Mid-Western Region
Housing Strategy

April 2025

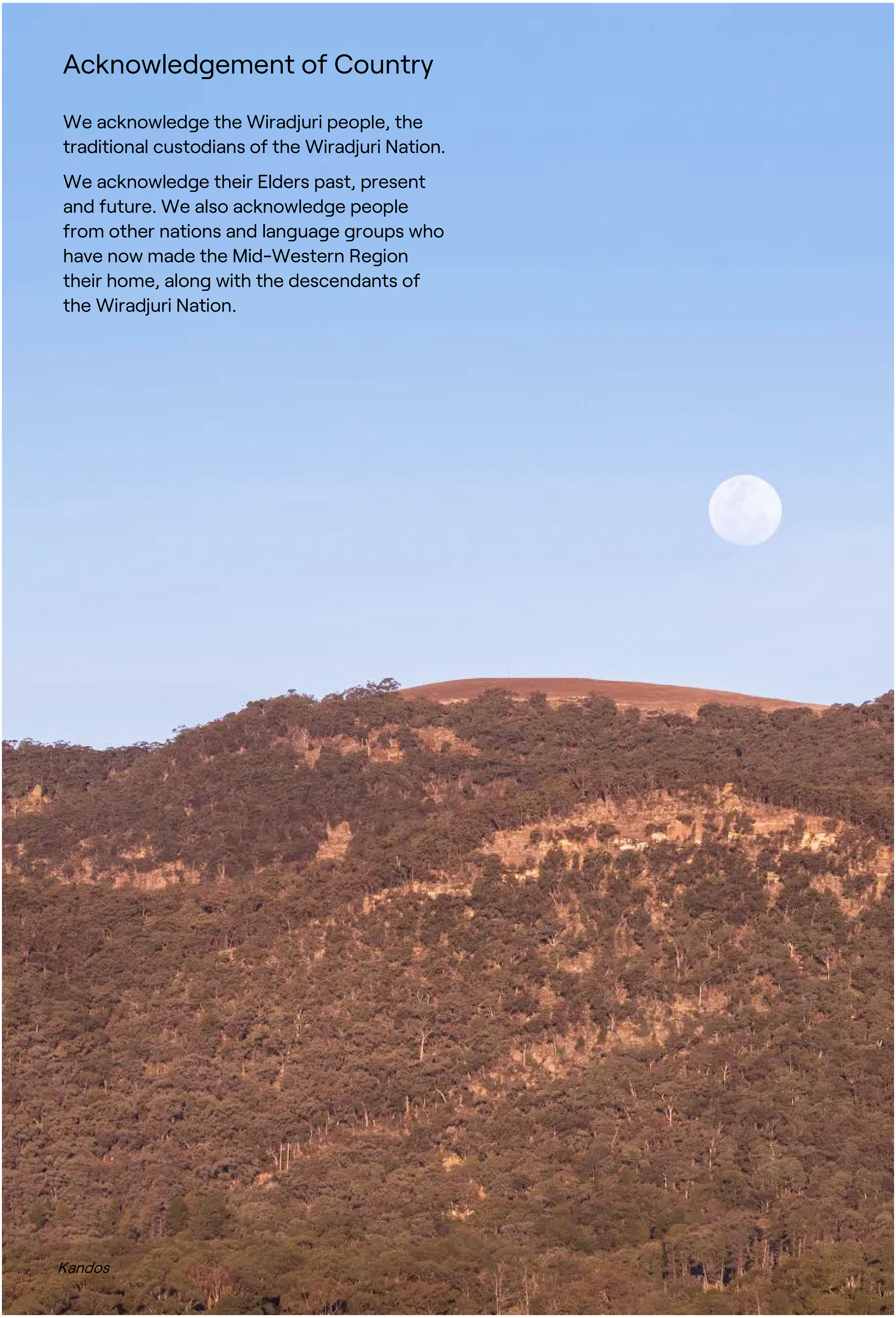
Funded by:

The Mid-Western Housing Strategy is an initiative funded by the NSW Government through the NSW Regional Housing Strategic Planning Fund.

Acknowledgement of Country

We acknowledge the Wiradjuri people, the traditional custodians of the Wiradjuri Nation.

We acknowledge their Elders past, present and future. We also acknowledge people from other nations and language groups who have now made the Mid-Western Region their home, along with the descendants of the Wiradjuri Nation.



Kandos

Authorship

This document has been prepared by Mid-Western Regional Council and Gyde Consulting.

Mudgee

Contents

Executive Summary

The Mid-Western Housing Strategy will guide the quantity, location and type of residential development within the Mid-Western local government area (LGA).

The Housing Strategy recognises and responds to the significant challenge of providing enough housing to meet the needs of the population, within both the short and long term future.

The Housing Strategy plans for the **very high housing demand** anticipated within a **very short timeframe** due to the significant number of major projects occurring throughout the region, which is further exacerbated when considering the expected natural population growth.

The Housing Strategy outlines actions that will prioritise the delivery of **short-term housing supply** to alleviate housing pressures and support opportunity for investment.

The Housing Strategy sets out a clear path for how Council will deliver housing to **meet the needs of the growing population** of the Mid-Western LGA to 2041.

The Housing Strategy provides an overview of housing across the Mid-Western LGA, including dwelling numbers, dwelling typologies, and tenure types whilst also considering the population's housing experiences regarding key issues such as **affordability and availability of housing.**

In response to community consultation, the Housing Strategy focuses on the delivery of a **diverse mix of dwelling types** and lot sizes, including smaller options, to provide greater **housing choice, enhance affordability and enable flexibility** to suit the varied needs of the community.

The Housing Strategy will deliver residential land **in an orderly manner consistent with planned infrastructure development,** accommodating future growth within the existing zoned and identified opportunities areas.

The Housing Strategy prioritises the design and delivery of **high-quality housing** outcomes to create **liveable and sustainable homes** that preserve the Mid-Western LGA's unique character, rich heritage and great places.

1 Introduction

The Mid-Western Housing Strategy sets out a vision for the future of housing in the Mid-Western LGA to 2041.

The Mid-Western LGA is projected to grow by between 5,000-7,000 people, from a population of 25,700 in 2021 to between 30,000-33,000 in 2041.

1.1 Background

This Housing Strategy sets out how Council will provide for the increased housing needs associated with this growing population, addressing key considerations of supply, accessibility, affordability and liveability.

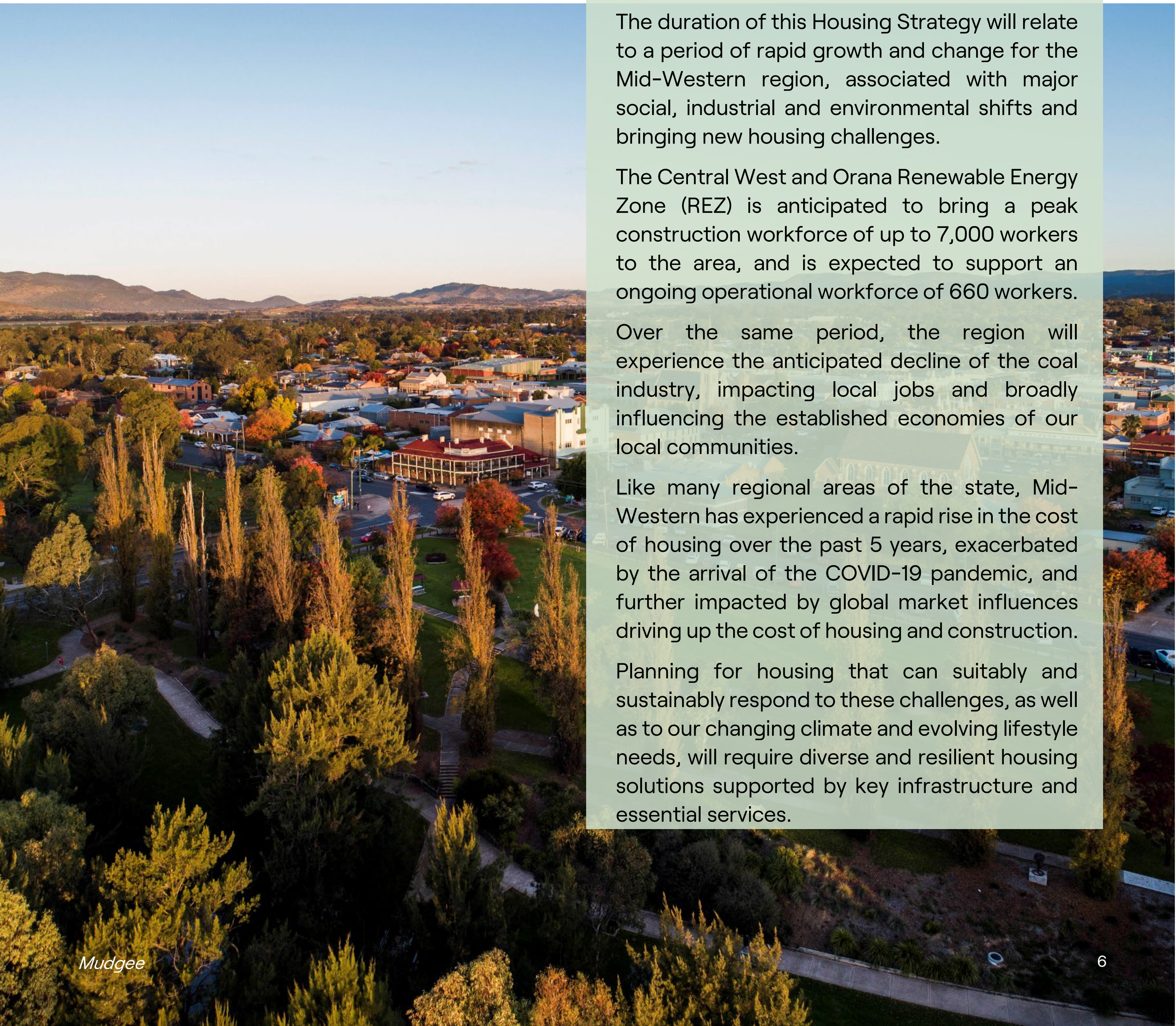
The duration of this Housing Strategy will relate to a period of rapid growth and change for the Mid-Western region, associated with major social, industrial and environmental shifts and bringing new housing challenges.

The Central West and Orana Renewable Energy Zone (REZ) is anticipated to bring a peak construction workforce of up to 7,000 workers to the area, and is expected to support an ongoing operational workforce of 660 workers.

Over the same period, the region will experience the anticipated decline of the coal industry, impacting local jobs and broadly influencing the established economies of our local communities.

Like many regional areas of the state, Mid-Western has experienced a rapid rise in the cost of housing over the past 5 years, exacerbated by the arrival of the COVID-19 pandemic, and further impacted by global market influences driving up the cost of housing and construction.

Planning for housing that can suitably and sustainably respond to these challenges, as well as to our changing climate and evolving lifestyle needs, will require diverse and resilient housing solutions supported by key infrastructure and essential services.



Mudgee

1.2 What is a Housing Strategy?

The Mid-Western Housing Strategy will guide decision making around housing in the Mid-Western Local Government Area (LGA).

The Housing Strategy provides a framework to ensure that Council has identified a supply of suitable and sustainable housing that responds to the diverse needs of the Mid-Western community now and into the future.

The Housing Strategy sets out current and projected housing needs based on a range of factors including demographic trends, housing supply and demand, and local land use opportunities and constraints, all informed by input from engagement undertaken with our community.

The Housing Strategy's projected housing needs have drawn upon the Department of Planning, Housing and Infrastructure's (DPHI) population projections, and builds off the analysis, data and recommendations from current and available Mid-Western strategic documents and relevant State Government strategies and data sources.

This includes the 2023 Mudgee and Gulgong Urban Release Strategy, Managing the impacts of State Significant Development for Mid-Western LGA, Mid-Western Regional Local Strategic Planning Statement (LSPS), Towards 2040: Mid-Western Region Community Plan and the Mid-Western Regional Comprehensive Land Use Strategy (CLUS). NSW State Government Strategies include the Central West and Orana Regional Plan 2041 and the 2022/2024 NSW population projections.

1.3 Why prepare a Housing Strategy?

The Housing Strategy is an important decision making tool that assists Council to prioritise the release of residential land.

The region continues to experience significant demand on housing from the development of the Central West and Orana REZ, mining operations and people wanting to move into the region.

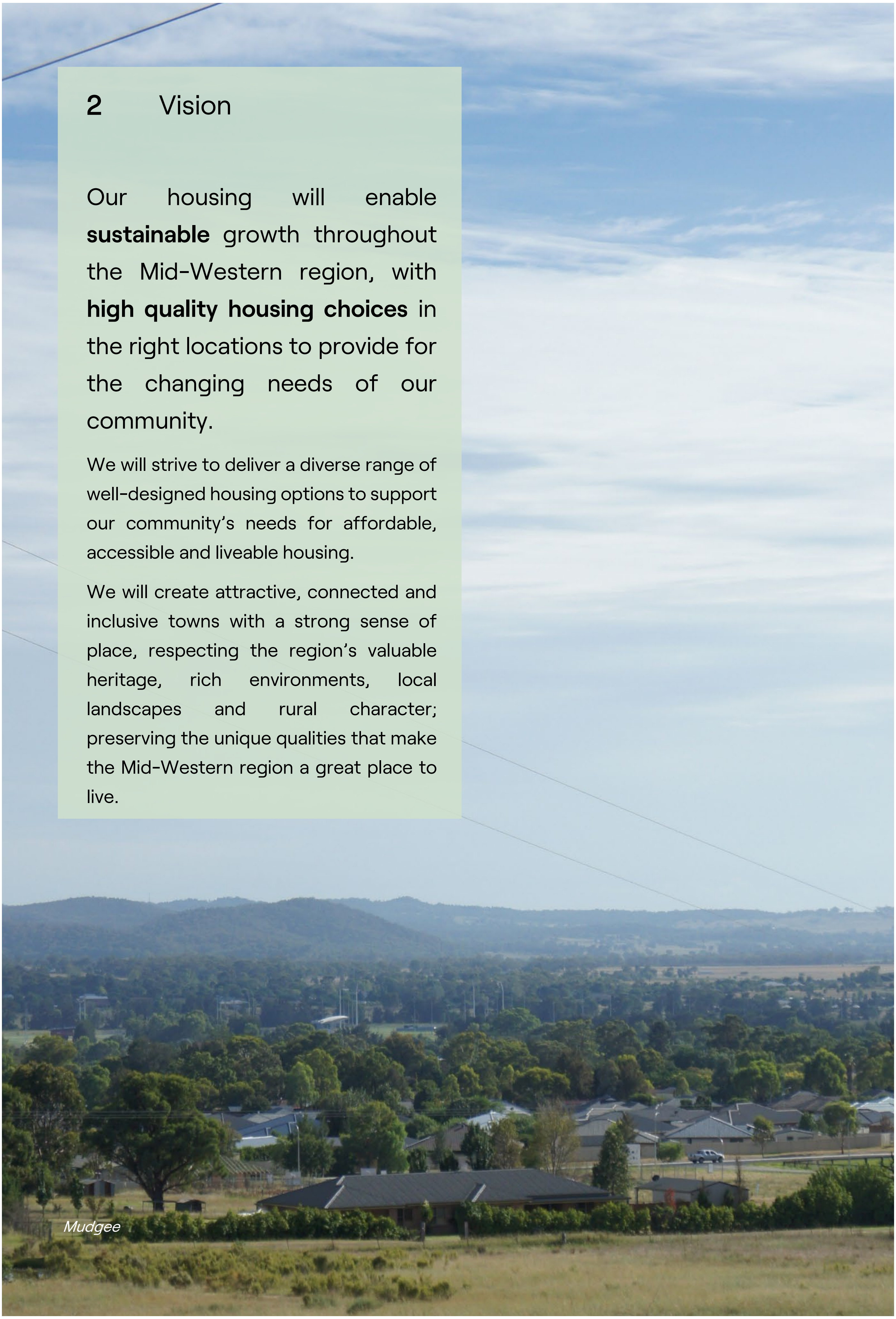
This increasing and changing demand impacts on the availability and affordability of housing, which in turn affects the ability for people within our community to easily rent or purchase a home, or to attract essential workers (such as teachers, health care workers or service industry workers) who support our local economy and community.

This Housing Strategy will give effect to Council's wider strategic planning framework, including *Our Place 2040: Mid-Western Regional Council Local Strategic Planning Statement*, which sets out key relevant priorities to:

- Make available diverse, sustainable, adaptable and affordable housing options through effective land use planning
- Provide infrastructure and services to cater for the current and future needs of our community

This Housing Strategy provides guidance for future updates to Council's Community Strategic Plan and Local Strategic Planning Statement, as well as the local environmental plan and development control plan; setting out a clear direction for the future of housing in the region.

The Housing Strategy addresses residential lots within the vicinity of the Mid-Western LGA's strategic centre and towns.



2 Vision

Our housing will enable **sustainable** growth throughout the Mid-Western region, with **high quality housing choices** in the right locations to provide for the changing needs of our community.

We will strive to deliver a diverse range of well-designed housing options to support our community's needs for affordable, accessible and liveable housing.

We will create attractive, connected and inclusive towns with a strong sense of place, respecting the region's valuable heritage, rich environments, local landscapes and rural character; preserving the unique qualities that make the Mid-Western region a great place to live.

Mudgee

3 Context

3.1 Mid-Western Local Government Area

Figure 1: The Mid-Western LGA is located in the central tablelands of NSW and covers an area of approximately 8,740km. In 2021, the LGA was home to 25,700 people.

3.2 Settlement Hierarchy

The strategic centre and largest town in the LGA is Mudgee, located on the Cudgegong River and home to approximately 12,000 people in 2021.

Key towns also include Gulgong; approximately 25km north of Mudgee, Rylstone; located approximately 45km south-east of Mudgee, and Kandos; approximately 8km from Rylstone.

Figure 2 sets out the settlement hierarchy for the region, identifying the role of each type of settlement and the level of services to be expected.

Mudgee has been identified as a Strategic Centre, followed by Gulgong, Rylstone and Kandos, which are classified as Towns. The remaining rural settlements are classified as Villages, Rural Centres and Localities. Dubbo and Bathurst were identified as Regional Centres, which provide higher order services and facilities that are not available within the LGA.

The purpose of the hierarchy is to acknowledge that settlements expand, due to services and facilities.

Regional Centre	**(Dubbo, Orange, Bathurst)** Provides a full range of business, government, retail, cultural, entertainment and recreation activities being the focal point of a region for access to employment, shopping, health, education, recreation and other services.
Strategic Centre	**(Mudgee)** Provides a range of business, employment, retail, entertainment and recreation services. Provides a mix of retail, office and services with large supermarket catering for convenience and weekly shopping needs.
Town	**(Gulgong, Kandos, Rylstone)** Provides a range of local services for convenience but relies on the Strategic Centre for higher order facilities.
Village/Rural Centre	**(Bylong, Birriwa, Charbon, Clandulla, Goolma, Wollar, Ulan, Lue, Hargraves, Hill End, Ilford, Pyramul, Sofala, Turill, Ulan, Windeyer)** Provides for convenience needs only in an established setting and may include a general store, pub and dwellings.
Rural Locality	**(Apple Tree Flat, Bocoble, Botobolar, Buckaroo, Budgee Budgee, Brogans Creek, Cooks Gap, Cooyal, Crudine, Cudgegong, Eurunderee, Grattai, Hillgrove, Home Rule, Mount Frome, Mount Knowles, Mullamuddy, Olinda, Running Stream, Tallawang, Waterloo, Warrangunia, Yarrabin)** Focal point for surrounding community. Usually has a community hall, bushfire facilities with generally no shopping or services – may be remnant of former village.

Figure 2: Settlement hierarchy.

Mid-Western Local Government Area at a Glance

POPULATION

TOTAL POPULATION

25,700
IN 2021

APPROX.
32,000
BY 2041

MEDIAN AGE

42
IN 2021

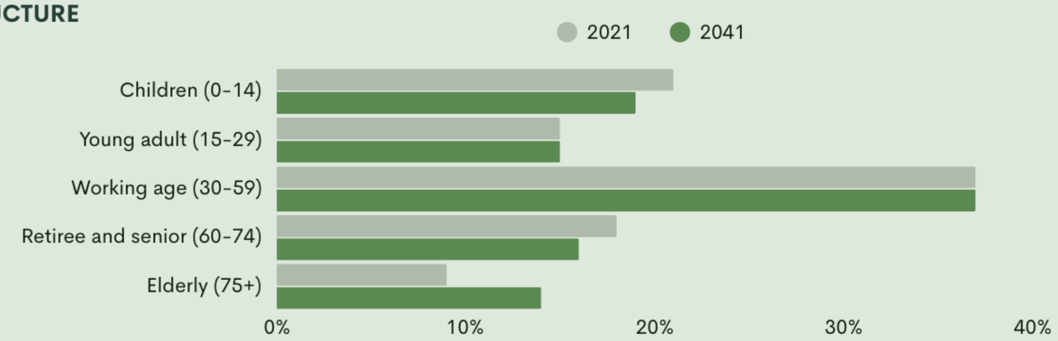
43
BY 2041

HOUSEHOLD SIZE

2.4
IN 2021

2.3
BY 2041

AGE STRUCTURE



DWELLINGS

DWELLING STRUCTURE IN 2021

90% SEPARATE HOUSE

3% SEMI-DETACHED TOWNHOUSE

4% APARTMENT

635 New Residential Water Connections since 2021

RENTAL VACANCY RATE

< 2% since 2021

ECONOMY

WEEKLY HOUSEHOLD INCOME

$1,486
MWR (2021)

$1,829
NSW (2021)

TOP INDUSTRY EMPLOYERS

691,000 visitors per year

2.4 days average domestic stay

4 Community Engagement

4.1 Consultation

In preparing this Housing Strategy, Mid-Western Regional Council consulted with the community to capture feedback and insights that have informed the key themes, findings and recommendations of the Housing Strategy.

The intent of the engagement program was to inform the community about the Housing Strategy and ensure they had opportunities to help shape its development.

Over 600 people engaged with Council about the Mid-Western Housing Strategy.

An overview of the engagement activities undertaken for the Housing Strategy is provided in Table 1.

Table 1: Summary of Engagement Activities.

Activity	Stakeholders	Date
Economic Think Tank 2024	Invited businesses and industry representatives - presentation to participants	23 May 2024
Online Survey	Whole of community	22 August 2024 to 27 September 2024
Stakeholder Discussions	Representatives from local service providers, education, Mudgee Local Aboriginal Land Council, industry representatives (energy and mining) and property/land development sector representation	Conducted throughout September & October 2024
Industry and Sector Workshops	Representatives from community housing providers, service providers and major employers/industries	27-30 August 2024
Community Workshops	Representatives from business groups, real estate agencies, land developers and building companies, community groups and organisations. A specific session for people under 30 years was also held.	27-30 August 2024
Drop In Sessions	Whole of community.	17-19 October 2024

4.2 What We Heard

Key themes and common messages identified during the community consultation included:

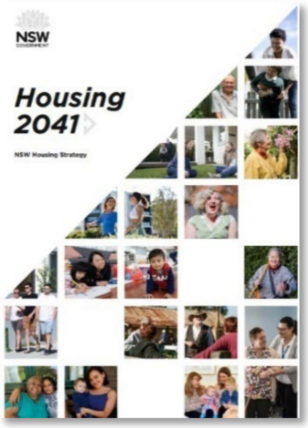
- Housing affordability is a significant issue for the Mid-Western LGA and is already contributing to negative social and economic impacts for the community and area.
- Increased diversity of housing typologies would contribute to the availability of more affordable housing options. Despite this, the preference is still for single dwellings on standard lots and larger lot rural residential housing typologies.
- Young people and people on low to medium incomes are disproportionally impacted because of increasing housing cost, a limited private rental market and limited availability of social and affordable housing options.
- Recognition that terraces, townhouses, shop- top housing and low scale unit/apartments are needed and could be appropriate in specific locations.
- Increased number and/or density of housing should not impact on the rural and heritage character of the Mid-Western LGA or the viability of existing towns and village centres.
- The development of more dense housing typologies requires communal green and social spaces and being located close to existing social infrastructure to be appropriate to the character of the area and accepted by the community.

Rylstone

5 Planning & Policy Context

This Housing Strategy has been prepared to provide alignment with the vision and objectives of the wider strategic planning framework relevant to housing in the Mid-Western LGA.

State Planning Context



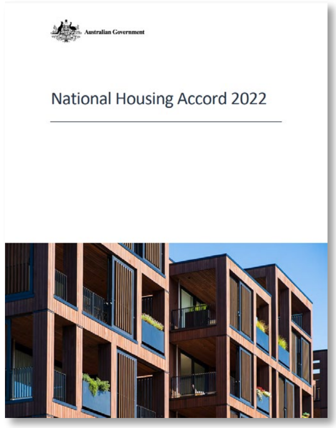
Housing 2041 – NSW Housing Strategy

Housing 2041 is a 20-year vision of the NSW Government, published in 2021, aiming to deliver better housing outcomes across the state.

It prioritises housing security, affordability, and choice, focusing on good design, strategic location, and environmental sustainability.

Key goals include:

- Strengthening partnerships and reducing planning barriers.
- Supporting vulnerable groups through social and affordable housing growth.
- Promoting adaptable, carbon-neutral housing designs.
- Aligning housing with infrastructure and community needs.
- Supporting first homebuyers and renters, including innovative housing options like build-to-rent.



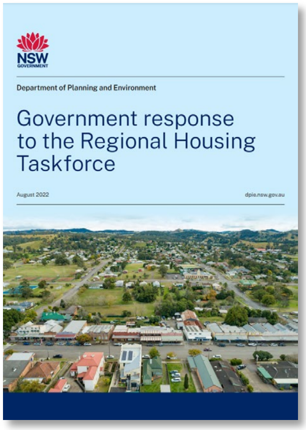
NSW Government commitment to the National Housing Accord

The NSW Government has signed the National Housing Accord, requiring delivery of 377,000 new homes by mid 2029. This target includes 55,000 new homes identified for regional NSW.

At the time of writing this Housing Strategy, there are no specific targets for regional councils. However, the NSW Government will be looking for all councils to identify a strong supply of new housing opportunities.

The associated Housing Australia Future Fund (HAFF) will provide a sustainable stream of funds to support the delivery of social and affordable housing.

The HAFF presents an important opportunity to encourage the private sector to partner with local government and the community housing sector to deliver social and affordable housing.



NSW Regional Housing Taskforce and Government Response

In June 2021, the NSW Government established the Regional Housing Taskforce to address housing supply and affordability pressures in regional NSW.

Its goals were to remove planning barriers, accelerate housing delivery, and promote development on appropriately zoned land.

Key recommendations adopted in August 2022 include:

- Ensuring a supply of "development-ready" land.
- Boosting affordable and diverse housing.
- Providing clarity on housing locations and timelines.
- Using planning levers for short-term housing needs.
- Enhancing monitoring of housing data and outcomes.

Actions under the NSW Government's $2.8 billion Housing Package aim to deliver 127,000 new homes in the next decade.

Initiatives include a Regional Urban Development Program, housing supply benchmarks, a Regional Housing Strategic Planning Fund, and policy reforms to support affordable housing in both established and greenfield areas.

NSW Net Zero

In December 2023, the NSW Government passed the Climate Change (Net Zero Future) Act 2023.

The Act enshrines in law NSW's emission reduction targets including:

- 50% reduction on 2005 emissions by 2030
- 70% reduction on 2005 emissions by 2035
- Net zero emissions by 2050.

Renewable Energy Zones and the Electricity Energy Roadmap

The NSW Government has established five Renewable Energy Zones (REZ) with the aim of clustering new wind and solar power generation into locations where it can be efficiently stored and transmitted across NSW.

The Mid-Western LGA is located within the Central-West Orana REZ which is expected to bring up to $20bn in private investment across the region.

The Mid-Western LGA is also close to the western edge of the Hunter New England REZ, so will likely feel the impact from renewable energy projects located to the northwest.

State Environmental Planning Policies

State environmental planning policies (SEPPs) are environmental planning instruments prepared by the NSW Government.

The following SEPPs are of relevance to this Housing Strategy:

State Environmental Planning Policy (Housing) 2021

SEPP (Housing) 2021 aims to facilitate development of affordable and diverse housing in strategic locations.

The SEPP includes provisions for a range of housing types such as social, affordable and seniors housing, as well as design standards for the construction of residential apartments.

In December 2024, the NSW Government announced reforms to the Housing SEPP to fast-track housing for construction workers on major infrastructure projects in renewable energy zones. Construction worker accommodation has now been clearly defined and is permitted in all residential zones, and in some non-residential zones, such as rural zones near renewable energy infrastructure or business zones with convenient amenities and transport links.

State Environmental Planning Policy (Exempt and Complying Development Codes) 2008

SEPP (Exempt and Complying Development Codes) 2008 aims to provide streamlined assessment processes for minor or straightforward development.

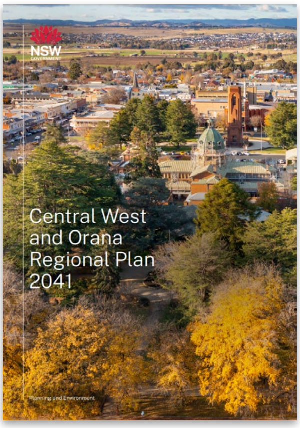
This SEPP includes provisions for certain types of residential development that meet certain standards, such as low-rise housing, dual occupancies, manor houses and attached housing.

State Environmental Planning Policy (Sustainable Buildings) 2022

SEPP (Sustainable Buildings) 2022 aims to encourage the design and delivery of sustainable buildings across NSW.

The policy includes standards for residential housing, including strategies to minimise water and energy consumption and improve thermal performance.

Regional Planning Context



Central West and Orana Regional Plan 2041

The Central West and Orana Regional Plan 2041, published in December 2022, outlines a 20-year framework for sustainable regional growth. It emphasises:

- Local housing strategies that meet diverse needs, support medium-density housing near urban centres, and integrate infrastructure.
- Reflecting local character and heritage in housing developments.

Mudgee is identified as a strategic centre with significant commercial services, projected population growth, and housing demand.

For the Mid-Western LGA, priorities include:

- Delivering diverse, affordable, and adaptable housing.
- Preserving the historic character of towns and villages.
- Enhancing infrastructure and community services.
- Supporting business and industry diversity.
- Managing opportunities and impacts of major developments, including renewable energy and mining projects.
- Leveraging regional growth linked to the Central-West Orana REZ and nearby economic hubs like Dubbo and the Hunter Valley.

Local Planning Context

Towards 2040: Mid-Western Region Community Plan

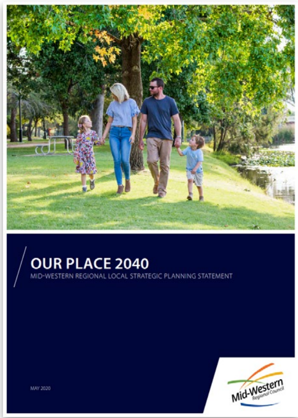
Mid-Western Regional Council's Community Strategic Plan (CSP) sets out the community's vision for the future.

The CSP sets out five key themes to support the delivery of the vision of 'a prosperous and progressive community we proudly call home':

- Looking After Our Community
- Protecting Our Natural Environment
- Building a Strong Local Economy
- Connecting Our Region
- Good Government.

The plan identifies that housing is an important priority for the community, and notes goals to make available diverse, sustainable, adaptable and affordable housing options through effective land use planning.

It is recognised that Council is currently engaging with the community in relation to the preparation of the future Community Strategic Plan. It is anticipated that housing will remain an important priority for the community.



Our Place 2040: Mid-Western Regional Council Local Strategic Planning Statement

The Mid-Western Regional Local Strategic Planning Statement (LSPS), published in May 2020, outlines a 20-year vision for sustainable land use planning in the region, balancing growth with heritage, environment, and rural character.

The following Planning Priorities are of particular relevance to this Housing Strategy:

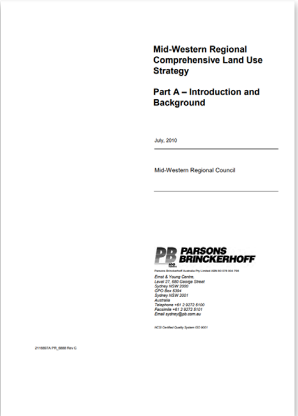
Planning Priority 2: Diverse and Affordable Housing

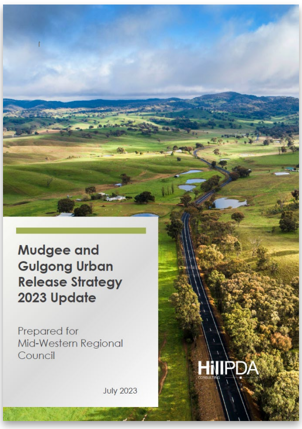
- Expand medium-density residential zones and monitor housing supply.
- Consider liveable housing design guidelines in future planning.
- Identify large-lot residential opportunities.
- Promote affordable housing and monitor land release.

Planning Priority 4: Infrastructure and Services

- Update infrastructure and servicing provisions in planning controls.
- Align development contributions with community infrastructure needs.
- Assess and enhance water, sewer, and stormwater systems to support growth.

The LSPS commits to reviewing asset management plans and financial strategies to ensure infrastructure and assets meet current and future demands.





Mid-Western Regional Comprehensive Land Use Strategy

The Mid-Western Regional Comprehensive Land Use Strategy (CLUS), , provides a framework for urban and rural growth in the Mid-Western LGA to 2031. It identifies environmental, social, and economic opportunities and constraints while addressing land demand and supply pressures.

Key elements include:

- Detailed structure plans for Mudgee, Gulgong, Rylstone, and Kandos, outlining land use strategies, future growth areas, and infrastructure needs.
- Planning considerations for rural areas, emphasising character, lifestyle, and minimising land use conflicts.

It is intended that this Housing Strategy will integrate the findings and strategies of the CLUS, to address future housing needs.

Mudgee and Gulgong Urban Release Strategy 2023 Update

The Mudgee and Gulgong Urban Release Strategy 2023 Update (URS) updates the 2014 strategy to determine housing supply and demand from 2021 to 2041. It provides updated analysis, assesses residential land availability, and guides strategic planning to balance supply and demand.

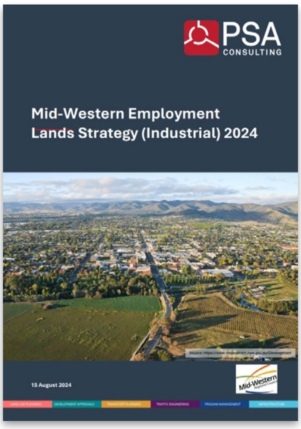
Key findings:

- Population growth of 4,400–8,200 (32.1%) is expected by 2041, with an annual need for 166 new dwellings.
- Tight rental markets, low vacancy rates, and rising dwelling prices highlight affordability challenges, particularly in Mudgee.

Land supply status:

- General residential (400–1,999sqm): Mudgee faces shortages; Gulgong's supply is sufficient if rezoned and serviced.
- Low-density residential (2,000sqm–1.9ha): Adequate in both towns long-term but dependent on servicing and rezoning.
- Large-lot residential (2+ ha): Adequate in both towns but requires early rezoning in Gulgong.

The findings of the URS form a foundation for this Housing Strategy, which addresses the land supply shortages and considerations identified by the URS and sets out a plan to respond to the diverse housing needs of the growing population. This Housing Strategy builds upon and aligns with the URS, ensuring a coordinated approach to housing supply, land release, and long-term planning.



Mid-Western Employment Lands Strategy (Industrial) 2024

The Draft Mid-Western Regional Employment Lands Strategy (Industrial) 2024 addresses the need for appropriately zoned industrial land to support demand and new opportunities, focusing on Mudgee and Gulgong.

Key points:

- Identifies 141 hectares of additional industrial land for development across short (1–5 years), medium (5–10 years), and long-term (10+ years) time frames.
- Projects employment growth from 11,068 workers in 2021 to 19,480 by 2026, followed by a decline post-construction of State Significant Development (SSD) projects.

This Housing Strategy aligns with the Employment Lands Strategy by addressing the housing needs of the growing and transitioning workforce, emphasising diverse, adaptable, and affordable housing options.

Managing the impacts of State Significant Development 2024

Managing the impacts of State Significant Development examines the cumulative impacts of major State Significant Developments (SSDs) planned within and around the Mid-Western LGA, with a particular focus on projects associated with the Central-West Orana REZ.

These developments, central to the NSW Government's net zero transition, will generate sustained demand for workers over the next decade, leading to significant pressures on housing, infrastructure, and essential services in the region.

The report provides a point-in-time analysis to estimate workforce-driven population increases, assess their impact on local services, and identify strategies to mitigate short-term challenges while leveraging long-term economic opportunities. It serves as a foundation for coordinated planning between state and local governments to align growth strategies, manage community impacts, and determine the need for further analysis.

This Housing Strategy builds upon the findings of the report, accounting for the anticipated workforce and associated needs within the population and implied dwelling demand projections set out in Sections 8 and 9 of this Strategy. Further, Council continually monitors and tracks the projected major project workforce (temporary and permanent) numbers and timing, this information has been drawn upon.

Mid-Western Regional Local Environmental Plan 2012

The Mid-Western Regional Local Environmental Plan 2012 (LEP) provides the statutory framework for planning, development and building within the Mid-Western LGA.

It manages land use through zoning development standards, planning controls and other planning provisions.

Of particular relevance to this Housing Strategy are the land use zones which permit the development of residential accommodation in the Mid-Western LGA, outlined in Table 2.

There are four residential land use zones within the Mid-Western LGA. They range from general residential; which provides for a wide variety of different housing types and densities, to low density, medium density and large lot residential zones.

Residential accommodation may also be developed in rural village zones, and certain employment zones; commercial centre, productivity support and mixed use areas.

The Mid-Western LGA also permits residential accommodation in the SP3 Tourist land use zone, which aims to provide for specific tourist and visitor related uses.

Mid-Western Regional Development Control Plan 2013

The Mid-Western Regional DCP 2013 (DCP) contains detailed requirements to guide development in the Mid-Western LGA. The DCP complements and must be considered in conjunction with the legislative provisions of the LEP.

The DCP outlines controls pertaining to specific types of development, such as residential, subdivision, commercial or industrial uses, as well as providing controls for development in particular locations, such as rural areas. The DCP also outlines site specific controls for the areas of Gulgong, West Mudgee and Caerleon.

Table 2: Mid-Western Regional Local Environmental Plan 2012, Residential Land Use Zones.

R1 General Residential	**Objectives:** • To provide for the housing needs of the community. • To provide for a variety of housing types and densities. • To enable other land uses that provide facilities or services to meet the day to day needs of residents.
R2 Low Density Residential	**Objectives:** • To provide for the housing needs of the community within a low density residential environment. • To enable other land uses that provide facilities or services to meet the day to day needs of residents.
R3 Medium Density Residential	**Objectives:** • To provide for the housing needs of the community within a medium density residential environment. • To provide a variety of housing types within a medium density residential environment. • To enable other land uses that provide facilities or services to meet the day to day needs of residents. • To encourage higher-density residential development that is sympathetic to and compatible with the existing character of the Mudgee Heritage Conservation Area.
R5 Large Lot Residential	**Objectives:** • To provide residential housing in a rural setting while preserving, and minimising impacts on, environmentally sensitive locations and scenic quality. • To ensure that large residential lots do not hinder the proper and orderly development of urban areas in the future. • To ensure that development in the area does not unreasonably increase the demand for public services or public facilities. • To minimise conflict between land uses within this zone and land uses within adjoining zones.
SP3 Tourist	**Objectives:** • To provide for a variety of tourist-oriented development and related uses.
E2 Commercial Centre	**Objectives:** • To strengthen the role of the commercial centre as the centre of business, retail, community and cultural activity. • To encourage investment in commercial development that generates employment opportunities and economic growth. • To encourage development that has a high level of accessibility and amenity, particularly for pedestrians.

	• To enable residential development only if it is consistent with the Council's strategic planning for residential development in the area. • To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces. • To promote the central business district of Mudgee as the major focus for retail and commercial activity in Mid-Western Regional. • To ensure development is compatible with the historic architectural character and streetscapes of the Mudgee commercial core area.
E3 Productivity Support	**Objectives:** • To provide a range of facilities and services, light industries, warehouses and offices. • To provide for land uses that are compatible with, but do not compete with, land uses in surrounding local and commercial centres. • To maintain the economic viability of local and commercial centres by limiting certain retail and commercial activity. • To provide for land uses that meet the needs of the community, businesses and industries but that are not suited to locations in other employment zones. • To provide opportunities for new and emerging light industries. • To enable other land uses that provide facilities and services to meet the day to day needs of workers, to sell goods of a large size, weight or quantity or to sell goods manufactured on-site. • To promote a visually attractive entry point into Mudgee from the south east. • To enable development that does not undermine the primary retail role of the Mudgee commercial core area.
MU1 Mixed Use	**Objectives:** • To encourage a diversity of business, retail, office and light industrial land uses that generate employment opportunities. • To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces. • To minimise conflict between land uses within this zone and land uses within adjoining zones. • To encourage business, retail, community and other non-residential land uses on the ground floor of buildings. • To ensure development is consistent with the character of adjoining residential neighbourhoods.

6 Mid-Western Regional Snapshot

Ilford Road, Kandos

OUR POPULATION

6.1 Population Change

In 2021, the Mid-Western LGA was home to

25,713 people.

This number represents an increase of 4,614 people, or 21.8% over the past 20 years; from 21,086 people in 2006.

With a population of 12,256 people in 2021, almost half of the Mid-Western LGA lives in Mudgee.

In 2021,

42 YEARS OLD was the median age of our population

6.8% of our population identified as Aboriginal and/or Torres Strait Islander

6% of our population required assistance with core activities

Table 3: Population growth in the Mid-Western LGA, 2006-2021.

	2006	2011	2016	2021
Mid-Western LGA	21,086	22,318	24,076	25,713
Mudgee	8,249	10,323	11,535	12,256
Gulgong	1,907	1,866	1,956	2,057
Rylstone	615	624	644	624
Kandos	1,306	1,284	1,261	1,208

6.2 Age Structure

In 2021, the median age of residents in the Mid-Western LGA was 42 years; higher than the median age of the state (39).

While the number of people in the Mid-Western LGA is anticipated to increase across all age groups over to 2041, the elderly age group (aged 75 and over) is likely to see the greatest growth, rising from 9.3% to 13.6% of the population.

Figure 3: Age projections in the Mid-Western LGA, 2021-2041.

OUR HOUSING

6.3 Household Composition

31% COUPLE ONLY HOUSEHOLDS

38% HOUSEHOLDS WITH CHILDREN

28% LONE PERSON HOUSEHOLDS

3% GROUP HOUSEHOLDS

Due in part to an ageing population,

lone person households are expected to increase by

↑ 24% by 2041, at

around 750 households.

All other household types will increase by less than 17%.

6.4 Dwelling Structure

In 2021, the Mid-Western LGA contained 9,614 occupied dwellings.

90%
of all dwellings were
DETACHED HOUSES

In 2021, 79% of all occupied dwellings were 3 or more bedrooms.

Only 15% of occupied dwellings had 2 bedrooms.

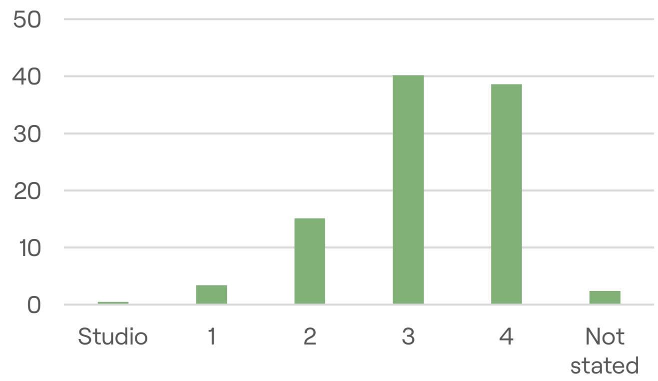


Figure 4: Number of bedrooms in private dwellings in the Mid-Western LGA, 2021 (%).

Table 4: Dwelling structure in the Mid-Western LGA, 2021.

	Number of Dwellings	Percentage of Total
Separate / detached house	8,811	91.4
Semi-detached, row or terrace house, townhouse etc.	609	6.3
Flat, unit or apartment	84	0.9
Other	110	1.1

6.5 Housing Tenure

Of occupied dwellings in the Mid-Western LGA,

69%

ARE OWNED OUTRIGHT OR WITH A MORTGAGE

24%

ARE RENTED

Over the last 15 years, the proportion of dwellings owned outright has decreased, while dwellings owned with a mortgage and those living in rental properties has increased.

Table 5: Housing tenure in the Mid-Western LGA, 2021.

	2006	2021
Owned outright	39.7%	37.6%
Owned with mortgage	25.6%	30.8%
Rented	21.9%	23.8%
Other	2.8%	2.2%
Not stated/Not applicable	10.0%	5.6%

6.6 Property Sale Prices

From 2018 to 2022, house prices showed significant annual increases in the Central Tablelands, rising at an average annual rate of 9.6%. Unit prices rose at an average annual rate of 10.5%.

Notably, between 2021 and 2022, house prices in the Central Tablelands surged by

50%.

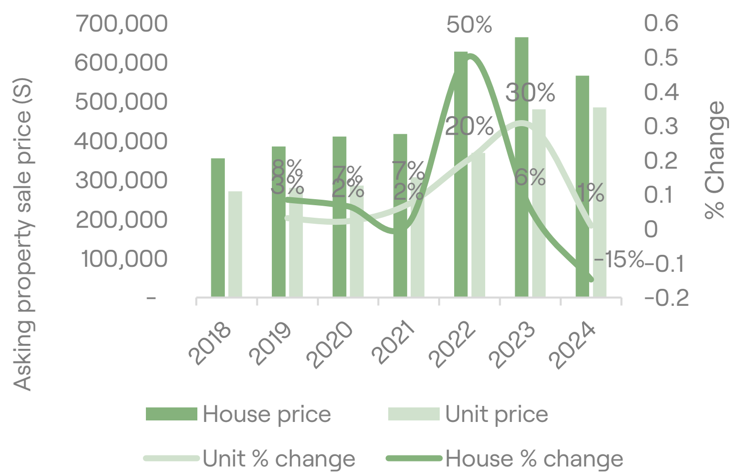


Figure 5: Asking property sale price in the Central Tablelands, June 2018 – June 2024.

6.7 Rental Prices

Rental prices for both houses and units showed steady increases annually from 2018 to 2024.

Rent for houses experienced significant increases in 2021 and 2022 (13% and 25% respectively).

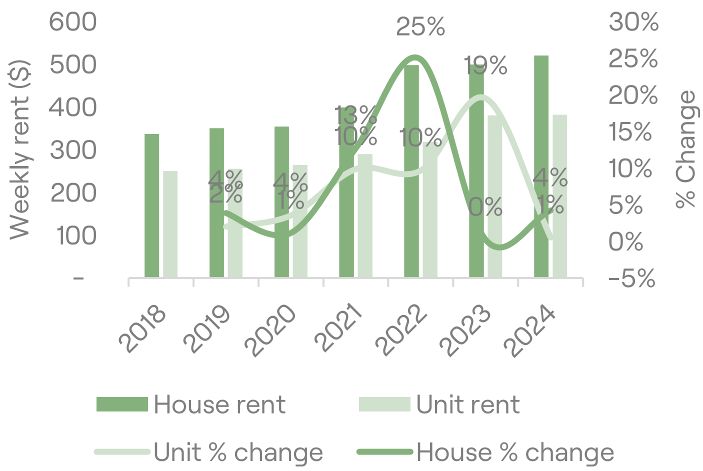


Figure 6: Asking property rent in the Central Tablelands, June 2018 – June 2024.

7 Key Drivers of Change

The Mid-Western Housing Strategy has been prepared within a rapidly moving policy context, with the future of Australia's housing supply, affordability and liveability dominating public discourse in recent years.

Key drivers of change impacting both demand for and supply of land for residential purposes include:

- The national housing supply and affordability crisis influencing federal, state and local government housing policy.
- Stronger NSW Government policy position to achieve net zero emissions by 2050 which is directly influencing regional energy and resource industries and associated worker accommodation needs, including the identification of parts of the Mid-Western LGA within the Central West Orana REZ and within close proximity to the Hunter Central Coast REZ.
- Continued evolving demand for housing in regional areas prompted by the COVID-19 pandemic, regional migration and changes in patterns of work.
- Increased occurrence of natural events such as flood and bushfire impacting the suitability of lands for future development in a changing climate.
- Balancing demand for short term rental accommodation to support our visitor economy whilst ensuring sufficient stock is available within the private rental market to house our community.
- Changing community perspectives in housing choice, diversity, sustainability and lifestyle.

Rylstone

The Mid-Western LGA faces challenges and opportunities as it seeks to balance growth, accommodate housing needs, and preserve community character.

The Mid-Western LGA's Housing Strategy will rely on a connected approach that enhances housing density, diversifies housing types, preserves heritage, and leverages economic opportunity.

This multi-layered approach will enable the region to grow sustainably, meet community needs, and maintain its unique identity and resilience.

Kandos

Housing Choice and Diversity

Providing accessible and affordable housing is essential to meeting the needs of the community, particularly those most vulnerable to housing insecurity.

A diverse mix of housing options on a variety of lot sizes will be essential to meet the region's varied housing needs and alleviate cost-of-living pressures, particularly by providing smaller, more appropriate and more affordable options for smaller households, ageing residents, and those facing housing insecurity.

Key to achieving this mix will be a multi-faceted approach involving collaboration between public and private sectors, and stakeholder and community education.

By increasing the supply of diverse housing options and residential lot sizes, such as townhouses, apartments or secondary dwellings, the region can offer housing choices that may better suit the practical needs of the community while potentially increasing supply of more affordable housing types.

Housing Infill

Increasing the supply of housing in existing areas of targeted locations is crucial to achieving sustainable growth.

Infill development leverages existing infrastructure and services, alleviates conflict with surrounding lands, such as those with high environmental or agricultural value, and stimulates economic activity in established commercial centres.

Low impact housing typologies such as duplexes, townhouses, secondary dwellings ('granny flats') and low-rise apartment buildings can enhance residential density while offering more options for residents at different life stages and income levels.

Opportunities may exist to deliver infill development within the Mid-Western LGA's strategic centre and towns. This may include, for example, rear lanes close to the Mudgee Hospital (subject to feasibility related to currently unsealed lanes).

Local Character and Regional Lifestyle

Strategic planning for increased housing density must consider the unique character of the Mid-Western LGA's towns. Place-based planning and local character statements can ensure that new developments complement local heritage and architectural styles, enhancing rather than detracting from the region's identity.

This balanced approach to growth can foster attractive and resilient places, allowing for both new development and the preservation of valued historical and cultural sites.

Furthermore, the Mid-Western Housing Strategy must manage market demand for lower density and rural lifestyle housing. Parts of the Mid-Western LGA contain lots for rural residential development with a two hectare minimum lot size. These lots are primarily located adjacent to the strategic centre and towns and benefit from reasonable access to services and facilities.

While presenting lifestyle attractions for residents, it is understood that such housing has the potential to undermine strategic land use planning and can result in the inefficient development of land and the disinclination of developers to fully realise potential lot yield.

Gateways

Gateway treatment was identified by the community as being a significant issue for the Mudgee, Rylstone, Gulgong, and Kandos. The principles for improvements to town entries are as follows.

- Future development should provide for a substantial vegetated buffer along the major roadways and incorporate gateway treatments including vegetation, fencing, and signage.
- Gateway planning and treatments should commence, where possible, well in advance of any urban development in newly developing areas. To support the strategy, it identifies a split-use approach for parcels fronting the Castlereagh Highway, allocating areas within 50m for a mix of infrastructure and urban uses (e.g., industrial, residential, or other relevant purposes).

Ridgelines and Rural Views

Ridgelines are visually important elements of the rural landscape and values by the community. Ridgelines are to be protected by:

- Avoiding development on the ridgelines or in location where structures would protrude or interrupt the skyline when viewed from a distance.
- Maintain ridgelines (and their buffer areas) and the view corridors to natural and cultural landscapes. In this regard, a no-build buffer for at least 40m either side of the ridgeline should be implemented. Development controls for the site should address building envelopes and provision of additional native tree planting to achieve this objective.
- Careful design of roads and urban structures in more visible sensitive areas to conform to the natural terrain as much as possible.
- Major infrastructure for example, electricity generating and servicing infrastructure and mobile phone towers should not be located near ridgelines where other practical locations are available.
- Retain identified habitat corridors which exist on ridgelines. These areas can provide connected vegetation which provides potential for habitat values within the ridge to regions.

Dwellings in Rural Zones

Rural zones in the Mid-Western LGA support industry and employment as well as a diversity of lifestyle and residential opportunities.

Housing in rural zones can, however, increase the potential for land use conflict and may undermine Council's objectives for rural lands such as those with agricultural, biodiversity or scenic values.

Council must continue to balance the delivery of housing in rural areas with careful consideration for orderly residential development, the logical provision of services throughout the LGA, and the impacts of such development on long-term planning outcomes in rural lands.

As set out in Department of Primary Industries and Regional Development's guide *Planning for Agriculture in Rural Land Use Strategies*, a strategic approach to limiting housing in rural areas will give certainty to landowners and the community, and enable the protection of productive agricultural land.

Future rural dwellings should be provided only for the purpose of supporting commercial agricultural production.

Council will look to address the development of dwellings in rural land use zones within the future Mid-Western Region Rural and Scenic Lands Strategy.

Tourist and Visitor Accommodation

The Mid-Western LGA is an attractive destination for tourists and visitors, and the industry plays an important role in the economy of the LGA.

Short-term rental accommodation (STRA) supports the tourist and visitor economy, but can have significant impacts on housing availability and affordability.

The introduction of state regulations in 2021 aimed to manage these impacts, but ongoing reviews are necessary to ensure STRA aligns with broader housing needs, maintaining both liveability for residents and the viability of the region's tourist economy.

To support the region's tourism potential while safeguarding housing affordability, regular reviews of the impact of STRAs on the local housing market should be undertaken.

These reviews will help assess STRA supply and ensure they are complementary to the broader housing needs of the community. By factoring in a reasonable quantum of STRA, the Mid-Western LGA can continue to provide attractive visitor experiences while maintaining liveability for residents.

Major Projects

A number of major projects are currently planned within and around the Mid-Western LGA.

An influx of workers associated with these projects has the potential to impose broader pressures upon demand for housing, services and utilities in the Mid-Western LGA.

Mining

The Mid-Western region is resource-rich, and mining, energy and industrial sectors will remain an essential part of the future of the region's economy.

The permanent and temporary accommodation needs of the mining industry will continue to place demand upon the LGA's housing market, particularly as major projects come online at the Moolarben and Ulan coal mines, and at the proposed Bowdens Silver Mine.

The Housing Strategy considers the anticipated decline of the coal industry impacting local jobs and broadly influencing the established economies of our local communities.

Central-West Orana Renewable Energy Zone

Covering a substantial portion of the Mid-Western LGA, including Mudgee and Gulgong, the Central-West Orana REZ is expected to generate large construction workforces and significant long-term employment in renewable energy projects such as solar farms, wind farms, and energy storage facilities. This underscores the importance of addressing temporary worker housing needs to prevent strain on local housing and rental markets. Initiatives such as employee shuttle buses and staggered shift times may also assist in managing workforce accommodation demand and reducing pressure on local housing supply.

The NSW Government estimates that the REZ will initially unlock at least 4.5 gigawatts of new network capacity by the end of the decade, with new transmission infrastructure enabling generators, such as solar and wind farms, to export electricity to the rest of the network.

With such associated growth and investment, addressing both construction and operational worker housing needs will be essential to manage housing market strain, ensuring that housing solutions are brought online in a logical sequence and can transition once projects are completed.

Temporary/Construction Workers Accommodation

The Mid-Western LGA is expecting significant demand for workers accommodation due to major projects in the region, including mining and renewable energy projects, and seasonal worker demands associated with the regional agricultural industry.

To ensure that the Mid-Western LGA's housing market provides for the needs of the underlying permanent population, much of the anticipated temporary population will need to be accommodated within purpose-built facilities for the construction period of a project.

However, this Housing Strategy has derived a dwelling demand of approximately 1,500 dwellings from those workers who will need to be housed within the Mid-Western LGA's housing market specifically. This demand includes some allowance for workers who may bring partners or families.

In December 2024, the NSW Government announced a new planning pathway to fast-track housing for construction workers on major infrastructure projects in renewable energy zones. Under reforms to the Housing SEPP, construction worker accommodation has been clearly defined and is permitted in all residential zones, and in some non-residential zones, such as rural zones near renewable energy infrastructure or business zones with convenient amenities and transport links.

Council will continue to collaborate with key agencies including DPHI and EnergyCo to identify local solutions for temporary workers in suitable locations and manage demand across the Mid-Western LGA.

8 Population Projections

8.1 Population Growth

In 2024, DPHI projected that the Mid-Western LGA would grow by around 3,590 people by 2041 to a population of approximately 29,300 people, though with an identified potential high growth scenario of over 33,000 people.

This Housing Strategy has drawn upon DPHI's projections, and has further revised for significant unaccounted for factors, key drivers of change as outlined in Section 7, that will influence growth in the LGA. In particular, the rise in the number of major projects occurring in the LGA as a result of the Central-West Orana REZ, and an anticipated decline in the mining industry as the nation transitions to renewable energy production.

Table 6 provides a breakdown of the revised projected population growth in the LGA per year until 2041.

The revised projections forecast that the Mid-Western LGA could instead increase by **5,000-7,000** people by 2041.

These estimates would bring the total population of the LGA to **30,000-33,000** people by 2041.

Table 6: Projected population growth to 2041 (mid-range scenario).

	2021	2026	2031	2036	2041
Mudgee	12,040	16,700	14,250	15,800	16,300
Gulgong	2,680	8,500	3,000	3,370	3,400
Rylstone	628	800	650	680	700
Kandos	1,216	1,400	1,200	1,250	1,300
Rest of the LGA	9,149	9,600	9,900	10,150	10,300
Total	25,713	37,000	29,000	31,250	32,000

Bombira

8.2 Population Peak

However, due to the anticipated influx of workers associated with major projects occurring throughout the region, the revised population projections suggest that the Mid-Western LGA could reach a peak of up to 37,000 people within a short timeframe (potentially within five years).

The exact timing and scale of this peak remains uncertain and would be subject to the approval and timing of major projects and their varied workforce needs.

Table 7 sets out the potential peak population for each of the Mid-Western LGA's strategic centre and towns.

Figure 7 and Figure 8 chart the projected population growth to 2041 (mid-range scenario), illustrating the potential short-term population peak within approximately five years.

Table 7: Potential short-term population peak.

	Potential Short-Term Population Peak
Mid-Western LGA	37,000
Mudgee	16,700
Gulgong	8,500
Rylstone	800
Kandos	1,400

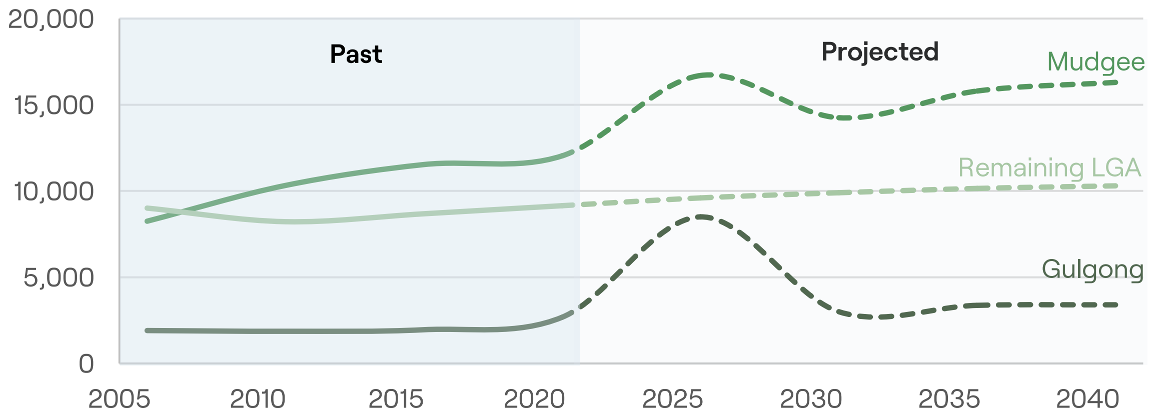


Figure 7: Projected population growth to 2041 (mid-range scenario); Mudgee, Gulgong and the remaining population of the LGA (outside the strategic centre and towns).

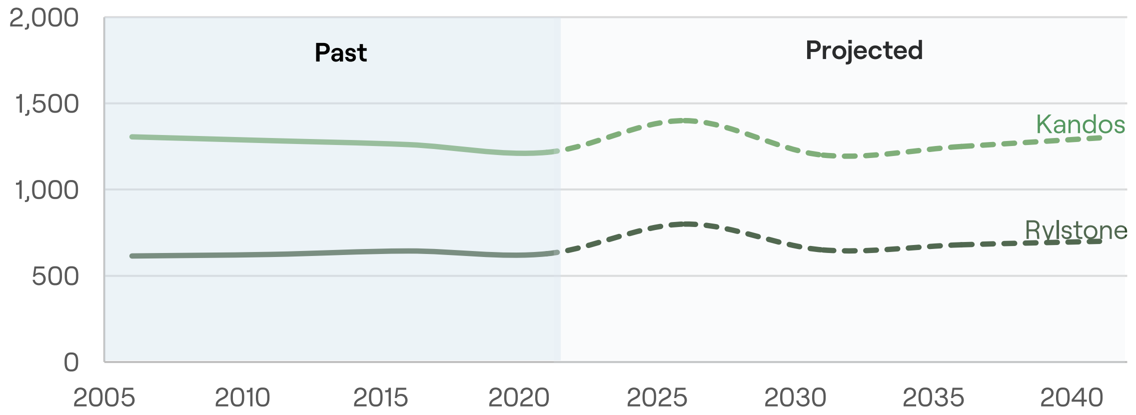


Figure 8: Projected population growth to 2041 (mid-range scenario); Rylstone and Kandos.

9 Housing Demand

The projected change in population must be reflected in changes to the Mid-Western LGA's future housing supply, including how the market operates.

To meet the basic needs of the projected population growth, an increased volume of supply must be simultaneously supported by structural changes that diversify the types and tenure of new homes available.

This Housing Strategy must also mitigate future risks to housing supply arising from, for example, landowner choice or the conversion of existing stock to short term rental accommodation catering to visitors.

A 20% contingency has been added to demand estimates to account for such forces. This contingency has been adopted to balance the need to prepare for uncertainties in dwelling demand and account for market factors while avoiding over-provision.

Regular reviews will be conducted to monitor demand trends, external pressures, and market conditions, ensuring the Housing Strategy continues to address community requirements effectively.

The implied dwelling demand for the Mid-Western LGA to 2041 is estimated at an additional **3,300** dwellings.

These projections suggest demand for a total number of **14,250** dwellings by 2041.

This implied dwelling demand is a projection based on the needs of the population projections set out in Section 8 of this Housing Strategy, and it is important to note that actual demand may vary. For example, implied dwelling demand has the potential to vary up to approximately 15,000 dwellings by 2041 (as has been calculated in DPHI's projections). The provision of a contingency buffer is therefore important to address the potential for such variation, and a buffer of 20% has been accounted for in the supply gap analysis presented in Section 10 of this Housing Strategy.

Table 8 has combined the peak implied dwelling demand for the strategic centre and towns to identify the total overall implied dwelling needs for the Mid-Western LGA to 2041.

Table 9 identifies the implied dwelling demand during the short-term anticipated peak year of population. This table combines natural growth with the peak dwelling demand associated with major projects in the region.

Due to the anticipated **peak population** associated with major projects,

MORE THAN
60%
of implied dwelling demand could be required within a short (potentially five-year) timeframe.

Due to the location of many of the major projects, these estimates suggest that Gulgong in particular could experience significant growth within a very short timeframe.

It is important to note that while much of the workforce for these projects will likely be accommodated in temporary worker accommodation, this Housing Strategy has derived a dwelling demand of approximately 1,500 dwellings from only those workers who will need to be housed within the Mid-Western LGA's housing market, and includes allowance for workers who may bring partners or families.

Figure 9 and 10 illustrate both the short term and 2041 implied dwelling demand for each of the Mid-Western LGA's strategic centre and towns.

For Mudgee and the rest of the Mid-Western LGA, maximum dwelling demand occurs in line with natural growth, in 2041. For Gulgong, Rylstone and Kandos, major projects account for the maximum additional dwelling demand, occurring within the short term.

Table 8: Implied dwelling demand to 2041. Includes natural growth and demand associated with major projects.

	2021 No. Existing Dwellings	2041 Additional Implied Demand (not including 20% contingency)	2041 Total Implied Demand (No. existing dwellings + additional implied demand)
Mudgee	5,595	+ 1,855	**7,450**
Gulgong	950	+ 800	**1,750**
Rylstone	335	+ 45	**380**
Kandos	730	+ 35	**765**
Rest of the LGA	3,350	+ 565	**3,915**
Total	**10,950**	**+ 3,300**	**14,250**

Table 9: Short-term implied dwelling demand; year of peak population (potentially five-year timeframe). Includes natural growth and demand associated with major projects.

	2021	Short-Term Additional Implied Demand (Natural Growth Only)	Short-Term Additional Implied Demand (Major Projects Only)	Short-Term Total Additional Implied Demand
Mudgee	5,595	+ 330	+ 665	**+ 995**
Gulgong	950	+ 45	+ 755	**+ 800**
Rylstone	335	+ 0	+ 45	**+ 45**
Kandos	730	+ 0	+ 35	**+ 35**
Rest of the LGA	3,350	+ 170	+ 15	**+ 185**
Total	**10,950**	**+ 545**	**+ 1,515**	**+ 2,060**

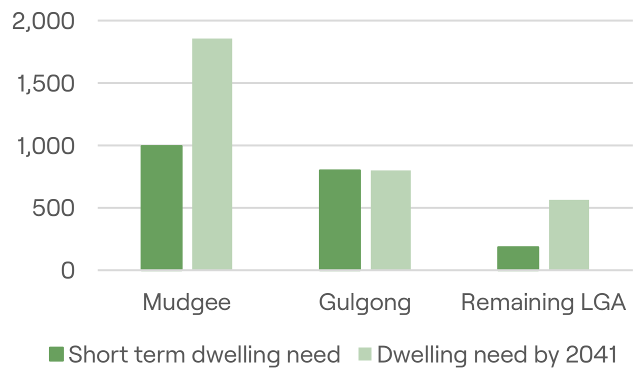


Figure 9: Short term and 2041 implied dwelling demand; Mudgee, Gulgong and the remaining population of the LGA (outside the strategic centre and towns).

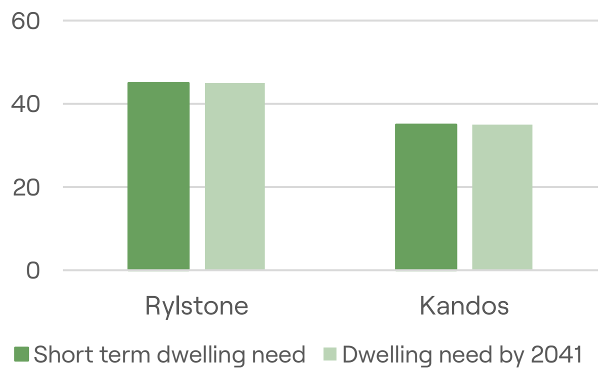


Figure 10: Short term and 2041 implied dwelling demand; Rylstone and Kandos.

9.1 Demand by Dwelling / Lot Type

As discussed in Section 6 of this Housing Strategy, the predominant type of dwelling in the Mid-Western LGA were separate houses, which made up 90% of all dwellings.

Semi-detached, row or terrace houses and townhouses comprised 7% of total dwellings, while flats, units or apartments accounted for just 1% of the total number of dwellings.

The density of housing in the Mid-Western LGA is variable, with a range of lot sizes continuing to be delivered in different contexts across the region.

This Housing Strategy identifies actions to enhance the Mid-Western LGA's mix of dwelling types and lot sizes, diversifying housing choice by reducing the proportion of stock that consist of separate houses.

This Housing Strategy encourages a broader range of smaller housing options than has been previously delivered in the Mid-Western LGA, which is reflected in the anticipated proportion of future demand set out in Table 10.

It is anticipated that demand for higher density dwellings such as attached houses or units will continue to rise, particularly in Mudgee. This trend has been emphasised by the community feedback received in the preparation of this Housing Strategy.

The following densities and lot size categories have been identified to determine future demand for different housing types in the Mid-Western LGA.

Table 10: Dwelling type / lot typology and anticipated proportion of future demand.

Dwelling / lot type	Density	Lot Sizes	Anticipated Proportion of Future Demand	
			Mudgee	Gulgong, Rylstone, Kandos
Townhouse/villa/ unit	General residential	300sqm+	10%	-
Detached house / dual occupancy on small-to-standard lot	General residential	400sqm-999sqm	40%	35%
Detached house on standard-to-generous lot	General residential	1,000sqm-1,999sqm	25%	35%
Low density residential (standard)	Low density residential	2,000sqm-3,999sqm	20%	25%
Low density residential (large)	Low density residential	4,000sqm-1.9ha	4%	4%
Large lot residential	Large lot residential	2ha+	1% (Pending market testing)	1%

9.2 Mudgee Implied Dwelling Demand

Mudgee's population is projected to grow to approximately 16,300 people by 2041, but with a short-term peak of up to 16,700 people.

This population peak is associated with a rapid rise in the number of major projects occurring throughout the Mid-Western LGA.

While approximately 70% of the workforce for these projects will likely be accommodated in temporary worker accommodation, some will need to be housed within Mudgee's housing market, and some may bring partners or families, generating additional demand.

The projected population growth for Mudgee suggests an implied dwelling demand of:

- 995 additional dwellings within a short (potentially five-year) time frame.
- 1,855 additional dwellings by 2041 (2,200 inclusive of a 20% contingency buffer).

TOTAL POPULATION
12,040
AT 2021

PROJECTED TO BE
16,300
BY 2041

TOTAL DWELLINGS
5,595
AT 2021

IMPLIED ADDITIONAL DEMAND
+1,855
BY 2041

Table 11: Implied dwelling demand by dwelling / lot type, Mudgee.

Dwelling / Lot Type	Proportion of Demand	Implied Dwelling Demand	
		Short-Term Peak Population	2041
Townhouse/villa/unit	10%	99	185
General residential	65%	647	1,206
Low density residential	24%	239	445
Large lot residential (2ha)	1%	10	19
	Total	**995**	**1,855**
	Total + 20%	**1,200**	**2,200**

9.3 Gulgong Implied Dwelling Demand

Gulgong's population is projected to grow to approximately 3,400 people by 2041, but with a significant peak of 8,500 people in a short (potentially five-year) timeframe.

This population peak can be attributed to the rapid rise in the number of major projects occurring throughout the region, and particularly the quantity that occur within close proximity to Gulgong.

While much of the workforce for these projects will likely be accommodated in temporary worker accommodation, some will need to be housed within Gulgong's housing market, and some may bring partners or families, generating additional demand.

These population projections for Gulgong suggest an implied dwelling demand of:

- 800 additional dwellings within a short (potentially five-year) time frame.
- 960 additional dwellings inclusive of a 20% contingency buffer.

In Gulgong, implied dwelling demand is expected to peak in the short term, due to an influx in demand associated with the workforce of major projects in the region, refer Figure 7 and Figure 9.

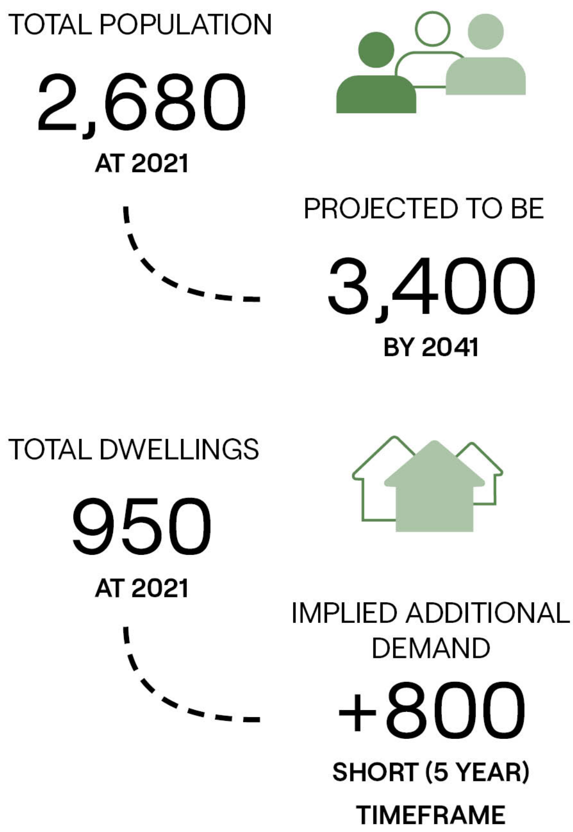


Table 12: Implied dwelling demand by dwelling / lot type, Gulgong.

Dwelling / Lot Type	Proportion of Demand	Implied Dwelling Demand	
		Short-Term Peak Population	2041
General residential (400sqm-1,999sqm)	70%	560	560
Low density residential (2,000sqm-1.9ha)	29%	232	232
Large lot residential (2ha)	1%	8	8
	Total	**800**	**800**
	Total + 20%	**960**	**960**

9.4 Rylstone Implied Dwelling Demand

Rylstone's population is projected to grow to approximately 700 people by 2041, but with a peak of 800 people in a short (potentially five-year) time frame.

This population peak is likely to occur as workers associated with major projects move into the region. These projects will include renewable energy projects and may include the potential Bowdens Silver Mine project, proposed near to Rylstone.

These population projections suggest an implied peak dwelling demand of:

- 45 additional dwellings within a short (potentially five-year) time frame.
- 54 additional dwellings inclusive of a 20% contingency buffer.

However, future demand for housing in Rylstone is uncertain, and likely to be influenced by a range of changeable factors including the yet unknown impact of major projects upon towns like Rylstone and Kandos, and the broader impacts of extremely constrained housing markets in nearby Mudgee and Gulgong. Such factors have the potential to significantly increase dwelling demand during the years of peak population, with 45 dwellings potentially increasing to demand for up to 100 additional dwellings.

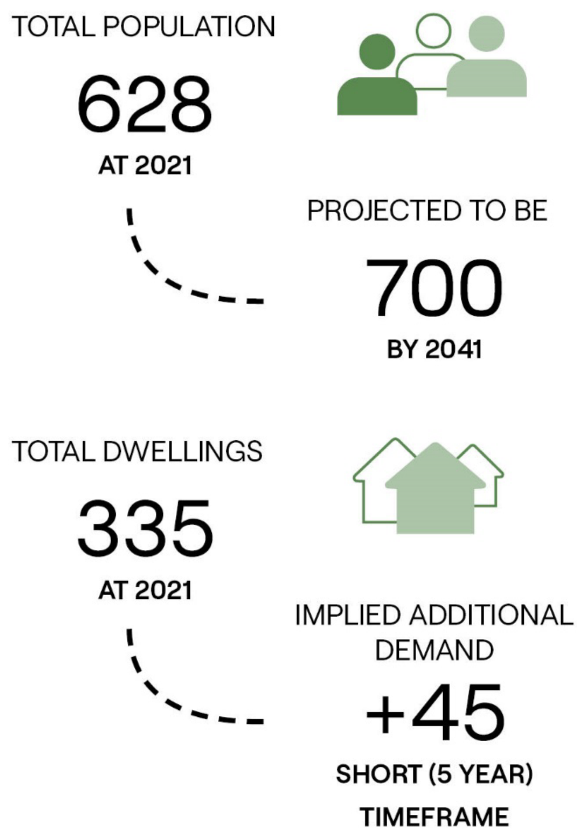


Table 13: Implied dwelling demand by dwelling / lot type, Rylstone.

Dwelling / Lot Type	Proportion of Demand	Implied Dwelling Demand	
		Short-Term Peak Population	2041
General residential (400sqm-1,999sqm)	70%	31	31
Low density residential (2,000sqm-1.9ha)	29%	13	13
Large lot residential (2ha)	1%	1	1
	Total	**45**	**45**
	Total + 20%	**54**	**54**

9.5 Kandos Implied Dwelling Demand

Kandos' population is projected to grow to approximately 1,300 people by 2041, but with a peak of 1,400 people in a short (potentially five-year) timeframe.

Such growth is anticipated in Kandos as it is similarly likely to experience increased demand as a result of the pipeline of major projects and associated workforce.

These population projections suggest an implied peak dwelling demand of:

- 35 additional dwellings additional
- 42 inclusive of a 20% contingency buffer.

However, future demand for housing in Kandos is uncertain, and likely to be influenced by a range of changeable factors including the yet unknown impact of major projects upon towns like Rylstone and Kandos, and the broader impacts of extremely constrained housing markets in nearby Mudgee and Gulgong.

Such factors have the potential to significantly increase dwelling demand during the years of peak population, with 35 dwellings potentially increasing to demand for up to 100 additional dwellings.

Table 14: Implied dwelling demand by dwelling / lot type, Kandos.

Dwelling / Lot Type	Proportion of Demand	Implied Dwelling Demand	
		Short-Term Peak Population	2041
General residential (400sqm-1,999sqm)	70%	25	25
Low density residential (2,000sqm-1.9ha)	29%	9	9
Large lot residential (2ha)	1%	1	1
	Total	**35**	**35**
	Total + 20%	**42**	**42**

10 Housing Supply

An analysis of the supply of residential lands in the Mid-Western LGA has been undertaken to demonstrate that there will be sufficient land available to respond to forecast dwelling demand to 2041 within dedicated growth areas and areas previously identified within the CLUS.

This analysis includes a review of existing residential growth areas against environmental constraints, infrastructure servicing requirements and strategic amenity.

10.1 Housing Choice and Affordability

As the Mid-Western LGA grows to 2041, Council will need to ensure that a diversity of dwelling types and living options are made available to suit the varying needs of our community.

Under this Housing Strategy, Council intends to encourage the delivery of a diverse range of housing options and lot sizes at greater densities than previously delivered.

This will include low-medium density housing, affordable housing, and seniors living.

Council also wants to improve the function and quality of housing delivered, to ensure the needs of the community are better met in the future.

10.2 Residential Infill

Council will look to strike a balance between providing new housing as greenfield development and as development on vacant or underutilised land in existing areas of the Mid-Western LGA's strategic centre and towns.

Infill development offers significant benefits to support the growth of the community, including:

- Maximising the utility of existing infrastructure and services
- Delivering dwellings in proximity to existing employment and service centres
- Revitalising urban areas and local economies through new development and new residents
- Reducing the impact of urban sprawl by consolidating growth.

Opportunities exist for infill development within the existing footprint of the Mid-Western LGA's strategic centre and towns.

For example, rear lanes in proximity to the Mudgee Hospital may present opportunities to deliver infill housing in proximity to a key centre for employment (subject to feasibility related to currently unsealed lanes).

Existing planning controls may restrict the delivery of infill development given the historical demand to provide lower density typologies.

Specific controls to ensure the delivery of high quality, denser typologies should be investigated.

Council must also manage potential community resistance to denser forms of development by ensuring that planned infill areas are clearly identified and communicated.

10.3 Residential Growth Areas

Ensuring sufficient supply of residential lands in the Mid-Western LGA will involve the coordinated delivery of undeveloped or 'greenfield' land; residential supply outside an existing town footprint. Coordinating the delivery of such growth requires careful planning to ensure efficient and sustainable uses of infrastructure, reduce land use conflicts and avoid environmental and other constraints.

Our analysis has involved the assessment of the Mid-Western LGA's residential growth areas; those areas zoned or identified as potential locations for growth. While some areas have been identified for their strategic merit, feasibility and land use compatibility, others have been noted as more significantly constrained or complex, potentially hindering the viability of their development within the next 20 years.

10.4 Villages and Rural Centres

As discussed in Section 3.2, there are a number of small villages and rural centres in the Mid-Western LGA. Council are working to prepare a Rural and Scenic Lands Strategy which will respond to specific housing needs of these areas.

10.5 Land Use Constraints and Opportunities

The Mid-Western region's diverse landscape and wide range of existing land uses will shape where new housing can be located.

Constraints such as topography, flood and bushfire risk, biodiversity and agricultural land influence the extent to which land in the Mid-Western LGA may be developed.

A review of high-level constraints has been undertaken for each of the LGA's strategic centre and towns to identify factors that may influence future residential development and urban expansion. These include consideration for constraints such as:

- Topography
- Flood Hazard
- Groundwater Vulnerability
- Heritage
- Biodiversity Value
- Agricultural Lands
- Bushfire Hazard
- Visually Sensitive Lands.

These constraints can significantly impact the Mid-Western LGA's supply of residential land, influencing the development potential of land zoned or identified for future residential development, and potentially impeding the delivery of essential services.

Council will look into prioritising the identification, avoidance, and minimisation of impacts on High Environmental Value (HEV) areas and entities at risk of serious and irreversible impacts through strategic master planning before progressing any planning proposals or development applications. Additionally, a tailored approach will be applied to changes in minimum lot sizes in HEV areas, ensuring that minimum lot sizes reflect the biodiversity values of the land.

10.6 Infrastructure and Servicing Constraints

The development of land for residential purposes in urban areas requires connection to key infrastructure and services to support the community. This includes the supply of potable water, sewerage connections, storm water infrastructure, roads, footpaths, parks, and waste management services.

Delivery of these services is essential to unlocking growth areas, but is generally costly to deliver. Other environmental constraints, such as topography, existing roads and easements, or biodiversity, can further impede service delivery or substantially increase servicing costs. Future development of any of the identified residential growth areas will require consideration as to their capacity to be serviced and timeframe for delivery.

It is essential that housing growth in the region is matched with delivery of infrastructure, including water and sewer. This Housing Strategy identifies residential growth areas across all four towns including zoned (but not yet developed) land and areas identified for future growth (land not yet zoned). Some of these areas are not yet serviced by water and sewer infrastructure.

Council has committed to progressing water and sewer servicing strategies to align with the residential growth areas identified within this Housing Strategy. This commitment from Council ensures a land supply (and a 20% buffer) can meet demand to 2041. Council will continue to focus on the delivery of short term servicing to growth areas at Caerleon and Lower Spring Flat.

Council has committed to delivering a Development Servicing Plan (DSP) for the Mid-Western LGA. The DSP will detail the water and sewer developer charges payable when development results in additional demand on water supply and sewerage systems.

This is to recover part of the infrastructure costs incurred in servicing developments. Without recovering DSP charges from the developer, costs would have to be borne by the ratepayer base.

A DSP ensures that development is financially sustainable and that infrastructure costs are fairly funded. Identifying the required land supply, as has occurred in this Housing Strategy, is fundamental to developing DSP's.

10.7 Mudgee Supply Gap Analysis

Table 15 summarises Mudgee's estimated housing demand and supply for each of the identified lot/dwelling types, and Figure 11 illustrates identified residential growth areas.

This Housing Strategy considers more up to date and accurate data relating to the timing and location of major projects and development proposals within the Mid-Western LGA than that of the Urban Release Strategy, which has resulted in some difference in implied dwelling demand and theoretical lot yield.

A wide range of factors, such as the key drivers noted within Section 7, are likely to influence dwelling demand and delivery which may result in increased pressure on Mudgee's housing market.

The majority of Mudgee's short term greenfield land supply has been identified at Spring Flat and Caerleon. However, it is noted that there are potential biodiversity constraints in western Mudgee and Caerleon, which may impact the developability of these areas. Significant supply is available in other areas; however these lands require planning and/or servicing updates to enable delivery.

It is also noted that a particularly constrained housing market is projected in nearby Gulgong, due to Gulgong's proximity to a substantial number of major projects. Mudgee may be required to accommodate workers unable to find housing in Gulgong, which could impose significant additional pressure on Mudgee's already constrained housing market.

Medium Density Housing Capacity

Demand for higher density housing such as attached dwellings or units is anticipated, specifically in the town centre of Mudgee. This will be delivered through infill development and includes typologies such as dual occupancies and secondary dwellings, attached and multi dwelling housing and some residential flat buildings.

Capacity for medium density development exists primarily within the R3 Medium Density Residential zone of Mudgee on underutilised sites and through urban renewal. Other forms of denser residential development may also be appropriate in town centre areas zoned E2 Commercial Centre and MU1 Mixed Use.

Delivering medium density infill development that is compatible with the character and heritage of the Mudgee town centre will provide more housing options for residents with good access to services and amenities.

Council will look to undertake masterplanning for the Mudgee town centre and surrounds, unlocking untapped supply, identifying key opportunities for infill development and urban renewal, and ensuring planning controls encourage the delivery of compatible medium density development.

Table 15: Existing lot supply capacity and projected future demand to 2041, Mudgee.

Lot/dwelling type	Estimated lot yield remaining	Estimated demand for residential lots	Remaining residential lots to 2041
Townhouse / villa / unit	n/a	185	n/a
General residential (400sqm-1,999sqm)	1,820	1,206	614
Low density residential (2,000sqm-1.9ha)	920	445	475
Large lot residential (2ha+)	70	19	51
Total	**2,810**	**1,855**	**+955**
Total +20%	**2,810**	**2,200**	**+584**

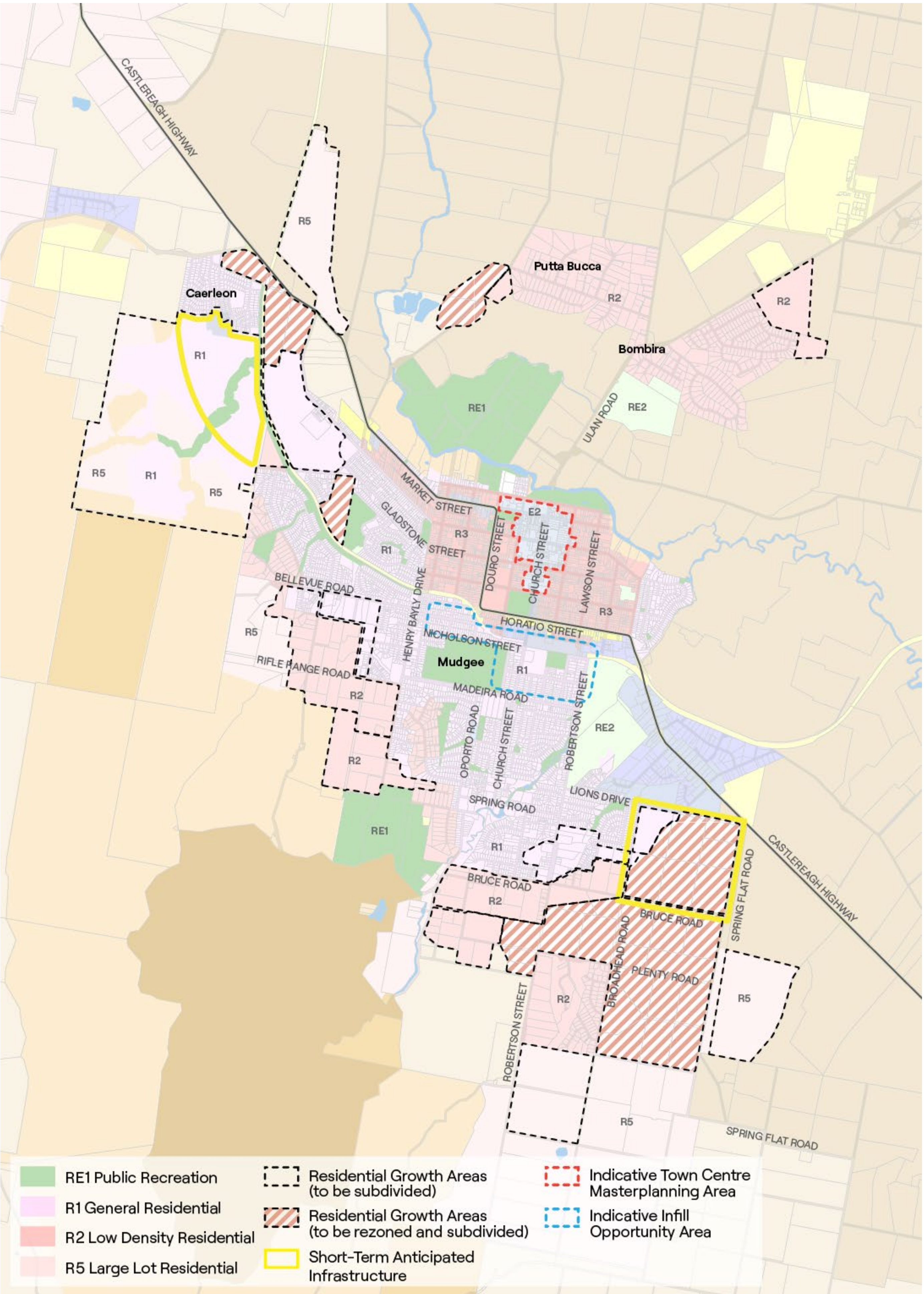


Figure 11: Mudgee Residential Growth Areas.
Note: Development of residential areas subject to further detailed analysis of environmental constraints such as biodiversity investigations.

10.8 Gulgong Supply Gap Analysis

Table 16 summarises Gulgong's estimated housing demand and supply for each of the identified lot/dwelling types, and Figure 12 illustrates the town's identified residential growth areas.

This analysis concludes that housing supply in Gulgong is particularly constrained, with the peak demand required within a short timeframe (less than 5 years).

This demand can be attributed to the significant population growth associated with an influx of major projects occurring in proximity to Gulgong.

While it is understood that a large majority, approximately 70%, of the workforce for these projects will be able to be housed in temporary worker accommodation, dwelling demand has been derived from the proportion of workers who will need to be accommodated within the region's housing market, and includes those workers bringing partners and/or families.

Development in Gulgong's R1 zones has typically consisted of low density detached dwelling typologies.

It is further noted that much of the identified growth areas of Gulgong will require rezoning and servicing upgrades to reach potential.

Table 16: Lot supply capacity and projected future demand to 2041, Gulgong

Lot/dwelling type	Estimated lot yield remaining	Estimated demand for residential lots	Remaining residential lots to 2041
General residential (400sqm-1,999sqm)	584	560	25
Low density residential (2,000sqm-1.9ha)	341	232	108
Large lot residential (2ha+)	50	8	42
Total	**976**	**800**	**+175**
Total +20%	**976**	**960**	**+15**

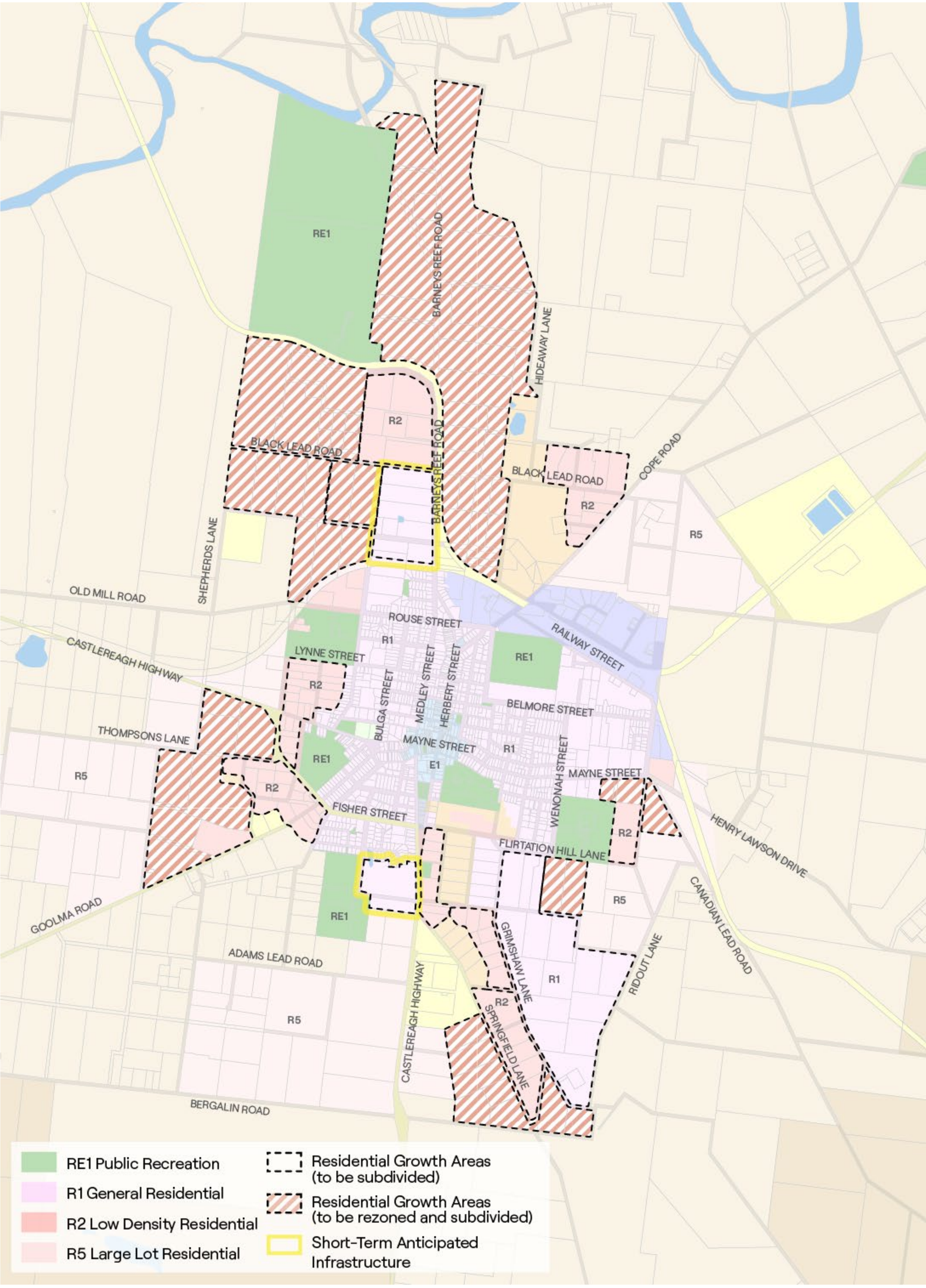


Figure 12: Gulgong Residential Growth Areas.

Note: Development of residential areas subject to further detailed analysis of environmental constraints such as biodiversity investigations.

10.9 Rylstone Supply Gap Analysis

Table 17 summarises Rylstone's estimated housing demand and supply for each of the identified lot/dwelling types, and Figure 13 illustrates the town's identified residential growth areas.

The Rylstone investigation areas have some development opportunities; however, many lots contain high conservation value woodland and grassland, representing potential biodiversity constraints. As such, further detailed environmental assessment is required to enable a site-specific yield analysis.

High level analysis concludes that there is a significant supply of land zoned or identified for residential purposes in Rylstone. However, the majority of this land would require a significant amount of work in planning and servicing to be delivered.

Furthermore, while this dwelling demand includes anticipated population growth associated with the workforce of major projects in the region, including the potential Bowdens Silver Mine and the REZ proposed in close proximity to Rylstone, it is noted that dwelling supply is constrained in the nearby major towns of Mudgee and Gulgong.

A constrained housing market in these towns may result in significant demand increases in nearby towns, such as Rylstone and Kandos.

Table 17: Lot supply capacity and projected future demand to 2041, Rylstone

Lot/dwelling type	Estimated lot yield remaining	Estimated demand for residential lots	Remaining residential lots to 2041
General residential (400sqm-1,999sqm)	15	31	-16
Low density residential (2,000sqm-1.9ha)	1,015	13	1,002
Large lot residential (2ha+)	60	1	59
Total	**1,090**	**45**	**+1,045**
Total +20%	**1,090**	**54**	**+1,036**

Rylstone

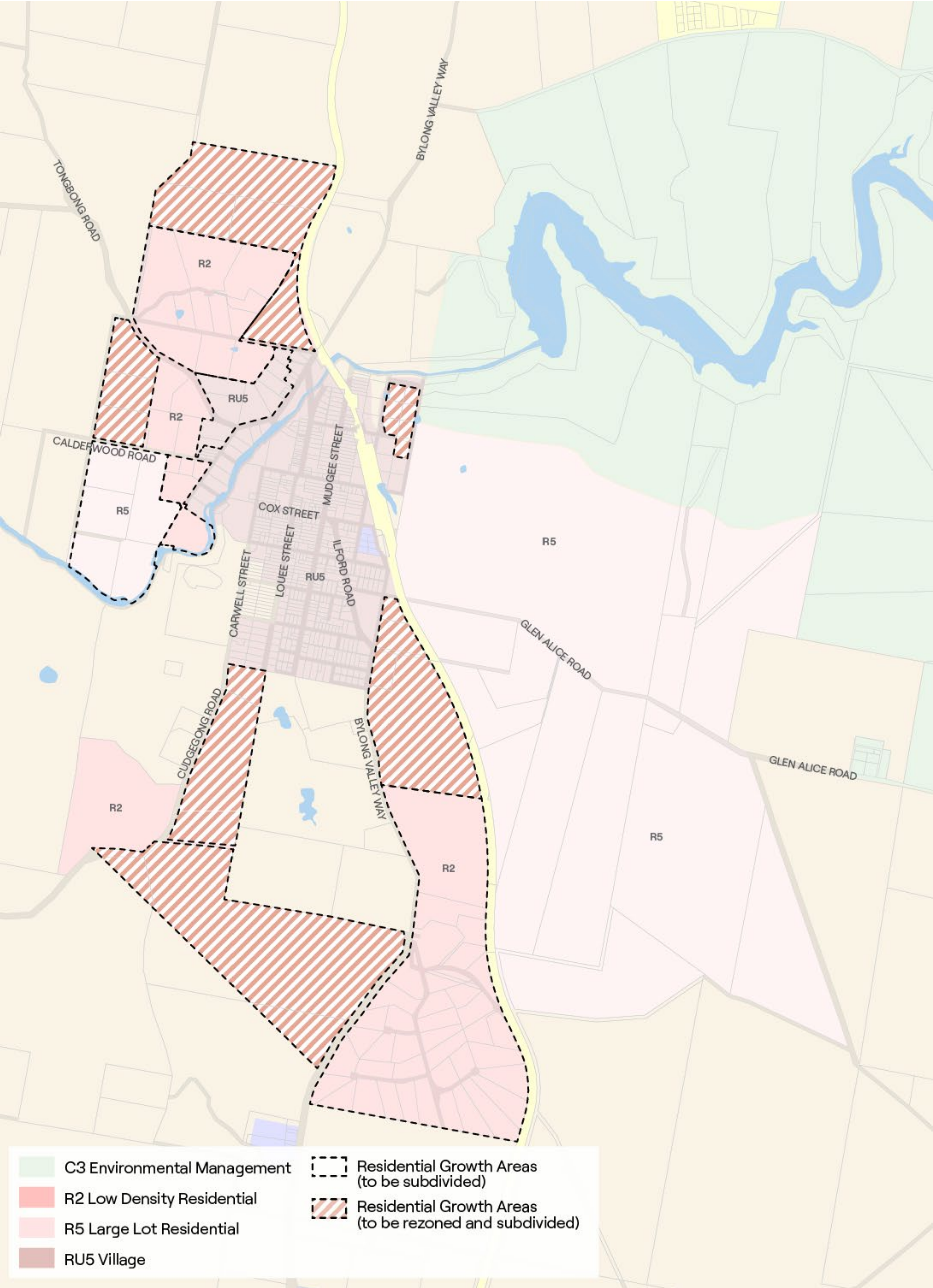


Figure 13: Rylstone Residential Growth Areas.

Note: Development of residential areas subject to further detailed analysis of environmental constraints such as biodiversity investigations.

10.10 Kandos Supply Gap Analysis

Table 18 summarises the estimated housing demand and supply gaps for each of the identified lot/dwelling types in Kandos.

Similarly to Rylstone, the Kandos investigation areas present some development opportunities; however, many lots contain high conservation value woodland and grassland, representing significant biodiversity constraints. As such, significant further detailed environmental assessment is required to enable a site-specific yield analysis.

While there is significantly less land zoned or identified for residential purposes in Kandos than Rylstone, this land is mostly already zoned, though not yet serviced.

Furthermore, all of the land zoned for residential purposes are for general residential lots, and therefore theoretical supply of low density and large lot residential lots is constrained.

Kandos may also experience demand increases due to the effects of a constrained housing market in the nearby major towns of Mudgee and Gulgong, as well as dwelling demand associated with the workforce of major projects in the region, including the potential Bowdens Silver Mine and the REZ.

Table 18: Lot supply capacity and projected future demand to 2041, Kandos

Lot/dwelling type	Estimated lot yield remaining	Estimated demand for residential lots	Difference
General residential (400sqm-1,999sqm)	215	25	195
Low density residential (2,000sqm-1.9ha)	0	9	-9
Large lot residential (2ha+)	0	1	-1
Total	**215**	**35**	**+180**
Total +20%	**215**	**42**	**+173**


Kandos

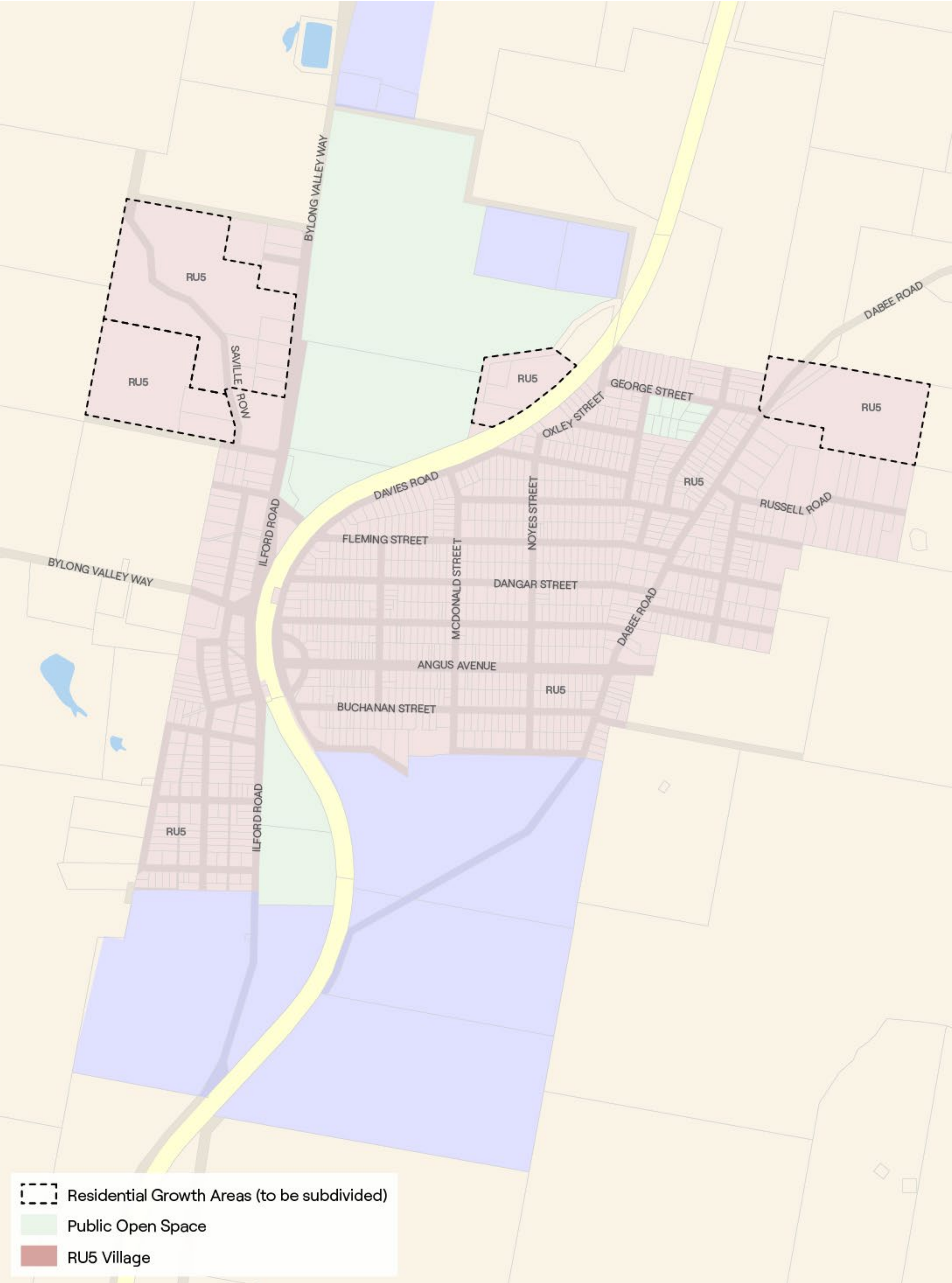


Figure 14: Kandos Residential Growth Areas.
Note: Development of residential areas subject to further detailed analysis of environmental constraints such as biodiversity investigations.

11 Housing Objectives

The following key objectives will underpin Council's delivery of housing for the Mid-Western LGA, supported by a series of actions that will ensure these objectives may be achieved, and the identification of options for additional housing supply to meet the needs of the community.

Kandos

OBJECTIVE 1

Ensure delivery of sufficient housing supply for our growing population

The Mid-Western LGA is projected to grow by between 30,000-33,000 people to 2041.

Due to the high number of new resources and energy projects expected to commence across the region in the near future, much of this growth may also be required within a relatively short timeframe (potentially within the next five years), and is it possible that, despite a sufficient amount of identified sites, the Mid-Western LGA may not be able to meet this high short-term demand due to a lack of zoned and serviced land.

Endeavouring to deliver a timely and sufficient supply of land for residential purposes is made available to suit the needs of the community is thus essential to enable the sustainable growth of the Mid-Western LGA.

Council will continue to focus the delivery of land zoned for residential purposes within and around the strategic centre and towns of Mudgee, Gulgong, Rylstone and Kandos. In proximity to these established centres, new development can benefit from access to existing services and infrastructure, as well as greater connectivity and established community.

Council will aim to support the delivery of the LGA's short-term supply of housing, encouraging infill and renewal opportunities, incentivising market-ready housing and continuing to focus the sequencing of key infrastructure to unlock growth in strategically planned locations.

Council will continue to engage with landowners and key stakeholders to provide clarity around those lands prioritised for residential growth.

Action 1.1:	Support the rezoning of an appropriate amount of residential land, as identified in this Housing Strategy, to provide for the projected housing needs of our population, prioritising short term supply.
Action 1.2:	Focus housing delivery within and around Mudgee, Gulgong, Rylstone and Kandos; locations where there is existing amenity, infrastructure and capacity to support sustainable growth and development.
Action 1.3:	Continue to focus the sequencing out of infrastructure in accordance with the commitments by Council.
Action 1.4:	Identify opportunities for Council to support the unlocking of residential land supply such as: • Supporting the preparation of masterplans in conjunction with landowners of undeveloped residential growth areas. • Explore site identification and incentives to encourage infill opportunities in our existing urban areas. • Investigate LEP amendments to deliver lot size diversity. • Consider updates to Council's DCP to provide controls that ensure future growth is of a high quality.
Action 1.5:	Consider mechanisms to incentivise the delivery of short term housing and provide more certainty to landowners, such as through potential discounts to application fees or staged infrastructure plans.
Action 1.6:	Improve Council's Housing Monitor to better understand dwelling production and take-up rates.
Action 1.7:	Prepare principles for assessing proponent-initiated requests for planning proposals for residential or rural residential development, including out-of-sequence criteria to provide a framework for considering additional growth or urban renewal opportunities that are not identified in this Housing Strategy.
Action 1.8:	Prepare Development Servicing Plans to support masterplans prior to rezoning occurring where possible. This will assist with orderly development and infrastructure planning.

OBJECTIVE 2

Investigate appropriate forms of housing density in suitable locations

The Mid-Western region has experienced significant housing pressure in recent years, with drivers such as rising regional migration, changing live-work patterns and a national affordability crisis exacerbating demand in an already constrained market.

Such pressures are only expected to increase as workforce accommodation needs rise with the anticipated pipeline of major projects in the region. At the same time, delivering houses through continual urban expansion can contribute to detrimental sprawl, conflicting with other important land uses such as existing agricultural land or areas of high environmental value.

Other hazards such as flooding, bushfire or topographic constraints can also limit capacity for growth.

It is essential that Council focus on delivering more homes within our existing town footprints, increasing density in urban areas with a focus on infill development and urban renewal opportunities. This includes promoting small lot housing as a way to deliver diverse and more affordable housing options while minimising urban sprawl. Such development can more easily access established infrastructure, and residents benefit from proximity to the established key services and amenities of our towns.

Council will promote opportunities for infill development, encouraging some medium density, small lot housing and town centre housing in appropriate urban locations. Council will look to develop strong planning and design controls to ensure that housing density suits our local character and is delivered to a very high-quality.

Action 2.1:	Promote opportunities and educate residents around infill development and urban renewal within the footprint of existing urban areas.
Action 2.2:	Continue to encourage the delivery of infill housing such as secondary dwellings in and around Mudgee, Gulgong, Rylstone and Kandos.
Action 2.3:	Investigate financial incentives to encourage the delivery of secondary dwellings and shop top housing.
Action 2.4:	Identify secondary dwellings as development permitted with consent in R1 General Residential, R3 Medium Density Residential and Rylstone and Kandos to encourage infill development and support a diversity of dwelling types in urban areas.
Action 2.5:	Identify residential flat buildings as development permitted with consent in R3 Medium Density Residential zones to signal Council's support for higher density development in appropriate locations.
Action 2.6:	Permit shop top housing in appropriate locations of Rylstone and Kandos, such as within the retail core, to increase density modestly, deliver diverse and affordable housing options and encourage activation of town centres.
Action 2.7:	Continue to prepare a masterplan for Mudgee town centre and surrounds, identifying opportunities where height of building controls might be reviewed, where suitable and appropriate.
Action 2.8:	Consider updates to the DCP to set out strong planning and design outcomes for medium density and town centre housing typologies.

OBJECTIVE 3

Provide a diverse range of housing options to cater to our community's needs

As the population of the Mid-Western LGA continues to grow, a diverse range of homes that can suit the varied needs of our community will need to be planned and delivered.

Council will work to provide a broad mix of dwelling types, lot sizes and different housing densities to meet various household types and adapt to ever-changing needs.

New low and medium density housing, including more affordable choices and housing better suited for particular needs such as seniors, young people or lone person households will be a focus for delivery.

Council will aim to ensure that growth areas are designed to:

- Protect and enhance environmental features, topography and surrounding setting.
- Ensure new built form complements context and minimises environmental impact.
- Provide a range of lot sizes and dwelling types to cater to the diverse needs of our community.
- Create walkable communities, with well-connected pedestrian and cyclist links.
- Incorporate sustainable development practices that enable resilient buildings and environmentally sensitive spaces.
- Be supported by the necessary infrastructure and services to provide for our population now and into the future.

Action 3.1: Continue to promote, through education pieces, industry events and the like, the importance and wide-ranging benefits of diverse housing choice for both stakeholders and the community.

This work recognises the role of diversity in delivering housing that is more flexible, affordable and a more efficient use of land. The recently released NSW Housing Pattern Book by DPHI may contribute to delivering this action by providing guidance on best practices for diverse and well-designed housing options.

Action 3.2: Require that the masterplanning of growth areas incorporates an appropriate mix of dwelling types and lot sizes to cater to a range of housing needs, including small lot sizes of 400-450sqm lots prior to rezoning.

Assuming that just 30% of unconstrained land zoned R1 General Residential in growth areas is developed to a minimum lot size of 450sqm, this action has the potential to deliver approximately 150 additional general residential lots in Mudgee, and over 250 additional lots in Gulgong.

Action 3.3: Ensure that a diversity of residential lot sizes is delivered as intended. This may occur through mechanisms such as the introduction of maximum lot sizes in the masterplanning of greenfield developments, or by establishing average dwelling density requirements.

Action 3.4: Move away from a Minimum lot size of 4,000sqm for new R2 Low Density Residential Development and look to adopt a minimum lot size of 2,000sqm for new R2 Low Density Residential development; to assist in balancing lifestyle outcomes with efficient and sustainable development of land.

Reason: Adjusting the lot size accordingly will better balance lifestyle outcomes with the efficient and sustainable development of land in an already constrained housing market. This action has the potential to deliver approximately 250 additional low density residential lots in Mudgee, and over 150 additional lots in Gulgong.

Action 3.5: Investigate rezoning land along Rifle Range Road and Albens Lane, west of Henry Bayly Drive, to R1 General Residential. This land is relatively unconstrained, would contribute significant supply, and benefits from strategic proximity to the services and amenity of the Mudgee town centre.

Action 3.6: Consider the adoption of the criteria associated with the nominated rural residential allotment size into Council's Development Control Plan.

Action 3.7: Explore planning mechanisms such as provisions in the LEP to deliver a variety of lot sizes (for example, average lot sizes across a masterplanned area).

OBJECTIVE 4

Deliver housing that is accessible and affordable

Council aims to ensure that the Mid-Western LGA is an affordable place for working families, a welcoming place to support our growth and prosperity, and an inclusive place for everyone to enjoy.

Enhancing the function, adaptability and quality of housing delivered in the Mid-Western LGA will ensure that the housing needs of the community can be better met into the future.

It is important to recognise the influence of providing housing diversity and choice (as set out in Objective 3) upon the overall affordability of our homes.

A range of dwelling and lot sizes, including diverse or smaller housing choices, can support affordability while enhancing liveability.

Council will continue to engage with the community to promote and deliver more social and affordable housing in the LGA, collaborating with key stakeholders and investigating potential partnerships to deliver the right homes in the right locations.

Definition: Adaptable housing is housing that is designed with accessible features that can easily altered to meet an individual's needs and capabilities over time.

Action 4.1:	Educate and consult with the community around the importance and provision of social and affordable housing in the LGA, recognising the influence of housing diversity and choice upon affordability.
Action 4.2:	Continue to collaborate with key stakeholders, including Homes NSW and local community housing providers, to understand operational needs and consider opportunities for partnerships with Council to deliver affordable rental housing.
Action 4.3:	Collaborate with Aboriginal Land Councils and Aboriginal Housing Providers to ensure that the housing needs of the Aboriginal community are achieved.
Action 4.4:	Establish DCP controls to ensure that new housing is designed to adaptable / universal housing standards or any relevant updated guidelines.
Action 4.5:	Investigate the potential for establishing targets for net growth in social and affordable housing or explore suitable alternative options.

OBJECTIVE 5

Support the wellbeing of our community by ensuring the provision of secure and inclusive housing for key workers

A key worker is an employee who provides a vital service in society, and in the Mid-Western LGA is more than just the emergency services, health and education sectors.

In 2021, Health Care and Social Assistance, at over 11%, was the second largest employer in the Mid-Western LGA.

Representing a significant portion of the population, it is essential that Council make provisions to increase key worker housing stock to accommodate growing demand.

Council will aim to ensure that affordable homes are available in the right locations to house our key workers, supporting the long-term function and sustainability of the Mid-Western LGA.

Opportunities to deliver key worker housing in proximity to major places of employment will be a key focus, and Council will endeavour to respond to emerging opportunities or partnerships that would enable short-term supply of housing for key workers.

Delivering high-quality, well-designed, connected and affordable housing options to support the housing needs of key workers will contribute significantly to the LGA's ability to attract and retain this essential workforce.

Action 5.1:	Promote and encourage private sector investment in housing for key workers.
Action 5.2:	Respond to emerging opportunities or partnerships that would enable short-term supply of housing for key workers. This includes conducting a land audit of Crown Land to identify any future potential opportunities.
Action 5.3:	Prepare a Social Infrastructure Strategy for the Mid-Western LGA to support long-term liveability outcomes, responding to the needs of the growing population.
Action 5.4:	Look to invest in a centralised property listing and enquiry service to help key workers to access information about affordable housing options near to major places of employment for key workers.
Action 5.5:	Investigate LEP and DCP amendments that could enable greater supply of housing for key workers and other forms of affordable housing, such as increased housing densities in proximity to major places of employment for key workers and planning mechanisms that support diverse and inclusive housing options.
Action 5.6:	Investigate the potential for establishing an affordable housing contributions scheme in the LGA.

OBJECTIVE 6

Design and deliver sustainable and efficient housing and places

Supporting the Mid-Western LGA to sustainably develop and diversify our housing stock will strengthen our ability to respond to changing global influences, natural hazards, development pressures and population growth.

Opportunities to encourage sustainable building practices and innovation throughout the region should continue to be supported.

New avenues, such as partnerships, funding arrangements or community-led programs, should be explored to support sustainability in our neighbourhoods, creating liveable and connected communities that prioritise active movement for residents.

Future plans will investigate opportunities for sustainable growth and urban renewal, and Council will look to implement development controls that incorporate more environmentally sensitive building practices that encourage liveable homes and sustainable streets.

Enhancing the sustainability of our homes and great places will improve the Mid-Western region's ability to respond resiliently to a changing climate.

Action 6.1:	Continue to educate the community and promote sustainable building practices throughout the Mid-Western LGA.
Action 6.2:	Investigate DCP controls to support environmentally sustainable building practices, such as passive thermal performance, energy efficient solutions, low emission building materials, or on-site water capture and reuse.
Action 6.3:	Require that the masterplanning of growth areas incorporate urban design practices that mitigate the urban heat island effect, integrating practices such as street trees and increased vegetation, and light coloured roofs and pavements.
Action 6.4:	Require that the masterplanning of growth areas delivers sustainable and liveable neighbourhoods that prioritise active transport facilities for residents, such as well-connected pedestrian footpaths, shared paths and cycleways.

OBJECTIVE 7

Build on the strengths and unique lifestyle qualities of the Mid-Western LGA's lively towns

The Mid-Western LGA is home to many towns with unique local character, rich histories and environments, and a strong sense of place.

Council will continue to work towards creating attractive and connected towns with high amenity, thriving economies and strong local communities.

The identification and preservation of the unique values that contribute to our towns can strengthen growth in other aspects of development, including community pride, place-making, tourism and investment.

Council will endeavour to ensure that housing in the LGA’s small towns is appropriate, attractive and complementary to their surrounding rural context.

Council will investigate future planning efforts, such as more detailed structure and place plans, that will aim to deliver an appropriate scale of residential growth in our small towns , supported by the necessary infrastructure and services.

Action 7.1:	Investigate place-making opportunities to enhance local character, reinforce a sense of community and foster growth in our small towns and villages,, such as storytelling, public art, social engagement.
Action 7.2:	Undertake a structure planning process in Rylstone and Kandos, with consideration for the adoption of residential and commercial (main street) land use zones.
Action 7.3:	Prepare a Place Plan for the town centres of Rylstone and Kandos, establishing urban design controls that will foster lively communities, such as street greening, shared spaces, public art, and safe and sustainable design principles.

OBJECTIVE 8

Protect and preserve the Mid-Western LGA's rich heritage values

The Mid-Western LGA is home to rich heritage, character and cultural values; providing for their ongoing protection and celebration is an essential part of the development of our communities.

Proposed housing infill development will need to be delivered in a manner that complements the character and unique context in which it is built.

In areas of identified heritage significance, new buildings must be of an appropriate built form and materiality so as to be sympathetic to existing heritage fabric.

Preserving our rich heritage values and historic streetscapes can have significant benefits to the economies of our towns and can contribute to the liveability of our places, supporting place-making efforts, enhancing tourism offerings, and creating distinct local character and community pride.

Action 8.1:	Local character and the unique heritage values of the area are to be recognised and conserved, with new housing development required to complement historic fabric when adjacent to heritage items or within conservation areas, contributing high quality design outcomes to areas of heritage significance.
Action 8.2:	Identify and support opportunities for the adaptive reuse of our heritage buildings for residential purposes, where appropriate.

OBJECTIVE 9

Continue to support attractive tourist and visitor offerings

The Mid-Western region is an attractive tourist destination, with vibrant towns and villages, stunning natural landscapes, rich local produce and a range of annual events.

The tourism industry plays an important role in the economy of the Mid-Western LGA, and is supported by short-term rental accommodation (STRA) to provide for visitor accommodation needs.

While essential to the tourist economy, STRA can impact the availability and affordability of housing for long-term residents and must be managed appropriately.

Council will endeavour to establish priorities to manage demand for housing that can remain affordable and accessible for residents, along with the provision of STRA.

Council will collaborate with the State Government to monitor and manage STRA throughout the LGA and implement improved controls were necessary.

Action 9.1:	Collaborate with key stakeholders of the local tourism industry to understand visitor accommodation needs and related operational demands
Action 9.2:	Monitor short-term rental accommodation to support our tourist and visitor economy, while ensuring sufficient additional market housing is delivered to meet the needs of our community.
Action 9.3:	Monitor the implementation of DPHI's short term rental accommodation framework and continue advocating for improved controls where appropriate.

OBJECTIVE 10

Facilitate effective housing solutions to support essential industry needs

The workforce accommodation needs of the temporary construction workforce associated with the major projects occurring throughout the region are expected to account for a substantial portion of the short-term housing demand anticipated for the Mid-Western LGA to 2041, however is not expected to account for a substantial portion of the long-term housing demand

Council will have to balance market housing with the accommodation demands of mining and renewable energy projects, as well as seasonal workers associated with the regional agricultural industry.

Much of the short-term major project workforce will need to be accommodated in temporary purpose-built facilities located near to project sites.

As discussed in Section 7, the NSW Government has announced reforms to fast-track housing for construction workers in renewable energy zones. The reforms permit construction worker accommodation in all residential zones, and in some non-residential zones, including rural zones near renewable energy infrastructure or business zones with convenient amenities and transport links.

Clause 6.11 of Council's LEP sets out specific provisions to guide the development of temporary workers' accommodation in the Mid-Western LGA.

These include that there must be a need for the accommodation due to the large-scale or remote location of a project, and that the accommodation must be developed within five kilometres of the relevant project. Water reticulation and sewerage systems must be delivered, and the development site must be able to be restored to its original condition.

Council will collaborate with DPHI and other key stakeholders to ensure appropriate temporary accommodation can be delivered in the right locations and can be suitably transitioned or re-purposed at the end of a project.

Action 10.1:	Continue to collaborate with DPHI, EnergyCo and other key stakeholders to deliver housing for workers of the renewable energy zone in suitable locations in accordance with best-practice principles.
Action 10.2:	Collaborate with key stakeholders of local primary industries to understand temporary and/or seasonal worker accommodation needs and related operational demands.
Action 10.3:	Where possible, direct development of residential accommodation for temporary workers of the renewable energy zone towards identified long term growth areas of Gulgong, capitalising on short distances to project sites and maximising infrastructure investment outlay. Pursuing opportunities to locate temporary housing for a portion of the construction workforce in identified growth areas could provide ongoing benefits, including the potential to provide legacy infrastructure to assist in the delivery of long-term housing.
Action 10.4:	If Council were to consider construction accommodation within a growth area, consideration should only be given to land that has been identified for long term supply to ensure that the short and medium term supply is maintained for natural growth and permanent workers, subject to satisfactory water and sewer infrastructure provision.

12 Implementation and Delivery Plan

The Mid-Western Housing Strategy's actions have been categorised based on their delivery timeframe; short-term, medium-term, long-term, or ongoing.

Short	Medium	Long	Ongoing
0-5 years	5-10 years	10+ years	Ongoing

Progress on these actions will be reported to Council annually. Some actions may reflect procedural changes and any adjustments will be included in annual reports and reflected in updates to the Housing Strategy as necessary.

The actions will also be reviewed and revised annually to address emerging data or updates to State plans and policies.

For instance, changes may be required in response to new census information, housing preferences, employment projections, or updates to strategic plans.

ACTION	TIMEFRAME
OBJECTIVE 1 **Ensure delivery of sufficient housing supply for our growing population**	
1.1 Support the rezoning of an appropriate amount of residential land, as identified in this Housing Strategy, to provide for the projected housing needs of our population, prioritising short term supply.	Short
1.2 Focus housing delivery within and around Mudgee, Gulgong, Rylstone and Kandos; locations where there is existing amenity, infrastructure and capacity to support sustainable growth and development.	Short
1.3 Continue to focus the sequencing out of infrastructure in accordance with the commitments by Council.	Short/Ongoing
1.4 Identify opportunities for Council to support the unlocking of residential land supply such as: • Supporting the preparation of masterplans in conjunction with landowners of undeveloped residential growth areas. • Explore site identification and incentives to encourage infill opportunities in our existing urban areas. • Investigate LEP amendments to deliver lot size diversity. • Consider updates to Council's DCP to provide controls that ensure future growth is of a high quality.	Short (noting masterplanning and policy updates might be medium term)
1.5 Consider mechanisms to incentivise the delivery of short term housing and provide more certainty to landowners, such as through potential discounts to application fees or staged infrastructure plans.	Short
1.6 Improve Council's Housing Monitor to better understand dwelling production and take-up rates.	Short
1.7 Prepare principles for assessing proponent-initiated requests for planning proposals for residential or rural residential development, including out-of-sequence criteria to provide a framework for considering additional growth or urban renewal opportunities that are not identified in this Housing Strategy.	Short

ACTION	TIMEFRAME
1.8 Prepare Development Servicing Plans to support masterplans prior to rezoning occurring where possible. This will assist with orderly development and infrastructure planning.	Short
OBJECTIVE 2 **Investigate appropriate forms of housing infill in suitable locations**	
2.1 Promote opportunities and educate residents around infill development and urban renewal within the footprint of existing urban areas.	Short
2.2 Continue to encourage the delivery of infill housing such as secondary dwellings in and around Mudgee, Gulgong, Rylstone and Kandos.	Short
2.3 Investigate financial incentives to encourage the delivery of secondary dwellings and shop top housing.	Medium
2.4 Identify secondary dwellings as development permitted with consent in R1 General Residential, R3 Medium Density Residential and Rylstone and Kandos to encourage infill development and support a diversity of dwelling types in urban areas.	Short
2.5 Identify residential flat buildings as development permitted with consent in R3 Medium Density Residential zones to signal Council's support for higher density development in appropriate locations.	Short
2.6 Permit shop top housing in appropriate locations of Rylstone and Kandos, such as within the retail core, to increase density modestly, deliver diverse and affordable housing options and encourage activation of town centres.	Short
2.7 Continue to prepare a masterplan for Mudgee town centre and surrounds, identifying opportunities where height of building controls might be reviewed, where suitable and appropriate.	Short
2.8 Consider updates to the DCP to set out strong planning and design outcomes for medium density and town centre housing typologies.	Short
OBJECTIVE 3 **Provide a diverse range of housing options to cater to our community's needs**	
3.1 Continue to promote, through education pieces, industry events and the like, the importance and wide-ranging benefits of diverse housing choice for both stakeholders and the community. This work recognises the role of diversity in delivering housing that is more flexible, affordable and a more efficient use of land. The recently released NSW Housing Pattern Book by DPHI may contribute to delivering this action by providing guidance on best practices for diverse and well-designed housing options.	Short
3.2 Require that the masterplanning of growth areas incorporates an appropriate mix of dwelling types and lot sizes to cater to a range of housing needs, including small lot sizes of 400-450sqm lots prior to rezoning.	Ongoing
3.3 Ensure that a diversity of residential lot sizes is delivered as intended. This may occur through mechanisms such as the introduction of maximum lot sizes in the masterplanning of greenfield developments, or by establishing average dwelling density requirements.	Ongoing
3.4 Move away from a Minimum lot size of 4,000sqm for new R2 Low Density Residential Development and look to adopt a minimum lot size of 2,000sqm for new R2 Low Density Residential development; to assist in balancing lifestyle outcomes with the efficient and sustainable development of land.	Short

ACTION	TIMEFRAME
3.5 Investigate rezoning land along Rifle Range Road and Albens Lane, west of Henry Bayly Drive, to R1 General Residential. This land is relatively unconstrained, would contribute significant supply, and benefits from strategic proximity to the services and amenity of the Mudgee town centre.	Medium
3.6 Consider the adoption of the criteria associated with the nominated rural residential allotment size into Council's Development Control Plan.	Short
3.7 Explore planning mechanisms such as provisions in the LEP to deliver a variety of lot sizes (for example, average lot sizes across a masterplanned area).	Short
OBJECTIVE 4 **Deliver housing that is accessible and affordable**	
4.1 Educate and consult with the community around the importance and provision of social and affordable housing in the LGA, recognising the influence of housing diversity and choice upon affordability.	Short
4.2 Continue to collaborate with key stakeholders, including Homes NSW and local community housing providers, to understand operational needs and consider opportunities for partnerships with Council to deliver affordable rental housing.	Ongoing
4.3 Collaborate with Aboriginal Land Councils and Aboriginal Housing Providers to ensure that the housing needs of the Aboriginal community are achieved.	Ongoing
4.4 Establish DCP controls to ensure that new housing is designed to adaptable / universal housing standards or any relevant updated guidelines.	Short
4.5 Investigate the potential for establishing targets for net growth in social and affordable housing or explore suitable alternative options.	Medium
OBJECTIVE 5 **Support the wellbeing of our community by ensuring the provision of secure and inclusive housing for key workers**	
5.1 Promote and encourage private sector investment in housing for key workers.	Short
5.2 Respond to emerging opportunities or partnerships that would enable short-term supply of housing for key workers. This includes conducting a land audit of Crown Land to identify any future potential opportunities.	Short
5.3 Prepare a Social Infrastructure Strategy for the Mid-Western LGA to support long-term liveability outcomes, responding to the needs of the growing population.	Short
5.4 Look to invest in a centralised property listing and enquiry service to help key workers to access information about affordable housing options near to major places of employment for key workers.	Short
5.5 Investigate LEP and DCP amendments that could enable greater supply of housing for key workers and other forms of affordable housing, such as increased housing densities in proximity to major places of employment for key workers and planning mechanisms that support diverse and inclusive housing options.	Short
5.6 Investigate the potential for establishing an affordable housing contributions scheme in the LGA.	Short
OBJECTIVE 6	

ACTION	TIMEFRAME
Design and deliver sustainable and efficient housing and places	
6.1 Continue to educate the community and promote sustainable building practices throughout the Mid-Western LGA.	Ongoing
6.2 Investigate DCP controls to support environmentally sustainable building practices, such as passive thermal performance, energy efficient solutions, low emission building materials, or on-site water capture and reuse.	Short
6.3 Require that the masterplanning of growth areas incorporate urban design practices that mitigate the urban heat island effect, integrating practices such as street trees and increased vegetation, and light coloured roofs and pavements.	Ongoing
6.4 Require that the masterplanning of growth areas delivers sustainable and liveable neighbourhoods that prioritise active transport facilities for residents, such as well-connected pedestrian footpaths, shared paths and cycleways.	Ongoing
OBJECTIVE 7 **Build on the strengths and unique lifestyle qualities of the Mid-Western LGA's lively small towns and villages**	
7.1 Investigate place-making opportunities to enhance local character, reinforce a sense of community and foster growth, such as storytelling, public art, social engagement.	Medium
7.2 Undertake a structure planning process in Rylstone and Kandos, with consideration for the adoption of residential and commercial (main street) land use zones.	Medium
7.3 Prepare a Place Plan for the town centres of Rylstone and Kandos, establishing urban design controls that will foster lively communities, such as street greening, shared spaces, public art, and safe and sustainable design principles.	Medium
OBJECTIVE 8 **Protect and preserve the Mid-Western LGA's rich heritage values**	
8.1 Local character and the unique heritage values of the area are to be recognised and conserved, with new housing development required to complement historic fabric when adjacent to heritage items or within conservation areas, contributing high quality design outcomes to areas of heritage significance.	Ongoing
8.2 Identify and support opportunities for the adaptive reuse of our heritage buildings for residential purposes, where appropriate.	Medium
OBJECTIVE 9 **Continue to support attractive tourist and visitor offerings**	
9.1 Collaborate with key stakeholders of the local tourism industry to understand visitor accommodation needs and related operational demands.	Short; ongoing
9.2 Monitor short-term rental accommodation to support our tourist and visitor economy, while ensuring sufficient additional market housing is delivered to meet the needs of our community.	Short
9.3 Monitor the implementation of DPHI's short term rental accommodation framework and continue advocating for improved controls where appropriate.	Short; ongoing
OBJECTIVE 10	

ACTION	TIMEFRAME
Facilitate effective housing solutions to support essential industry needs	
10.1 Continue to collaborate with DPHI, EnergyCo and other key stakeholders to deliver housing for workers of the renewable energy zone in suitable locations in accordance with best-practice principles.	Ongoing
10.2 Collaborate with key stakeholders of local primary industries to understand temporary and/or seasonal worker accommodation needs and related operational demands.	Short; ongoing
10.3 Where possible, direct development of residential accommodation for temporary workers of the renewable energy zone towards identified long term growth areas of Gulgong, capitalising on short distances to project sites and maximising infrastructure investment outlay. Pursuing opportunities to locate temporary housing for a portion of the construction workforce in identified growth areas could provide ongoing benefits, including the potential to provide legacy infrastructure to assist in the delivery of long-term housing.	Ongoing
10.4 If Council were to consider construction accommodation within a residential zone, consideration should only be given to land that has been identified for long term supply to ensure that the short and medium term supply is maintained for natural growth and permanent workers, subject to satisfactory water and sewer infrastructure provision.	Ongoing

Short-term Sequencing

Council has identified 32 short-term actions within the Housing Strategy to support housing supply, affordability, and sustainable growth.

To ensure orderly development, efficient resourcing, and the timely delivery of priority housing outcomes, these actions have been prioritised within the Implementation Plan.

This prioritisation highlights critical actions that need to occur ahead of others to unlock residential land, incentivise infill housing, facilitate key worker accommodation, and strengthen planning frameworks.

High Priority (Immediate Impact & Critical Need)

- 1.1 Support rezoning of residential land to meet projected housing needs.
- 1.2 Focus housing delivery in key growth areas with existing infrastructure.
- 1.4 Identify opportunities to unlock residential land supply, including masterplans, infill incentives, and planning amendments.
- 1.5 Consider mechanisms to incentivize short-term housing, such as fee discounts or staged infrastructure plans.
- 2.2 Encourage infill housing, such as secondary dwellings in key strategic centres.
- 5.2 Respond to emerging opportunities or partnerships that would enable short-term supply of housing for key workers. This includes conducting a land audit of Crown Land to identify any future potential opportunities.
- 5.5 Investigate LEP and DCP amendments to increase housing supply for key workers through higher densities near employment centres.

Medium Priority (Significant Contribution to Housing Options & Affordability)

- 2.4 Identify secondary dwellings as permitted with consent in key zones to support infill development.
- 2.5 Identify residential flat buildings as permitted in medium-density zones to promote higher density development.
- 2.6 Permit shop-top housing in Rylstone and Kandos to increase density and affordable housing options.
- 3.4 Adopt a maximum minimum lot size of 2,000sqm for low-density residential development.
- 4.1 Educate the community on the importance of social and affordable housing.
- 4.4 Establish DCP controls to ensure new housing meets adaptable/universal housing standards.
- 5.1 Promote private sector investment in key worker housing.
- 5.4 Develop a centralized property listing and inquiry service for key workers to find affordable housing near employment hubs.
- 5.6 Investigate an affordable housing contributions scheme.

Lower Priority (Planning, Monitoring & Long-Term Benefits)

- 1.3 Continue sequencing out infrastructure committed by the Council.
- 1.6 Improve Council's Housing Monitor to track dwelling production and take-up rates.
- 1.7 Develop principles for assessing proponent-initiated planning proposals.
- 1.8 Prepare Development Servicing Plans to support masterplans before rezoning where possible.
- 2.1 Promote urban renewal and infill development education.
- 2.7 Prepare a masterplan for Mudgee town centre, including potential building height reviews.
- 2.8 Update the DCP to strengthen planning and design for medium-density and town centre housing.
- 3.1 Promote diverse housing choices through industry engagement.
- 3.6 Consider the adoption of the rural residential lot size criteria into Council's Development Control Plan.
- 3.7 Explore planning mechanisms in the LEP to deliver varied lot sizes.
- 5.3 Prepare a Social Infrastructure Strategy to support liveability outcomes.
- 6.2 Investigate DCP controls for environmentally sustainable building practices.
- 9.1 Collaborate with local tourism industry stakeholders on visitor accommodation needs.
- 9.2 Monitor short-term rental accommodation impacts on the housing market.
- 9.3 Monitor and advocate for improved short-term rental accommodation controls.
- 10.2 Collaborate with primary industry stakeholders on seasonal worker accommodation needs.

Appendix A: Engagement Summary Report

Kandos