50 Busby Street, South Bathurst Socio-economic Impact Assessment

Kirana Bathurst Pty Ltd

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BACKGROUND

Kirana Bathurst Pty Ltd (**Kirana**) owns a site at 50 Busby Street, South Bathurst (**the Site**) which is a 1.17ha allotment of land. The Site falls within the Bathurst LGA and is zoned R1 General Residential under the Bathurst Regional Local Environmental Plan (LEP) 2014. The Site is subject to a height limit of 9m and a minimum lot size of 550sqm. Retail uses are prohibited.

The Site is located approximately 1.8km from the Bathurst town centre which accommodates major retailers including Woolworths, BIG W, Coles, Dan Murphy's and JB HI FI as well as various small-scale, local and independent retailers. The Site is improved by two large buildings that were formerly aged care and nursing home facilities. The facilities are understood to have been vacant since the relocation of St Catherine's Nursing Home and Aged Care facilities in 2017.

The Site is immediately east of various educational institutions including Charles Sturt University, TAFE College and St Stanislaus College located along and off Panaroma Avenue.

Kirana is progressing a planning proposal (**the Proposal**) for the Site that would allow for a mix of residential and small-scale commercial uses. The Proposal would facilitate the development of a 4 storeys plus two levels of basement, comprising 97 dwellings - a mix of 34 townhouses and 63 apartments. The townhouses comprise 3- and 4- bedrooms, and the apartments range from 1-bedrooms to 3-bedrooms. The Proposal envisages provision for a gymnasium, community centre, food and beverage operators and carparking. The proposed development will comprise 6 storeys including basement levels allocated to storage and carparking.

The Proposal seeks to amend the Bathurst LEP 2014 as follows:

- Amend the land use zone from R1 General Residential to R3 Medium Density Residential.
- Increase the building height from 9m to a mix of 12m and 16m.
- Remove the minimum lot size to facilitate the subdivision in the Proposal.
- Permit commercial uses (194sqm GFA) to enable one or more of the following: restaurant or café, take away food and drink premises or small bar.

Atlas Economics (**Atlas**) is engaged to prepare a Socio-economic Impact Assessment (SEIA) which examines the socioeconomic profile of the catchment area, the nature of housing need and the role the Site could play in meeting that need.

PURPOSE AND APPROACH

The Study examines the economic justification for the Planning Proposal, in particular if there is a case for the proposed residential product on the Site. The Study principally considers:

- The need for the mix of dwellings proposed on the Site, by having regard to:
 - ° Socio-demographic and socio-economic profile of resident households in the Bathurst LGA.
 - The nature of existing housing stock and the development pipeline.
- The likelihood and prospect of higher density living (i.e. smaller format dwellings) in the Bathurst LGA, by considering:
 - ° The geographical spread of development activity (in greenfield/ release areas and in existing urban/ infill areas).
 - ^o The land economics and development feasibility of higher density living in existing urban/ infill areas in Bathurst.
- The economic impacts (direct and indirect) resulting from the Proposal during construction and those which are ongoing upon completion of the development.

The overarching objective of the Study is to examine the need for the Proposal and the potential housing role for the Site.



DRIVERS OF DEMAND FOR HOUSING

There has been strong historical population growth in the immediate catchment of the Site, averaging 1.7% over the 2011-2021 period. This exceeded population in the Bathurst LGA and in Regional NSW. This level of growth is projected to continue to 2041 (averaging 1.7% per annum), with a large proportion of new residents from internal migration flows.

Shift in Demographic Profile

The Catchment Areas are characterised by falling household sizes and lower income levels, an ageing population and a shift toward smaller household types. The shift in these demographic characteristics influences the nature of housing demand.

The increasing prevalence of older residents and the growth in one and two-person households (typically couples without children, single parents, or single persons) are shifting the composition of households, and consequently the demand for smaller dwelling formats. The demand for smaller dwelling formats is driven by lifestyle reasons, borne out of a desire for low maintenance and upkeep.

Educational Institutions

Charles Sturt University is among the educational institutions located just west of the Site, with approximately 1,500 students attending the Bathurst campus. These 1,500 students would comprise locals and those from beyond Bathurst, who would seek residential accommodation during their study.

Education is a large driver of demand for low cost and low-maintenance housing options. Students attending campus for education purposes typically choose to reside a small distance from university for convenience of access.

There is limited on-campus accommodation for which first-year students are guaranteed. Students otherwise need to source off-campus accommodation to suit their requirements. Informal discussions with real estate agents note Charles Sturt University as a key driver of demand for housing in Bathurst.

Incomes and Affordability

Households in the Catchment Areas are generally of a lower income profile which has direct implications for housing need.

Since 2019, the median sale price of houses in the Bathurst LGA increased from \$405,000 to \$648,000 (2023), averaging almost 15% increase per annum. Similarly, the median sale price of units (albeit limited) has increased from \$319,000 to \$445,000 over the same period, equivalent to an average annual increase of 10%. This underscores the need for housing options that are affordable.

ALIGNMENT OF HOUSING SUPPLY WITH DEMAND

Like many regional centres, Bathurst has historically been characterised by traditional large single detached housing. If there is only a small price difference between a 4-bedroom detached house and a 2-bedroom villa, and if within affordability, the market will prefer the low density product. Accordingly, the pricing of detached houses forms a 'price ceiling' on smaller housing formats (like medium density). This constrains the feasibility of higher density development as the cost of production must not exceed the price the market is willing to pay for the completed medium density product.

The nature of medium density development activity is generally confined to single storey villas. In more recent times, two storey townhouse forms and residential units are emerging where a developer may be able to secure a vacant site or a large block with a small/ aged dwelling. Site purchases appear to be opportunistic, i.e. developers securing either a single dwelling at the end of its economic useful life on a large block of land or a vacant block of land.

In some circumstances, the market prefers lower density formats even though higher density may be permitted. As an example, 121 William Street (E2 zone permitted FSR 2:1 and 12m height) was purchased in November 2022 as a development site for three 2-bedroom villas. The development achieves an FSR well below the maximum permitted 2:1.



Financial Feasibility and Likelihood of Infill Redevelopment

A review of the development pipeline reveals there are more than 20 projects at various stages in the pipeline, which have the potential for more than 200 medium density and residential units in the Bathurst LGA.

Nearly 90 dwellings are proposed within Housing Plus developments (community housing) and 40 units within the Tremain Mill Precinct on Havannah and Keppel Street. The remainder of the pipeline comprises small scale developments (3-11 dwellings) generally on a single allotment - which is generally large in size, vacant or improved with an old cottage.

The analysis of development sites purchased indicates that activity is:

- **Generally opportunistic** developers securing single detached houses that are aged and at the end of their economic useful lives. These sites comprise large blocks (>1,200sqm) that are capable of multi-dwelling housing.
- **Price-sensitive** developers paying prices of around \$500/sqm site area in the R1 zone. The price paid for a site is affected by the price completed dwellings can be sold for. In a market where the price of medium density is constrained by the price of detached housing, the number of development opportunities will be accordingly constrained.

In Bathurst's greenfield/ release areas (e.g. Griffin, Kelso), medium density product is met with healthy levels of market demand. The level of transport and urban amenity is lower than the established areas of Bathurst but this activity illustrates where this type of development is feasible where land purchase does not involve an existing dwelling for demolition. This enables the cost of production to be equal to, or less than the price the market is willing to pay for medium density product.

Bathurst 2036 Housing Strategy

The Bathurst 2036 Housing Strategy seeks to enable development that will meet the needs of the population to 2036. Generally, Council recognises a combination of interventions are required to meet its housing needs:

- Increase densities in existing neighbourhoods.
- Increase densities in greenfield release areas.
- Convert agricultural land for urban development if there is no change in density of the spatial take-up of existing land.

Opportunity for the Site

The Site has a valuable opportunity to deliver a diverse mix of housing typologies that responds to economic and market need, underpinned by the shifting demographic profile, large student cohort and affordability issues.

In immature markets (like Bathurst) where acceptance for higher density living is only just emerging, high densities will not necessarily assist feasibility. This is because developments of greater density are taller, have basements and are subject to more onerous building code requirements, and are therefore more expensive to build. This then requires the market to pay a price even greater than it is willing.

The Proposal and the Site are well placed to deliver a mix of dwelling types at a scale (97 dwellings) that is rare in Bathurst which is usually dominated by small developments on single allotments.

ASSESSMENT OF ECONOMIC IMPACTS

To estimate the economic impacts that could result from the Proposal, a Proposal Case and Base Case are defined:

- Base Case:
 - The Base Case assumes a compliant development at the minimum lot size of 550sqm. Assuming a 20% site provision for local roads and circulation, this results in a potential for 17 dwellings on the Site.
- Proposal Case
 - The Site is developed as proposed for 97 dwellings (63 apartments, 34 townhouses) and commercial floorspace for food and beverage offer (194sqm commercial GFA).

The economic impacts are assessed at the Bathurst LGA level.



The development of the Proposal is shown to deliver positive economic impacts to the Bathurst economy. Compared with the Base Case, it is estimated to result in **a net increase in economic activity** during the construction phase through a mix of direct and indirect (flow-on) activity, including:

- \$54.9 million in additional output (including \$33.4 million in additional direct activity)
- \$20.1 million additional contribution to GRP (including \$9.4 million in additional direct activity)
- \$11.7 million in additional incomes and salaries paid to households (including \$6.2 million in additional direct income)
- 121 additional FTE jobs (including 64 FTE employed directly through additional construction activity)

When operational, the Proposal is estimated to result in an annual **net increase in economic activity** with:

- \$13.3 million in additional output (including \$7.5 million in direct activity)
- \$6.6 million in additional contribution to GRP (including \$3.6 million in direct activity)
- \$3.8 million in additional incomes and salaries paid to households (including \$2.4 million paid directly)
- 38 additional FTE jobs (including 23 additional FTE jobs that are directly related to activity on the Site).

The Proposal will also facilitate household expenditure impacts through the new housing stock:

- \$8.4 million in additional total outputs (including \$5.3 million from additional direct output)
- \$4.9 million additional total contributions to GRP (including \$3.2 million from direct contributions)
- \$2.3 million in additional total wages and salaries to local workers (includes \$1.5 million direct additional income)
- 28 additional FTE jobs (including 19 additional FTE jobs from direct impact)

Other Economic Impacts

The Proposal will enable a mix of smaller format dwellings in the Bathurst housing market. Specifically, the Proposal envisages the development of 97 dwellings - 34 townhouses (comprising a mix of 3- and 4-bedrooms) and 63 apartments (ranging from 1- to 3-bedrooms). This development would go some distance in addressing the existing lack of housing diversity within the Bathurst Central Area and across the broader LGA, where over 75% of existing dwellings are low density, and approximately 5% are apartments, units or flats.

Owing to market attitudes towards higher density living which are only just emerging, feasible development of higher density in Bathurst's existing urban area is generally limited to blocks that can be purchased for an economic price (vacant or with a small dwelling at the end of its economic useful life). It is for this reason that the majority of the development pipeline for medium density dwellings and residential units are small in scale.

The Proposal and the Site therefore have a unique opportunity to deliver smaller housing forms at scale (almost 100 dwellings) within the established urban footprint close to services, employment opportunities and community infrastructure.

Importantly, the Proposal represents a valuable infill opportunity to contribute to housing diversity outcomes – delivering townhouses and apartments at a scale which the Study has demonstrated is rare in the Bathurst urban area.



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1	Input-Output Modelling Methodology



1. Introduction

1.1 Background and the Site

Kirana Bathurst Pty Ltd (**Kirana**) owns a site at 50 Busby Street, South Bathurst (**the Site**) which is a 1.17ha allotment of land. The Site falls within the Bathurst LGA and is zoned R1 General Residential under the Bathurst Regional Local Environmental Plan (LEP) 2014. The Site is subject to a height limit of 9m and a minimum lot size of 550sqm. Retail uses are prohibited.

The Site is located approximately 1.8km from the Bathurst town centre which accommodates major retailers including Woolworths, BIG W, Coles, Dan Murphy's and JB HI FI as well as various small-scale, local and independent retailers.

Kirana is progressing a planning proposal (**the Proposal**) for the Site, that would allow for a mix of residential and small-scale commercial uses. The Proposal would allow for the development of a four storey building plus two levels of basement – comprising 97 dwellings, comprising a mix of 34 townhouses, 63 apartments. The townhouses comprise 3- and 4- bedrooms, and the apartments range from 1-bedrooms to 3-bedrooms. The Proposal envisages provision for a gymnasium, community centre, food and beverage operators and carparking. The proposed development will comprise 6 storeys including basement levels allocated to storage and carparking.

The Proposal seeks to amend the Bathurst LEP 2014 as follows:

- Amend the land use zone from R1 General Residential to R3 Medium Density Residential.
- Increase the building height from 9m to a mix of 12m and 16m.
- Remove the minimum lot size to facilitate the subdivision in the Proposal.
- Permit commercial uses (194sqm GFA) to enable one or more of the following: restaurant or café, take away food and drink premises or small bar.

Atlas Economics (Atlas) is engaged to prepare a Socio-economic Impact Assessment (SEIA) which examines the socioeconomic profile of the catchment area, the nature of housing need and the role the Site could play in meeting that need.

The Site

The Site is a 1.17ha (11,700sqm) lot with dual access and frontage - from Busby Street (110.7m of frontage) and Prospect Street (98.2m of frontage) in South Bathurst. The position of the Site is illustrated in **Figure 1-1**.

Figure 1-1: The Site





Source: Atlas

The Site is improved by two large buildings that were formally aged care and nursing home facilities. The facilities are understood to have been vacant since the relocation of St Catherine's Nursing Home and Aged Care facilities in 2017.

Immediately surrounding the Site are single detached houses within the R1 General Residential zone. The Site is just east of various educational institutions including Charles Sturt University, TAFE College and St Stanislaus College located along and off Panaroma Avenue.

1.2 Scope and Approach

Atlas has been engaged by Kirana to carry out a socio-economic impact assessment (**the Study**) to accompany the Planning Proposal. The Study examines the economic justification for the Planning Proposal, in particular if there is a case for the proposed residential product on the Site.

The Study principally considers:

- The need for the mix of dwellings proposed on the Site, by having regard to:
 - ° Socio-demographic and socio-economic profile of resident households in the Bathurst LGA.
 - ° The nature of existing housing stock and the development pipeline.
- The likelihood and prospect of higher density living (i.e. smaller format dwellings) in the Bathurst LGA, by considering:
 - The geographical spread of development activity (in greenfield/ release areas and in existing urban/ infill areas).
 - The land economics and development feasibility of higher density living in existing urban/ infill areas in Bathurst.
- The economic impacts (direct and indirect) resulting from the Proposal during construction and those which are ongoing upon completion of the development.

The rest of the Study is structured as follows:

- Chapter 2 examines the socio-economic profile of defined catchment areas in Bathurst, in particular the characteristics that influence the need for housing.
- Chapter 3 investigates the drivers and nature of housing demand, and if housing supply is well aligned to the demonstrated need for housing. The chapter additionally considers the role for the Proposal and the Site is meeting demonstrated housing need.
- Chapter 4 considers the economic impacts that could result from the Proposal.



The overarching objective of the Study is to examine the need for the Proposal and the potential housing role for the Site.

1.3 Assumptions and Limitations

Atlas acknowledges several assumptions and limitations associated with this Study.

- At the time of writing, the fallout from the COVID-19 pandemic across the NSW economy is still playing out. The medium to long-term implications for population and employment growth are yet to be fully understood.
- The macro-economic outlook is currently subject to significant uncertainty, with COVID-19, labour shortages, inflation, and global conflicts.
- The 2021 Census was administered during the COVID-19 pandemic and at a time of widespread lockdowns across Australia's east coast. Activity recorded at this time may not be accurately representative of employment levels.
- Population and dwelling projections (by the NSW Department of Planning and Environment) were released in early 2022 (post-COVID-19) but prior to release of census 2021 data.
- Market research is carried out on a 'desktop' basis without the benefit of site surveys and internal inspections.

Notwithstanding the above, all due care, skill and diligence has been applied to this Study as is reasonably expected.



2. Socio-economic Profile

The basis of demographic analysis is the Australian Bureau of Statistics (ABS) Census data. The ABS defines a series of geographies known as Statistical Areas (SA) which vary in size and range from SA4s (large regions comprising multiple local government areas) to SA1s (often smaller than a suburb). Census data can be extracted based on these statistical areas to understand the socio-demographic profile of different areas at various geographies.

The Study defines two catchment areas - various Statistical Area (SA2) geographies are selected and grouped as 'Bathurst Central Area' (Bathurst-East, Bathurst-South, Bathurst-West). This is benchmarked against the broader Bathurst LGA. Collectively, these catchment areas are referred to as '**the Catchment Areas**'.

The geographies that define the Bathurst Central Area and the Bathurst LGA are shown in Figure 2-1.



Figure 2-1: Bathurst Central Area and Bathurst LGA (the Catchment Areas)

Source: Atlas

2.1 Historical Population Growth

Ove the 2011 to 2021 period the Bathurst Central Area experienced relatively strong population growth.

Over the past decade, both the Bathurst Central Area and LGA grew by over 5,000 residents each, equating to average annual growth rates of 1.6% and 1.3% respectively. This outpaced the broader Central West Region, which saw 0.9% average annual growth over the same period.

The population growth of the Catchment Areas is shown in Figure 2-2.





Figure 2-2: Historical Population Growth (2011-2021), Catchment Areas

Source: ABS (2022, 2017, 2012)

2.1.1 Resident and Household Profile

Age Profile

Since 2011, the proportion of 70+ year olds within the Bathurst Central Area has increased from 10.3% to 13.8%. Conversely, the proportion of 0 to 29-year-olds has decreased from 44.1% to 39.1% over the same period, indicating that Bathurst is characterised by an ageing population.

Further, across the Bathurst LGA, the proportion of 70+ year-olds has increased from 9.2% in 2011 to 12.8% in 2021, making it the fastest-growing age group within the LGA.

The historical population age dynamics of the Bathurst Central Area are shown in **Figure 2-3**, which highlights the growth over the 2011-2021 period of residents aged 60 years and older. Notably, the 30 to 39-year age cohort grew between 2016 and 2021.



Figure 2-3: Age Profile (2011-2021), Bathurst Central Area

Source: ABS (2022, 2017, 2012)



Household Size and Composition

Within the Bathurst Central Area, the most prominent household size in 2021 was two-person households (30%), followed by single-person households (25%). This is similar to the broader Bathurst LGA, where single person households comprise 28% and 2-person households account for 35% of households.

The number of single person households in the Bathurst Central Area has grown significantly over the past 10 years, from 3,070 in 2011 (23%) to 3,940 in 2021, equating to an annual growth rate of 3%. Within the Catchment Areas, the proportion of 3-or more person households has been falling.

The trend of household sizes over the past decade within the Bathurst Central Area is illustrated in Figure 2-4.



Figure 2-4: Household Size (2011-2021), Bathurst Central Area

Source: ABS (2022, 2017, 2012)

The movement in household composition of the Bathurst Central Area over the past decade is illustrated in Figure 2-5.

Household composition of the Bathurst Central Area has shifted in some key household types over the past decade. Notably, the proportion of couples with children has fallen from 35% to 25%, which is consistent with the broader Bathurst LGA, decreasing from 32% to 26% over the same period. Lone person households have increased from 18% to 27% of total households over the 2011-21 period, aligning with the observations of more one-person households.

The proportion of couples without children households has remained unchanged at 22% over the same period.



Figure 2-5: Household Composition (2011-2021), Bathurst Central Area

2.1.2 Household Income

Within the Bathurst Central Area, the most prominent household group, defined by income level, was those with a weekly income of \$0-\$799, making up some 28% of households. This is followed by households earning \$800-\$1,499 (24%). This is relatively consistent with the wider Bathurst LGA and the rest of Regional NSW, however there is an observation of lower income-earning households within the Bathurst Central Area compared to the LGA.

Findings from research into the income profile of the Catchment Areas are shown in Figure 2-6.

Figure 2-6: Income Profile of Households Percentages (2021), Catchment Areas



Source: ABS (2022, 2017, 2012)

2.1.3 Housing Profile

Dwelling Structure

The Catchment Areas are dominated by separate dwellings. In the Bathurst Central Area, separate dwellings (standalone/ single houses) comprise 77%, followed by medium density (e.g., semi-detached, townhouses) at 18%. Higher density (e.g. flats, units, and apartments) make up less than 6% of dwellings in the Bathurst Central Area.

Across the Bathurst LGA, low density housing makes up 83% of all dwellings.

The proportion of low density dwellings is still the dominant dwelling form, though the proportion of medium density dwellings has increased marginally over the 10 years, from 29% in 2011 to 32% in 2021.

Table 2-1: Dwelling	Structure	(2011-2021)	Bathurst	Central Area
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Housing Type	2011 2016 2021		2021		2011-2021 Change			
	No.	%	No.	%	No.	%	No.	Avg. Annual %
Separate house	4,471	69.3%	4,634	67.6%	4,715	66.6%	244	0.5%
Medium density	1,893	29.3%	2,101	30.6%	2,278	32.2%	385	2.0%
High density	34	0.5%	10	0.1%	9	0.1%	-25	-7.4%
Caravans, cabin, houseboat	8	0.1%	0	0.0%	30	0.4%	22	27.5%
Other	23	0.4%	22	0.3%	30	0.4%	7	3.0%
Not stated	19	0.3%	88	1.3%	17	0.2%	-2	-1.1%
Total Private Dwellings	6,451	100.0%	6,858	100.0%	7,079	100.0%	628	1.0%

Source: ABS (2022, 2017, 2012)



Dwelling Size

In the Bathurst Central Area, 33% of dwellings are 3-bedroom dwellings, 31% are 4-bedroom dwellings and 13% have 2-bedrooms. Across the broader LGA the proportional mix is similar - 3 bedrooms dwellings at 32%, closely followed by 4-bedroom dwellings at 31%.

The proportion of dwelling sizes in the Catchment Areas is shown in Figure 2-7.



Figure 2-7: Proportion of Private Dwelling Sizes (2021), Catchment Areas

More than 60% of dwellings in the Catchment Areas are large - with three or more bedrooms.

2.1.4 Employment Profile

Employment by Occupation

There are approximately 18,390 workers in the Bathurst Central Area - which accounts for 94% of the total workers in the Bathurst LGA.

In the Bathurst Central Area, 20% are professionals, 16% work in community and personal services, and 13% are technicians and trades workers. The occupations of workers in the Catchment Areas are shown in **Table 2-2**.

Table 2-2: Employment	Occupations of	Workers (2021),	Catchment Areas
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Occupation	Bathurst Co	entral Area	Bathurst LGA	
Managers	1,935	11%	2,334	12%
Professionals	3,663	20%	3,816	20%
Technicians and Trades Workers	2,374	13%	2,533	13%
Community and Personal Service Workers	3,033	16%	3,137	16%
Clerical and Administrative Workers	2,320	13%	2,420	12%
Sales Workers	1,767	10%	1,792	9%
Machinery Operators and Drivers	1,007	5%	1,071	5%
Labourers	1,978	11%	2,132	11%
Inadequately described	176	1%	185	1%
Not stated	140	1%	142	1%
Total	18,393	100%	19,554	100%

Source: ABS (2022)



35%

Source: ABS (2022, 2017, 2012)

Occupations and Income

Approximately 47% of workers in the Bathurst Central Area earn less than \$999 per week. Of the 47%, 24% earn less than \$649 per week. This is higher than the broader Bathurst LGA where 21% of workers earn less than \$649 per week.

The Bathurst Central Area has a lower proportion of working residents earning \$2,000 or more weekly (\$104,000 per annum) when compared to the Bathurst LGA. Overall, residents in the Bathurst Central Area have lower incomes.

Overall, the occupations of Professionals and Managers have a higher income profile (with higher proportions earning \$2,000 or more per week), however as **Table 2-2** shows, the proportion of workers in those occupations is less than a third.

2.2 Population, Household and Dwelling Projections

Official population and demographic projections in NSW are carried out by the NSW Department of Planning and Environment (DPE). DPE project population growth on a variety of demography assumptions, including birth and fertility rates, mortality rates, migration levels and household formation patterns. These projections are divided by projected household occupancy rates to assess the number of dwellings impliedly required to accommodate the projected population.

The most recent population projections prepared by DPE were released in Q1 2022 (prior the release of the 2021 Census).

2.2.1 Population Growth

The Bathurst Central Area is projected to reach a population of 51,000 persons in 2041 (an increase of 12,100 persons from 2023), equating to an average annual increase of 1.7%. The Bathurst LGA is projected to reach 57,000 persons to 2041 over the same period, increasing by an average of 1.4% per annum.

The Catchment Areas are both projected to grow at a faster annual rate than the rest of Regional NSW, which is projected to experience 1.1% average annual growth to 2041.

The projected growth in population of the Catchment Areas is illustrated in Figure 2-8.



Figure 2-8: Population Projections (2021-2041), Catchment Areas

Source: DPE (2022)

The composition of future population growth across Bathurst LGA over the coming decades will be influenced by both natural change (i.e., the difference between total births and total deaths) and net migration (total arrivals in Bathurst less the total departures). Over the 2021-2041 period:

- Natural change is expected to account for 5,270 persons, whereas,
- Net migration is expected to contribute some 7,800 additional residents to the population.

Projected population growth in Bathurst to 2041 is expected to be dominated by net migration from other parts of Australia.



2.2.2 Age Profile

The age profile of the Catchment Areas is expected to gradually age over the coming decades.

From 2021 to 2041, the age profile in the Bathurst LGA is projected to be characterised by three fastest-growing age brackets - being 75-79 years, 80-84 years, and 85+ years. Conversely, residents in the age brackets of 10-14 years, 15-19 years and 20-24 years are projected to increase marginally.

Table 2-3 illustrates the projected age composition of the Bathurst LGA over the 2021-2041 period.

Age Bracket	2021	2026	2031	2036	2041	Change	2021-2041
						Total	Avg. Annual %
0-19 Years	11,490	12,240	12,881	13,503	14,323	2,833	1.2%
20-39 Years	12,327	13,350	14,361	15,381	16,223	3,896	1.6%
40-59 Years	10,470	10,389	10,867	11,621	12,618	2,148	1.0%
60-79 Years	8,193	8,988	9,469	9,788	9,835	1,642	1.0%
80+ Years	1,890	2,220	2,835	3,416	4,061	2,171	5.7%

Table 2-3: Population Projections by Age Group (2021-2041), Bathurst LGA

Source: DPE (2022)

The median age in the Catchment Areas is 35 years (in 2021) and projected to rise to 36 years by 2041.

2.2.3 Household Profile

Within the Bathurst LGA, the number of family households is expected to increase by an average of 0.9% per annum over the 2021-2041 period, whilst non-family households (such as lone person households) are projected to grow by an average of 1.5% per annum.

The growth in Lone Person and Couple Only households (averaging 2.0% and 1.6% respectively over the period) is notable, highlighted in **Table 2-4**.

Table 2-4: Change in Household Types (2021-2041), Bathurst LGA

Household Type	2021	2026	2031	2036	2041 Change 20		<u>⊳ 2021-2041</u>
riousenolu rype	2021	2020	2001	2000 2011			
						Total	Avg. Annual %
Couple only	4,604	5,003	5,370	5,704	6,044	1,439	1.4%
Couple with children	4,794	4,993	5,276	5,631	6,014	1,220	1.1%
Single parent	1,996	2,101	2,253	2,436	2,611	615	1.4%
Multiple and Other families	381	406	432	458	485	104	1.2%
Lone person	4,696	5,108	5,588	6,072	6,540	1,844	1.7%
Group	756	798	860	915	947	191	1.1%
Total	17,226	18,408	19,779	21,216	22,639	5,413	1.4%

Source: Atlas, DPE

2.2.4 Implied Dwelling Requirements

Based on projected population growth and household composition, DPE projections infer the dwellings required to meet expected growth. The Bathurst Central Area is expected to require an additional 6,000 dwellings from 2021 to 2041, with demand growing from 16,300 to 22,325 dwellings. This implies a need for an average of 300 dwellings per annum.

Within the Bathurst Central Area, the fastest-growing area is Bathurst East SA2, which is projected to grow by an average of 150 dwellings per annum to 2041, followed by Bathurst West and South which (averaging 76 dwellings per annum each).







Source: Atlas, DPE

The implied dwelling projections do not provide a breakdown on the likely dwelling typologies needed to support population growth. Given the strong expected growth in couple only and lone person households however, there will consequently be a need for more smaller format housing typologies over the coming decades (including medium-density housing).

2.3 Socio-economic Advantage and Special Needs

2.3.1 Index of Relative Socio-Economic Advantage and Disadvantage

The Socio-Economic Indexes for Areas (SEIFA) measure the relative socio-economic advantage and disadvantage of specified areas. The Index of Relative Socio-Economic Advantage and Disadvantage has been utilised to demonstrate the relative socio-economic profile of the Catchment Areas. Comparison to the Central West region has been made for context.

A higher score on the Index of Relative Socio-Economic Advantage and Disadvantage (**IRSAD**) means a higher level of advantage, and a lower score means lower advantage. Indicators of socio-economic disadvantage include unemployment, low income, low education levels, single-parent families, low-skilled occupations, and poor English proficiency.

The IRSAD score is 967.3 in the Bathurst LGA which is higher than the Central West score of 962. The Bathurst Central Area has an IRSAD score of 928, significantly lower than the broader Central West and Bathurst LGA. The lower advantage score is a result of a higher prevalence of low-income earning households, higher proportions of low-skilled workers, and a lack of residents in skilled occupations or high-income earners.

The socio-economic advantage and disadvantage scores are shown in Figure 2-10.









2.3.2 Need for Assistance

Residents and families impacted by a disability are a demographic group that require specific services compared to the rest of the population. ABS Census data records the number of those who live with a profound or severe core activity limitation, with core activities being self-care, mobility, and communication. Residents with need for assistance with core activities are those who have a long-term health condition and/or a disability each (lasting 6 or more months).

Within the Bathurst Central Area, 2,550 of residents are considered to have need for assistance with core activities (almost 7%). This is slightly lower than the Bathurst LGA where 2,807 residents (6%) who need assistance with core activities.

Figure 2-11: Residents with Need for Assistance with Core Activities (2021), Catchment Areas



Source: Profile.id

2.4 Implications for the Proposal

A series of implications for the Proposal can be drawn from the socio-economic profile of residents and households in the Bathurst Central Area.

Resident and Household Characteristics

- Historically strong population growth over 2011-2021, averaging 1.7% per annum, greater than the LGA and Regional NSW. Looking forward, projections expect the population to similarly average growth of 1.7% per annum to 2041 with a large proportion of new residents from internal migration flows (from elsewhere in Australia).
- Older age cohorts have historically been growing in proportional share; this trend expected to continue to 2041. As an example, the proportion of 70+ year-olds increased from 10% (2011) to over 14% (2021) and was the fastest-growing age group averaging almost 5% per annum.
- The proportion of couples with children fell over 2011-2021, from 35% to 25% (at similar rates to the broader LGA). In contrast, the proportion of lone-person households increased from 18% to 27%. Looking forward to 2041, lone persons and couple-only households are projected to grow strongly, averaging 1.7% and 1.4% per annum respectively.

The strong population growth (historical and future) in the Bathurst Central Area has implications for the quantum for housing needed. Relevantly, the shift in household characteristics to an older age profile and smaller household types demonstrates the need for varied housing formats and floorplans.

Incomes and Socio-economic Advantage

- The resident workforce generally have lower incomes compared to the Bathurst LGA, with almost 50% earning \$799 or less per week (equivalent to \$41,500 per annum) and only 10% earning \$2,000 (\$104,000 per annum) or more.
- The Bathurst LGA has a higher income profile, where 45% earn \$799 or less per week and 14.3% earn \$2,000 or more per week.
- The Bathurst Central Area is characterised by a population with relatively high levels of socio-economic disadvantage compared to the Bathurst LGA and the broader Central West region.



The income levels and socio-economic profile of residents indicate a community with relatively lower incomes and higher socio-economic disadvantage. This has implications for a need for housing options that are affordable.

Dwelling Structure and Future Dwelling Need

The dwelling types and sizes in the Catchment Areas are generally homogenous, characterised by:

- Single dwellings (67% in the Bathurst Central Area), mostly with 3- and 4-bedroom floorplans.
- Medium density dwellings comprising 30% as a proportion of overall dwellings.
- Residential units make up less than 6% of the dwellings in Catchment Areas.

The socio-demographic patterns observed in this chapter have clear implications for the local housing market, and the need for a diverse housing mix capable of meeting the needs of smaller households and providing older residents with housing options as their circumstances change.

Housing format and typology is not the only attribute for housing to be suitable to a household's demographic needs. Equally important is housing that is affordable.

The next chapter examines the patterns of housing demand and supply in the Catchment Areas.



3.1 Drivers of Demand

The Catchment Areas are characterised by falling household sizes and lower income levels, an ageing population and a shift toward smaller household types. The shift in these demographic characteristics influences the nature of housing demand.

3.1.1 Charles Sturt University

Located on the eastern side of Havannah Street west of the Site is Charles Sturt University. This university has some 2,500 students enrolled, with approximately 1,500 students attending university in the Bathurst campus. These 1,500 students would comprise locals and those from beyond Bathurst, who would seek residential accommodation during their study.

Education is a large driver of demand for low cost and low-maintenance housing options. Students attending campus for education purposes typically choose to reside with a small distance to the university for convenience of access.

There is limited on-campus accommodation for which first-year students are guaranteed. Students otherwise need to source off-campus accommodation to suit their requirements.

Informal discussions with real estate agents note Charles Sturt University as a key driver of demand for housing in Bathurst.

3.1.2 Household Characteristics

Both the household composition and size dynamics in the Catchment Areas are indicative of a population increasingly requiring smaller dwellings. Affordability is an equally important consideration for housing need.

• Internal Migration

The Bathurst Central Area is a recipient of retirees and pre-retirees from beyond the area, particularly of those aged 65+ years. Furthermore, the Bathurst LGA receives its highest levels of migration of younger-age demographic groups from Lithgow, Oberon, and Orange. A large driver of this migration is younger generations seeking more affordable housing options in the Bathurst LGA than they would find otherwise.

• Smaller Households

The increasing prevalence of older residents and the growth in one and two-person households (typically couples without children, single parents, or single persons) are shifting the composition of households, and consequently the demand for smaller dwelling formats. The demand for smaller dwelling formats is driven by lifestyle reasons, borne out of a desire for low maintenance and upkeep.

• Future Expectations

Population projections indicate the historical trend in household characteristics will be sustained, with internal migration and natural ageing resulting in more residents aged 65+ years. The proportion of younger and working residents is expected to decrease over the next two decades. These demographic dynamics affirm a growing need for a diverse range of housing stock.

• Incomes and Affordability

Households are generally of a lower income profile; this having direct implications for housing need.

Since 2019, the median sale price of houses in the Bathurst LGA increased from \$405,000 to \$648,000 (2023), averaging almost 15% increase per annum. Similarly, the median sale price of units (albeit limited) has increased from \$319,000 to \$445,000 over the same period, equivalent to an average annual increase of 10% (Pricefinder, 2023). This underscores the need for housing options that are affordable.



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3.2 Shift Towards Smaller Housing Formats

There is observed to be a gradual shift toward smaller housing formats. A sample of projects are described below to illustrate the opportunity in the market for more affordable, lower maintenance and more appropriately sized dwelling stock.

20 Griffin Street, Mitchell

A development of 9 townhouses in Mitchell on a vacant block of land on the western edge of Bathurst. Development commenced in May 2022 and was completed in 2023.

The development comprises:

- One 1-bedroom townhouse (79sqm of floor space)
- Eight 2-bedroom townhouses (80-112sqm of floorspace)

Market investigations indicate sale prices of approximately \$420,000 (1 bedroom) and \$450,000 to \$550,000 for 2 bedroom townhouses.

These dwellings were understood to have sold swiftly off-the-plan to local residents, indicative of the strong demand for smaller sized and lower maintenance dwellings,

'103 Prince' - Sale Street, Orange

Apartments are only beginning to emerge in regional areas with the offering at '103 Prince' inaugural for the local market. 103 Prince is considered to benefit from a superior central location which makes it well placed from an amenity and demand perspective.

103 Prince is an apartment/ townhouse project in Orange, primarily aimed at the local downsizer market. The project is currently underway and once completed will deliver smaller format dwellings.

Once completed, the buildings will comprise the following:

- Seven 1-bedroom apartments,
- 25 2-bedroom apartments, and
- 24 3-bedroom apartments

Atlas understands that market response to the product was driven by the local downsizer market looking for smaller, compact housing with quality finishes, with good parking and within walking distance to services and amenity in town.

3.3 Future Supply

3.3.1 Planned Supply

The Bathurst Local Housing Strategy (**BLHS**) was adopted by Council in 2018. The BLHS encourages a range of housing to meet the existing and future housing needs of Bathurst, ensuring proactive management of residential development (by location and typology).

The objectives set out in the BLHS are as follows:

- Examine the location and typology of residential dwelling stock, existing planning controls and standards, and quantity of vacant residential land, and identify key issues that will affect the future dynamics of demand and supply of housing.
- Identify the Bathurst community's view on opportunities for diverse housing that will address the existing and future housing requirements of Bathurst.
- Consider alternative housing patterns that will encourage a broader diversity of residential dwellings, and better utilisation of residential land.







- Identify opportunities that will ensure that the residential character and quality, and that environmental lands of Bathurst are well-protected.
- Review the recommendations of the Bathurst Region Urban Strategy.

The BLHS identifies a diminishing proportion of higher density housing, as well as a decreasing household size up to 2016.

The BLHS objectives and aspirations are consistent with, and align with the findings in Chapter 2.

Laffing Waters Master Plan

The Laffing Waters Master Plan is a 360-hectare rezoning of greenfield land on the edge of the Bathurst urban area. It has the potential for approximately 2,270 dwellings and housing for 5,200 residents. The Laffing Waters Masterplan includes a new supermarket, speciality shops and opportunities for other business and community facilities and services, as well as a 9ha district-level park/sporting field area, located adjacent to the neighbourhood activity centre.

Key factors influencing development staging include the services and road connections, land ownership and market demands (current and future). The first few stages are understood to target some 300 lots. Subject to market conditions, between 100 to 150 lots could be released per year (Bathurst Regional Council, 2019).

The Master Plan provides for a proportion of medium density residential on approximately 12% of the net developable area which could potentially yield 300 medium density dwellings.

3.3.2 Development Pipeline

Like many regional centres, Bathurst has historically been characterised by traditional large single detached housing. If there is only a small price difference between a 4-bedroom detached house and a 2-bedroom villa, and if within affordability, the market will prefer the low density product. Accordingly, the pricing of detached houses forms a 'price ceiling' on smaller housing formats (like medium density). This constrains the feasibility of higher density development as the cost of production must not exceed the price the market is willing to pay for the completed medium density product.

Bathurst has an expansive R1 General Residential zone, with an E2 Commercial Centre zone around the Bathurst City Centre. The R1 zone permits all residential accommodation while the E2 zone could permit shop top housing and residential flat buildings. A review of development activity indicates emerging medium density activity in the R1 zone.

The nature of medium density development activity is generally confined to single storey villas. In more recent times, two storey townhouse forms and residential units are emerging where a developer may be able to secure a vacant site or a large block with a small/ aged dwelling. Site purchases appear to be opportunistic, i.e. developers securing either a single dwelling at the end of its economic useful life on a large block of land or a vacant block of land.

In some circumstances, the market preferences lower density formats even though higher density may be permitted. As an example, 121 William Street (E2 zone permitted FSR 2:1 and 12m height) was purchased in November 2022 as a development site for three 2-bedroom villas. The development achieves an FSR well below the maximum permitted 2:1.

Financial Feasibility and Likelihood of Infill Redevelopment

A review of the development pipeline reveals there are more than 20 projects at various stages in the pipeline, which have the potential for more than 200 medium density and residential units in the Bathurst LGA.

Nearly 90 dwellings are proposed within Housing Plus developments (community housing) and 40 units within the Tremain Mill Precinct on Havannah and Keppel Street. The remainder of the pipeline comprises small scale developments (3-11 dwellings) generally on a single allotment - which is generally large in size, vacant or improved with an old cottage.

The analysis of development sites purchased indicates that activity is:

- **Generally opportunistic** developers securing single detached houses that are aged and at the end of their economic useful lives. These sites comprise large blocks (>1,200sqm) that are capable of multi-dwelling housing.
- **Price-sensitive** developers paying prices of around \$500/sqm site area in the R1 zone. The price paid for a site is affected by the price completed dwellings can be sold for. In a market where the price of medium density is constrained by the price of detached housing, the number of development opportunities will be accordingly constrained.



In Bathurst's greenfield/ release areas (e.g. Griffin, Kelso), medium density product is met with healthy levels of market demand. The level of transport and urban amenity is lower than the established areas of Bathurst but this activity illustrates where this type of development is feasible where land purchase does not involve an existing dwelling for demolition. This enables the cost of production to be equal to, or less than the price the market is willing to pay for medium density product.

3.4 Implications for the Proposal

The Bathurst 2036 Housing Strategy is a strategic document that seeks to facilitate housing development to meet the needs of the population (existing and future) to 2036. Generally, Council recognises a combination of interventions will be required to support population growth and meet its housing needs:

- Increase densities in existing neighbourhoods.
- Increase densities in greenfield release areas.
- Convert agricultural land for urban development if there is no change in density of the spatial take-up of existing land.

Established (Infill) Areas v Greenfield Areas

The cost of land in existing urban areas is the biggest impediment to feasible development. In markets where attitudes towards higher density product are immature (like Bathurst and other regional centres), it is often not feasible for improved blocks of land to be redeveloped (that is, for a site to be purchased and the buildings demolished for development).

In greenfield release areas or rural/ agricultural areas, the cost of land is conceivably less of a challenge for feasibility. That said, market willingness to pay for smaller housing formats (medium density and apartments) is lower in out-of-centre areas where access to urban and retail amenity is lower.

The nature of the development pipeline is symptomatic of opportunities in Bathurst and reflects the challenges with the cost of land in existing urban areas:

- Many sites purchased are either vacant blocks of land or large allotments with small dwellings at the end of their economic useful life.
- Developments are small in scale (3-11 dwellings), undertaken by a class of developer who prefers small scale projects and who have limited risk appetite. This developer cohort does not generally have the risk appetite for consolidating multiple lots, preferring opportunities which are swift to progress, construct and complete.

Larger projects in the development pipeline are for community housing (Housing Plus) and within the old mill precinct.

Opportunity for the Site

The Site has a valuable opportunity to deliver a diverse mix of housing typologies that responds to economic and market need, underpinned by the shifting demographic profile, large student cohort and affordability issues examined in Chapter 2.

In markets where higher density living is viable (i.e. the market is willing to pay an economic price for the completed dwelling), the permissibility of greater density (greater FSR/ height) can generally assist with site feasibility. For example, if a lowdensity site in inner Sydney was permitted an FSR of 3:1, that site could become feasible to develop into apartments.

However, in immature markets where acceptance for higher density living is only just emerging (i.e. the market is not willing to pay an economic price for the completed dwelling), greater density will not necessarily assist feasibility. This is because developments of greater density are taller, have basements and are subject to more onerous building code requirements, and are therefore more expensive to build. This then requires the market to pay a price even greater than it is willing.

The Proposal and the Site are therefore well placed to deliver a mix of dwelling types at a scale (97 dwellings) that is rare in Bathurst which is usually dominated by small developments on single allotments.

The next chapter examines the economic impacts associated with the Proposal.



4.1 Overview and Approach

This chapter examines the economic activity and impacts that could be facilitated through progression of the Proposal during construction and upon completion. The analysis estimates the economic activity supported in the following scenarios:

Base Case

• The Base Case assumes a compliant development at the minimum lot size of 550sqm. Assuming a 20% site provision for local roads and circulation, this results in a potential for 17 dwellings on the Site.

Proposal Case

- The proposed rezoning and development could result in 97 dwellings (63 apartments, 34 townhouses) and 194sqm commercial GFA.
- The reference plans envisage a basement for parking and storage.

The economic impacts are assessed at the Bathurst LGA level.

An Input-Output model (including the development of specific regional Input-Output transaction tables) was developed to reflect the economic structure of the Bathurst LGA.

Input-Output modelling considers economic activity through examining four types of impacts as described in Table 4-1.

Table 4-1: Economics Indicators

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Product	The value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g., Gross Regional Product (GRP)) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment positions generated by the Project (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Source: Atlas

Input-Output modelling estimates show the impacts of direct spending in a particular industry as well as from Productioninduced impacts (Type I) or Consumption-induced impacts (Type II).

- **Production-induced impacts (Type I)** show the effects of industrial support effects of additional activities undertaken by supply chain industries increasing their production in response to direct spending.
- **Consumption-induced impacts (Type II)** estimate the re-circulation of labour income earned as a result of the initial spending through other industry impacts (or impacts from increased household consumption).

The estimates of economic impacts consider production and consumption-induced flow-on impacts. Type II impacts are commonly considered to overstate economic activity and therefore the types of flow-on impacts are reported separately.

Refer to SCHEDULE 1 for further details of methodology and assumptions.



4.2 Drivers of Economic Activity

To understand the economic impacts likely to result from the Proposal compared to the Base Case, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature following construction completion and operations commencement and stabilisation to long run averages.

• **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in the Bathurst economy as well as from outside Bathurst LGA.

Assumptions are made on the proportion sourced from within and from outside Bathurst.

- Operational Phase:
 - Base Case:
 - The Site is developed under its current permissibility at a minimum lot size of 550sqm. Assuming a 20% site provision for roads and circulation, is assumed that 17 dwellings could be developed.
 - Proposal Case:
 - The Site is developed as proposed for 97 dwellings (63 apartments, 34 townhouses) and commercial floorspace for food and beverage offer (194sqm GFA).
 - The Site will generate additional ongoing employment activity and dispersed employment through persons working from home in the new dwellings.
 - The Site will facilitate additional household expenditure by residents of the new dwellings.

Refer to SCHEDULE 1 for a description of the drivers and assumptions that underpin the assessed economic impacts.

4.3 Economic Activity and Impacts

This section estimates the economic activity that could result during construction and following completion.

Construction Phase

Economic impacts during construction are summarised in Table 4-2.

Table 4-2: Construction Impacts in Bathurst LGA, Base Case and Proposal Case

Output (\$M)	GRP (\$M)	Incomes (\$M)	Employment (FTE)
\$8.4	\$2.2	\$1.4	17
\$3.2	\$1.4	\$0.8	8
\$2.3	\$1.3	\$0.6	7
\$13.8	\$4.9	\$2.8	31
\$41.8	\$11.6	\$7.6	80
\$15.4	\$6.6	\$4.0	39
\$11.6	\$6.8	\$2.9	33
\$68.8	\$25.0	\$14.5	153
\$33.4	\$9.4	\$6.2	64
\$12.2	\$5.3	\$3.2	31
\$9.3	\$5.5	\$2.3	27
\$54.9	\$20.1	\$11.7	121
	Output (\$M)	Output (\$M) GRP (\$M) \$8.4 \$2.2 \$3.2 \$1.4 \$2.3 \$1.3 \$2.3 \$1.3 \$13.8 \$4.9 \$13.8 \$4.9 \$41.8 \$11.6 \$15.4 \$6.6 \$11.6 \$6.8 \$11.6 \$6.8 \$13.8 \$25.0 \$41.8 \$1.2 \$41.8 \$1.6 \$11.6 \$6.8 \$12.2 \$5.3 \$9.3 \$5.5 \$9.3 \$5.5	Output (\$M)GRP (\$M)Incomes (\$M)\$8.4\$2.2\$1.4\$3.2\$1.4\$0.8\$2.3\$1.3\$0.6\$13.8\$4.9\$2.8\$13.8\$1.6\$7.6\$41.8\$11.6\$7.6\$15.4\$6.6\$4.0\$11.6\$6.8\$2.9\$68.8\$25.0\$14.5\$33.4\$9.4\$6.2\$12.2\$5.3\$3.2\$9.3\$5.5\$2.3\$54.9\$20.1\$11.7

Note: Totals may not sum due to rounding. Source: Atlas



During construction, the Proposal Case is projected to generate additional economic activity for Bathurst, including:

- \$54.9 million in additional output (including \$33.4 million in additional direct activity)
- \$20.1 million additional contribution to GRP (including \$9.4 million in additional direct activity)
- \$11.7 million in additional incomes and salaries paid to households (including \$6.2 million in additional direct income)
- 121 additional FTE jobs (including 64 FTE employed directly through additional construction activity)

Construction impacts are reported in total for the construction phase, and do not represent an average annual estimate.

Operational Phase

Following the completion of construction, the Proposal Case is estimated to support the following annual economic activity through direct and indirect (flow-on) impacts associated with operations (and dispersed employment) on the Site.

Table 4-3: Operational Impacts in Bathurst LGA, Base Case and Proposal Case

Indicator	Output (\$M)	GRP (\$M)	Incomes (\$M)	Employment (FTE)
Base Case				
Direct	\$1.1	\$0.5	\$0.3	2.9
Flow-on Type I (Production-induced)	\$0.4	\$0.2	\$0.1	1.0
Flow-on Type II (Consumption-induced)	\$0.5	\$0.3	\$0.1	1.3
Total	\$2.0	\$1.0	\$0.6	5.2
Proposal Case				
Direct	\$8.6	\$4.2	\$2.7	26
Flow-on Type I (Production-induced)	\$3.0	\$1.3	\$0.7	7
Flow-on Type II (Consumption-induced)	\$3.6	\$2.1	\$0.9	11
Total	\$15.3	\$7.6	\$4.4	43
Net Operational Impacts				
Direct	\$7.5	\$3.6	\$2.4	23
Flow-on Type I (Production-induced)	\$2.6	\$1.1	\$0.6	6
Flow-on Type II (Consumption-induced)	\$3.2	\$1.9	\$0.8	9
Total	\$13.3	\$6.6	\$3.8	38

Note: Totals may not sum due to rounding. Source: Atlas

Compared with the Base Case, the Proposal Case facilitates a more intensified use of the Site, accommodating business and employment activity (within the provision of commercial space), resulting in greater levels of output and contribution to the local economy.

The Proposal is estimated to result in a net increase in economic activity through direct and indirect (flow-on) annually at:

- \$13.3 million in additional output (including \$7.5 million in direct activity)
- \$6.6 million in additional contribution to GRP (including \$3.6 million in direct activity)
- \$3.8 million in additional incomes and salaries paid to households (including \$2.4 million paid directly)
- 38 additional FTE jobs (including 23 additional FTE jobs that are directly related to activity on the Site).

The economic impacts estimated in this section demonstrates the Proposal has economic merit, having the ability to contribute to the local economy.



Household Expenditure Impacts

In addition to the commercial activity estimated above, the Proposal Case is projected to generate additional household expenditure supported through new dwellings within the Bathurst LGA. This activity is estimated to support on an ongoing annual basis (once fully developed and occupied):

- \$8.4 million in additional total outputs (including \$5.3 million from additional direct output)
- \$4.9 million additional total contributions to GRP (including \$3.2 million from direct contributions)
- \$2.3 million in additional total wages and salaries to local workers (includes \$1.5 million direct additional income)
- **28 additional FTE jobs** (including 19 additional FTE jobs from direct impact)

Table 4-4: Household Expenditure Impacts in Bathurst LGA, Base Case and Proposal Case

Indicator	Output (\$M)	GRP (\$M)	Incomes (\$M)	Employment (FTE)
Base Case				
Direct	\$1.2	\$0.7	\$0.3	4
Flow-on Type I (Production-induced)	\$0.3	\$0.1	\$0.1	1
Flow-on Type II (Consumption-induced)	\$0.4	\$0.2	\$0.1	1
Total	\$1.9	\$1.1	\$0.5	6
Proposal Case				
Direct	\$6.4	\$3.9	\$1.8	23
Flow-on Type I (Production-induced)	\$1.5	\$0.7	\$0.4	4
Flow-on Type II (Consumption-induced)	\$2.3	\$1.4	\$0.6	7
Total	\$10.3	\$5.9	\$2.8	34
Net Operational Impacts				
Direct	\$5.3	\$3.2	\$1.5	19
Flow-on Type I (Production-induced)	\$1.2	\$0.6	\$0.3	3
Flow-on Type II (Consumption-induced)	\$1.9	\$1.1	\$0.5	5
Total	\$8.4	\$4.9	\$2.3	28

Note: Totals may not sum due to rounding.

Source: Atlas

4.4 Summary of Findings

The development of the Proposal is shown to deliver positive economic impacts to the Bathurst economy. Compared with the Base Case, it is estimated to result in **a net increase in economic activity** during the construction phase through a mix of direct and indirect (flow-on) activity, including:

- \$54.9 million in additional output (including \$33.4 million in additional direct activity)
- \$20.1 million additional contribution to GRP (including \$9.4 million in additional direct activity)
- \$11.7 million in additional incomes and salaries paid to households (including \$6.2 million in additional direct income)
- 121 additional FTE jobs (including 64 FTE employed directly through additional construction activity)

When operational, the Proposal is estimated to result in an annual net increase in economic activity with:

- \$13.3 million in additional output (including \$7.5 million in direct activity)
- \$6.6 million in additional contribution to GRP (including \$3.6 million in direct activity)
- \$3.8 million in additional incomes and salaries paid to households (including \$2.4 million paid directly)
- 38 additional FTE jobs (including 23 additional FTE jobs that are directly related to activity on the Site).



The Proposal will also facilitate household expenditure impacts through the new housing stock:

- \$8.4 million in additional total outputs (including \$5.3 million from additional direct output)
- \$4.9 million additional total contributions to GRP (including \$3.2 million from direct contributions)
- \$2.3 million in additional total wages and salaries to local workers (includes \$1.5 million direct additional income)
- 28 additional FTE jobs (including 19 additional FTE jobs from direct impact)

4.5 Other Economic Impacts

The Proposal will enable a mix of smaller format dwellings in the Bathurst housing market. Specifically, the Proposal envisages the development of 97 dwellings - 34 townhouses (comprising a mix of 3- and 4-bedrooms) and 63 apartments (ranging from 1- to 3-bedrooms). This development would go some distance in addressing the existing lack of housing diversity within the Bathurst Central Area and across the broader LGA, where over 75% of existing dwellings are low density, and approximately 5% are apartments, units or flats.

Owing to market attitudes towards higher density living which are only just emerging, feasible development of higher density in Bathurst's existing urban area is generally limited to blocks that can be purchased for an economic price (vacant or with a small dwelling at the end of its economic useful life). It is for this reason that the majority of the development pipeline for medium density dwellings and residential units are small in scale.

The Proposal and the Site therefore have a unique opportunity to deliver smaller housing forms at scale (almost 100 dwellings) within the established urban footprint close to services, employment opportunities and community infrastructure. Importantly, the Proposal represents a valuable infill opportunity to contribute to housing diversity outcomes – delivering townhouses and apartments at a scale which the Study has demonstrated is rare in the Bathurst urban area.



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Schedules

SCHEDULE 1

Input-Output Modelling Methodology

Input-Output models are a method to describe and analyse forward and backward economic linkages between industries based on a matrix of monetary transactions. The model estimates how products sold (outputs) from one industry are purchased (inputs) in the production process by other industries.

The analysis of these industry linkages enables estimation of the overall economic impact within a catchment area due to a change in demand levels within a specific sector or sectors.

Impacts are traced through the economy via:

- Direct impacts, which are the first round of effects from direct operational expenditure on goods and services.
- Flow-on impacts, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
 - Industry Support Effects (Type I) derived from open Input-Output models. Type I impacts represent the production induced support activity as a result of additional expenditure by the industry experiencing the stimulus on goods and services, and subsequent round effects of increased purchases by suppliers in response to increased sales.
 - Household Consumption Effects (Type II) derived from closed Input-Output Models. Type II impacts represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the catchment economy.

Economic analysis considers the following four types of impacts.

Table S1-1: Economic Activity Indicators

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Product	The value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g. Gross Regional Product (GRP)) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project or Proposal either directly or indirectly.
Employment	Employment positions generated by the Project or Proposal (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Source: Atlas

Regional Model Development

Multipliers used in this assessment have been created using a regionalised Input-Output model derived from the 2020-2021 Australian transaction table (ABS, 2023a).

Estimates of gross industry production in the catchment area were developed based on the share of employment (by place of work) of the catchment area within the Australian economy (ABS, 2022) using the Flegg Location Quotient and Cross Hauling Adjusted Regionalisation Method (CHARM). See Norbert (2015) and Kronenberg (2009) for further details. Where required, values were indexed to current dollar values using CPI (ABS, 2023b).

Modelling Limitations and Assumptions

Input-Output modelling is subject to a number of key assumptions and limitations (ABS, 2023a):

• Lack of supply-side constraints: The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is assumed that extra output can be



produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.

- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- Fixed ratios for intermediate inputs and production: Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount.
- No allowance for purchasers' marginal responses to change: Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- Absence of budget constraints: Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.

Despite these notable limitations, Input-Output techniques provide a solid approach for assessing the direct and flow on economic impacts of a project or policy that does not result in a significant change in the overall economic structure.

Drivers of Economic Impact

In order to understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent following construction completion.

• **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in the Bathurst economy as well as from outside Bathurst LGA.

Assumptions are made on the proportion sourced from within and from outside Bathurst. The construction phase is assessed for the Proposal Case only.

- Operational Phase:
 - **Base Case:** The Site will continue to accommodate a nursing home and aged care facility and generate direct employment within these facilities.
 - Proposal Case:
 - 34 townhouses that equate to 5,580sqm of GFA in the residential dwellings.
 - The architecture plans propose a 136sqm basement and 264sqm of mezzanine floor space, 1,864sqm of GFA on each levels Ground to level 2, and 1,512sqm of GFA on level 3.
 - The GFA of the entire proposed development is some 7,504sqm.



Construction Phase

For modelling purposes, construction costs (including contingency) for the Proposal Case were broken down into their respective Australian and New Zealand Standard Industrial Classification (ANZSIC) industries.

The breakdowns were developed based on the following assumptions by Atlas regarding the most appropriate ANZSIC industries for each activity.

Table S1-2. Construc	tion Cost Allocation	(including Cont	ingency)
Table 51-2: Construc	LION COST ANOCATION	(including Cont	ingency)

ltem	Cost (\$M)	ANZSIC
Site Preparation	\$0.34	Construction Services
Residential Construction	\$39.83	Residential Building Construction
Community	\$0.81	Non-Residential Building Construction
Food & Beverage Catering	\$0.81	Non-Residential Building Construction
Gym	\$0.52	Non-Residential Building Construction
Parking	\$5.32	Heavy and Civil Engineering Construction
Site Costs	\$2.36	Heavy and Civil Engineering Construction
Professional Fees	\$5.67	Professional Services
Total	\$55.7	-

Note: numbers may not sum due to rounding Source: Atlas

Of the above capital outlay, not all activity will be undertaken within the Bathurst LGA economy. It was assumed:

- Approximately 75% of the direct expenditure on construction-related activity would be sourced from local businesses and labour. Of this:
 - Approximately 25% of purchases on goods and services (supply chain related activity) made by constructionrelated businesses sourced from outside Parramatta would be spent within the local economy (i.e., 25% of the Type I flow on activity associated with non-local construction companies is assumed to represent additional local activity in Parramatta).
 - Approximately 5% of wages and salaries paid to construction-related workers sourced from outside the region would be spent on local goods and services, such as food and beverages (i.e., 5% of the Type II).

Only flow-on activity of locally sourced professional, scientific and technical services activity (75%) is included, as it is not anticipated professional, scientific and technical services businesses located outside of Bathurst would purchase goods/ services locally.

Operational Phase

In order to model the economic impacts, operational employment levels for the economic activity occurring in Base and Proposal Case were categorised into the ANZSIC industries.

In the Base Case, employment was estimated based on current uses within the Site (i.e. existing nursing home and aged care facility).

In the Proposal Case, employment was estimated through converting the floorspace envisaged in the Proposal with industry standard workspace ratios (Landcom, 2019, Atlas estimates). Estimates were also generated for potential dispersed employment (i.e. residents working from home) within the Proposal Case.

Employment by industry estimates were converted to a direct output value using a multiplier based on the transaction tables developed for this assessment (ABS, 2023a). The resultant estimates of output were modelled as the direct activity associated with the Base Case and Proposal Cases.



Table S1-3: Operational FTE Allocation of Floorspace

Use/ANZSIC	GFA (sqm)	Workspace Ratio (sqm/FTE)	Employment (FTE)	Output (\$M)
Base Case				
Dispersed Employment (ANZSIC split as per SA2 Catchment Area Place of Usual Residence Employment)	3 workers ¹	8% work from home ²	-	-
Total	-	-	-3	\$1.2
Proposal Case				
Food and Beverage Services	194	35	5.5	\$0.9
Dispersed Employment (ANZSIC split as per SA2 Catchment Area Place of Usual Residence Employment)	20 workers1	8% work from home ²		\$7.7
Total	194		22.5	\$8.6

Notes: Totals may not sum due to rounding. ¹ Calculated assuming an average 2% vacancy, 1.5 FTE workers per household. ² A conservative estimate considering post-COVID trends. Source: Atlas Economics

Household Expenditure

This section outlines the household expenditure that would be associated with the new dwellings proposed as part of the Proposal Case, and potential economic activity supported.

The household expenditure activity supported should not be combined with the impacts in the section above, as some of these impacts are likely to have already been captured in the assessment (e.g. some expenditure on retail and food and beverages by households is likely to spent at the outlets locating on the Site).

This section is to understand specific economic activity supported in Bathurst LGA through household expenditure as its own separate analysis.

The ABS Household Expenditure Survey (ABS, 2017) was used to identify the proportion of weekly household incomes that are spent across expenditure items in the Bathurst LGA. The third quintile of NSW residents was used to best represent the expenditure patterns of residents in the surrounding catchment area.

The household survey only contains household expenditure data, and individual residents must be converted to an equivalent number of households. This was achieved by applying the estimated number of dwellings (83) and a vacancy rate of 2% (representative of the current rental market).

This data was converted to 2023 values (ABS, 2023b), annualised, and allocated into their respective ANZSIC industries. The breakdown to ANZSIC industries was developed based on assumptions by Atlas regarding the most appropriate ANZSIC industries for each activity.

Table S1-4: Housheold Expenditure Estimates (Proposal Case)

ANZSIC	Total Spend (\$M)	% Spent in Parramatta LGA	Local Spend (\$M)
Ownership of Dwellings	\$1.6	100%	\$1.6
Retail Trade	\$1.5	80%	\$1.2
Food and Beverage Services	\$0.8	80%	\$0.6
Personal Services	\$0.4	75%	\$0.3
Other Services	\$0.4	70%	\$0.3
Telecommunication Services	\$0.3	60%	\$0.2
Road Transport	\$0.7	80%	\$0.5
Rail Transport	\$0.3	50%	\$0.2
Air and Space Transport	\$0.1	20%	\$0.0
Sports and Recreation	\$0.7	75%	\$0.5
Primary and Secondary Education Services (incl Pre-Schools and Special Schools)	\$0.1	75%	\$0.1



ANZSIC	Total Spend (\$M)	% Spent in Parramatta LGA	Local Spend (\$M)
Technical, Vocational and Tertiary Education Services (including Undergraduate and Postgraduate)	\$0.1	75%	\$0.1
Arts, Sports, Adult and Other Education Services (including Community Education)	\$0.0	75%	\$0.0
Health Care Services	\$0.6	80%	\$0.5
Heritage, Creative and Performing Arts	\$0.3	80%	\$0.2
Electricity Transmission, Distribution, On Selling and Electricity Market Operation	\$0.1	60%	\$0.1
Total	\$8.1	80%	\$6.42



Appendices

APPENDIX 1

Appendix heading



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