density housing	62
Medium density housing	26
Village centre housing	11

Source: NWPC (2023) Housing Typology Assessment.

NWPC Master Plan

A key focus of the Master Plan is to provide a variety of housing types, densities (see **Table 7**), locations and price points that caters for market-rate housing but also key worker, affordable housing (see **Table 8**). The provision of affordable housing will alleviate the long-term housing pressure while the provision of key worker housing will foster the economic growth of Dubbo, accommodating additional workforce to support the development of renewable energy projects.

TABLE 7: DWELLING COMPOSITION BY HOUSING TYPOLOGY, MASTER PLAN

Housing Typology	No. of dwellings	% mix of dwellings
Low rise/ low density housing	886	16%
Low rise/ medium density housing	1,273	23%
Medium density housing	2,159	39%
Village centre housing	1,162	21%
Total	5,535	100%

Source: NWPC (2023) Development Summary Scenario Testing.

TABLE 8: TENURE MIX, MASTER PLAN

Tenure Mix	No. of dwellings	% mix of dwellings
Market housing	2,210	40%
Key worker housing	1,655	30%
Affordable housing	1,670	30%
Total	5,535	100%

Source: NWPC (2023) MYA2301_KWH Summary_Rev A.

3.2 Residual Land Value Analysis

As noted previously, this analysis compares the RLV outputs of the Master Plan against the Business as Usual.

Overview

Two common forms of real estate feasibility evaluation include: 1) static or Residual Land Value (RLV) analysis and 2) discounted cash flow (DCF) analysis. Static or RLV analysis is used when only higher-level or hypothetical inputs and assumptions are available, generally excluding assumptions of development timing and phasing. DCF analysis is applied for actual construction projects, in which inputs, assumptions and timing are costed. This study applies the RLV approach and the DCF approach to different aspects of the analysis, reflecting the degree to which credible information and assumptions can be made around the hypothetical development across the Precinct. For valuation of the Master Plan, RLV modelling was used to understand the difference in land values, with DCF analysis applied for the

The approach involves making assumptions of timing of cash flows across the 20-year delivery horizon. These cash flows (representing the costs and revenues of the development for each year), including relevant escalation factors, are then applied for the purposes of the regional economic benefit and community benefit assessments.

Methodology

A simplified illustration of this model is provided in the table below. In this model, it is assumed that dwellings take one year to deliver. This illustrates how the staging assumptions, identified total cost of delivery, and identified value of a delivered dwelling, flow through to the total cash flow for each year.

TABLE 9: SIMPLIFIED ILLUSTRATION OF RLV MODELLING OVER TIME

Year	Factor	1	2	3	4	5
Delivery of dwellings	\$200		3	4	5	6
Construction of dwellings	\$150	3	4	5	6	
Revenue		\$0	\$600	\$800	\$1,000	\$1,200
Costs		\$450	\$600	\$750	\$900	\$0
Cash flow		(\$450)	\$0	\$50	\$100	\$1,200

Source: SGS Economics & Planning, 2023

Inputs and Assumptions

The high-level required inputs for the analysis are:

- **Proposed built form outcomes** – to understand what needs to be built in terms of total development size (hectares), non-developable versus developable site area, land use splits (residential versus non-residential), lot sizes, dwelling typologies, etc.
- **Staging and timing assumptions** – to provide timing of the cash flows – costs and revenues – associated with development
- **Development costs** – including hard costs (e.g., building construction and site preparation), soft costs (e.g., professional fees, legal, financing, contingency, etc.), and planning fees and charges (e.g., 7.11 contributions).
- **Revenue assumptions** – to model the income of the development over time, being sale and rent of residential property, and sale of non-residential property (based on appropriate rental and yield assumptions).

Proposed built form

Master Plan

The overall scale of proposed development over the 20-year timeframe is provided in **Table 10** below:

TABLE 10: PROJECT CASE BUILT FORM ASSUMPTIONS

Typology	Quantum	Source
Houses (dwellings)	3,495	Via email: NWPC
Apartments (dwellings)	2,040	Via email: NWPC
Commercial offices (sqm)	12,500	Via email: NWPC SGS assumption that 50% of overall commercial space would be retail, with the remainder offices
Retail (sqm)	12,500	
Childcare centres (each)	5	Additional assumption of one 2,500 full line supermarket included in retail provision Additional childcare centres are assumed to be provided in line with current ratios according to the <i>Future Population of Dubbo</i> report provided by McCrindle (2023)

Source: SGS Economics & Planning, 2023

The built form outcomes of houses were identified from the *NWPC Development Summary Scenario Testing* matrix, which set out lot sizes and distributions for low- and medium-density dwellings. SGS used this information to derive weighted averages of the characteristics of low- and medium-density dwellings. SGS then applied the weighted averages to the dwellings proposed and identified in **Table 10**. SGS also made assumptions regarding the FSR for each dwelling typology, taking the lot size and number of dwellings per lot into account.

TABLE 11: MASTER PLAN DWELLING SIZE ASSUMPTIONS

Dwelling type	Indicative Lots	Indicative Lot Sizing	Indicative Dwellings/lot	Indicated Lot Size	Adopted FSR	GFA per dwell
Low rise low density	907	17 x 36	1	500	0.5	250
Low rise medium density	629	17 x 36	2	488	0.6	146
Medium Density	67	8.5 x 36	1	306	0.7	214
Medium Density	300	15 x 23.5	1	353	0.7	247
Medium Density	610	7.5 x 23.5	1	176	0.7	123
Medium Density	1,230	7.5 x 35	1	263	0.7	184

Source: NWPC and SGS Economics & Planning, 2023

Further relevant assumptions made in assessing built form include:

TABLE 12: BUILDING EFFICIENCY RATE ASSUMPTIONS

Assumption	Metric	Source
Residential apartment efficiency rate	90%	SGS standard assumption
Commercial efficiency rate	90%	SGS standard assumption

Source: SGS Economics & Planning, 2023

Parking requirements for the Master Plan were taken from the Dubbo Regional Council DCP (2013).

TABLE 13: PARKING REQUIREMENTS

Typology	Rate
Residential Per dwelling	
House/ dual occ/ terraces	
2 bedroom	1
3 or more	2
Shop top and apartments	
1 bedroom	1
2 bedroom	1
2 bedroom	2
Non-residential	
Shops (per x sqm)	25
Offices (per x sqm)	40
Childcare (per x children)	4

Source: Dubbo Regional Council, SGS Economics & Planning, 2023

Business as usual

The proposed built form outcomes for the BaU were the 2,600 dwellings on lots of approximately 600 square metres each, as identified previously to be delivered in the North West Precinct in the West Dubbo Urban Release Area Residential Release Strategy⁹. Consistent with past development patterns, SGS has assumed a gross floor area of 200 square metres per dwelling.

Phasing and timing assumptions

The following are phasing and timing assumptions which were utilised for the economic impact assessment and community benefit assessment.

Master Plan

For the Master Plan, phasing and timing assumptions for the delivery of the project were taken from the email from NWPC and are summarised in **Table 14** below.

⁹ Dubbo City Council, West Dubbo Urban Release Area Residential Release Strategy (2011) via <https://www.dubbo.nsw.gov.au/ArticleDocuments/464/West%20Dubbo%20Residential%20Release%20Strategy.pdf.aspx?Embed=Y>

TABLE 14: HIGH-LEVEL TIMING ASSUMPTIONS FOR MASTER PLAN

Timeframe - Years	1 to 5	6 to 10	11 to 15	16 to 20
Delivery - Houses (sale)	310	360	370	265
Delivery - Houses (head lease)	700	200	210	75
Delivery - Houses (affordable)	100	375	220	310
Delivery - Units (sale)		315	325	265
Delivery - Units (head lease)		175	220	75
Delivery - Units (affordable)		125	230	310
Delivery - Commercial (Sqm)		4,167	4,167	4,167
Delivery - Retail (sqm)		4,167	4,167	4,167

Source: NWPC via email, 2023

SGS made the further assumptions regarding delivery that they would not begin before year 3, representing a reasonable lead time for site works to take place. The development which would have been provided in years 1 and 2 was assumed to be distributed across the other 3 years in that quarter of the 20-year timeframe. Accordingly, the delivery of the Master Plan across the 20 years of the project is provided in **Table 15** below.

TABLE 15: DETAILED TIMING ASSUMPTIONS FOR MASTER PLAN

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
RESIDENTIAL																				
<u>Sale</u>																				
Houses (sale)			103	103	103	72	72	72	72	72	74	74	74	74	74	53	53	53	53	53
Units (sale)						63	63	63	63	63	65	65	65	65	65	53	53	53	53	53
<u>Rental</u>																				
Houses (head lease)			233	233	233	40	40	40	40	40	42	42	42	42	42	15	15	15	15	15
Units (head lease)						35	35	35	35	35	44	44	44	44	44	15	15	15	15	15
Houses (affordable)			33	33	33	75	75	75	75	75	44	44	44	44	44	62	62	62	62	62
Units (affordable)						25	25	25	25	25	46	46	46	46	46	62	62	62	62	62
NON-RESIDENTIAL																				
Commercial (Sqm)						833	833	833	833	833	833	833	833	833	833	833	833	833	833	833
Retail (sqm)						833	833	833	833	833	833	833	833	833	833	833	833	833	833	833
Childcare (per)														1						1

Source: NWPC via email, and SGS Economics & Planning, 2023

SGS modelled development costs by making assumptions regarding the initial year in which costs would be incurred. As summarised in **Table 16** below, they indicate how far in advance of delivery construction would need to take place (which is used to determine when construction costs are imposed).

TABLE 16: CONSTRUCTION TIME ASSUMPTIONS BY TYPOLOGY

Typology	Time required for delivery (years)
Houses	1
Units	2
Commercial offices	2
Retail	2
Childcare	1

Source: SGS Economics & Planning, 2023

Business as usual

Business as usual assumptions were that the 2,600 dwellings for the precinct would be equally distributed throughout the four quarters of the 20-year development period (again taking the initial two years of site works into consideration). This is shown in **Table 17** below.

TABLE 17: DETAILED TIMING ASSUMPTIONS FOR BUSINESS AS USUAL MODELLING

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
RESIDENTIAL																				
Sale																				
Houses (sale)			217	217	217	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130

Source: SGS Economics & Planning, 2023

Development costs

Development costs per dwelling

Total development costs for each typology are shown in **Table 18** and **Table 19** below. These costs are taken to be inclusive of all construction costs, professional fees, statutory fees and charges, taxes, and landscaping to lots.

TABLE 18: TOTAL DEVELOPMENT COSTS – MASTER PLAN

Typology	Metric	Total Development Cost
Houses	Per dwelling	\$350,000
Units	Per dwelling	\$289,000
Commercial	Per sqm of GFA	\$3,460
Retail	Per sqm of GFA	\$2,480
Childcare	Per childcare centre	\$2,321,000

Source: SGS Economics & Planning, 2023

TABLE 19: TOTAL DEVELOPMENT COSTS – BUSINESS AS USUAL

Typology	Metric	Total Development Cost
Houses	Per dwelling	\$381,000

Source: SGS Economics & Planning, 2023

Infrastructure and site costs

Infrastructure and site preparation costs applicable to the site are provided in **Table 20** below. The infrastructure and site preparation costs are taken to be 70% of the total costs anticipated for the Master Plan, as the lower density of the BaU scenario reduces the servicing requirements.

TABLE 20: INFRASTRUCTURE COSTS

Scenario	Infrastructure costs
BaU	\$291,142,000
Project case	\$415,917,000

Source: SGS Economics & Planning, 2023

Revenue assumptions

Realisable values are assumed to include GST on residential dwelling typologies, with GST excluded from consideration for non-residential typologies, as these are assumed to be sold as a going concern and thus be GST exclusive.

Master Plan

For the Master Plan, the dwelling size assumptions used in **Table 11** were further used to apply an adopted realisable value per dwelling type, based on lot and dwelling size. These were identified using sales evidence and in consultation with local real estate agents, to consider achievable prices upon completion of the project. This gave a weighted sales price of \$680,000 per dwelling. Sales of apartments at 85 sqm were assumed at \$475,000, however this was from a small sample size and may require further testing with local agents. Adopted house and apartment sales prices are shown in **Table 21**.

Table 22 summarises the average adopted rental per week, calibrated to NSW Fair Trading rental bond data from March, April and May 2023 for houses of 3 or 4 bedrooms, and apartments of 2 bedrooms. Affordable rental was assumed at approximately 70% of market rent.

TABLE 21: RESIDENTIAL REALISABLE VALUES

Dwelling type	Adopted realisable value
Houses	\$680,000
Apartments	\$475,000

Source: SGS Economics & Planning, 2023, Domain, NSW Valuer General Sales Data

TABLE 22: RESIDENTIAL RENTAL VALUES

Dwelling type	Adopted rental per week	Adopted affordable rental per week
Houses	\$500	\$350
Apartments	\$340	\$240

Source: SGS Economics & Planning, 2023, NSW Fair Trading Rental Bond Data

Rental dwellings were assumed to be sold, with reversion taking place in the final year of analysis. The assumptions underlying the reversion are provided in **Table 23** below. Non-residential realisable values are illustrated in **Table 24**. Childcare centres were considered as outlined in **Table 25** below, based on comparable sales in the local area of similarly-sized centres.

TABLE 23: REVERSION ASSUMPTIONS FOR RESIDENTIAL DWELLINGS

Factor	Assumption
Operations and maintenance expenses (of gross income)	30.0%
Yield	6.0%
Sales commission	1.5%
GST	10%

Source: SGS Economics & Planning, 2023

TABLE 24: NON-RESIDENTIAL REALISABLE VALUES PER SQUARE METRE

Non-residential typology	Face rent per sqm per annum	Yield	Vacancy	Realisable Value per sqm
Retail – shops	\$400			
Retail – supermarket	\$420			
Retail – weighted		6.0%	5.0%	\$6,400
Commercial	\$350	6.0%	5.0%	\$5,500

Source: SGS Economics & Planning, 2023

TABLE 25: CHILDCARE CENTRE YIELD ASSUMPTIONS

	Face rent/ sqm per annum	Yield	Gross Realisable Value
Childcare centre (120 places)	\$390,000	6.5%	\$6,000,000

Source: SGS Economics & Planning, 2023

Business as usual

Realisable values for the business as usual case were taken to be \$750,000 per dwelling.

3.3 Regional Economic Impact Assessment

Introduction

SGS utilised a regional Input-Output (IO) model to estimate the increase in Gross Regional Product (GRP) and employment levels within the local economy, resulting from the construction (i.e., capital investment) of NWPC's masterplan, and compared against the BaU.

This form of analysis identifies the boost to economic output in an area through increased demand for labour and capital. For example, constructing new houses requires outputs from construction and several related industries, such as equipment hire, waste removal and construction management services. This will increase gross value added (GVA) and create immediate jobs among contractors in the area.

Additionally, this form of analysis increases sales for primary suppliers and will have positive multiplier effects through the economy, as these businesses purchase more inputs from their own suppliers, and these secondary suppliers from their respective suppliers, and so on and so forth. Finally, induced effects are generated "downstream" from the initial stimulus (capital investment). For example, the construction worker will use their wages to buy personal goods and services, which will stimulate other businesses in the local area. Examples of these flow on impacts are shown in Figure 2.

FIGURE 2: EXAMPLE OF ECONOMIC IMPACTS



Source: SGS Economics and Planning (2023)

Methodology

SGS' conducted the above form of economic modelling using our in-house Input-Output (IO) Model. To estimate these multipliers, SGS scales and modifies the ABS National Accounts (Input-Output Table) which provides a detailed dataset describing the supply and use of goods and services in the Australian economy and the relationships between industries. A regional IO Table is synthesised using the National Input-Output Table and region-specific data such as employment and population.

SGS multipliers derived from the input output modelling process estimate the total regional impact from a stimulus using three key measures:

- **Total economic activity (i.e., total outputs):** the value of goods or services produced by all the businesses and related industries.
- **Gross value added:** the output minus intermediate inputs from suppliers in the production process, also known as Gross Regional Product (GRP) or Gross Domestic Product (GDP). This regional value added is also equivalent to the generation of business profits and wages paid in the regional economy.
- **Full time equivalent (FTE) employment:** the labour required to generate the regional value added above, which is incorporated also into the regional output above.

For each of the three measures, the input output modelling process further separates the impacts into:

- **Direct effects:** the change generated directly by the production of goods and services, and
- **Indirect effects:** the flow on impacts, including upstream and downstream linkages in the supply chain, and consumption-induced impacts through wages and salaries earned by regional workers.

Limitations of IO model

The standard approach for constructing IO models is based on a static, linear economic structure. This results in flow-on impacts that are usually overstated. This estimation error occurs for several reasons:

- Models are constructed at a certain point in time, meaning linkages within the economy are assumed to remain constant
- There are no supply constraints, meaning an unlimited supply of labour and capital is assumed
- Factor prices are fixed, meaning there is no allowance for shifts in the prices of labour and capital
- Productivity impacts are excluded, resulting in constant returns to scale.

Model inputs

SGS considered the direct and flow-on impacts from:

- **One-time economic activities** generated from construction of the proposed Master Plan, including all supporting infrastructure required
- **On-going local spending** from additional households residing in the precinct (**Table 27**).

As related to the impacts of ongoing local spending, SGS made the following assumptions to derive annual household expenditure, including that the number of households in the precinct are projected based on the Master Plan's dwelling projections.

- SGS applied a median weekly household income of \$1,597¹⁰, and multiplied that by 48 working weeks, which gives an annual household income of \$76,656
- SGS assumed that households spend 83% of their income on goods and services (including housing cost) as suggested by ABS Household Expenditure Survey¹¹
- SGS identified top five industries where household expenditure contributes to and their relative percentage of contribution, including Retail Trade (30%), Transport, Postal and Warehousing (14%), Arts and Recreation Services (12%), Health Care and Social Assistance (6%), and Education and Training (3%)

¹⁰ Dubbo LGA median weekly household income (2021). <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA12390>

¹¹ In 2015-16, the average weekly household disposable income in New South Wales was \$1,820, while the average weekly spend on goods and services was \$1,514 – that gives a value of 83%. <https://www.abs.gov.au/statistics/economy/finance/household-expenditure-survey-australia-summary-results/latest-release>

TABLE 26: INITIAL STIMULUS GENERATED FROM CONSTRUCTION OF MASTER PLAN(\$ MILLION)

Industry/Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Construction	139	133	140	186	119	284	129	130	146	138	332	146	151	145	137	137	141	145	81	0

Source: SGS Economics and Planning (2023).

TABLE 27: INITIAL STIMULUS GENERATED FROM HOUSEHOLD EXPENDITURE (\$ MILLION)

Industry/Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Retail Trade	0	0	7	14	21	27	33	39	44	50	56	62	68	74	80	85	90	95	100	105
Transport, Postal and Warehousing	0	0	3	7	10	13	16	18	21	24	27	30	33	35	38	41	43	45	48	50
Arts and Recreation Services	0	0	3	6	8	11	13	15	18	20	22	25	27	29	32	34	36	38	40	42
Health Care and Social Assistance	0	0	1	3	4	5	6	7	8	9	11	12	13	14	15	16	17	18	19	20
Education and Training	0	0	1	1	2	2	3	4	4	5	5	6	6	7	7	8	8	9	9	10

Source: SGS Economics and Planning (2023).

The following multipliers shown in **Table 28** are used to estimate economic impacts of construction of new dwellings in the Master Plan (one-time economic impacts). The output and GVA multipliers estimate the **production induced effects** on the wider Dubbo economy, which generally reflect the business-to-business relationships or producer-supplier relationships that result from the direct capital investment.

- The **output multiplier** of 0.50 implies that for every \$1 million invested in the construction industry, there is approximately \$500,000 worth of outputs produced by other industries. The same idea can be applied to the GVA multiplier - for every \$1 million invested in the construction industry, there is approximately \$210,000 gross value-added (labour and business surplus, or profits) to the economy.
- The **employment multiplier** means that 3.61 jobs are supported for every \$1 million of final demand in the construction industry, approximately 3.6 job-years are added to the economy.

TABLE 28: MULTIPLIERS TO ESTIMATE ECONOMIC IMPACTS OF CONSTRUCTION OF MASTERPLAN

Industry	Output multiplier	GVA multiplier	Employment multiplier
Construction	0.50	0.21	3.61

Source: SGS Economics and Planning (2023)

- **Household expenditure multipliers** use a different set of multipliers as shown in **Table 29**. For example, for every \$1 million of direct household expenditure in Retail Trade, an estimated \$1.2 million of total outputs are generated in the economy as a result of the recirculation of dollars from subsequent rounds of household spending through direct and indirectly related supporting industries. Also, \$0.77 million of gross value is added to economy, and approximately 8 job-years is supported in the economy.

TABLE 29: MULTIPLIERS TO ESTIMATE ECONOMIC IMPACTS OF HOUSEHOLD EXPENDITURE

Industry	Output multiplier	GVA multiplier	Employment multiplier
Retail Trade	1.20	0.77	7.91
Transport, Postal and Warehousing	1.50	0.73	4.76
Arts and Recreation Services	1.25	0.58	5.54
Health Care and Social Assistance	1.25	0.87	7.65
Education and Training	1.27	0.89	7.28

Source: SGS Economics and Planning (2023)

3.4 Community Benefits Assessment

The Community Benefits Assessment goes beyond the conventional economic metrics by quantifying key benefits of the NWPC Master Plan to local and regional communities. There are four components to this assessment, including the benefits associated with:

- Provision of affordable housing
- Childcare centre benefits (i.e., value of leisure time gained by parents)
- Health benefits from increased vegetation and tree coverage
- Community use value of open space

3.5 Monetisable benefits

Provision of affordable housing

The quantification of this benefit rests on an established set of guidelines for identifying the costs and benefits associated with capital investment in affordable housing. Benefits can be characterised in two ways:

- **Individual benefit** in that affordable housing helps people avoid housing stress, which in turn improves physical and mental wellbeing. It also provides safety from criminal behaviour, domestic violence situations, as well as access to education and employment opportunities.
- **Societal benefit** in that it creates significant fiscal savings to governments in terms of reduced outlays in healthcare, criminal justice system, domestic violence services, and increased income tax revenue arising from enhanced human capital and increased labour market productivity.

While a full-scale cost-benefit analysis is not the scope of this effort, it is worthwhile recognising that previous studies have quantified the benefits of affordable housing. In a recent nationwide report¹², SGS's results suggest that the benefit-cost ratio of investing in capital for affordable housing is 1.9 to 1.0, implying that for every \$1.00 of capital spent, \$1.90 of individual and societal benefit materialise.

Quantification method and key assumptions

The overarching assumption in this analysis is that NWPC's Master Plan (the project case) designates 20% of dwellings to affordable housing, while the Council-led plan (Business-as-Usual) does not provide affordable housing. The quantification of affordable housing provision in this study is estimated as the difference between market rent and affordable rent – referred to as the consumer surplus. On an individual per week basis, the difference between market and affordable rents are shown in **Table 30**.

$$\text{Consumer Surplus} = \text{Market Rent} - \text{Affordable Rent}$$

¹² SGS Economics and Planning (2022). Give Me Shelter: The long-term costs of underproviding public, affordable housing.

TABLE 30: MARKET AND AFFORDABLE RENT, HOUSE AND APARTMENT

	House	Apartment
Market rent	\$500 per week	\$350 per week
Affordable rent	\$340 per week	\$238 per week
Consumer surplus	\$160 per week	\$112 per week

Source: SGS Economics & Planning, 2023, NSW Fair Trading Rental Bond Data

Childcare centre benefits

Currently, there are 24 childcare service providers in Dubbo¹³. According to the McCrindle report (2023)¹⁴, the availability of childcare places in Dubbo is relatively lower than some regional cities. The ratio of children under the age of 5 to childcare places is 1.33 in Dubbo, which is lower than regional cities such as Tamworth (1.42) and Coffs Harbour (1.39).

The Masterplan includes provision of five childcare centres, whereas the Council-led plan provides two centres. Childcare provides benefits to community, primarily through allowing parents to return to work or use the time for personal activities or pursuing hobbies, while their child is in the care facility. This benefit has been monetised as the hours of leisure time gained by parents that would otherwise be spent on looking after a child.

Quantification method and key assumptions

- Capacity per childcare centre is estimated to be 100 places based on desktop research¹⁵.
- Operating hours per centre per week is estimated to be 40 hours (8 hours per day x 5 days per week)¹⁶.
- It is assumed that the childcare centre remains open 48 weeks a year¹⁷.
- Using the assumptions above, the hours of service provision is estimated to be 192,000 hours per centre per year.
- The value of leisure time gained by parents is estimated to be \$19 per hour based on ATAP guidelines¹⁸.
- A leakage factor of 25% has been applied, noting that there could be leakage of demand for childcare to the service providers in Dubbo i.e., families living in the Precinct might not necessarily

¹³ SGS desktop research.

¹⁴ McCrindle (October 2023). Future Population of Dubbo.

¹⁵ Refer to footnote 13.

¹⁶ It is acknowledged that long day care centres open for more than 8 hours per day, however it is unclear to SGS what types of childcare providers will be present in the Master Plan precinct, therefore SGS adopted a conservative estimate of 8 hours per day.

¹⁷ <https://www.vic.gov.au/types-child-care>

¹⁸ <https://www.atap.gov.au/parameter-values/road-transport/3-travel-time>

utilise the *new* childcare service provided within the Precinct, instead they can utilise *existing* childcare service in the Dubbo region.

- In the Master Plan, it is assumed that two childcare centres will be operating in full capacity by Year 10, and the remaining three centres in full capacity by Year 20. In the BaU, one childcare centre will operate in full capacity in Year 10, the remaining one in full capacity by Year 20.

Health benefits from increased vegetation and tree coverage

Extreme heat is stated to kill more Australians than any natural disaster with heatstroke fatal in up to 80% of cases¹⁹. The NSW State of the Environment report is expecting heatwave related death to increase dramatically over time²⁰. Green infrastructure and public open space can reduce the temperature of surrounding areas, which generates health benefits related to reduced mortality and morbidity associated with heat.

The cooling pathways of green infrastructure are well understood in the literature. Trees and vegetation provide a cooling effect through (1) shading of hard surfaces that would otherwise absorb heat from direct sunlight then re-radiated into the air and (2) evapotranspiration, as trees release water into the atmosphere from their leaves, surrounding areas are cooled from the evaporation of this water²¹.

Quantification method and key assumptions

The NSW Department of Planning and Environment (2022) recommended the following approach to calculate health benefits from urban heat cooling:

Health benefits (from cooling)

$$\begin{aligned} &= \text{number of people within impacted catchment} \\ &\times \text{no. of days above 30 degrees per year} \\ &\times \text{reduction in temperature in degrees (} ^\circ\text{C)} \\ &\times \text{health benefit for } 1^\circ\text{C reduction in temperature per person per year} \end{aligned}$$

In addition, the following assumptions have been made:

- Health benefits are applied to the additional households within the Master Plan precinct, that would not have existed if the Council-led plan had been implemented²².
- Dubbo has 90 days above 30 degrees per year²³, acknowledging that this figure will likely increase in light of climate change.

¹⁹ Better Health Victoria, Heat stress and heat-related illness, <https://www.betterhealth.vic.gov.au/health/healthyliving/heat-stress-and-heat-related-illness>.

²⁰ NSW Environment Protection Authority (2021). State of the Environment 2021.

²¹ Refer to footnote 20.

²² The scope of tree canopy coverage is unclear in the Council-led plan. Understanding that there could be some health benefits generated under Council-led plan, SGS only applied the health benefits to additional households, instead of all households in the Master Plan Precinct to be conservative.

²³ http://www.bom.gov.au/climate/averages/tables/cw_065012_All.shtml

- Evidence suggests 0.5 degree reduction in temperature for every 10% of catchment that converts from no vegetation to green open space²⁴.
 - Open space area is estimated to be 40 hectares in Council-led plan and 85 hectares in Master Plan. The size of the precinct is 375 hectares. The percentage of open space will increase from 11% (Council-led plan) to 23% (Master Plan).
 - An increase in open space of 12% results in 0.6 degree reduction in temperature.
 - There will be 0.6 degree reduction in temperature in the Master Plan, as compared to Council-led plan.
- Health benefit from cooling is valued at \$2.9 for each degree reduction per person per year per day above 30 degrees²⁵. As a result, the health benefit per person per year is \$157.

Community use value of open space

Another benefit people gain from new public open space is use value, which they experience through leisure activities such as walking, cycling, playing sports and games, etc. The provision of open space in the Master Plan means that residents are able to access green space within 400 metres of their front door, enabling accessibility and walkability.²⁶

Quantification method and key assumptions

The use value of open space can be quantified by the opportunity cost of leisure time forgone and is approximated at \$29 per visit by SGS. The calculation is based on the following assumptions:

- Evidence suggests that local parks increase the share of people undertaking physical activity by 6%, within a catchment of 400 metres.²⁷ As such, SGS applied this benefit to 6% of the population in the precinct.
- Visits to the new open space is expected to be 30 times per person per year (i.e., one person visiting once every two weeks over the year)²⁸
- Average dwell time per visit is expected to be 1.5 hour²⁹
- The opportunity cost of leisure time is estimated to be \$19 per hour based on ATAP guidelines.³⁰ 40% of seasonally adjusted average weekly earnings was used. The average weekly ordinary time earnings for full-time adults for November 2022³¹ is \$1,808 or \$48 per hour (assuming a 38-hour week). Applying 40% gives a figure of \$19 for the value of leisure per hour.

²⁴ Refer to footnote 20.

²⁵ Refer to footnote 20.

²⁶ North West Dubbo Urban Release Area Precinct Masterplan Report (2023)

²⁷ Sugiyama T, Francis J, Middleton NJ, Owen N, Giles-Corti B. (2010) Associations Between Recreational Walking and Attractiveness, Size, and Proximity of Neighborhood Open Spaces, Am J Public Heal, Sep; Vol. 100(9), pp. 1752–7, 10.2105/AJPH.2009.182006.

²⁸ SGS assumption

²⁹ A. J. Veal (2006). The Use of Urban Parks, Annals of Leisure Research, 9:3-4, 245-276.

³⁰ <https://www.atap.gov.au/parameter-values/road-transport/3-travel-time>

³¹ <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/latest-release#key-statistics>

2.4.2 Non-monetisable benefits

Energy efficiency benefits

Currently there are two models proposed by NWPC to provide cleaner and cheaper energy to households residing in the Precinct. SGS has yet to quantify the economic benefits, as it depends on which option NWPC decides to pursue and what inputs are provided to SGS.

Option 1 – Community Battery Initiative	Option 2 – Individual PV system
A community battery is a locally based shared battery through which customers are able to store excess solar PV energy which they can then access at a later time to offset their energy import.	Customers own individual rooftop solar PV system, where excess electricity can be stored in a rechargeable battery for later use.
Inputs required from NWPC: <ul style="list-style-type: none">– Battery capacity (kW/kWh)– CAPEX, OPEX– No. of participating households– Battery Service Charge (\$ per kWh) if applicable– Expected customer energy savings (\$ per year)	Inputs required from NWPC: <ul style="list-style-type: none">– Upfront cost of installation of PV cells– No. of participating households– Expected customer energy savings (\$ per year)

4. Government Priorities & Funding Opportunities

4.1 Overview

The following **Table 31** outlines government policies, plans and strategies at the federal, state and local levels that represent alignment with the vision of the NWPC Master Plan. Funding and financing opportunities are flagged where relevant to the Precinct.

TABLE 31: GOVERNMENT SERVICES OVERVIEW

	Government Policies, Plans & Strategies	Funding / Financing Opportunities
Federal Government	<ul style="list-style-type: none"> – National Housing Accord (2022)³² – Housing Australia Future Fund Bill 2023 (HAFF)³³ 	<ul style="list-style-type: none"> – Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) <ul style="list-style-type: none"> ○ Growing Regions Program Round 1³⁴ ○ Regional Precincts and Partnerships Program³⁵ – National Housing and Finance Investment Corporation (NHFIC)³⁶ <ul style="list-style-type: none"> ○ Affordable Housing Bond Aggregator (AHBA)³⁷ ○ National Housing Infrastructure Facility (NHIF)³⁸ – Clean Energy Finance Corporation³⁹

³² Australian Government (2022), 'National Housing Accord 2022', <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2022-10/national-housing-accord-2022.pdf>

³³ The Parliament of the Commonwealth of Australia (2023), 'Housing Australia Future Fund Bill 2023', https://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r6970_first-reps/toc_pdf/23002b01.pdf;fileType=application%2Fpdf

³⁴ DITRDCA (2023), 'Growing Regions Program – Round 1', <https://www.infrastructure.gov.au/sites/default/files/documents/grant-opportunity-guidelines-growing-regions-program-revised.pdf>

³⁵ DITRDCA (2023), 'Regional Precincts and Partnerships Program', <https://www.infrastructure.gov.au/territories-regions-cities/regional-australia/regional-and-community-programs/regional-precincts-and-partnerships-program>

³⁶ NHFIC (n.d.), <https://www.nhfc.gov.au/>

³⁷ NHFIC (n.d.), 'Affordable Housing Bond Aggregator (AHBA) loans', <https://www.nhfc.gov.au/affordable-housing-bond-aggregator-ahba-loans>

³⁸ NHFIC (n.d.), 'National Housing Infrastructure Facility', <https://www.nhfc.gov.au/national-housing-infrastructure-facility-critical-infrastructure-nhif-ci>

³⁹ CEFC (n.d.), <https://www.cefc.com.au/>

<p>State Government</p>	<ul style="list-style-type: none"> – Central West and Orana Regional Plan 2041 (DPE, 2022)⁴⁰ – DPE’s Regional Housing Taskforce <ul style="list-style-type: none"> ○ Findings Report (2021)⁴¹ ○ Recommendations Reports (2021)⁴² ○ Government Response to the Regional Housing Taskforce (2022)⁴³ – Central Orana Regional Economic Development Strategy 2018-2022⁴⁴ <ul style="list-style-type: none"> ○ Central Orana REDS 2023 Update⁴⁵ – Central-West Orana Renewable Energy Zone⁴⁶ – Interim Framework for Valuing Green Infrastructure and Public Spaces (DPE 2022)⁴⁷ 	<ul style="list-style-type: none"> – Department of Regional NSW Initiatives: <ul style="list-style-type: none"> ○ Regional Investment Activation Fund – Stream Two⁴⁸ ○ Housing Delivery Plans – Department of Planning and Environment Initiatives <ul style="list-style-type: none"> ○ Regional Housing Strategic Planning Fund⁴⁹ ○ Housing Acceleration Fund⁵⁰ – 2022 NSW Housing Package Programs and Initiatives^{51,52} <ul style="list-style-type: none"> ○ DPE’s Accelerated Infrastructure Fund (Round 3)⁵³ ○ Regional Housing Development Program⁵⁴ ○ Shared Equity Home Buyer Helper Initiative⁵⁵
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⁴⁰ DPE (2022), ‘Central West and Orana Regional Plan 2041’, <https://www.planning.nsw.gov.au/sites/default/files/2023-03/central-west-and-orana-regional-plan-2041.pdf>

⁴¹ DPE Regional Task Force (2021), ‘Findings Report’, <https://www.planning.nsw.gov.au/sites/default/files/2023-03/regional-housing-taskforce-findings-report.pdf>

⁴² DPE Regional Task Force (2021), ‘Recommendations Report’, <https://www.planning.nsw.gov.au/sites/default/files/2023-03/regional-housing-taskforce-recommendations-report.pdf>

⁴³ DPE (2022), ‘Government response to the Regional Housing Task force’, <https://www.planning.nsw.gov.au/sites/default/files/2023-03/government-response-to-the-regional-housing-taskforce.pdf>

⁴⁴ Dubbo Regional Council & Narromine Shire Council (2018), ‘Central Orana Regional Economic Development Strategy 2018-2022’, <https://www.nsw.gov.au/sites/default/files/2020-05/Central%20Orana%20REDS.pdf>

⁴⁵ DRNSW (2023), ‘Central Orana Regional Economic Development Strategy – 2023 Update’, <https://www.nsw.gov.au/sites/default/files/2023-02/Central-Orana-REDS-2023-Update.pdf>

⁴⁶ EnergyCo (n.d.), ‘Central-West Orana Renewable Energy Zone’, <https://www.energyco.nsw.gov.au/cwo-rez>

⁴⁷ DPE (2022), ‘Interim Framework for Valuing Green Infrastructure and Public Spaces’, https://www.dpie.nsw.gov.au/__data/assets/pdf_file/0005/502772/interim-framework-for-valuing-green-infrastructure-and-public-spaces-2022-03.pdf

⁴⁸ DRNSW (2022), ‘Regional Investment Activation Fund – Stream 2 Program Guidelines’, <https://www.nsw.gov.au/sites/default/files/2023-05/J0055%20RIAF%20guidelines%20stream2%20v3%20Accessible.pdf>

⁴⁹ DPE (n.d.), ‘Regional Housing Strategic Planning Fund’, <https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-package/regional-housing/regional-housing-strategic-planning-fund>

⁵⁰ DPE (n.d.), ‘Housing Acceleration Fund’, <https://www.planning.nsw.gov.au/plans-for-your-area/infrastructure-funding/housing-acceleration-fund>

⁵¹ DPE (n.d.), ‘2022 Housing Package’, <https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-package>

⁵² DPE (n.d.), ‘2022 Housing Package programs and initiatives’, <https://www.dpie.nsw.gov.au/our-work/2022-housing-package-programs-and-initiatives>

⁵³ DPE (n.d.), ‘Round 3 – Accelerated Infrastructure Fund’, <https://www.planning.nsw.gov.au/plans-for-your-area/infrastructure-funding/accelerated-infrastructure-fund/round-3>

⁵⁴ DPE (n.d.), ‘Regional Housing Development Program’, <https://www.dpie.nsw.gov.au/our-work/2022-housing-package-programs-and-initiatives/regional-housing-development-program>

⁵⁵ NSW Government (n.d.), ‘Shared Equity Home Buyer Helper’, <https://www.nsw.gov.au/housing-and-construction/shared-equity#toc-how-it-works>

Local Government	<ul style="list-style-type: none"> – Local Strategic Planning Statement (2020)⁵⁶ – DRC Towards 2040 Community Strategic Plan (2018)⁵⁷ – Dubbo Mining Areas Land Use Strategy 2015⁵⁸ – Analysis of Short-Term Worker Accommodation Needs Research Report (2022)⁵⁹ – Dubbo Regional Local Environmental Plan 2022⁶⁰ 	– Nil
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Source: SGS Economics and Planning (2023)

4.2 Policies, Plans and Strategies

A broad range of policies, plans and strategies presented by all levels of Government contain strong alignment with the intended outcomes of the NWPC Master Plan.

Federal Government

National Housing Accord (2022)

The National Housing Accord, announced by the Commonwealth in October 2022, provides a framework for improving affordability by addressing the nationwide housing supply challenges and enabling the delivery of more affordable housing. The Accord includes an initial national target of delivering a total of one million new homes (nationwide) over five years, starting from 2024. It provides a range of immediate actions to be undertaken by Federal, State or Territory governments to support a long-term and sustainable pipeline of additional housing supply to alleviate affordability, including:

- The Federal Government to provide financing options through the Housing Australia Future Fund (HAFF) to facilitate institutional investment in affordable housing;
- States and territories to expedite zoning, planning and land release for affordable housing;
- State and territories to build on the Commonwealth's commitment to support an additional 10,000 affordable homes over 5 years from 2024, with in-kind or financial contributions that enable delivery of a combined total of up to 20,000 additional homes.

⁵⁶ Dubbo Regional Council (2020), 'Local Strategic Planning Statement', <https://www.dubbo.nsw.gov.au/ArticleDocuments/10792/LSPS%20-%20Document.pdf.aspx?Embed=Y>

⁵⁷ Dubbo Regional Council (n.d.), 'Towards 2040 Community Strategic Plan', <https://www.dubbo.nsw.gov.au/ArticleDocuments/290/Towards%202040%20Community%20Strategic%20Plan.PDF.aspx>

⁵⁸ Dubbo City Council (2015), 'Dubbo Mining Areas Land Use Strategy 2015', https://www.dubbo.nsw.gov.au/ArticleDocuments/464/Dubbo_Mining_Areas_Development_Land_Use_Strategy.pdf.aspx?Embed=Y#:~:text=The%20Plan%20supports%20an%20increase,land%20and%20improved%20agricultural%20productivity.

⁵⁹ Delos Delta & Dubbo Regional Council (2022), 'Analysis of Short-Term Worker Accommodation Needs', <https://www.dubbo.nsw.gov.au/ArticleDocuments/464/Research%20Report%20-%20Analysis%20of%20Short-Term%20Worker%20Accommodation%20Needs.PDF.aspx>

⁶⁰ Dubbo Regional Council (2022), 'Dubbo Regional Local Environmental Plan 2022', <https://legislation.nsw.gov.au/view/html/inforce/current/epi-2022-0108>

The Commonwealth budget has allocated \$350 million in additional federal funding to support the delivery of the 10,000 affordable homes over five years (from 2024). This funding is intended to incentivise superannuation funds and other institutional investors to make investments in affordable housing by covering the gap between market rents and subsidised rents.⁶¹

Unfortunately, the Accord is not a program that can receive applications from the private sector (i.e., developers). Rather, it aims to bring together all levels of government, investors and the residential development construction sector to unlock housing supply.⁶² With potential to accommodate 5,500 new homes within the development precinct (as outlined in the Masterplan Report), there might be an opportunity for NWPC to work with government partners (such as local or state government).

Housing Australia Future Fund Bill 2023 (HAFF)

Similarly, the Commonwealth Government have introduced the *Housing Australia Future Fund Bill 2023* to enable support to be provided to increase the availability of affordable housing, and to address acute housing needs associated with in need indigenous persons, women, children and veterans.⁶³ The HAFF will be administered by NHFIC.

The fund, once formally established, will be initially credited with \$10 billion to build affordable housing. In the first five years, funds are intended to support:

- 20,000 homes to provide social housing, including 4,000 homes for women and children fleeing domestic and family violence and older women on low incomes at risk of homelessness;
- 10,000 affordable homes for key workers – nurses, teachers, cleaners, police etc.
- The construction of housing will also directly support up to 21,500 FTE jobs across the construction industry and broader economy, per year, for five years.⁶⁴

Of relevance to NWPC, Section 18(3)(c) of the bill states that: “A designated Minister may, on behalf of the Commonwealth, make a grant of financial assistance to a State or Territory in relation to any of the following:

- (a) acute housing needs;
- (b) social housing;
- **(c) affordable housing.”**

This means that grants from the Fund for the purposes of affordable housing will be available to the States or funnelled through future State Programs. Whilst no action has currently been undertaken, funding dedicated to a future State-led affordable housing grant Program may become available which, depending on eligibility criteria, could be relevant for NWPC, potential CHP partnerships and/or work in conjunction with DRC.

⁶¹ Chalmers, J & Collins, J (2022), ‘National Housing Accord: working together to help tackle housing challenges’, <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/national-housing-accord-working-together-help-tackle>
⁶² Ibid.

⁶³ The Parliament of the Commonwealth of Australia (2023), ‘Housing Australia Future Fund Bill 2023’, https://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r6970_first-reps/toc_pdf/23002b01.pdf;fileType=application%2Fpdf

⁶⁴ Anthony Albanese PM, ‘Housing Australia Future Fund’, https://anthonyalbanese.com.au/housing-australia-future-fund#_ftn2

NSW State Government

The following is an overview of the relevant programs, plans and strategies at the state level.

Central West and Orana Regional Plan 2041 (DPE, 2022)

This regional plan is a 20-year strategic framework for the prosperity of the Central West and Orana Region. It outlines a range of objectives, strategies and actions focusing on various themes including investment, housing and communities. Directions with relevance to NWPC include:

TABLE 32: CENTRAL WEST AND ORANA REGIONAL PLAN 2041 ALIGNMENT TO DRC'S MASTERPLAN REPORT

Objectives	Relevant Strategic Actions	Alignment to DRC's Masterplan Report
Objective 2: Support the State's transition to Net Zero by 2050 and deliver the Central West Orana Renewable Energy Zone	<ul style="list-style-type: none"> – provide opportunities for future buildings and urban release areas to be 'renewable ready'. 	<p>The Central West–Orana REZ and the emerging critical minerals sector is centred in the Dubbo Regional LGA, which is now home to a number of large-scale renewable energy projects and upcoming extractive industries.</p> <p>Continued development of REZ infrastructure creates a constant influx of temporary construction and tradesmen workers in Dubbo.</p>
Objective 11: Strengthen Bathurst, Dubbo and Orange as innovative and progressive regional cities	<ul style="list-style-type: none"> – strengthen economic and housing connections between the regional cities and their surrounding centres, based on their commuting worker catchments. – ensure there is sufficient capacity to meet ongoing housing and employment needs. 	<p>Dubbo services a catchment in excess of 120,000 people which is creating ongoing pressure for additional housing. The Masterplan plans for regional growth and highlights the notion of achieving a well-connected city.</p> <p>The Masterplan Report illustrates strong connectivity through the envisioned 30km 'green loop' that will seamlessly connect residents of the future precinct to several key existing precincts, including the CBD, airport and education precinct. This will strongly promote walking and cycling, enabling residents and visitors to access the city independent of major road networks.</p>
Objective 13: Provide well located housing options to meet demand	<ul style="list-style-type: none"> – consider how proposed release areas could interact with longer term residential precincts. – identify a pipeline of housing supply that meets community needs and provides appropriate opportunities for growth. – Aligning infrastructure and service provision to housing supply needs. 	<p>With potential for approximately 5,500 new dwellings to accommodate 13,800 people over the next 20 years, the future residential precinct has the ability to act as an integrated and diverse village.</p> <p>The Masterplan Report envisions a mix of development types and land uses within the village centre, such as aged care services, medical services, retail services and a potential primary/secondary school site. Such uses will function in a local population-serving manner to meet the needs of the community.</p>

<p>Objective 14: Plan for diverse, affordable, resilient and inclusive housing</p>	<ul style="list-style-type: none"> – Allow a diversity of housing, including affordable housing, student housing, dense housing types and housing choices for seniors close to existing services. – Consider development incentives or reduced contributions to boost the construction of secondary dwellings – Use strategic planning and local plans to consider responses to homelessness. 	<p>Housing prices have significantly increased over the past 20 years and average wages have not progressed in alignment with the property market. Conversely, the state-wide shortage of housing has not kept up with population growth. A lack of diversity has created a lack of housing which has restricted choice and affordability.</p> <p>The Masterplan Report displays an indicative (subject to change) diversity of low and medium density housing across the precinct and several apartment complexes in proximity to the village centre.</p> <p>Community engagement (conducted by DRC/NWPC) highlighted that housing choice and affordability are crucial to Dubbo residents. Providing high-quality housing diversity that caters for the entire population is increasingly important – including market rate housing but also affordable housing, senior housing, key worker housing and the like.</p>
<p>Objective 16: Provide accommodation options for seasonal, temporary and key workers</p>	<p>Strategic and statutory planning could consider:</p> <ul style="list-style-type: none"> – The provision of housing for workers by employers, including state agencies, by providing flexible controls – The capacity of existing and planned infrastructure to service accommodation for workers – Provision for workers' accommodation sites on land in new development areas. 	<p>The Orana Region has in excess of \$12.6 billion of planned investment into major capital projects including the REZ, Parkes SAP and the Inland Rail over the next five years. Such projects, in addition to local infrastructure projects, will support a significant number of construction-related jobs and thus generate increased demand for temporary accommodation.</p> <p>The plan suggests that short-term/temporary accommodation could be adapted into tourist accommodation or low-cost housing for vulnerable members of the community towards the end of key projects like the Parkes Special Activation Precinct (SAP), Inland Rail and the Central-West Orana Renewable Energy Zone (REZ) which can alleviate housing demand pressures.</p>

Source: DPE 2022

Regional Housing Taskforce (DPE, 2021)

In June 2021, the Regional Housing Taskforce was established to investigate barriers to housing supply in regional NSW, culminating in a recommendations report in November 2021. The Regional Housing Delivery Plans, an initiative of the Department of Regional NSW (DRNSW), which commenced in mid-2022 and are being finalised this year, represent one of several critical actions agreed to in response to the Taskforce's findings to advance more proactive funding and intervention to alleviating housing delivery barriers that exist in regional areas. These plans were designed to compile like-for-like information on infrastructure and housing delivery strategic or funding gaps across all functional economic regions (FER), including:

- Understand local demand and supply pressures on housing in targeted Functional Economic Regions, by taking a place-based approach.
- Identify specific constraints and barriers to new housing supply.
- Suggest potential actions that, if funded and implemented, will unlock and/ or accelerate additional housing supply.

These plans will serve as an evidence base to DRNSW to inform their program and policy design, and to inform the distribution and award of an undisclosed amount of funding. In the completion of these plans, DRNSW made clear that the identification of infrastructure needs, for example (as related to the findings of the Central West and Orana Regional Plan 2041) did not presuppose a commitment of funding to be undertaken. DRNSW did, however, indicate that the findings of the plans in aggregate would be used to inform and develop new initiatives, broader government directions, and potential infrastructure funding opportunities to unlock housing delivery.

1. Regional Housing Taskforce Findings Report (2021):

This report summarises the key findings of the consultation, engagement and research undertaken by the Taskforce. Key findings include⁶⁵:

- Unique factors and challenges in regional housing markets that frustrate the delivery of the right types of homes in the right locations and at the right time.
- Need for improved upfront strategic planning to resolve issues earlier in the planning process to ensure that subsequent planning processes can be streamlined, and that development can be timely and well-coordinated.
- Approaches to infrastructure planning, delivery and coordination need to be improved to unblock regional housing supply.
- Need for more diverse and affordable housing to better meet current and future needs, including smaller homes and housing for older people, but delivery of diverse and affordable housing is a significant challenge.
- Regional housing markets are vulnerable to spikes in demand, including from temporary and seasonal workers, short-term holiday letting, and planning needs to better anticipate and respond to these impacts.

⁶⁵ Ibid.

2. Regional Housing Taskforce Recommendations Report (2021):

Conclusions derived from the Findings Report were used to inform the recommendations made for State Government. These include:

TABLE 33: REGIONAL HOUSING TASKFORCE KEY RECOMMENDATIONS AND TARGETED INTERVENTIONS

Key Recommendations	Relevant supporting targeted interventions
1. Support measures that bring forward a supply of “development ready” land	Supporting the delivery of critical enabling infrastructure through introducing reforms to infrastructure contributions and implementing complementary initiatives to sequence and prioritise infrastructure contributions plans, targeted grant programs and low-cost loan schemes.
2. Increase the availability of affordable and diverse housing across regional NSW	<p>Facilitating the strategic use of government-owned land to provide improved housing outcomes through the delivery affordable, diverse housing, and key worker housing, including through identifying priority sites for housing, the removal of policy obstacles that prevent utilisation of existing government land and property assets for housing, and the maturation of the Government Property Index.</p> <p>Reviewing incentives and planning controls for affordable and social housing to ensure that these settings are effective in encouraging affordable housing supply in regional contexts.</p> <p>Prioritising diverse and affordable housing through regional and local strategic plans, minimum density and housing mix requirements for new development, place-based infill housing targets, reviewing planning instruments to ensure they enable infill housing, and introducing model controls that support councils to facilitate good infill design outcomes.</p>
3. Provide more certainty about where, when and what types of homes will be built including by:	<p>Deploying the Planning Delivery Unit in regional NSW to support regional councils and industry to resolve planning barriers affecting new housing supply on zoned and serviced residential land, including biodiversity requirements, and support council development assessment capacity.</p> <p>Investigating mechanisms to incentivise the development of residential zoned land to address land banking and assist the timely release of new housing supply.</p>
4. Investigate planning levers to facilitate the delivery of housing that meets short term needs by:	<p>Introducing standard planning pathways for temporary worker accommodation and investigating planning pathways for innovative housing options for a variety of needs, such as temporary supportive accommodation for those in crisis and housing for seasonal workers.</p> <p>Implementing early and regular assessment of and mechanisms to address additional housing demand associated with State Significant Development in regional NSW across construction and operational stages.</p>
5. Improve monitoring of housing and policy outcomes and demand indicators to better by:	Reviewing the short- and longer-term impacts on regional housing outcomes of recent and planned reforms, such as the Housing SEPP, Design and Place SEPP, infrastructure contributions reform and the regulation of Short Term Rental Accommodation.

Source: Regional Housing Taskforce (2021)

3. Government Response to the Regional Housing Taskforce (2022)

The NSW Government adopted all of the recommendations presented by the Regional Housing Taskforce (shown in **Table 33**). The response included funded commitments announced as a part of the 2022 Housing Package, which is discussed in Section 3.3, below.

Central Orana Regional Economic Development Strategy 2018-2022

In 2018, the NSW State Government developed Regional Economic Development Strategies (REDS) for 38 Functional Economic Regions across Regional NSW. This included the Central Orana Regional Economic Development Strategy 2018-2022 – a four-year vision which has since concluded but has been subsequently updated. This document outlined five strategies to enhance the region's economic strengths and specialisations. None of these strategies were directly relevant to, nor strongly aligned with the Masterplan Report. However, the 2023 Update Report contains relevant elements.

Central Orana REDS – 2023 Update

The 'Central Orana REDS 2023 Update'⁶⁶ provides an updated evidence base to guide government in making policy and investment decisions to drive economic growth in the region. Of relevance, the 2023 Update document introduced a new strategy, to: *"Grow the region's workforce through developing local skills capacity and enhancing liveability to support workforce attraction and retention"*. The latter part of this strategy was created under the rationale that the existing housing supply issue is constraining growth. The NWPC Masterplan Report indicates that the NWPC development will provide up to 5,500 new dwellings for approximately 13,800 people, which will assist in addressing the housing supply and availability challenges.

The region has faced a decline in housing availability since 2018 and the market is continuing to tighten. Additionally, the Central West Orana REZ and the Inland Rail will continue to generate housing demand for temporary construction-related workers. The successful long-term delivery of these projects will heavily rely on Dubbo's housing supply; the NWPC development therefore presents an opportunity to support the region in the face of increasing housing supply constraints.

Central West Orana Renewable Energy Zone (n.d.)

The Central-West Orana REZ was the first REZ to be declared in Australia. It is currently in its development phase and comprises a total area of approximately 20,000 square kilometres – centred by Dubbo and Dunedoo. The REZ positions the region in an advantageous position for several reasons, including:

- It is expected to generate approximately \$10 billion in private investment to the Central-West Orana region by 2030;
- At its peak, it is expected to support approximately 3,900 construction-related jobs in the region;

⁶⁶ DRNSW (2023), 'Central Orana Regional Economic Development Strategy – 2023 Update', <https://www.nsw.gov.au/sites/default/files/2023-02/Central-Orana-REDS-2023-Update.pdf>

- It will initially unlock at least three gigawatts of new network capacity by the mid-2020s, which is enough energy to power 1.4 million homes.

The development of the REZ will have implications for the future residential precinct at Northwest Dubbo. Particularly, it will provide:

- Housing for temporary construction related REZ workers within proximity to their workplaces.
- An opportunity for homes within the URA to be 'renewable ready' upon construction.
- Clean, affordable and reliable electricity for homes and businesses within the precinct (and the broader regions).

Interim Framework for Valuing Green Infrastructure and Public Spaces (2022)

This framework aims to provide a standardised approach to identify, quantify and monetise common costs and benefits associated with green infrastructure and public spaces.⁶⁷

Section 5.1.7 of the framework sets out recommended approaches for urban cooling benefits, including the mitigation of urban heat through trees, vegetation and water bodies. The NWPC Masterplan Report proposes shaded streets (through vegetation) to provide shelter and respite for pedestrians. Introducing a greater abundance of tree coverage into the street system creates a natural opportunity for enhanced amenity whilst acting as a cooling element to reduce the impacts of urban heat island effect.

Local Government

Dubbo Regional Council Local Strategic Planning Statement (2020)

The framework for Dubbo's social, economic, and environmental land use priorities until 2040 is set out in the Dubbo Local Strategic Planning Statement (LSPS).

Housing choice and housing affordability will be especially important as there will be more people over 65 years old and under 19 years of age by 2040, which highlights a need to focus on suitable housing for both an ageing population and families. There is a need to ensure growth is sustainable, and land needed for housing will need to be balanced with school, health care and industrial uses to prevent land use conflict.

Greater housing choice and affordability is a long-term objective, as reflected in *Planning Priority 9: Provide diversity and housing choice to cater for the needs of the community* and *Planning Priority 10: Improve the affordability of housing*. As demographics shift, there is a need for housing to be appropriate enough to meet a variety of family structures. There is higher demand for smaller lots and dwelling sizes that are more affordable to live in for lower-income households and greater lone person households.

Housing is encouraged to be located near existing infrastructure and facilities and potentially in proximity to the Dubbo CBD. *Planning Priority 12: Create sustainable and well-designed neighbourhoods*

⁶⁷ Ibid.

considers the best approaches to provide housing, particularly in urban release areas that promotes connectivity and social inclusion. The amount of open space required for increased housing and population growth, transport links, and the boundaries of established residential zones and urban expansion areas will have impacts on how much housing can be delivered.

Planning Priorities included in the LSPS with relevance to the NWPC development are summarised in **Table 34** below:

TABLE 34: LSPS ALIGNMENT WITH MASTERPLAN REPORT

Relevant Theme	Relevant Planning Priority	Alignment to NWPC's Masterplan Report
Infrastructure	PP1: Plan for the delivery of infrastructure to support growth	<p>New local and state-wide infrastructure will unlock opportunities for jobs in proximity to homes in Dubbo – both in construction and post-construction phases.</p> <p>The Masterplan Report illustrates an aspired bus network for the future precinct. The bus loop and infrastructure will prioritise clean energy and autonomous public transport vehicles, highlighting the potential of regional areas to participate in technologically and sustainably advanced transport modes.</p>
Economy	PP6: Continue to support the Dubbo Health, Education and Wellbeing precinct	<p>Providing the necessary infrastructure to support expansion of the Health, Education and Wellbeing precinct is noted in the LSPS as a priority for the Dubbo Region.</p> <p>The Northwest Dubbo URA Precinct is located in close proximity to the Health/Education precinct. Here lays an opportunity to provide housing in the future precinct that will accommodate key workers (teachers, nurses) to strengthen and support the ongoing viability of the Health/Education precinct.</p>
Housing	PP9: Provide diversity and housing choice to cater for the needs of the community	<p>The LSPS aspires to plan for a diversity of housing choice to cater for an ageing population, single person households and lower-income households.</p> <p>A general lack of diversity has restricted choice and affordability in Dubbo. As outlined in the Masterplan Report, the NWPC development will leverage the abundance of high-quality open space and natural amenity to support diverse housing typologies.</p>
	PP10: Improve the affordability of housing	<p>All sectors in society require options for affordable housing.</p> <p>A diversity of housing typologies, as set out in the Masterplan Report, will allow the precinct to support homes of differing scales and price ranges, including a focus on affordability.</p>
	PP11: Provide for growth in villages	<p>With potential to accommodate 5,500 new dwellings, the Precinct has the ability to act as a truly integrated and diverse village.</p> <p>However, as outlined in the LSPS, it must be ensured that the future housing does not impact on primary production of environmentally significant land. The precinct adjoins a large</p>

		portion of land zoned RU2: Primary Production and this must be considered in future development applications.
	PP12: Create sustainable and well-designed neighbourhoods	<p>The design of neighbourhoods reflects best practice sustainable form and promotes connectivity and social cohesion. The Northwest Dubbo Precinct presents an opportunity to integrate sustainability principles into future development.</p> <p>The LSPS outlines that URA's in the region should consider:</p> <ul style="list-style-type: none"> – Providing a range of lot sizes to cater for the different demographics and changing needs of the community and to encourage diversity; – Planning for new housing with high accessibility to pedestrian, cycling and transport links; – Provide active transport options in new residential areas; – Prepare local design guidelines for housing that mitigates and adapts to climate change impacts; – Limit urban sprawl by directing new residential development to established residential zones and urban expansion areas; – Ensure functional open space is provided for increased housing and population growth. <p>The Masterplan Report aligns strongly with each of these considerations.</p>
Liveability	PP14: Create high quality open space	<p>A key priority for the Dubbo community, as mentioned in the LSPS, is to provide access to open spaces, parks and recreation.</p> <p>As shown in the Masterplan Report, 20 per cent of the Precinct will be dedicated to open and green spaces. This creates internal connectivity across the Precinct, allowing access to natural amenity for future residents whilst seamlessly connecting to Dubbo's broader green network.</p>
	PP16: Recognise, protect and celebrate heritage	<p>Dubbo is rich in Aboriginal Cultural heritage, which must be retained and/or enhanced into the future.</p> <p>A high-level analysis, as shown in the Masterplan Report, has identified 22 sensitive Aboriginal sites within the URA Precinct. It is vital that these sites are protected.</p>

Source: Dubbo Regional Council (2020)

Dubbo Regional 2040 Community Strategic Plan (2018)

The Community Strategic Plan (CSP) identifies the communities vision and priorities for the LGA until 2040. It provides direction for Council and government over the coming years and seeks to provide an affordable quality of life for residents and visitors.

The NWPC Masterplan Report was prepared in conjunction with the CSP. Of significance, it acknowledges the housing challenge and that a general lack of diversity has restricted contemporary housing choice and affordability. The Masterplan Report aims to integrate diverse and affordable housing typologies around the Precinct's 'Village Heart' which may (as indicate in the Masterplan Report) include retail, commercial and medical services. CSP themes, objectives and strategies which align to the Masterplan Report are listed in **Table 35**:

TABLE 35: RELEVANT OBJECTIVES AND STRATEGIES DERIVED FROM THE CSP

Theme	Relevant Objectives and Strategies
Theme 1: Housing	1.1: Housing meets the current and future needs of the community <ul style="list-style-type: none">– 1.1.1: a variety of housing types and densities are located close to appropriate services and facilities– 1.1.2: Housing is affordable and secure– 1.1.4: Public and social housing are integrated into residential areas
	1.2: An adequate supply of land is located close to community services and facilities. <ul style="list-style-type: none">– 1.2.1: Land is suitably zoned, sized and located to facilitate a variety of housing types and densities
	1.3: Short-term and emergency accommodation is available. <ul style="list-style-type: none">– 1.3.1: Short-term accommodation is available for the workforce associated with significant infrastructure, major projects and employment generators
Theme 2: Infrastructure	2.2: Infrastructure meets the current and future needs of the community
	2.3: Transportation systems support connections within and outside of the region <ul style="list-style-type: none">– 2.3.2: A network of cycleways and pedestrian facilities is provided and maintained
Theme 5: Liveability	5.2: Our First Nations communities and cultures are celebrated and enhanced <ul style="list-style-type: none">– Items, areas and places of First Nations cultural heritage significance are protected and conserved

Source: Dubbo Regional Council (2018)

The Dubbo community have emphasised the importance of providing a larger abundance of affordable housing, short-term accommodation and essential infrastructure through the CSP. The NWPC development will act as a significant driver to achieve this aspired vision for Dubbo.

Dubbo Mining Areas Land Use Strategy (2015)

This Strategy aims to develop Dubbo as a major mining service centre, supporting the development and long-term growth of the industry. It underlines mining as a key economic driver of the region and aims to ensure that the impacts of mining are adequately managed to maintain environmental values and resident quality of life in Dubbo.

Mining in the Dubbo LGA provides direct and flow-on economic impacts to the local economy; however, Council intends to ensure that these economic impacts are not detrimental to Dubbo residents in the pursuance of housing opportunities. *Strategy Two: Housing the Community* outlines a variety of strategic outcomes relevant to the Masterplan Report, including:

TABLE 36: STRATEGY 2: HOUSING THE COMMUNITY

	Relevant Strategic Outcomes
Strategy 2: Housing the Community	– 2.2 Council actively maintains a housing supply pipeline
	– 2.4 A diversity of housing types is encouraged.
	– 2.6 Mining accommodation is integrated into existing residential areas and provides for ongoing sustainable permanent infrastructure.
	– 2.8 Public and social housing is integrated into existing and planned residential areas.
	– 2.11 Incentives for the delivery of affordable housing are investigated.

Source: Dubbo City Council (2015)

Analysis of Short-Term Worker Accommodation Needs Research Report (2022)

This research report, prepared by Delos Delta (2022) and adopted by Council in 2023, aims to analyse the dynamics of short-term worker accommodation in the Dubbo region. It presents two key recommendations with relevance to the Masterplan:

- **Recommendation 6:** [for Council to] Develop a Housing Strategy for Dubbo which includes an Affordable & Key Worker Housing Plan giving focus to affordable housing, housing availability, choice and sustainability.
- **Recommendation 7:** [for Council to] collaborate with Community Housing Providers to understand accommodation requirements and investigate partnership opportunities, including:
 - The provision of land on a shared equity basis for construction of affordable and key worker housing;

- Tripartite partnerships between Council, New South Wales Government, and Community Housing Providers;
- The gifting of land to Community Housing Providers;
- Possible partnerships to provide key worker housing in the short term, and community housing in the long term

These recommendations could have significant implications for NWPC if actioned by DRC. It is envisioned to provide affordable and key worker housing in the Precinct, which is highlighted in the Masterplan. Cross sector collaboration between NWPC, DRC and CHPs could support housing diversity within the Precinct.

Dubbo Regional Local Environmental Plan 2022

The Dubbo Regional Local Environmental Plan (DRLEP) combines the former Dubbo LEP (2011) and Wellington LEP (2012) and leads land use planning and development in the region through development provisions that dictate what can or cannot be done in the land use zones that Dubbo is divided into. These zones can be potentially changed to cater for additional housing, and/or different housing types.

The LEP includes a series of maps, which reflect the information in the written instrument, regarding land zoning, lot sizes, heritage, natural resources, urban release areas, flood planning, land reclassification and additional permitted uses.

Some of the aims of the LEP explicitly related to housing are to encourage residential development in West Dubbo and to encourage diverse housing that meets the changing needs of the population.

4.3 Funding and Financing Opportunities

Government-led funding and financing opportunities are critical for enabling the delivery of enabling infrastructure, and affordable housing, particularly in regional locations that align with major renewable energy or infrastructure investments. This sections provides an overview of several ongoing (existing) and potential future funding opportunities that NWPC may be able to utilise to support their envisioned development.

It should be noted that SGS's review highlighted limited funding/financing options for NWPC to apply for as an individual entity as a result of non-compliances with eligibility criteria. However, there are possible opportunities to form partnerships/work in conjunction with DRC (as a local government body) or Community Housing Providers to delivery social and/or affordable housing in the Precinct.

Federal Government

Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA)

DITRDCA play a nationwide role in the regulation and delivery of programs/services in the major infrastructure and transport sectors in regional locations. Many of their currently ongoing funding opportunities are focused on delivering community infrastructure. Although NWPC is ineligible to apply as a result of applications being 'invite only' from the Federal Government, the two listed Programs below may represent current or future opportunities for DRC to apply in partnership with NWPC.

1. Growing Regions Program Round 1

The Federal Government announced a total of \$600 million over 3 years for this program. For Round 1, \$300 million is available over 3 years from 2023-24 to 2025-26. EOI applications for this Program open on 5 July 2023 and close on 1 August 2023 – therefore **this will need to be considered as soon as possible**. If eligible through the EOI process, the full application timeframe opens on 1 November 2023 and closes on 12 December 2023. In line with the eligibility criteria, NWPC are unable to apply for this Program, however, DRC are eligible and therefore could work in collaboration with NWPC.

The program is designed to deliver community and economic benefits by investing in community-focused infrastructure which revitalises regions and enhances amenity and liveability throughout regional Australia. More specifically, the goals include:⁶⁸

- Constructing or upgrading community infrastructure that fills an identified gap or need for community infrastructure
- Contributing to achieving a wide range of community socio-economic outcomes
- Strategically aligning with regional priorities.

On this basis, NWPC's aspiration aligns with the objectives of this funding opportunity. The minimum grant amount is \$500,000 and the maximum grants amount is \$15 million. The funding eligibility is distributed into three groups of locations (defined through the Growing Regions Program Mapping Tool)⁶⁹ – which determines the percentage of eligible project costs. This comprises:

TABLE 37: CO-FUNDING GROUP REQUIREMENTS

Co-funding Group	Project Circumstance	Total Federal Govt funding towards eligible project costs
Group 1	– Projects location in 'very remote' locations (as per the ABS Remoteness Structure) such as Bourke and Cobar	Up to 90 per cent of eligible project costs

⁶⁸ Ibid.

⁶⁹ Growing Regions Program (n.d.), 'Geographic Eligibility Criteria', <https://spatial.infrastructure.gov.au/portal/apps/webappviewer/index.html?id=2425744264694ba8a22f35311863a00e>

	– Projects located in areas impacted by natural disasters from 1 May 2022 onwards as per Australian Disasters table ⁷⁰	
Group 2	– Projects located in ‘remote’ locations (per the ABS Remoteness Structure) such as Broken Hill	Up to 70 per cent of eligible project costs
Group 3	– All remaining projects, including those located in ‘outer regional’ locations – which includes Dubbo.	Up to 50 per cent of eligible project costs

Source: DITRDCA (2023)

Under this criteria, the NWPC development would be categorised into Group 3 – where 50 per cent of eligible project costs will be co-funded. It is worth noting that Dubbo has experienced several of the natural disasters (listed in the Australian Disasters webpage) since 1 May 2022 and can therefore be considered within Group 1 (i.e., 90 per cent co-funded).

However, the NWPC development does not align with any of the listed measures under these natural disasters (e.g., personal hardship and distress assistance) and therefore should not consider this as an opportunity. To be eligible for Growing Regions Program Round 1, applicants must:

TABLE 38: GROWING REGIONS FUNDING PROGRAM ROUND 1 ELIGIBILITY CRITERIA

	Eligibility Criteria
To be eligible, applicants must:	<ul style="list-style-type: none"> – Be an incorporated not-for-profit organisation or – Be a local government agency or body and – Have an ABN or ORIC registration – Deliver the project in an eligible location (as defined in the table above) – Commence the project no later than 15 May 2024 – Own the land/infrastructure being upgraded or built upon, or have the landowners permission to use the land/infrastructure.
Applicants are NOT eligible if they are (of relevance):	<ul style="list-style-type: none"> – An individual – A partnership – A Regional Development Australia Committee – An unincorporated association – A sole trader – A for-profit organisation.

Source: DITRDCA (2023)

⁷⁰ Department of Home Affairs (2023), ‘Australian Disasters’, <https://www.disasterassist.gov.au/find-a-disaster/australian-disasters?state=nsw>

Using this eligibility criteria, our understanding is that although NWPC are not eligible to apply for this Program, DRC are able to apply. The funding must be used for constructing new community infrastructure, such as community centres, cultural facilities, social and community infrastructure which encourages economic and social liveability.

Whilst this Program is not focused on supporting the delivery of residential development and associated infrastructure, it may be utilised to support the facilitation of community-related infrastructure. The NWPC Masterplan Report outlines aspiration to create a 'Village Centre' in the heart of the Precinct. If the provision of community-infrastructure within the 'Village Centre' is considered at a later stage, this funding opportunity should be explored by DRC.

2. Regional Precincts and Partnerships Program

Detailed information and guidelines for this Program are yet to be released. However, it is worth monitoring the official webpage⁷¹ over the next few months. Based on available information, this Program, once formally established, sounds relevant to the NWPC development. It will provide a strategic mechanism for 'funding and coordinating projects that transform a place, to benefit communities in regions, regional cities and rural Australia.'⁷²

It will invite proposals from Local and State Governments, as well as not-for-profit organisations, to come together in collaboration to apply for a precinct partnership. DITRDCA define precincts as 'places with a purpose' – e.g., defined geographic areas or community cluster with initiatives shaped around a specific shared need. In this scenario, the 'specific shared need' relates to the provision of affordable housing in Dubbo.

National Housing Finance and Investment Corporation (NHFIC)

NHFIC (soon intended to be renamed to 'Housing Australia') was established by the Federal Government to improve national housing outcomes. It operates as an independent Commonwealth entity governed by the NHFIC Act 2018 and the Investment Mandate made by the responsible Minister. Of relevance, NHFIC was established to⁷³:

- Strengthen efforts to increase the supply of housing
- Encourage investment in the affordable housing sectors
- Provide finance, grants or investments which leverage or support Commonwealth, state or territory activities relating to housing,
- Contribute to the development of Australia's community housing sector
- Assist in earlier access to the housing market by first home buyers and single parents.

NHFIC operates various funds/schemes to achieve its vision, including:

⁷¹ DITRDCA (n.d.), 'Regional Precincts and Partnerships Program', <https://www.infrastructure.gov.au/territories-regions-cities/regional-australia/regional-and-community-programs/regional-precincts-and-partnerships-program>

⁷² Ibid.

⁷³ Australian Government & NHFIC (2022), 'National Housing Finance and Investment Corporation – Corporate Plan 2022-23', <https://www.nhfic.gov.au/sites/default/files/2022-11/Corporate%20Plan%202022-23.pdf>

1. Affordable Housing Bond Aggregator (AHBA)

The AHBA is a fundraising platform and loan provider for the community housing sector, administered by NHFIC. It provides low cost, long-term loans to registered community housing providers (CHPs) to support the provision of affordable housing.⁷⁴ AHBA loans are only eligible for CHPs. While NWPC is unable to directly apply for an AHBA loan, there may an opportunity to partner with one of the local CHPs to provide affordable housing opportunities. Loans are used by CHPs to:

- Acquire new housing stock;
- Construct new housing stock;
- Maintain existing housing stock;
- Assist with its working capital requirements and/or for application towards its general corporate purposes;
- Refinance existing debts.

The AHBA loan works by aggregating a CHPs funding requirements and financing the CHP primarily through the issuance of government guaranteed bonds in Australian domestic debt capital markets.⁷⁵ This allows funding to be raised at a larger scale and on more favourable terms than could be achieved by individual CHPs.⁷⁶ The Australian Government has also provided a \$1 billion line of credit facility through which NHFIC may advance initial loans to CHPs prior to issuing bonds.

2. National Housing Infrastructure Facility (NHIF)

The National Housing Infrastructure Facility (NHIF) is a \$1 billion facility that provides financing for eligible infrastructure projects that will unlock new housing supply, particularly affordable housing. The purpose of the NHIF is to overcome impediments to the provision of housing that are due to the lack of necessary infrastructure. It provides finance in the form of loans, grants and equity investments for eligible infrastructure projects that would not otherwise have proceeded, or that would only have proceeded at a much later date or with a lesser impact on new affordable housing.⁷⁷

To be eligible for financing through NHIF, an applicant must demonstrate that without NHFIC financing, the development project would be unlikely to proceed, likely to proceed only at a much later date, or with a lesser impact on new housing (particularly social or affordable housing).⁷⁸

Again, while NWPC is unable to directly apply for NHIF CI or NHIF SAH as a result of ineligibility, there may be an opportunity to partner with DRC or CHPs (who are eligible) to gain finance support for the infrastructure discussed below. Of relevance, NHIF comprises the following financing types, purposes and eligibility criteria:

TABLE 39: NHIF FINANCING OVERVIEW

NHIF finance type	Provides finance to	Eligible entities
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⁷⁴ NHFIC (2018), 'NHFIC Guidelines for Affordable Housing Bond Aggregator Loans', <https://www.nhfic.gov.au/sites/default/files/2022-10/final-ahba-guidelines-00000002.pdf>

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ NHFIC (2023), 'National Housing Infrastructure Facility Critical Infrastructure (NHIF CI)', <https://www.nhfic.gov.au/national-housing-infrastructure-facility-critical-infrastructure-nhif-ci>

NHIF Critical Infrastructure (NHIC CI) ⁷⁹	<ul style="list-style-type: none"> – construct or upgrade infrastructure for: <ul style="list-style-type: none"> ○ electricity and gas; ○ water, sewerage and stormwater; ○ transportation (including roads); ○ telecommunication. – demolition and site remediation including the removal of hazardous waste or contamination – onsite and linking infrastructure 	<ul style="list-style-type: none"> – Registered CHPs – State or territory governments or government-owned development corporations or utility providers – Local governments or their investment corporations or utility providers – Incorporated special purpose vehicles that have at least one eligible foundation member.
NHIF Affordable Housing (NHIF SAH) ⁸⁰	<ul style="list-style-type: none"> – construct new affordable housing stock; – acquire and convert housing stock to affordable housing; – mixed tenure developments. 	<ul style="list-style-type: none"> – Registered CHPs – State or territory governments or government-owned corporations – Local governments or local-government owned corporations – State or territory governments or government-owned corporations

Source: NHFIC (2023)

The application process involves:

1. Reviewing NHIF CI / SAH Guidelines
2. Submitting an expression of interest (EOI) to NHFIC
3. Discussion of EOI with NHFIC
4. Submitting a formal NHIF CI / SAH application (if invited to do so following discussion)
5. NHFIC assessment of application to determine key financing terms and conditions

This funding opportunity should be considered and explored by DRC (in conjunction with NWPC) to facilitate the delivery of affordable housing through NHIF SAH and associated infrastructure through NHIF CI.

⁷⁹ Ibid.

⁸⁰ NHFIC (2023), 'National Housing Infrastructure Facility Affordable Housing (NHIF SAH)', <https://www.nhfic.gov.au/national-housing-infrastructure-facility-social-and-affordable-housing-nhif-sah>

Clean Energy Finance Corporation (CEFC)

CEFC are an Australian Government statutory authority that invest into renewable-energy related projects on behalf of the Federal Government. This includes infrastructure, property and housing.

Each investment opportunity is considered by CEFC on a case-by-case basis. They do not provide grants, but rather invest in debt and equity to deliver a positive return for taxpayers.⁸¹ There are several financing types that are available, including direct investments, investments in investment funds, and a specialist asset finance program.

Project enquiries/investment opportunities must relate to renewable energy, energy efficiency and/or low emissions technology. For example, the CEFC and ANZ, very recently (in June 2023), have each committed a \$80 million investment to the Mulpha Australia Norwest Quarter development in Sydney's Hills district.⁸² Stage 1 of the development will deliver 196 net-zero ready apartments that could consume up to 50 per cent less electricity from the grid – expected to achieve an average 7-star NatHERS rating. This development project will be one of Australia's first urban precinct developments to fully incorporate sustainable design principles throughout its construction- and post-construction stages.

There is potential for NWPC to discuss financing possibilities with CEFC to deliver a quantity of sustainable housing across the Precinct. The NWPC development precinct is located in close proximity to the Central-West Orana REZ, which presents a large opportunity to leverage/support the emerging clean, affordable and reliable power supply. Funding proposals and/or eligibility discussions can be submitted via an email or a phone call to the CEFC organisation.

NSW State Government

Department of Regional New South Wales (DRNSW)

1. Regional Investment Activation Fund (RIAF) – Stream Two

The \$110 million RIAF Stream Two, administered by DRNSW, co-invests with eligible entities in catalytic projects that may deliver significant economic, social and/or environmental benefits for a priority location or industry. The RIAF is an open, non-competitive grant program. It opened for applications on 5 October 2022 and will not close until 31 December 2024.

The Program Guidelines outline that businesses whose primary operations includes 'residential housing construction that serves only the local or regional community' (among other businesses) are not eligible for funding. However, an underlying objective of the RIAF is to activate the economic potential of large and transformational infrastructure projects such as Renewable Energy Zones, Special Activation Precincts, hydrogen hubs and other priority locations through increased private sector investment.

Given the NWPC Master Plan is located in proximity to the Central-West Orana REZ, the RIAF may be an opportunity for NWPC to explore primarily because the development seeks to build housing for the

⁸¹ CEFC (n.d.), 'FAQs – Can I get a grant from the CEFC?', <https://www.cefc.com.au/about-our-finance/faqs/>

⁸² CEFC (2023), 'Ambitious Norwest Quarter development to deliver net-zero ready apartments', <https://www.cefc.com.au/where-we-invest/case-studies/ambitious-norwest-quarter-development-to-deliver-net-zero-ready-apartments/>

benefit of the construction and operational phases of numerous significant regional infrastructure projects, such as the REZ and Inland Rail.

A limitation may be that the RIAF provides only matching funds between \$1 million and \$10 million where applicants co-contribute cash and at least 50 per cent of the total project cost. Further eligibility criteria include:

- have an Australian Business Number (ABN)
- be one of the following:
 - a company incorporated in Australia
 - a company limited by guarantee
 - an incorporated trustee on behalf of a trust
 - an incorporated association or co-operative
 - an Aboriginal and/or Torres Strait Islander Corporation registered under the Corporations (Aboriginal and /or Torres Strait Islander) Act 2006.
- be registered for GST
- be financially viable and able to demonstrate that they are likely to remain so over the duration of the project
- have at least \$20 million public liability insurance or be able to secure before entering into a funding deed if successful

In general, NWPC might be eligible to apply for the RIAF on the basis of its linkages with providing housing for key workers through construction and operation of the REZ, Inland Rail, etc, but clarity will need to be sought regarding the extent of funding utilisation. There are two stages to the application process, with the first stage being an EOI application. This process will formally explore the projects eligibility. If successful, applicants are able to apply to Stage 2 of the process – a detailed application.

Department of Planning and Environment (DPE)

1. Regional Housing Strategic Planning Fund

Applications for Round One of this funding opportunity closed 30 September 2022 and there are no current rounds available. The Fund's webpage outlines, however, that 'future funding rounds will be announced in 2023'.⁸³ In Round One, this fund was available to support councils planning for new housing, including delivering strategies, plans and studies to support housing supply, affordability and diversity. This fund could be utilised for infrastructure planning (engineering plans, IWCMS etc.), technical studies (such as a flood impact assessment), structure plans (such as architectural plans), etc. If funded in future rounds, NWPC should explore the eligibility criteria and identify whether a partnership with DRC or another quasi-public entity (such as a CHP) would be beneficial.

⁸³ DPE (2023), 'Regional Housing Strategic Planning Fund', <https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-package/regional-housing/regional-housing-strategic-planning-fund#:~:text=In%20August%202022%20the%20NSW,four%20years%20from%202022%2D23>.

2. Housing Acceleration Fund (HAF)

The HAF has been operating since 2012 and currently in its 5th round. The HAF is supported by Infrastructure NSW (which provides grant funding through Restart NSW) and managed by DPE. It aims to create opportunities for releasing housing through upgrades to roads and other infrastructure. The underlying aims of the HAF program are to:⁸⁴

- Increase housing support in high demand areas by prioritising infrastructure projects in growth areas and providing for critical enabling infrastructure such as transport, water and community infrastructure;
- Accelerate housing supply by providing critical infrastructure to growth areas;
- Support community resilience for growth through the provision of infrastructure that enables the development of planned, appropriately serviced and accessible communities;
- Facilitating sustainable urban growth and in-sequence development to ensure that funding is directed in areas of greatest need and aligned to current plans and strategies.

While there is no indication of a 6th round, it is likely that the HAF will be another opportunity to explore in coordination with DRC. Furthermore, there were no formal eligibility criteria, opening this opportunity to a broader spectrum of potential applicants. Projects were, however, nominated by state agencies, state-owned corporations and councils, which were then subject to a 'rigorous prioritisation and selection process'.⁸⁵

2022 Housing Package Programs and Initiatives

Following the NSW Government's response to the Regional Housing Taskforce, a \$2.8 billion Housing Package was announced in June 2022. The Housing Package aims to support the following programs in regional NSW:

- \$120 million reserved under the Accelerated Infrastructure Fund (AIF) to support enabling infrastructure for housing in regional NSW.
- \$149.8 million to deliver 200 new homes and 260 upgrades to State and community-owned properties in First Nations communities, with about 80 per cent of the funds to be spent in regional NSW.
- \$174 million for key worker housing that will deliver approximately 271 additional homes for regional teachers and police over four years.
- \$33.8 million for the Regional Housing Development Program, including expanding the Urban Development Program (supporting 127,000 new homes in the 10-year pipeline).
- \$32 million to deliver planning and infrastructure upgrades to First Nations communities through the Roads to Home program, supporting access to essential services.

⁸⁴ DPE (2022), 'Housing Acceleration Fund – A Question and Answer Guide for Delivery Agencies', <https://www.planning.nsw.gov.au/sites/default/files/2023-03/housing-acceleration-fund-faq.pdf>

⁸⁵ DPE (n.d.), 'Housing Acceleration Fund', <https://www.planning.nsw.gov.au/plans-for-your-area/infrastructure-funding/housing-acceleration-fund>

- \$12 million to help councils plan for housing that is affordable, diverse, and resilient to natural hazards through the Regional Housing Strategic Planning Fund.

The initiatives/programs aimed towards supporting ‘more homes for regional NSW’ include:

1. Accelerated Infrastructure Fund (AIF) Round 3

Based on available information and understanding of this funding opportunity, the AIF Round 3 seems to be underway and may not represent a funding opportunity in the near term. However, if an AIF Round 4 proceeds, which is unclear, NWPC should contemplate this as a realistic infrastructure delivery funding opportunity (in coordination with DRC).

The AIF program supports councils, utility providers and government agencies in high-growth LGA’s to speed up the delivery of infrastructure that supports housing, such as roads, stormwater drainage, sewerage, electricity and open spaces.⁸⁶ Round three of the AIF provides \$300 million to co-fund and accelerate the delivery of local infrastructure. The funding will be split with up to \$180 million allocated to metropolitan projects and approximately to \$120 million for regional projects.

A total of 10 projects are being funded in regional NSW under Round 3 of the AIF. Of relevance, this has included the \$9.23 million construction of River Street West Collector Road (Stage 1) which will support growth within NWPC’s development precinct.⁸⁷

2. Regional Housing Development Program (RHDP)

Recipients for Round 1 of the Regional Housing Strategic Planning Fund were announced in 2022 and there are no current funding opportunities available. However, available information indicates that in June 2024 – 2026, there will be further expansion of the Urban Development Program (UDP) to provide more high growth regional areas and annual rounds of the fund.⁸⁸

This program is driven by DPE and has allocated \$33.78 million of funding over the next four years (2023-2027). The program’s resources are intended to fund investments specifically designed to alleviate planning barriers and facilitate the delivery of 127,000 homes for regional NSW over the course of the next 10 years. This program is intended to benefit regional communities, with more homes to own or rent; regional councils to deliver more housing opportunities; and housing developers who can invest in regional NSW with more certainty.

3. Shared Equity Home Buyer Helper Initiative

While this shared equity initiative is geared toward the purchaser side of the housing market, its focus on making homeownership more accessible to key workers, low-income single parents and older singles and may represent an opportunity for coordination with the marketing and sales of any ownership products targeted for key workers within the NWPC.

The NSW Government initiative commits \$780.4 million to this shared equity scheme. The program has been targeted to facilitate home ownership for up to 6,000 lower-income single parents, single seniors

⁸⁶ NSW Government (2023), ‘A pathway home: 6-month progress update’,

https://www.dpie.nsw.gov.au/__data/assets/pdf_file/0007/551950/Housing-Package-progress-update-brochure-2022.pdf

⁸⁷ DPE (2023), ‘Round 3 – Accelerated Infrastructure Fund’, <https://www.planning.nsw.gov.au/plans-for-your-area/infrastructure-funding/accelerated-infrastructure-fund/round-3>

⁸⁸ DPE (2023), ‘Regional Housing Development Program’, <https://www.dpie.nsw.gov.au/our-work/2022-housing-package-programs-and-initiatives/regional-housing-development-program>

and first home buyer key workers (nurses, midwives, paramedics, police, teachers etc.) across NSW between 2022-2023 and 2023-2024. Through the program, committed funds will be used to contribute up to 40% of the purchase price for a new home or up to 30% of the purchase price for an existing home purchased by eligible buyers with a minimum 2% deposit.⁸⁹

Local Government

Based on desktop research, there are no funding or financing opportunities available through Local Government (DRC) that will benefit the NWPC development.

4.4 Summary

The Masterplan Report shares strong alignment with the current policies, plans and strategies at all levels of government, as detailed in Section 3.2. At a federal level, this heavily relates to addressing the nationwide housing supply issues and enabling the provision and availability of more affordable housing. At the NSW state-level, existing plans intend to address a broader array of challenges – such as unlocking regional housing supply and driving regional economic growth. At a local level, plans support the achievement of social, economic, liveability, housing and infrastructure-related outcomes to benefit the Dubbo Regional community. The Masterplan provides a long-term vision for the Precinct which adequately supports the goals and strategic outcomes of key federal, state and local policies and plans.

Based on desktop research, there are no direct funding or financing opportunities that NWPC, as a private entity, can directly apply and/or be eligible for - which is detailed in Section 3.3. However, there are several ongoing and potential future opportunities to partner with DRC or CHPs to provide affordable housing, critical infrastructure, or community infrastructure within the Precinct.

At a high level, the most prominent funding opportunities are provided at a federal level and include:

- Growing Regions Program Round 1 (DITRDCA): DRC are eligible for this program which may enable collaboration with NWPC to deliver community-infrastructure.
- AHBA Loans (NHFIC): CHPs are eligible for this Loan which may enable collaboration with NWPC to deliver social and/or affordable housing.
- NHIF (CI) & (SAH): Both DRC and CHPs are eligible for this financing opportunity which may enable collaboration with NWPC to deliver critical infrastructure and social/affordable housing.
- CEFC: Funding proposals and/or eligibility discussions can be submitted via an email or a phone call to the CEFC organisation.

⁸⁹ Ibid.

5. Benefits Assessment

This chapter provides the outputs of SGS's three core assessments of the monetised differences between the NWPC Master Plan and the BaU (or status quo) development pattern. As outlined in Chapter 2 on SGS's methodology, the three outputs are:

- **Residual Land Value (RLV)** – outputs include estimation of the total development costs associated with the land use development, realisable values as well as assumptions regarding development margin, etc. The RLV output specifically characterises the extent to which NWPC's master-planned community creates value in the land beyond the BaU.
- **Economic Impact Assessment** – outputs include total economic activity, including direct, indirect and induced economic activity in dollars, gross value-added (GVA, equivalency to GDP), employment in full-time equivalencies (FTE).
- **Community Benefits Assessment** – outputs include the community benefits materialising from the provision of affordable housing in the Master Plan development, the benefits to the community of provision of child care centres, the broader community health benefits from tree canopy, and the community use value of open space.

5.1 Residual Land Value Analysis

The RLV analysis is completed on assumptions set out under Section 3.2. This analysis quantifies the increased value being generated by the Master Plan above the BaU on the same area of land using estimates of revenues, development (construction and infrastructure) costs, and a development margin. The results are shown in **Table 40** and **Table 41** Table 5.

- **Table 40** presents estimates of the difference between the two development scenarios for the first stage of development, in which the Master Plan would provide an estimated 425 low- to medium-density dwellings and the BaU would be anticipated to deliver approximately 195 low density dwellings. With a higher density of overall development, the Master Plan creates an additional \$18 million of land value in today's dollars.
- **Table 41** provides the high-level RLV outputs for the whole site. These outputs are representative of total development, including a town centre which provides retail and commercial typologies in the Master Plan Scenario. Across the entirety of the proposed Master Plan as conceived of today, the Master Plan would create an estimated additional \$99 million of land value in today's dollars.

TABLE 40: STAGE 1 RLV OUTPUTS

	Business as usual	Master Plan Scenario	Difference
Dwellings in Stage 1	195	425	230
Gross revenue	\$146,250,000	\$289,000,000	\$142,750,000
Net revenue	\$130,960,000	\$258,786,000	\$127,826,000
Total development costs excluding infrastructure	\$74,292,000	\$148,572,000	\$74,280,000
Infrastructure	\$22,488,000	\$32,125,000	\$9,637,000
Margin (20% of net revenue)	\$26,192,000	\$51,757,000	\$25,565,000
Residual Land Value	\$7,988,000	\$26,332,000	\$18,344,000

Source: SGS Economics and Planning (2023)

TABLE 41: TOTAL SITE RLV OUTPUTS

	Business as usual	Master Plan Scenario	Difference
Net revenue	\$1,757,956,000	\$3,172,373,000	\$1,414,417,000
Total development costs excluding infrastructure	\$990,562,000	\$1,898,107,000	\$907,545,000
Infrastructure	\$291,142,000	\$415,917,000	\$124,775,000
Margin (20% of net revenue)	\$351,591,000	\$634,475,000	\$282,884,000
Residual Land Value	\$124,661,000	\$223,874,000	\$99,213,000

Source: SGS Economics and Planning (2023)

5.2 Economic Impact Assessment

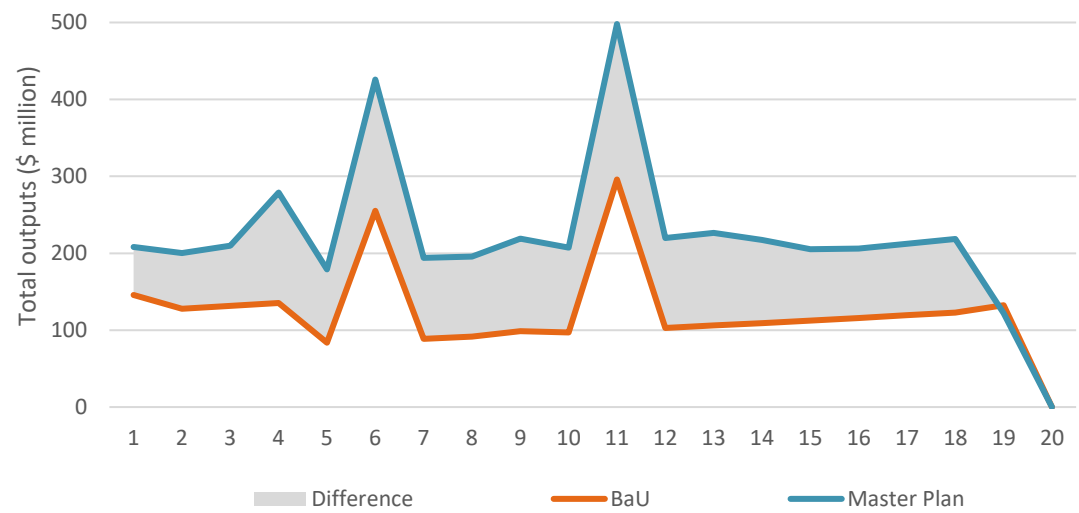
This section summarises results of the EIA for the BaU and NWPC Master Plan (project case). All metrics are presented in present value (PV) dollar terms, discounted at 7.0% consistent with state guidelines for assessment of capital investments.

Construction-related economic impacts – output and gross value-added

Construction-related economic impacts are defined by capital investment made through construction of enabling infrastructure (such as roads, utilities, drainage systems, etc.) as well as construction of residential, non-residential and community infrastructure floorspace.

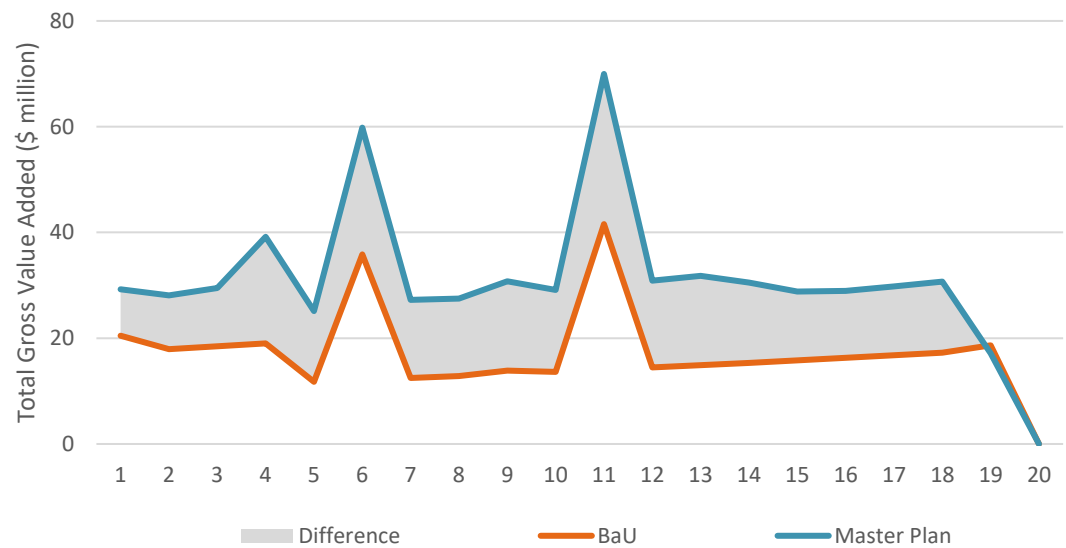
- **Total economic activity** (i.e. total outputs) – In PV terms, total output related to construction of the BaU is estimated at \$1.4 billion and the Master Plan is estimated at \$2.4 billion, a net PV difference of \$1.1 billion in total output over the 20 year period, as illustrated in **Figure 3**.
- **Total gross value-added** – In PV terms, the GVA related to construction of the BaU is estimated at \$191.6 million and the Master Plan is estimated at \$343.7 million, a net PV difference of \$152.2 million in GVA over the 20 year period, as illustrated in **Figure 4**.

FIGURE 3: TOTAL OUTPUTS (\$ MILLION) – MASTER PLAN VS BAU (CONSTRUCTION)



Source: SGS Economics and Planning (2023).

FIGURE 4: TOTAL GVA (\$ MILLION) – MASTER PLAN VS BAU (CONSTRUCTION)



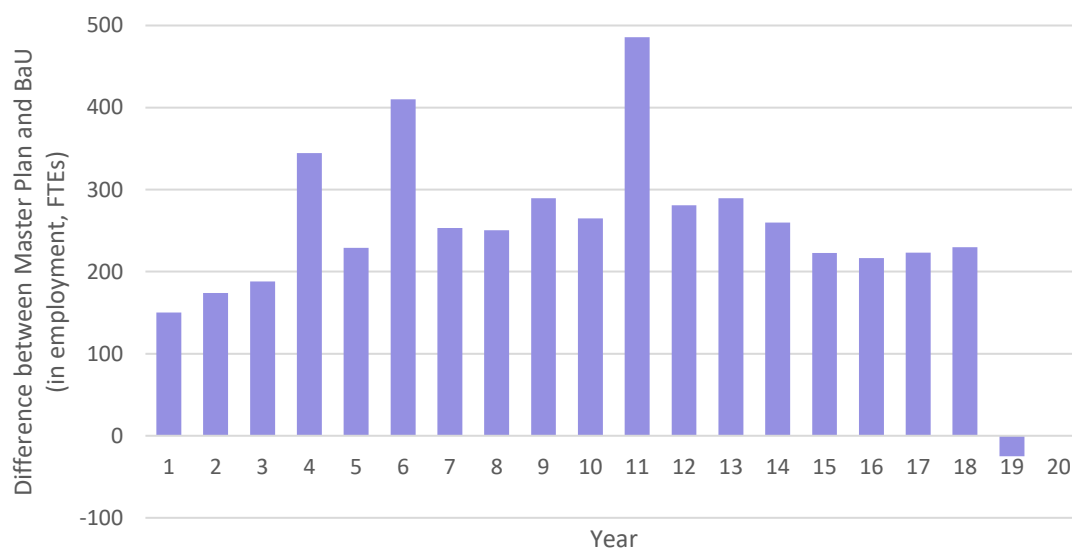
Source: SGS Economics and Planning (2023)

Construction-related economic impacts - jobs

Construction-related economic impacts are also defined by the jobs needed in construction and in facilitation of ongoing economic activity (such as the spending related to households residing in housing).

It is estimated that total jobs supported by the BaU over 20 years is approximately 5,944 job-years (averaging approximately 297 jobs per year) and the jobs supported by the Master Plan is estimated at approximately 10,681 (averaging approximately 534 per year). The net jobs impact of Master Plan is estimated at 4,737 job-years (averaging approximately 237 jobs per year) over the 20-year period, as illustrated in **Figure 5**.

FIGURE 5: DIFFERENCE BETWEEN MASTER PLAN AND BAU (CONSTRUCTION) - EMPLOYMENT (FTE)



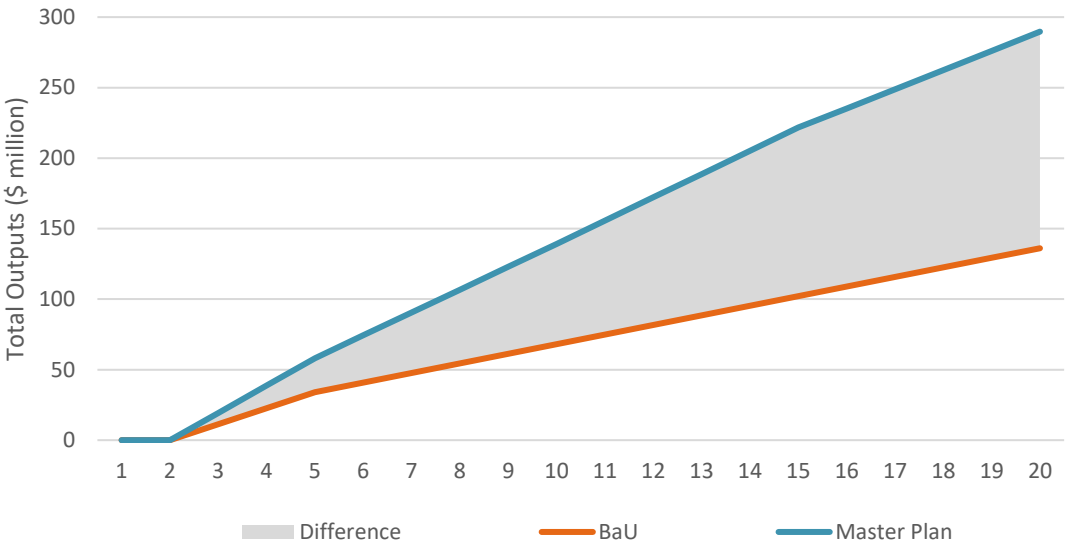
Source: SGS Economics and Planning (2023).

Ongoing economic impacts - output and gross value-added

The ongoing economic impacts are estimated as follows.

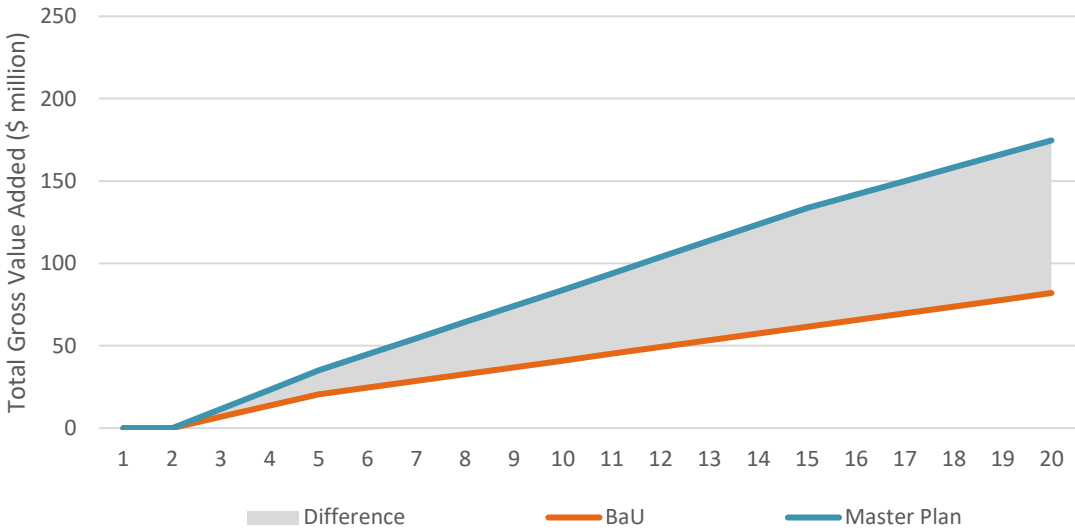
- **Total economic activity** (i.e. total outputs) – in PV terms, total output related to spending from households of the BaU is a cumulative \$570.3 million and the Master Plan is estimated at \$1.2 billion, a net difference of \$598.1 million over the 20 year period, as illustrated in **Figure 6**.
- **Total gross value-added** – In PV terms, GVA related to spending from households of the BaU is a cumulative \$343.8 million and the Master Plan is estimated at \$704.4 million, a net difference of \$360.6 million over the 20 year period, as illustrated in **Figure 7**.

FIGURE 6: TOTAL OUTPUTS (\$ MILLION) – MASTER PLAN VS BAU (HOUSEHOLD EXPENDITURE)



Source: SGS Economics and Planning (2023)

FIGURE 7: TOTAL GVA (\$ MILLION) – MASTER PLAN VS BAU (HOUSEHOLD EXPENDITURE)

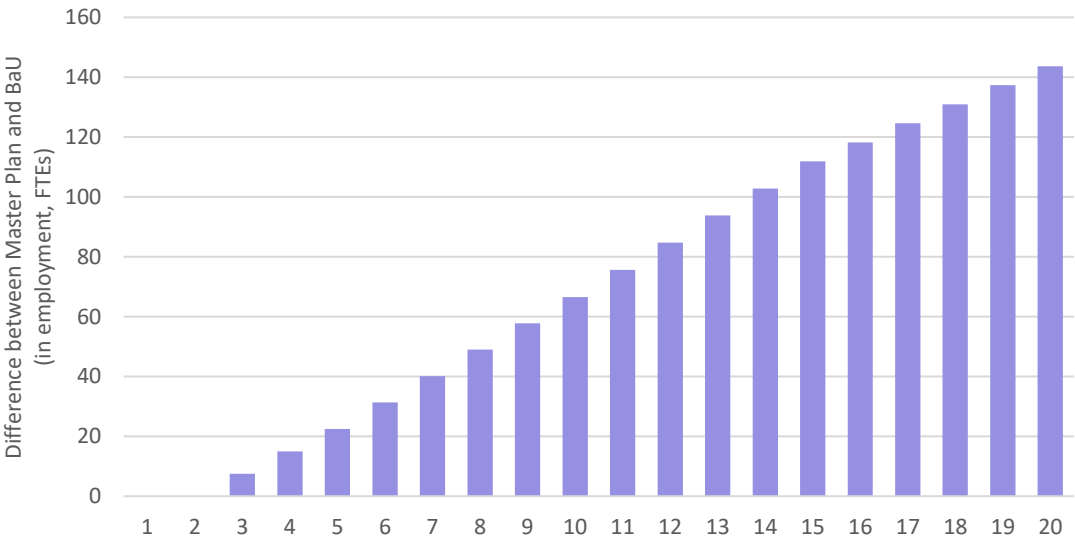


Source: SGS Economics and Planning (2023)

Ongoing economic impacts - jobs

The difference between ongoing impacts relates to household expenditure and the demand created in support of service-sector jobs. SGS estimates that ongoing impacts in the BaU support 1,305 job-years over the 20-year period (averaging approximately 65 jobs per year), while the Master Plan supports approximately 2,719 job-years (averaging approximately 136 jobs per year). The net jobs impact of Master Plan is estimated at 1,414 job-years (averaging approximately 71 jobs per year) over the 20-year period, as illustrated in **Figure 8**.

FIGURE 8: DIFFERENCE BETWEEN MASTER PLAN AND BAU (ONGOING) - EMPLOYMENT (FTE)



Source: SGS Economics and Planning (2023).

5.3 Community Benefit Assessment

As outlined previously, the community benefits assessment contains several key components, including the provision of affordable housing, childcare centres benefits, health benefits from tree canopy as well as the community use value of open space.

Shown in **Table 42** are the annual values associated with each community benefit attributable to the Master Plan, the BaU as well as the difference between the two scenarios. As such, SGS's analysis estimates that the Master Plan generates \$27 million in combined community benefit (or \$21 million above the BaU). On an annual basis, childcare centres provide the greatest benefit to the community, followed by the community benefit from the provision of affordable housing floorspace in the development.

TABLE 42: COMMUNITY BENEFIT ASSESSMENT RESULTS – AS ANNUAL \$

Community benefit	BaU	Master Plan	Difference
Childcare benefits	\$5,480,000	\$13,700,000	\$8,220,000
Provision of affordable housing	\$0	\$11,470,000	\$11,470,000
Health benefits from increased vegetation and tree coverage	\$0	\$1,149,000	\$1,149,000
Community use value of open space	\$5,000	\$711,000	\$706,000
Total	\$5,485,000	\$27,030,000	\$21,545,000

Source: SGS Economics and Planning (2023)

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