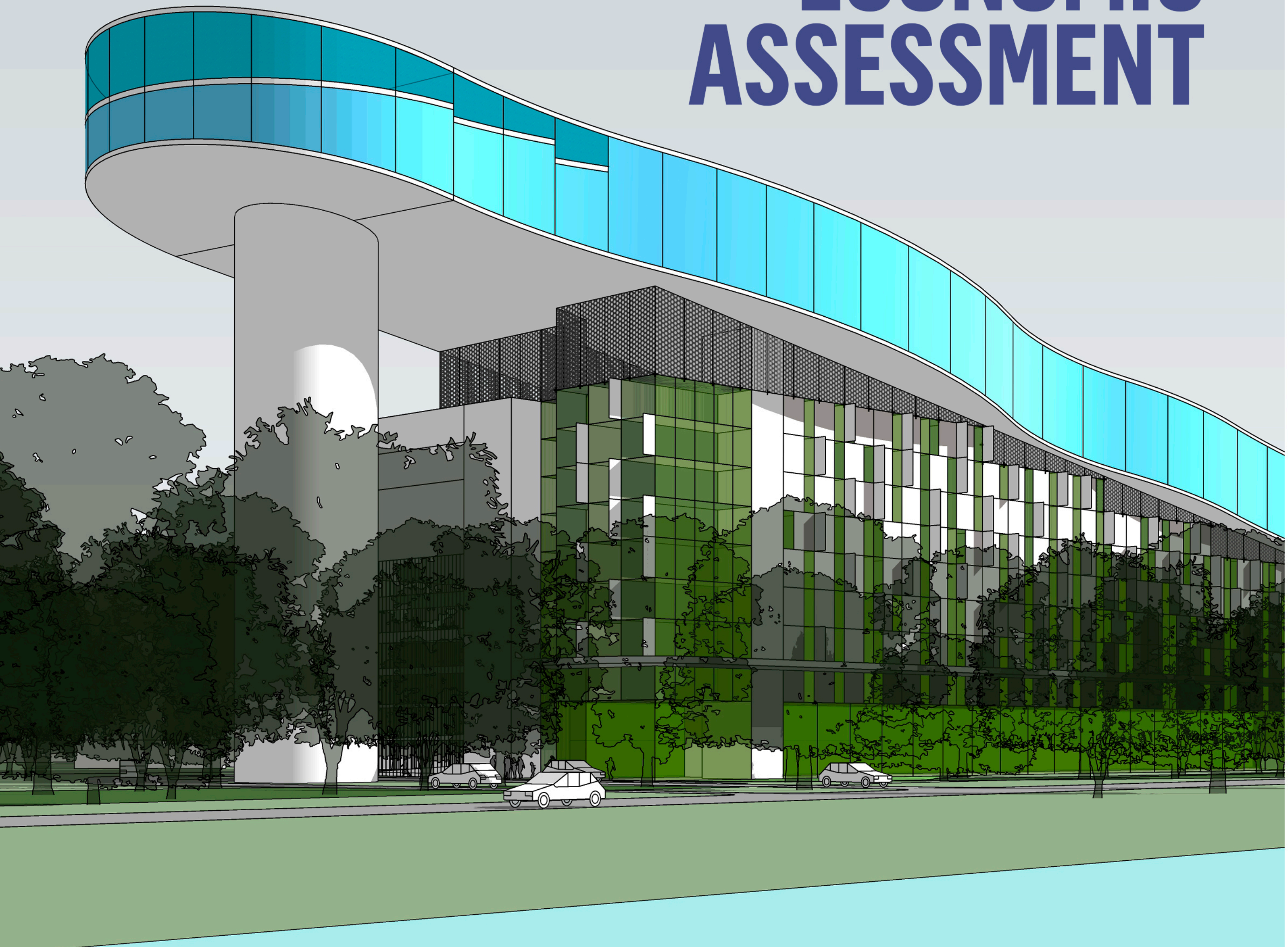
WINTER SPORTS WORLD ECONOMIC ASSESSMENT

URBIS



Prepared for:
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JUNE 2018

WINTER SPORTS WORLD
TRAINING AND ATTRACTIONS FOR EVERYONE

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Project code	PER0690
Report number	4

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CONCEPT OVERVIEW

THE CONCEPT

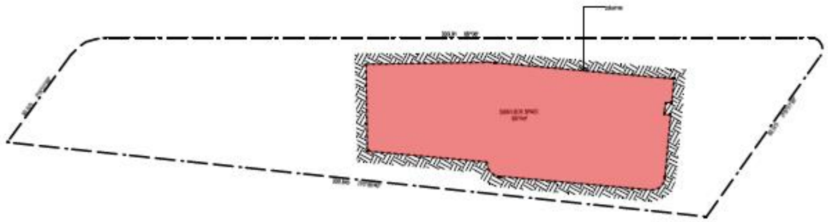
- The objective of this report is to investigate the viability of the development of a Winter Sports World, first of its kind in Australia, to be strategically located in Penrith, NSW.
- The subject site comprises a 2.34 ha allotment located at 2 Tench Avenue, Jamisontown in the Penrith local government area (LGA). It is currently zoned SP3 – Tourist and falls within the broader Riverlink Precinct under the Penrith Development Control Plan 2014.
- The vision for the Riverlink Precinct is an area comprising a mix of activity nodes, with a diverse range of land uses and services, and a strong focus on entertainment and leisure.
- The Precinct already contains various tourism, entertainment and leisure uses including Panthers World of Entertainment, Cables Wake Park and Aqua Park and iFLY Indoor Skydiving. The Penrith Whitewater Stadium, offering whitewater rafting and kayaking, and Sydney International Regatta Centre are also both situated nearby. As such, the proposed Winter Sports World is likely to benefit substantially from its location within this Precinct.
- The centre is intended to be an Australian-first, world-class facility that would establish Penrith as the tourism capital of Sydney. It would target the corporate retreat market, with a focus on providing integrated package inclusions and employee bonding on the slopes, as well as also catering to local residents, and domestic and international tourists.
- This complex would contain a range of uses including:
  - Advanced ski slope (185 m run)
  - Beginner and Intermediate ski slopes for training and lessons (115 m run and 80 m run respectively)
  - 2,800 sq.m Winter wonderland snow play area
  - Ice and rock climbing
  - Ice skating rink
  - 170 room hotel, conference facilities, restaurant and cafes (all with direct viewing of the slopes and snow play area)
- The conceptual plans for the Winter Sports World concept are shown in the following pages. Table 1.1 details the proposed uses which will be accommodated within the complex, including their scale.

SUBJECT SITE — MAP 1

PROPOSED USES — TABLE 1.1

Use	Scale
Indoor Ski Field	185 m long advanced slope 115 m long intermediate slope 80 m long training ski field
Snow Play Area	2,800 sq.m gently sloping snow play / beginner area
Ice Skating Rink	1,800 sq.m ice rink
Ice Climbing Walls	30 m high ice climbing walls
Rock Climbing Walls	30 m high indoor rock climbing walls
Altitude Training Rooms	140 sq.m training room to accommodate 10 persons
Gymnasium	210 sq.m gymnasium
Hotel	170-room hotel
Conference Facilities	1,260 sq.m function / restaurant space
Food and Beverage Tenancies	600 sq.m café / restaurant 350 sq.m bar

PROPOSED PLANS



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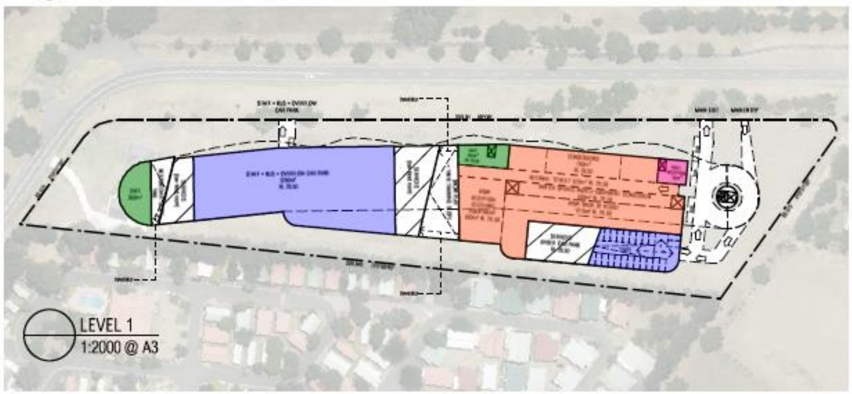

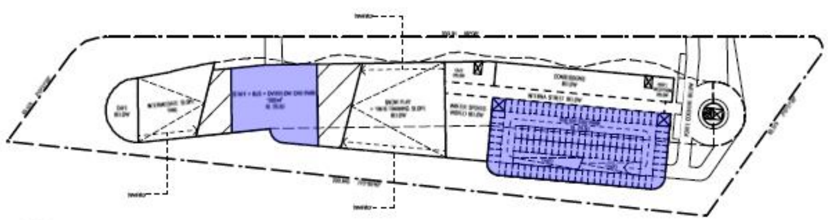

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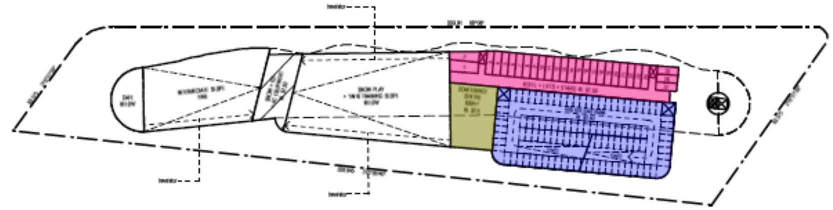

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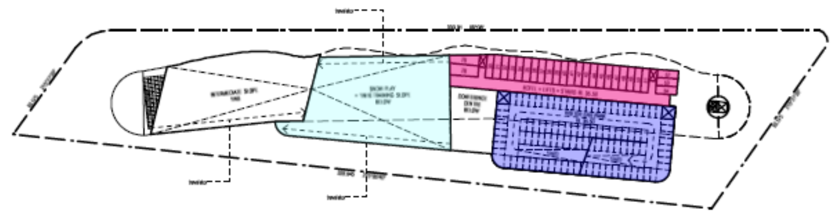

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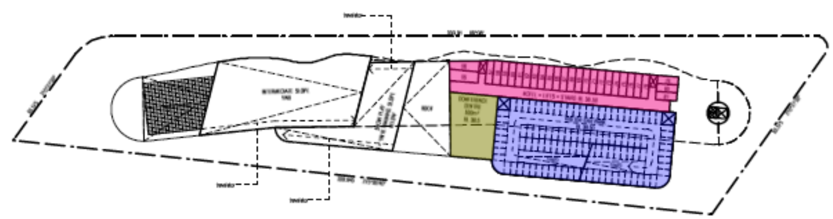

LEVEL 5
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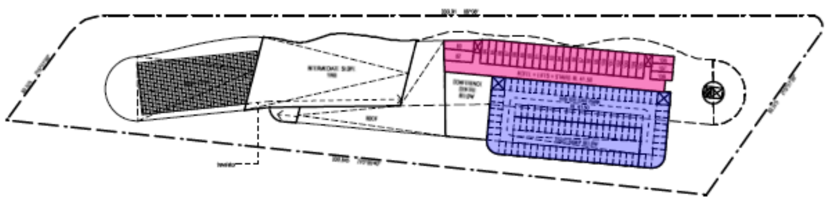
BASEMENT | CAR PARKING | CAFE + BAR | WINTER SPORTS WORLD | HOTEL
SKI RAMPS + ICE RINK | CONFERENCE CENTRE | LANDSCAPE AREA | DEEP SOIL

PROPOSED PLANS



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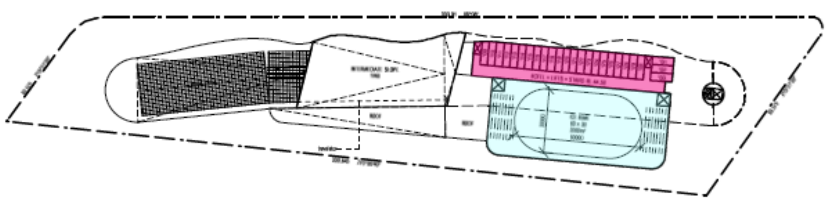

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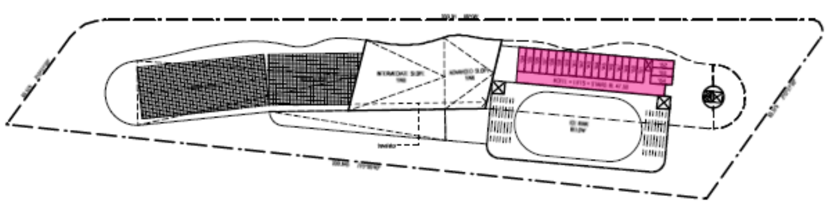

LEVEL 8
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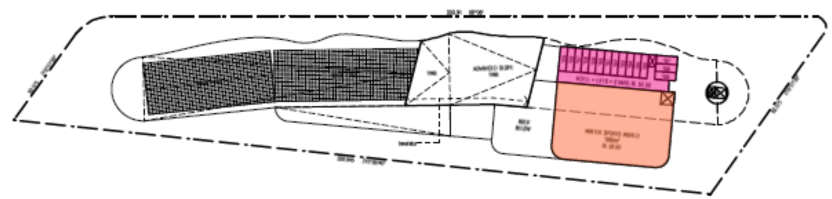
BASEMENT
CAR PARKING
CAFE + BAR
WINTER SPORTS WORLD
HOTEL
SKI RAMPS + ICE RINK
CONFERENCE CENTRE
LANDSCAPE AREA
DEEP SOIL



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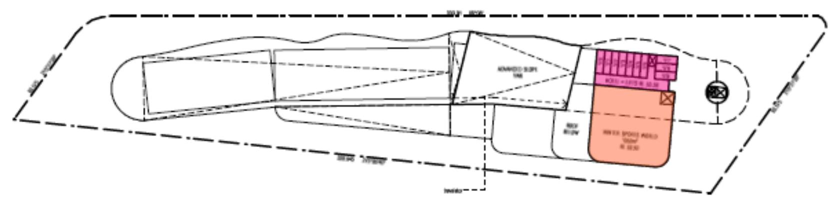

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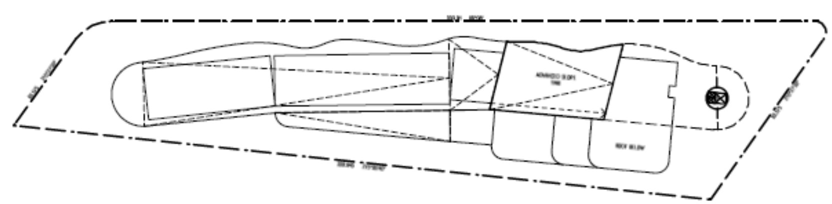

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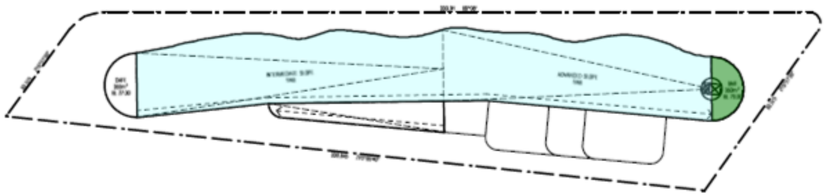
PROPOSED PLANS



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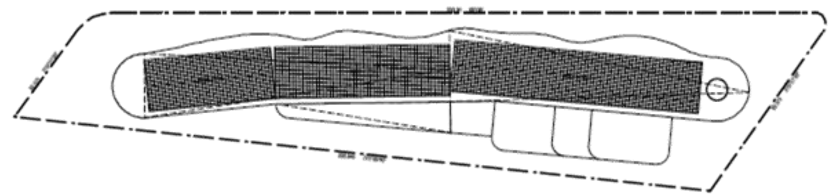

ROOF PLAN
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BASEMENT | CAR PARKING | CAFE + BAR | WINTER SPORTS WORLD | HOTEL
SKI RAMPS + ICE RINK | CONFERENCE CENTRE | LANDSCAPE AREA | DEEP SOIL

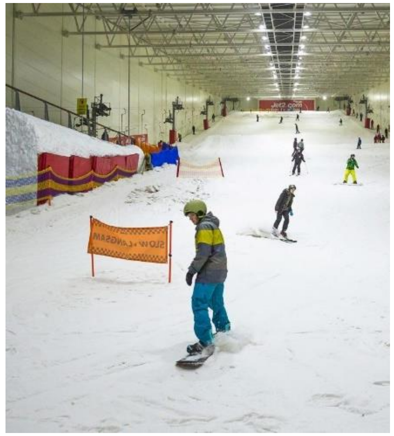
CASE STUDIES

OVERVIEW

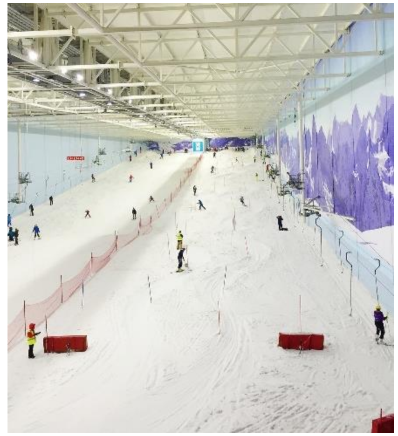
- For the purposes of forecasting the visitation and revenue that could be achieved by the proposed development, we have undertaken case studies of similar snow centres from around the world. These provide valuable insights into visitation, facilities, target markets and pricing.
- First we have provided a table of ten example snow centres from around the world. This provides an overview of their location, facilities, size and annual visitation.
- We have then provided more detailed case studies of six of the snow centres which are considered most comparable to the proposed Winter Sports World. As these six centres bear the greatest similarities with the proposed centre, they provide the most relevant insights into the potential of the Winter Sports World.
- These six key case studies include:

TAMWORTH SNOWDOME, UK

SNOW FACTOR, UK



CHILL FACTORE, UK



SNOWPLANET, NEW ZEALAND

SNOWWORLD, THE NETHERLANDS

SKI DUBAI, UNITED ARAB EMIRATES

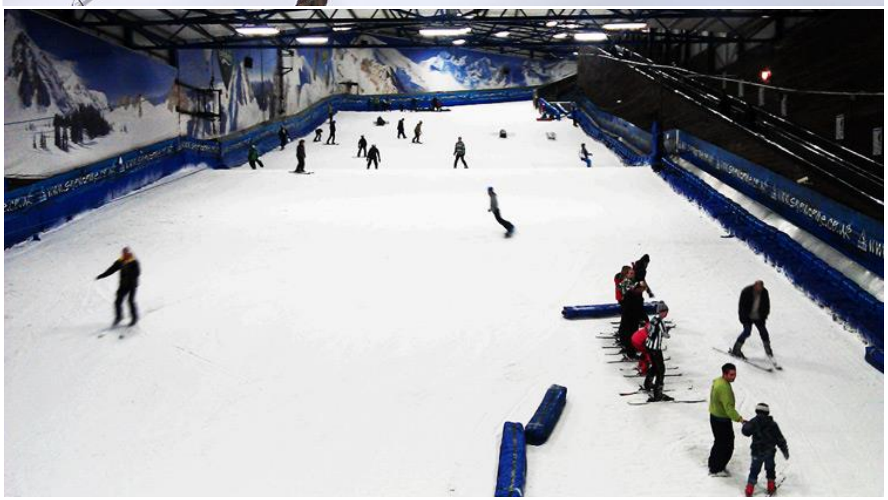
EXAMPLE SNOW CENTRES

Centre	Location	Facilities	Ski Run Size	Annual Visitation
Tamworth SnowDome	Tamworth, United Kingdom	• Ski slope • Ice rink • Ice track • Climbing walls • Gymnasium • Swimming pools • Spa • Bar and restaurant • Conference facilities	Length: 210 m Area: 11,500 sq.m	250,000 persons
Ski Dubai	Dubai, United Arab Emirates	• Ski Slope • Café • Indoor sub-zero zip line	Length: 400 m Area: 22,500 sq.m	760,000 persons
Alpincenter	Wittenburg, Germany	• Ski Slope • Bowling Alley • Children's Playground • Go Karting • Restaurants and Bars • 124 room hotel	Length: 330 m Area: 30,000 sq.m	Not available
Madrid Snowzone	Madrid, Spain	• Ski Slope • Snow park • Mini golf • Zip line	Length: 250 m Area: 17,000 sq.m	Not available
Snowhall	Metz, France	• Ski Slope • Restaurants and Bars • Play zone	Length: 620 m Area: 20,500 sq.m	Not available
Snow Valley Belgium	Peer, Belgium	• Ski Slope • Restaurant	Length: 200 m Area: 12,000 sq.m	Not available

Centre	Location	Facilities	Ski Run Size	Annual Visitation
SnowWorld	Landgraaf, The Netherlands	• Five indoor ski slopes • Slalom training slope • Funpark • Gymnasium • Outdoor high ropes course • 100 room hotel • Restaurants and bars • Meeting rooms	Lengths: 520 m, 500 m, 100 m and a fun park slope Area: 35,000 sq.m	Not available
Chill Factore	Manchester, United Kingdom	• Real snow indoor ski slope • 600 sq.m snow play area • 12 m rock climbing walls • Beginner indoor ski slope • Tubing slope • 60 m long luge track • Conference facilities • Seven cafés, restaurants and bars • Travel agency, four snow sports gear retailers, bicycle retailer, gym equipment retailer	Length: 260 m Area: 15,000 sq.m	1,200,000 persons
Snow Factor	Glasgow, United Kingdom	• Indoor ski slope • Ice climbing • Ice bar • Bavarian restaurant and beer hall • Conference facilities (for up to 800 persons) • Snow sports gear retailer	Length: 230 m Area: 25,000 sq.m	Not available
Snowplanet	Auckland, New Zealand	• Indoor ski slope • Terrain park (on the main slope) • Beginners slope • Restaurant and bar • Conference facilities	Length: 200 m Area: 11,000 sq.m	100,000 persons

CASE STUDY 1 – TAMWORTH SNOWDOME, TAMWORTH, UNITED KINGDOM

Tamworth SnowDome



Description	The Tamworth SnowDome was the first full-sized recreational indoor ski slope in the UK. The slope is approximately 170 m long by 30 m wide with an incline of 1:7. The SnowDome also has a learner slope situated underneath the main slope. The complex has one ice rink that circles the artificial Snow Play Centre. It also contains a 25 m swimming pool, gym, bar, Starbucks and a snow sports gear retailer (Elllis Brigham).
Location	Leisure Island, River Drive, Tamworth, Staffordshire, UK
Distance to nearest city	22 km (Birmingham)
Population of nearest city	1,124,600 persons (Birmingham City)
Average Temperature Range	3°C - 17°C
Opening Year	1994
Annual Visitation	250,000 visitors per annum

CASE STUDY 1 – TAMWORTH SNOWDOME, TAMWORTH, UNITED KINGDOM

Tamworth SnowDome, Tamworth			
Facilities	• 210 m indoor ski slope • Ice rink • Ice track • Climbing walls • Gymnasium	• Swimming pools • Spa • Bar and restaurant • Conference facilities	
Surrounding Land Uses	The centre is located in the town of Tamworth, approximately 20 km north-east of the city of Birmingham. The surrounding land uses include: • Holiday Inn Express Tamworth • Tamworth Football Club • Strykers Bowl (ten pin bowling and kids playcentre) • Odeon Cinema Tamworth • Ankerside Shopping Centre		
Target Markets	Families, Corporate events, Novice skiers and snowboarders		
Ticket Prices*	Annual Membership:	Adult: $161 Junior: $105	
		Non-Member	**Member**
	1 hour lift pass	$69 (Adult) $58 (Junior)	$48 (Adult) $40 (Junior)
	2 hour lift pass	$90 (Adult) $79 (Junior)	$69 (Adult) $62 (Junior)
	3 hour lift pass	$105 (Adult) $84 (Junior)	$84 (Adult) $66 (Junior)
	Friday – Sunday	$148 (Adult) $126 (Junior)	$118 (Adult) $96 (Junior)

**All prices are in $2017 Australian dollars and adjusted for purchasing power. Conversion from GBP based on Purchasing Power Parity of 2.14AUD/1GBP*

CASE STUDY 2 – SNOW FACTOR, GLASGOW, UNITED KINGDOM

Snow Factor, Glasgow

Description	Snow Factor is the only snow centre in Scotland that operates year-round. It is located only 11 km driving distance from the Glasgow city centre. The centre provides an instruction slope, main ski slope, four ski lifts, ice climbing wall and an ice slide. It is therefore popular among novices, families and experienced athletes. The facility also includes a family friendly Bavarian themed restaurant and beer hall "Bar Varia" which has panoramic windows that overlook the slope, and an ice bar "Baltic Ice Bar".
Location	Kings Inch Road, Braehead, Glasgow, United Kingdom
Distance to nearest city	7 km
Population of nearest city	615,070 persons (Glasgow City)
Average Temperature Range	3°C - 15°C
Opening Year	2011
Annual Visitation	Not available

CASE STUDY 2 – SNOW FACTOR, GLASGOW, UNITED KINGDOM

Snow Factor, Glasgow			
Facilities	• 230 m indoor ski slope • Ice climbing • Ice bar • Bavarian restaurant and beer hall • Conference facilities (for up to 800 persons) • Snow sports gear retailer		
Surrounding Land Uses	The centre is located west of Glasgow city centre and is situated alongside the River Clyde. The surrounding land uses include: • Braehead Shopping Centre • Residential		
Target Markets	Families, Corporate events, Novice skiers and snowboarders, Experienced skiers and snowboarders, Athletes		
Ticket Prices*	Annual Membership:	Adult: $212 Family: $426 Junior: $148 Senior: $148 Student: $148	
		Non-Member	**Member**
	Monthly Pass – Adult	$332	$234
	Monthly Pass - Junior	$276	$191
	Monday – Thursday	$45 (2 Hour) $64 (All day)	$32 (2 Hour) $41 (All day)
	Friday – Sunday	$73 (2 Hour) $75 (All day)	$45 (2 Hour) $51 (All day)

**All prices are in $2017 Australian dollars and adjusted for purchasing power. Conversion from GBP based on Purchasing Power Parity of 2.14AUD/1GBP*

CASE STUDY 3 – CHILL FACTORE, MANCHESTER, UNITED KINGDOM

Chill Factore, Manchester

Description	Chill Factore boasts the UK's longest real snow indoor ski slope. It measures 180 m in length and is 100 m wide at its widest point. This main slope is serviced by two drag lifts suspended from the ceiling. In addition, the centre features a beginner slope, a luge track and dedicated snow play and tubing areas. The centre also includes a number of shops and restaurants in a themed 'Alpine Village' area as well as a sports bar and Mont Blanc restaurant on the upper level with slope-side viewing.
Location	Trafford Way, Trafford Quays Leisure Village, Manchester, UK
Distance to nearest city	8.3 km
Population of nearest city	541,300 persons (Manchester City)
Average Temperature Range	4°C - 16°C
Opening Year	2007
Annual Visitation	1,200,000 visitors per annum

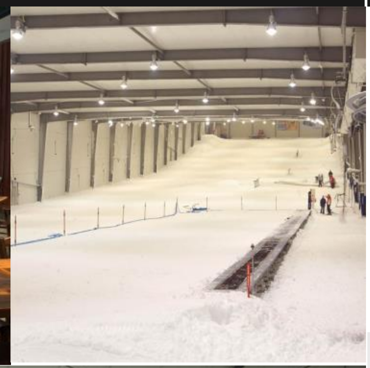
CASE STUDY 3 – CHILL FACTORE, MANCHESTER, UNITED KINGDOM

Chill Factore, Manchester			
Facilities	• 180 m real snow indoor ski slope • 600 sq.m snow play area • 12 m rock climbing walls • 40 m beginner indoor ski slope • 40 m tubing slope • 60 m luge track • Conference facilities • Seven cafés, restaurants and bars • Travel agency, four snow sports gear retailers, bicycle retailer, gym equipment retailer		
Surrounding Land Uses	The centre is located on the western fringe of Manchester, near the Trafford Park industrial estate. The surrounding land uses include: • Premier Inn Manchester Trafford Centre West (hotel) • The Trafford Centre (shopping centre) • Trafford Golf Centre • Powerleague Trafford Sportsdome • David Lloyd Manchester Trafford City (gym) • Trafford Retail Park		
Target Markets	Families, Corporate events, Novice skiers and snowboarders		
Ticket Prices*	Annual Membership: (30% discount)	Adult: $214 Family: $600 Junior: $150	Senior: $150 Student: $171
		Adult	**Junior**
	1 hour	$45	$32
	2 hour	$56	$43
	3 hour	$62	$49
	4 hour	$66	$56

**All prices are in $2017 Australian dollars and adjusted for purchasing power. Conversion from GBP based on Purchasing Power Parity of 2.14AUD/1GBP*

CASE STUDY 4 – SNOWPLANET, SILVERDALE, NEW ZEALAND

SnowPlanet, Auckland



Description	Snowplanet is New Zealand's first and only indoor snow centre. The main slope offers a variety of rails, jumps and jib features for more experienced snow skiers. There is also a beginners slope to accommodate for children and novice skiers. The centre also includes the 7 Summits restaurant and bar which is situated at the bottom of the slope with a large glass window that allows visitors to spectate.
Location	91 Small Road, Silverdale, New Zealand
Distance to nearest city	25 km (Auckland)
Population of nearest city	1,534,700 persons (Auckland)
Average Temperature Range	11°C - 20°C
Opening Year	2005
Annual Visitation	100,000 visitors per annum

CASE STUDY 4 – SNOWPLANET, SILVERDALE, NEW ZEALAND

Snowplanet, Auckland	
Facilities	• 200 m indoor ski slope • Terrain park (on the main slope) • Beginners slope • Restaurant and bar • Conference facilities
Surrounding Land Uses	The centre is located 25 km north of Auckland on the outskirts of the town of Silverdale. The surrounding land uses include: • Silverdale Adventure Park • Farmland
Target Markets	Families, Corporate events, Novice skiers and snowboarders, Experienced skiers and snowboarders, Athletes
Ticket Prices*	Membership includes unlimited access to the snow during advertised opening hours for one year. Membership rates are: Adult: $799 Student/Child: $599

	Non Member		
	Child	**Student**	**Adult**
2 hour pass	$35	$38	$46
4 hour pass	$39	$41	$49
Full Day	$49	$56	$69

**All prices are in $2017 Australian dollars and adjusted for purchasing power. Conversion from NZD based on Purchasing Power Parity of 1AUD/1NZD*

CASE STUDY 5 – SNOWWORLD, LANDGRAAF, THE NETHERLANDS

SnowWorld, Landgraaf

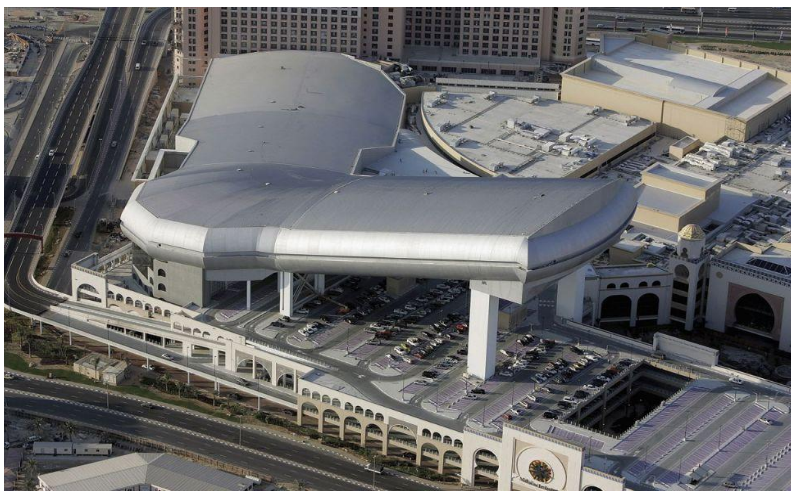
Description	SnowWorld Landgraaf is the largest indoor snow centre in Europe and is one of two snow centres operated by SnowWorld. The other centre is located at Zoetermeer. SnowWorld Landgraaf features five indoor ski slopes ranging in length from 100 m to 387 m, in addition to a funpark (featuring rails, jumps, etc.). SnowWorld has also opened an outdoor high ropes course next to the centre. Additionally, the centre contains an on-site four-star hotel with 100 rooms and approximately 420 beds that opened in 2008.
Location	Witte Wereld 1, 6372 VG Landgraaf, The Netherlands
Distance to nearest city	4 km (Heerlen)
Population of nearest city	220,000 persons (Heerlen)
Average Temperature Range	3°C -17°C
Opening Year	2001
Annual Visitation	Not available

CASE STUDY 5 – SNOWWORLD, LANDGRAAF, THE NETHERLANDS

SnowWorld, Landgraaf			
Facilities	• Five indoor ski slopes • Slalom training slope • Funpark • Gymnasium • Outdoor high ropes course • 100 room hotel • Restaurants and bars • Meeting rooms		
Surrounding Land Uses	The centre is located 4.6 km driving distance south-east of the Herleen city centre. The surrounding land uses include: • Landgoed Overste Hof (hotel) • Hotel Winselerhof (hotel) • Megaland (outdoor entertainment venue) • Residential		
Target Markets	Families, Corporate events, Social events, Novice skiers and experienced skiers, Athletes		
Ticket Prices*	Membership includes unlimited access to the snow during advertised opening hours. Membership rates are: Adult (3 months): $114 Adult (12 months): $79 Child (3 months): $100 Child (12 months): $68		
		Non Member	
		Child	**Adult**
	1 hour pass	$25	$29
	2 hour pass	$39	$50
	4 hour pass	$50	$61
	Full Day	$54	$64

**All prices are in $2017 Australian dollars and adjusted for purchasing power. Conversion from EUR based on Purchasing Power Parity of 1.43AUD/1EUR*

CASE STUDY 6 – DUBAI SKI, DUBAI, UNITED ARAB EMIRATES



Dubai Ski, Dubai	
Description	Dubai Ski is located at the Mall of the Emirates in Dubai. Dubai Ski features five indoor ski slopes with the main ski slope approximately 400 m. The facility also has a 5,000 sq.m snow play area. Additionally, the centre contains a meeting area, penguin encounter area, cafe and conference facilities.
Location	Mall of the Emirates, Dubai, United Arab Emirates
Distance to nearest city	12 km (Dubai City Centre)
Population of nearest city	3,030,000 persons (Dubai)
Average Temperature Range	18°C -36°C
Opening Year	November 2005
Annual Visitation	760,000 (2017)

CASE STUDY 6 – DUBAI SKI, DUBAI, UNITED ARAB EMIRATES

Dubai Ski, Dubai	
Facilities	• Five indoor ski slopes • Avalanche Cafe • Snow play area • Penguin encounter area • Meeting area • Incubator room • Conference facilities
Surrounding Land Uses	The centre is located 12 km driving distance south-west of the Dubai city centre. The surrounding land uses include: • Mall of the Emirates
Target Markets	Families, Corporate events, Social events, Novice skiers and experienced skiers
Ticket Prices*	Membership includes unlimited access to the snow during advertised opening hours. Membership rates are $875 for one month. Other attractions include: Snow Park: $67 Polar: $93 Polar Express: $114 Ski Dubai Experience (Includes access to snow park and slopes): $175

	Non Member	
	Child	**Adult**
2 hour pass	$67	$88
Full Day	$106	$110

All prices are in $2017 Australian dollars and adjusted for purchasing power. Conversion from AED based on Purchasing Power Parity of 0.35AUD/1AED

SUMMARY OF KEY CASE STUDY FINDINGS

KEY FINDINGS

- As shown in Table 2.1, the six case studies offer a variety of different facilities. However, fundamentally each centre is anchored by at least one indoor ski slope. These slopes range in length from 100 m (SnowWorld) up to 400 m (Dubai Ski) but generally average approximately 200 m.
- In addition to the ski slopes, all six centres each also provide food and beverage outlets and conferencing facilities.
- The majority of the conferencing facilities are aimed at the corporate events market, while some are also available for social events (i.e. Weddings). This is reflected in the target markets of the centres which reveal that all five centres target families, corporate events, novice skiers and snowboarders.
- The conferencing facilities are often supported by on-site (SnowWorld) or nearby hotels (Tamworth SnowDome, Chill Factore and SnowWorld). These increase the attractiveness of the conferencing facilities by allowing delegates to stay close to the venue.
- In addition to the causal and corporate markets, Snow Factor, Snowplanet and SnowWorld also target amateur and professional athletes. They cater to this athlete market by providing more advanced facilities such as slalom slopes and terrain parks. Importantly, these centres allow athletes to train in controlled environments which can be altered to suit their training needs.
- Three of the six centres also provide ice / rock climbing, while one (Chill Factore) offers an indoor luge track and another provides an ice skating rink (Tamworth SnowDome).
- The annual visitation rates achieved by the centres varies substantially. Of the four centres which disclose their visitation, Snowplanet achieves the lowest number of visitors each year at approximately 100,000 persons. In comparison, Tamworth SnowDome achieves 250,000 visitors per annum, while Dubai Ski attracts 760,000 visitors and Chill Factore welcomes an estimated 1.2 million visitors each year. These differing rates generally reflect the scale of the populations of the cities in which the centres are based.

SUMMARY OF CASE STUDIES — TABLE 2.1

Centre	Facilities		Target Markets	Annual Visitation
Tamworth SnowDome	• 210 m indoor ski slope • Ice rink • Ice track • Climbing walls • Gymnasium	• Swimming pools • Spa • Bar and restaurant • Conference facilities	Families, Corporate events, Novice skiers and snowboarders	250,000 visitors
Snow Factor	• 230 m indoor ski slope • Ice climbing • Ice bar	• Bavarian restaurant and beer hall • Conference facilities (for up to 800 persons) • Snow sports gear retailer	Families, Corporate events, Novice skiers and snowboarders, Experienced skiers and snowboarders, Athletes	Not available
Chill Factore	• 180 m real snow indoor ski slope • 600 sq.m snow play area • 12 m rock climbing walls • 40 m beginner indoor ski slope	• 40 m tubing slope • 60 m luge track • Conference facilities • Seven cafés, restaurants and bars • Travel agency, four snow sports gear retailers, bicycle retailer, gym equipment retailer	Families, Corporate events, Novice skiers and snowboarders	1,200,000 visitors
Snowplanet	• 200 m indoor ski slope • Terrain park (on the main slope) • Beginners slope	• Restaurant and bar • Conference facilities	Families, Corporate events, Novice skiers and snowboarders, Experienced skiers and snowboarders, Athletes	100,000 visitors
SnowWorld	• Five indoor ski slopes • Slalom training slope • Funpark • Gymnasium	• Outdoor high ropes course • 100 room hotel • Restaurants and bars • Meeting rooms	Families, Corporate events, Social events, Novice skiers and experienced skiers, Athletes	Not available
Dubai Ski	• Five indoor ski slopes • Snow play area	• Penguin encounter area • Incubator room • Conference facilities	Families, Corporate events, Social events, Novice skiers and experienced skiers	760,000 visitors

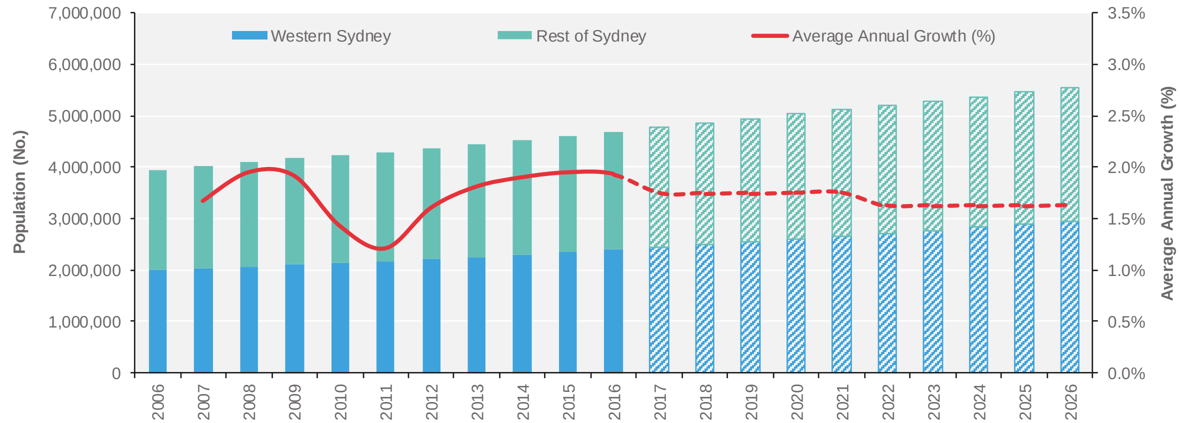
GREATER SYDNEY POPULATION PROJECTIONS

KEY FINDINGS

- One of the key drivers for tourist attractions is the local resident population. Strong population growth will drive increased demand for tourist attractions in the surrounding region.
- The following population forecasts are based on projections published by the New South Wales Department of Planning and the Environment in 2017. They have been rebased to reflect the Estimated Resident Population recorded by the Australian Bureau of Statistics (ABS) in 2016.
- Greater Sydney experienced high levels of population growth over the last ten years and this is expected to continue going forward. Between 2006 and 2016, the population of Greater Sydney increased from 3,953,031 persons to 4,694,402 persons. This represents a total increase of 741,371 persons and reflects an average annual growth rate of 1.7% per annum.
- The strong rate of population growth is forecast to continue over the next five years, with Sydney projected to grow by an additional 425,858 residents to reach 5,119,400 persons by 2021.
- Population growth is then expected to begin slowing between 2021 and 2026. With a forecast average annual growth rate of 1.6% over this period, Greater Sydney is projected to reach 5,550,700 residents in 2026.
- Western Sydney[1] currently accounts for 51% of Greater Sydney's resident population. The share of residents living in Western Sydney will continue to increase over the next 10 years as the priority growth areas in the west continue to develop.
- Western Sydney is forecast to growth at 2.1% per annum between 2016 and 2026, well above Greater Sydney's overall rate of 1.7%.
- As a result, Western Sydney is forecast to account for 69% of Greater Sydney's population growth between 2021 and 2026, reaching a population of 2,953,900 persons by 2026.
- This increasing population growth in Western Sydney will drive increased demand for tourist attractions in the region.

HISTORICAL AND FORECAST POPULATION — CHART 3.1

Greater Sydney, 2006-26



Source: NSW Department of Planning; ABS; Urbis

HISTORICAL AND FORECAST POPULATION — TABLE 3.1

Greater Sydney, 2006-26

	Population (No.)					*Average Annual Growth*
	2006	**2011**	**2016**	**2021**	**2026**	***2016-26***
Western Sydney	1,994,321	2,168,732	2,389,236	2,654,600	2,953,900	*2.1%*
Rest of Sydney	1,958,710	2,117,485	2,305,166	2,464,800	2,596,800	*1.2%*
Total Greater Sydney	**3,953,031**	**4,286,217**	**4,694,402**	**5,119,400**	**5,550,700**	***1.7%***

Source: NSW Department of Planning; ABS; Urbis

1. Defined as the Hawkesbury, Penrith, Blacktown, The Hills, Parramatta, Holroyd, Fairfield, Liverpool, Wollondilly, Camden, Auburn, Bankstown, Blue Mountains, and Campbelltown Local Government Areas.

SYDNEY TOURISM MARKET – OVERVIEW

KEY FINDINGS

- In addition to a large base of local residents, substantial tourist visitation to a region is another key driver of demand for tourist attractions such as the proposed Winter Sports World.
- Since 2005, Tourism Research Australia (TRA) has conducted quarterly international and domestic visitor surveys collating data that profiles the origin of visitors, the main purpose of journey, activities undertaken as well as general demographic information. This data is collected for both large tourism regions and smaller areas and provides valuable insights into the visitor profiles and consumer trends of specific regions.
- The main purpose of journey for visitors to Sydney over the last five years is outlined in Table 4.1. The main purpose of journey categories include holiday, business, visiting friends and relatives (VFR), and other (which includes employment such as a working holiday and education categories).
- Between 2013 and 2017, the most common purpose of visit to the region was for a holiday. On average, 12,726,000 visitors per annum or 40.7% of total visitors travelled to Sydney for a holiday. Almost 70% of these holiday visitors were daytrippers.
- The second-most common reason for visiting Sydney was to visit friends and relatives. This accounted for an average of 32.0% of total visits to the region over the past five years.
- Business visitors represented an average of 16.7% of total visitors to Sydney between 2013 and 2017. In contrast to the holiday and VFR visitors, the largest share of business visitors were overnight visitors from within Australia.
- The substantial number of visitors coming to Sydney for a holiday or to visit friends and relatives will drive strong demand for tourist attractions such as Winter Sports World. Additionally, the sizeable business-visitor market presents another key opportunity for the subject development which can be leveraged through its provision of hotel and conferencing facilities.

HISTORICAL TOURIST VISITATION BY REASON — TABLE 4.1

Sydney Tourism Region, 2013-17

	Holiday		Business		VFR*		Other		TOTAL
DAYTRIPPERS	000's	%	000's	%	000's	%	000's	%	000's
2013	8,457	*45.2%*	2,187	*11.7%*	5,791	*31.0%*	2,271	*12.1%*	18,706
2014	9,635	*46.4%*	2,319	*11.2%*	6,209	*29.9%*	2,599	*12.5%*	20,761
2015	7,220	*41.5%*	2,076	*11.9%*	5,628	*32.4%*	2,458	*14.1%*	17,382
2016	9,365	*45.8%*	2,625	*12.8%*	6,084	*29.7%*	2,394	*11.7%*	20,467
2017	8,442	*42.9%*	2,356	*12.0%*	6,262	*31.8%*	2,625	*13.3%*	19,685
Avg (2013-17)	***8,624***	***44.5%***	***2,313***	***11.9%***	***5,995***	***30.9%***	***2,469***	***12.7%***	***19,400***
DOMESTIC OVERNIGHT VISITORS	Holiday		Business		VFR*		Other		TOTAL
	000's	%	000's	%	000's	%	000's	%	000's
2013	2,268	*29.3%*	2,169	*28.0%*	2,849	*36.8%*	461	*5.9%*	7,746
2014	2,405	*28.5%*	2,202	*26.1%*	3,256	*38.6%*	583	*6.9%*	8,446
2015	2,213	*25.6%*	2,595	*30.0%*	3,163	*36.6%*	683	*7.9%*	8,654
2016	2,322	*26.1%*	2,713	*30.5%*	3,341	*37.5%*	526	*5.9%*	8,901
2017	2,321	*24.5%*	2,929	*31.0%*	3,480	*36.8%*	730	*7.7%*	9,460
Avg (2013-17)	***2,306***	***26.7%***	***2,521***	***29.2%***	***3,218***	***37.2%***	***596***	***6.9%***	***8,641***
INTERNATIONAL OVERNIGHT VISITORS	Holiday		Business		VFR*		Other		TOTAL
	000's	%	000's	%	000's	%	000's	%	000's
2013	1,485	*54.4%*	363	*13.3%*	669	*24.5%*	211	*7.7%*	2,728
2014	1,606	*54.8%*	372	*12.7%*	746	*25.4%*	208	*7.1%*	2,933
2015	1,750	*56.3%*	362	*11.7%*	759	*24.4%*	236	*7.6%*	3,108
2016	1,971	*57.6%*	362	*10.6%*	825	*24.1%*	265	*7.8%*	3,423
2017	2,173	*57.8%*	396	*10.5%*	873	*23.2%*	316	*8.4%*	3,759
Avg (2013-17)	***1,797***	***56.3%***	***371***	***11.6%***	***775***	***24.3%***	***247***	***7.8%***	***3,190***
TOTAL VISITORS	Holiday		Business		VFR*		Other		TOTAL
	000's	%	000's	%	000's	%	000's	%	000's
2013	12,209	*41.8%*	4,719	*16.2%*	9,309	*31.9%*	2,943	*10.1%*	29,180
2014	13,646	*42.5%*	4,893	*15.2%*	10,211	*31.8%*	3,390	*10.5%*	32,140
2015	11,183	*38.4%*	5,034	*17.3%*	9,551	*32.8%*	3,376	*11.6%*	29,144
2016	13,657	*41.6%*	5,700	*17.4%*	10,250	*31.3%*	3,185	*9.7%*	32,792
2017	12,936	*39.3%*	5,681	*17.3%*	10,616	*32.3%*	3,670	*11.2%*	32,904
Avg (2013-17)	***12,726***	***40.7%***	***5,205***	***16.7%***	***9,987***	***32.0%***	***3,313***	***10.6%***	***31,232***

**Visiting friends and relatives*

Source: Tourism Research Australia; Urbis

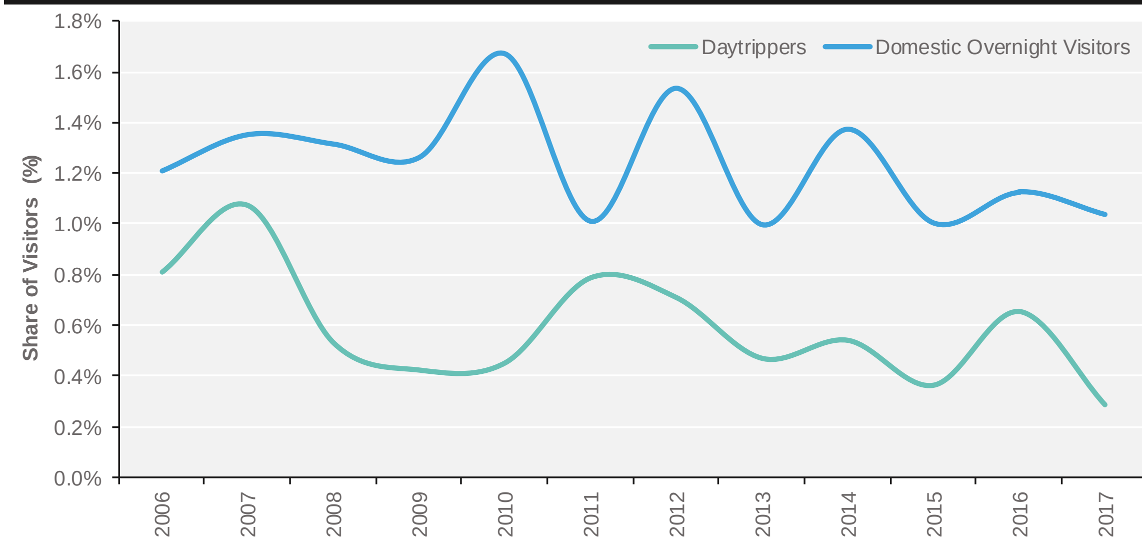
SYDNEY TOURISM MARKET – OVERVIEW

KEY FINDINGS

- In addition to the main purpose of journey for visitors, TRA also records the activities undertaken by visitors during the trip.
- For the purposes of this assessment, there are several relevant activities which bear some degree of similarity with what is being offered by Winter Sports World. They therefore provide an indication of the potential likelihood of visitors to Sydney visiting the proposed centre. The relevant activities include:
  - Visit amusements / theme parks
  - Water activities / sports
  - Surfing
  - Cycling
  - Playing other sports.
- Table 4.2 outlines the average number of visitors per annum who participated in these relevant activities during their stay in the Sydney Tourism Region between 2013 and 2017. However, the figures for the international overnight visitors reflect the activities they participated in during their entire time in Australia rather than just their time in Sydney.
- As shown in the table, approximately 4.5% of daytrippers and 6.0% of domestic overnight visitors have historically participated in the relevant activities during their time in Sydney. However, the establishment of the proposed centre is likely to induce further demand and result in an increase in these rates.
- We consider the most relevant activity to be visiting amusements or theme parks. Over the past five years, 0.5% of daytrippers and 1.1% of domestic overnight visitors attended amusements or theme parks during their stay. The participation of visitors in this activity has fluctuated over time but broadly trended downwards (refer Chart 4.2). This trend has the potential to be reversed with the opening of Winter Sports World which will present a new and unique opportunity for visitors to Sydney.

PROPORTION OF VISITORS WHO ATTEND AMUSEMENT/THEME PARKS — CHART 4.1

Sydney Tourism Region, 2006-17



Source: Tourism Research Australia; Urbis

HISTORICAL NO. OF VISITORS PARTAKING IN RELEVANT ACTIVITIES — TABLE 4.2

Sydney Tourism Region, 5-Year Average (2013-17)

	Daytrippers		Domestic Overnight Visitors		International Overnight Visitors*	
	000's	%	000's	%	000's	%
Visit amusements / theme parks	91	*0.5%*	95	*1.1%*	438	*13.8%*
Water activities / sports	159	*0.8%*	117	*1.4%*	219	*6.9%*
Surfing	80	*0.4%*	57	*0.7%*	212	*6.7%*
Cycling	87	*0.4%*	44	*0.5%*	162	*5.1%*
Play other sports	452	*2.3%*	201	*2.3%*	180	*5.6%*
Total Relevant Activities	**868**	**4.5%**	**515**	**6.0%**	**1,212**	**38.1%**

**Data is for activities they participated in during their entire trip rather than only while in the Sydney Tourism Region*

Source: Tourism Research Australia; Urbis

SYDNEY TOURISM MARKET – FORECASTS

KEY FINDINGS

- The Tourism Research Committee, within TRA, prepares visitor nights forecasts for tourism regions throughout Australia. These forecasts have been converted to number of visitors per annum through applying the average length of stay for each market segment over the last five years.
- The historical and projected total visitation to the Sydney Tourism Region, broken down by market segment, is shown in Table 4.3 and overleaf in Chart 4.2.
- There were an estimated 32.9 million visitors to Sydney in 2017, representing a slight increase from 2016's 32.8 million visitors. Approximately 19.7 million or 59.8% of these were daytrippers, 9.5 million or 28.8% were overnight visitors from within Australia, and the remaining 3.8 million or 11.4% were overnight visitors from other countries.
- The total number of visitors to Sydney is projected to increase by 10.6 million persons over the next nine years to reach 43.5 million persons by 2026. This reflects an average annual growth rate of 3.1% per annum.
- An estimated 53% of this growth in visitation will be accounted for by an increase in daytrippers, while almost 26% will be attributable to additional overnight visitors from within Australia. International overnight visitors will therefore account for the remaining 21% of growth.
- As a result, by 2026, approximately 25.3 million or 58.2% of visitors to Sydney will be daytrippers, 12.2 million or 28.0% will be overnight visitors from within Australia, and the remaining 6.0 million or 13.8% will overnight visitors from other countries.

FORECAST VISITATION BY REASON (000'S OF VISITORS) TABLE 4.3

Sydney Tourism Region, 2016-26

			Forecast								
DAYTRIPPERS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	9,365	8,442	9,547	9,764	9,949	10,133	10,304	10,462	10,617	10,770	10,921
Business	2,625	2,356	2,557	2,657	2,743	2,831	2,921	3,013	3,106	3,201	3,298
VFR*	6,084	6,262	6,271	6,397	6,522	6,636	6,748	6,860	6,971	7,082	7,191
Other	2,394	2,625	2,712	2,869	3,002	3,138	3,277	3,419	3,566	3,715	3,868
Total	**20,467**	**19,685**	**21,087**	**21,687**	**22,216**	**22,737**	**23,250**	**23,754**	**24,260**	**24,768**	**25,278**
			Forecast								
DOMESTIC OVERNIGHT VISITORS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	2,322	2,321	2,625	2,685	2,736	2,786	2,833	2,877	2,920	2,962	3,003
Business	2,713	2,929	3,178	3,302	3,409	3,519	3,630	3,744	3,860	3,978	4,098
VFR*	3,341	3,480	3,485	3,554	3,624	3,687	3,750	3,812	3,874	3,935	3,996
Other	526	730	754	798	835	873	911	951	992	1,033	1,076
Total	**8,901**	**9,460**	**10,042**	**10,340**	**10,604**	**10,865**	**11,125**	**11,384**	**11,645**	**11,908**	**12,173**
			Forecast								
INTERNATIONAL OVERNIGHT VISITORS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	1,971	2,173	2,183	2,328	2,469	2,601	2,757	2,920	3,088	3,268	3,457
Business	362	396	342	396	421	431	443	458	474	489	505
VFR*	825	873	905	977	1,055	1,136	1,215	1,299	1,387	1,480	1,581
Other	265	316	317	337	355	373	392	410	430	450	471
Total	**3,423**	**3,759**	**3,748**	**4,038**	**4,299**	**4,541**	**4,807**	**5,087**	**5,379**	**5,687**	**6,013**
			Forecast								
TOTAL VISITORS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	13,657	12,936	14,356	14,777	15,154	15,520	15,894	16,258	16,625	17,000	17,381
Business	5,700	5,681	6,077	6,356	6,573	6,781	6,994	7,214	7,440	7,668	7,901
VFR*	10,250	10,616	10,661	10,928	11,202	11,459	11,713	11,971	12,232	12,497	12,768
Other	3,185	3,670	3,783	4,004	4,191	4,383	4,580	4,780	4,987	5,198	5,415
Total	**32,792**	**32,904**	**34,877**	**36,065**	**37,120**	**38,143**	**39,181**	**40,225**	**41,284**	**42,363**	**43,464**

**Visiting friends and relatives*
Source: Tourism Research Australia; Urbis

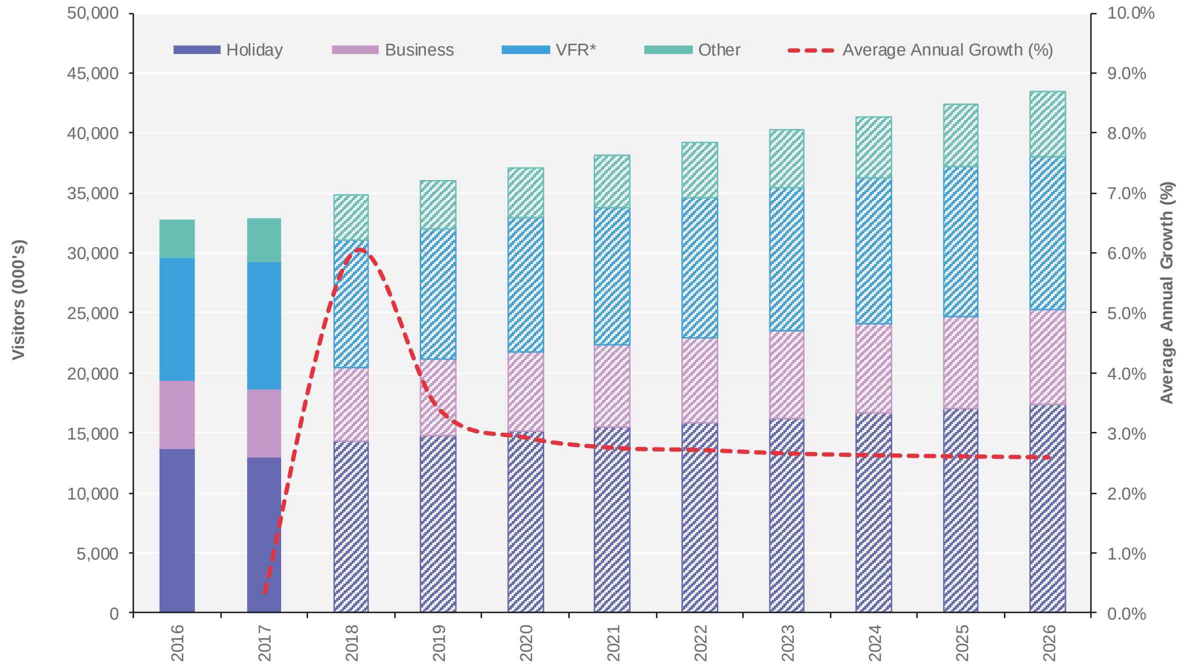
SYDNEY TOURISM MARKET – FORECASTS

KEY FINDINGS

- As shown in Chart 4.2, other than a spike in 2018, per annum growth in visitation to Sydney is forecast to remain fairly constant at 2.6%-2.9%.
- The largest amount of visitor growth is forecast in the holiday-visitor market segment. By 2026, Sydney is forecast to attract an additional 4.4 million holiday-visitors, reflecting average annual growth of 3.3% per annum.
- Strong growth is also forecast in the business-visitor segment, with an additional 2.2 million business visitors coming to Sydney each year by 2026. This represents an average annual growth rate of 3.7% per annum.
- While the Other market segment is forecast to grow at the fastest rate over the next nine years (4.4% per annum), it is forecast to increase by the lowest number (an additional 1.7 million visitors each year by 2026).
- The high level of holiday visitor growth forecast for Sydney will drive strong demand for tourist attractions in the region. While the significant growth projected in the business-visitor segment will also generate strong demand for hotel and conferencing facilities.

FORECAST VISITATION BY REASON (000'S OF VISITORS) CHART 4.2

Sydney Tourism Region, 2016-26



**Visiting friends and relatives*

Source: Tourism Research Australia; Urbis

SYDNEY TOURISM MARKET – WESTERN SYDNEY FORECASTS

KEY FINDINGS

- Given the location of the proposed development in Penrith, it is important to specifically consider the forecast visitation to Western Sydney.
- Visitation forecasts for Western Sydney have been estimated by growing Western Sydney's historical share of the Sydney Tourism Region's visitation in each market segment in line with expected growth in Western Sydney going forward.
- The historical and projected total visitation to Western Sydney, broken down by market segment, is shown in Table 4.4 and overleaf in Chart 4.3.
- In 2017, there were an estimated 12.6 million visitors to Western Sydney. This represents a decrease from 2016 when Western Sydney attracted 12.7 million visitors.
- Approximately 9.2 million or 73.4% of these visitors were daytrippers, 2.8 million or 22.3% were overnight visitors from within Australia, and the remaining 543,000 or 4.3% were overnight visitors from other countries. This indicates that, compared to the overall Sydney Tourism Region, Western Sydney is substantially more popular amongst daytrippers and less popular amongst overnight visitors.
- By 2026, the total number of visitors to Western Sydney is projected to increase by 4.2 million persons to reach 16.8 million persons. This reflects an average annual growth rate of 3.3% per annum – higher than the growth rate for the Sydney Tourism Region overall (3.1% per annum) reflecting the broader westward expansion of Sydney.
- An estimated 62% of this growth in visitation will be accounted for by an increase in daytrippers, while over 23% will be attributable to additional overnight visitors from within Australia. International overnight visitors will therefore only account for 15% of growth.
- By 2026, daytrippers will continue to be the largest market segment, accounting for approximately 11.8 million or 70.5% of visitors to Western Sydney. Approximately 3.8 million or 22.5% will be overnight visitors from within Australia, and only 1.2 million or 7.0% will be overnight visitors from other countries.

FORECAST VISITATION BY REASON (000'S OF VISITORS) TABLE 4.4

Western Sydney, 2016-26

			Forecast								
DAYTRIPPERS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	4,618	4,188	4,383	4,544	4,696	4,850	5,003	5,153	5,307	5,463	5,623
Business	1,037	956	1,020	1,061	1,096	1,131	1,168	1,205	1,243	1,281	1,320
VFR*	2,862	3,148	3,106	3,168	3,231	3,288	3,344	3,400	3,455	3,510	3,565
Other	817	926	937	992	1,037	1,083	1,130	1,178	1,228	1,278	1,330
Total	**9,334**	**9,217**	**9,446**	**9,765**	**10,059**	**10,351**	**10,644**	**10,936**	**11,232**	**11,533**	**11,839**
DOMESTIC OVERNIGHT			Forecast								
VISITORS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	813	820	855	879	900	921	941	960	979	998	1,018
Business	577	480	610	646	680	715	751	790	829	871	914
VFR*	1,329	1,295	1,300	1,331	1,363	1,393	1,423	1,452	1,482	1,512	1,542
Other	172	199	220	233	243	254	265	276	288	300	312
Total	**2,891**	**2,794**	**2,985**	**3,089**	**3,186**	**3,282**	**3,380**	**3,478**	**3,579**	**3,681**	**3,786**
INTERNATIONAL OVERNIGHT			Forecast								
VISITORS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	203	207	208	227	247	268	292	319	348	380	415
Business	35	47	36	44	48	51	55	59	64	69	74
VFR*	217	244	245	275	308	345	384	426	473	525	583
Other	34	45	43	49	54	60	67	74	81	90	99
Total	**489**	**543**	**533**	**594**	**658**	**725**	**798**	**878**	**966**	**1,064**	**1,171**
TOTAL			Forecast								
VISITORS	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Holiday	5,635	5,215	5,446	5,650	5,842	6,038	6,236	6,432	6,634	6,841	7,056
Business	1,649	1,483	1,667	1,751	1,824	1,897	1,974	2,054	2,136	2,221	2,309
VFR*	4,407	4,687	4,650	4,774	4,903	5,026	5,150	5,279	5,411	5,548	5,690
Other	1,023	1,170	1,201	1,273	1,334	1,397	1,461	1,528	1,597	1,668	1,741
Total	**12,715**	**12,555**	**12,964**	**13,448**	**13,903**	**14,358**	**14,821**	**15,292**	**15,777**	**16,278**	**16,796**

**Visiting friends and relatives*
Source: Tourism Research Australia; Urbis

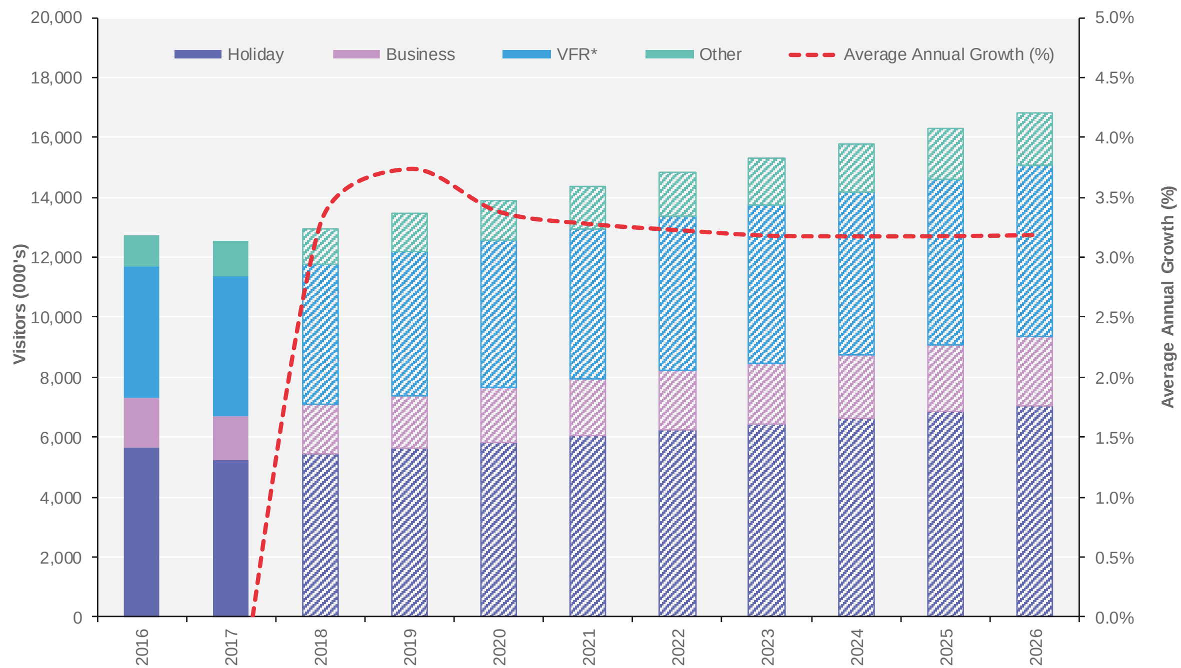
SYDNEY TOURISM MARKET – WESTERN SYDNEY FORECASTS

KEY FINDINGS

- As shown in Chart 4.3, per annum growth in visitation to Western Sydney is forecast to be below that of the Sydney Tourism Region overall, remaining fairly constant at 3.2-3.4%.
- As with the overall Sydney Tourism Region, the largest number of additional visitors is forecast in the holiday-visitor market segment. By 2026, Western Sydney is forecast to attract an additional 1.8 million holiday-visitors, reflecting average annual growth of 3.4% per annum.
- The business-visitor segment is also forecast to experience strong growth, with Western Sydney attracting an additional 826,000 business visitors each year by 2026. This represents an average annual growth rate of 5.0% per annum which is substantially higher than that of the Sydney Tourism Region's business-visitor segment (3.7% per annum). This is likely to be driven by the continuing development of the commercial, industrial and health districts in the west (i.e. Parramatta, Penrith, Liverpool, Blacktown, etc.).
- As with the overall Sydney Tourism Region, Western Sydney's Other market segment is forecast to grow at one of the fastest rates over the next nine years (4.5% per annum). However, it is forecast to increase by the lowest amount (an additional 571,000 visitors each year by 2026).
- It is also important to note that the development of facilities such as the Winter Sports Complex is likely to result in a degree of induced visitation which is not accounted for by these forecasts (i.e. developing tourist attractions, hotels and business conference facilities can attract visitors who would not otherwise visit Western Sydney).
- Overall, the significant holiday visitor growth forecast in Western Sydney will drive strong demand for tourist attractions in areas such as Penrith. While the growth projected in the business-visitor segment will also generate demand for hotel and conferencing facilities such as those proposed at the subject site.

FORECAST VISITATION BY REASON (000'S OF VISITORS) CHART 4.3

Western Sydney, 2016-26



Visiting friends and relatives

Source: Tourism Research Australia; Urbis

WINTER SPORTS WORLD VISITATION FORECASTS – MARKET SEGMENTS

KEY FINDINGS

- For the purposes of forecasting visitation to the proposed Winter Sports World, seven distinct market segments have been identified. These market segments represent the major markets from which the centre will derive visitation.
- The seven market segments are:
  - **Residents** – persons living in Greater/Western Sydney
  - **Business Daytrippers** – persons who will travel to Great/Western Sydney for the day for business reasons (i.e. conferences)
  - **Other Daytrippers** – persons who will travel to Great/Western Sydney for the day for leisure or other non-business reasons
  - **Domestic Business Overnight Visitors** – persons from other regions of Australia who will travel to Great/Western Sydney and stay overnight for business reasons (i.e. conferences)
  - **Other Domestic Overnight Visitors** – persons from other regions of Australia who will travel to Great/Western Sydney and stay overnight for leisure or other non-business reasons
  - **International Business Overnight Visitors** – persons from overseas who will travel to Great/Western Sydney and stay overnight for business reasons (i.e. conferences)
  - **Other International Overnight Visitors** – persons from overseas who will travel to Great/Western Sydney and stay overnight for leisure or other non-business reasons
- The current and future size of each of these market segments in Greater Sydney has been summarised in Table 5.1. It shows that Other Daytrippers currently represent the largest market segment and will remain the dominant segment over the next 10 years. Overall, the Greater Sydney market is estimated at 37 million persons in 2016 and forecast to grow to 43 million persons by 2021 and 48 million persons by 2025.
- Given the location of the subject site, the key market of relevance is that of Western Sydney as outlined in Table 5.2. The Western Sydney market is estimated at 15 million persons in 2016, growing to 17 million persons in 2021 and 19 million persons by 2025. This reflects an average annual growth rate of 2.7% per annum.
- Other Daytrippers represent the current and forecast largest market segment, followed by Residents and the Other Domestic Overnight Visitors.

WINTER SPORTS WORLD – POTENTIAL MARKET SEGMENTS TABLE 5.1

Greater Sydney, 2016-25

Segment	2016	2021	2025
Residents	4,694,400	5,119,400	5,461,290
Business Daytrippers	2,625,110	2,831,190	3,200,990
Other Daytrippers	17,842,130	19,906,040	21,567,070
Domestic Business Overnight Visitors	2,712,570	3,518,520	3,978,100
Other Domestic Overnight Visitors	6,134,230	7,346,220	7,929,980
International Business Overnight Visitors	362,310	431,030	489,280
Other International Overnight Visitors	2,966,360	4,110,300	5,197,790
TOTAL	**37,337,110**	**43,262,700**	**47,824,500**

WINTER SPORTS WORLD – POTENTIAL MARKET SEGMENTS TABLE 5.2

Western Sydney, 2016-25

Segment	2016	2021	2025
Residents	2,389,240	2,654,610	2,891,460
Business Daytrippers	1,037,070	1,131,270	1,281,110
Other Daytrippers	8,296,710	9,220,200	10,252,040
Domestic Business Overnight Visitors	576,770	714,690	871,040
Other Domestic Overnight Visitors	2,314,720	2,567,690	2,810,200
International Business Overnight Visitors	35,140	51,490	69,040
Other International Overnight Visitors	454,350	673,010	994,490
TOTAL	**15,104,000**	**17,012,960**	**19,169,390**

WINTER SPORTS WORLD VISITATION FORECASTS – BASE CASE

KEY FINDINGS

- Visitation forecasts for the proposed Winter Sports World under a Base Case scenario have been prepared by estimating and applying market shares to the seven market segments of Western Sydney outlined previously in Table 5.2.
- As this development represents the first of its kind in Australia, the estimated market shares shown in Table 5.3 should be considered indicative. They have been estimated based on the historical share of visitors to Sydney who attend theme / amusement parks during their stay, and assumptions regarding induced demand and the relative likelihood of persons in each market segment to attend the proposed centre. The resulting forecast visitation as a share of the overall market has then been checked against that of snow centres operating overseas.
- As shown in Table 5.3, the largest market shares are forecast in the other overnight visitor market segments (4%), followed by residents (2%) and business overnight visitors (1%). The lowest market shares are forecast in the daytripper markets (0.1%).
- The forecast visitation to the Winter Sports World is outlined in Table 5.4. In its first full year of operation (2021), the centre is forecast to achieve visitation of 200,600 persons. This is expected to increase to 231,000 visitors per annum by 2025, reflecting an increase of 15%. The forecast visitation is similar to that being achieved by Tamworth SnowDome in the UK.
- Other domestic overnight visitors are forecast to represent the largest visitor segment (49-51% of visitors), reflecting both the significant size of the market segment and the high estimated market share.
- Residents are forecast to account for 25-26% of total visitors and therefore represent the second-largest visitor segment.
- International business overnight visitors are expected to be the smallest visitor segment, accounting for only 500-700 visitors per annum. This primarily reflects the substantially smaller size of the market segment relative to the others.
- It should be noted that the Base Case forecasts are inherently conservative as they do not allow for visitation which would be induced by the creation of the centre.

INDICATIVE MARKET SHARES OF WESTERN SYDNEY – BASE CASE — TABLE 5.3

Winter Sports World

Segment	Market Share (%)
Residents	2.0%
Business Daytrippers	0.1%
Other Daytrippers	0.1%
Domestic Business Overnight Visitors	1.0%
Other Domestic Overnight Visitors	4.0%
International Business Overnight Visitors	1.0%
Other International Overnight Visitors	4.0%

FORECAST VISITATION – BASE CASE — TABLE 5.4

Winter Sports World, 2021-25

Market Segment	2021	2022	2023	2024	2025
Residents	53,100	54,200	55,400	56,600	57,800
Daytrip Visitors (Business)	1,100	1,200	1,200	1,200	1,300
Daytrip Visitors (Remainder)	9,200	9,500	9,700	10,000	10,300
Domestic Overnight Visitors (Business)	7,100	7,500	7,900	8,300	8,700
Domestic Overnight Visitors (Remainder)	102,700	105,100	107,500	110,000	112,400
International Overnight Visitors (Business)	500	600	600	600	700
International Overnight Visitors (Remainder)	26,900	29,700	32,700	36,100	39,800
TOTAL VISITORS	**200,600**	**207,800**	**215,000**	**222,800**	**231,000**

Source: ABS; Tourism Research Australia; NSW DPE; Urbis

WINTER SPORTS WORLD REVENUE FORECASTS – VISITOR SPENDING

KEY FINDINGS

- For the purposes of forecasting the potential revenue that could be generated by Winter Sports World, it has been necessary to estimate an average spend per visitor for each market segment. This has required assessing the average prices that could be charged at the centre.
- We have undertaken this assessment by reviewing the prices currently being charged at similar facilities and for similar services (i.e. hotel and conferencing).
- Table 6.1 outlines the admittance prices being charged at both other snow centres and at facilities located in Sydney which cater to a similar market. All prices are in 2017 Australian Dollars and adjusted for purchasing power where relevant (i.e. overseas facilities).
- As shown in Table 6.1, 1-2 hour lift passes at existing snow centres are priced from $25 up to $90 depending on the duration of the pass and the age of the purchaser. All days passes range in price from $49 up to $75. While this provides a valuable indication of the admittance prices that could potentially be achieved at Winter Sports World, it is important to also consider the competitive context of the proposed centre.
- Although Winter Sports World will provide a unique leisure experience for visitors, it is still likely to compete with other leisure facilities in Sydney such as Wet n Wild and the nearby Cables Wake Park. It is therefore necessary to consider the admittance prices charged at these facilities.
- All day passes at these facilities cost in the range of $22 to $99, while a 1-2 hour pass at Cables Wake Park is priced at $44-59. The client is planning on charging $69 for a 1 hour pass, $99 for a 2 hour pass, and $129 for a 4 hour pass to Winter Sports World. Therefore, we consider an appropriate average admittance price for the proposed centre to be $80 per person.
- Table 6.2 outlines the details of several existing hotel and conferencing establishments operating in Western Sydney. These range in size from 122 rooms up to 231 rooms, and charge hotel room prices of $130-380 per night. This pricing primarily reflects the quality of the hotel and its surrounding amenity. The Mercure Hotel at Penrith Panthers provides 222 rooms for $130-270 per night. Given the similar market pitch, we have assumed an average room rate of $250 per night, and an average occupancy rate of 70%, at the proposed centre.
- Conferencing packages at these establishments generally fall in the range of $65-69 per person, while the Penrith Panthers club offers packages from $55 per person. The client is planning on charging $99 per person for conferences at Winter Sport World which we consider this to be a reasonable average conferencing package price, though notably at the upper end.
- We have also assumed that each visitor will spend an average of $20 on food and beverages during their visit to the centre. This amount has been increased for hotel guests ($40) and reduced for conference attendees ($5) as they will receive catering as part of their conference package (refer to the appendix for further details).

ADMITTANCE PRICES ($2017 AUD) TABLE 6.1

Comparable Facilities, 2017

Snow Centres	1-2 Hour Pass	All Day Pass	Other
Tamworth SnowDome	$58-90	-	-
Snow Factor	$45-73	$64-75	-
Chill Factore	$32-56	-	-
Snowplanet	$35-46	$49-69	-
SnowWorld	$25-50	$54-64	-
Nearby Facilities			
Cables Wake Park	$44-59	$74-99	-
Wet n Wild Sydney	-	$59-69	-
Luna Park Sydney	-	$22-52	-
iFLY Downunder	-	-	$109-149

Source: Various websites; Urbis

ACCOMMODATION AND CONFERENCING PRICES ($2017) TABLE 6.2

Western Sydney, 2017

Establishment	Hotel Rooms	Hotel Quality	Price Range*	Conference Package Prices
Penrith Panthers	222	4 Star	$130-270	From $55 per person
Atura Blacktown	122	4 Star	$140-260	From $69 per person
Rydges Parramatta	151	4 Star	$180-380	From $67 per person
Mantra Parramatta	231	4 Star	$170-340	From $65 per person
Novotel Sydney Parramatta	194	4.5 Star	$170-350	From $68 per person
Parkroyal Parramatta	196	4.5 Star	$280-370	From $75 per person
Mercure Sydney Parramatta	164	4 Star	$180-290	From $65 per person
Holiday Inn Parramatta	181	4.5 Star	$140-340	From $69 per person
Novotel Sydney Olympic Park	177	4 Star	$180-380	From $79 per person

**Based on rates for two adults per night*

Source: Booking.com; www.sydneyhotelconferences.com/Venues-Parramatta-Homebush.htm; Urbis

WINTER SPORTS WORLD REVENUE FORECASTS – BASE CASE

KEY FINDINGS

- Table 6.3 outlines the estimated average spend per visitor for each of the seven market segments. These have been based on the pricing review detailed previously, in addition to assumptions regarding hotel occupancy, conference attendance and spending on food and beverages. An explanation of the methodology used to estimate these figures is provided in the Appendix.
- As shown in the table, overnight business visitors are forecast to spend the most on a per visitor basis at approximately $277 per visitor. This reflects the potential for visitors in this market segment to also attend conferences at the centre and stay at the on site hotel.
- As detailed in the appendix, we have assumed 20% of these overnight business visitors will attend the snow centre only, 10% will also attend a conference during their visit, 5% are assumed to also stay overnight at the on site hotel, and 65% are assumed to both attend a conference and stay at the on site hotel during their visit. On average, this results in a per visitor spend of $277.
- Other overnight visitors are forecast to spend the second-highest amount on a per visitor basis ($215 per visitor). While some of these visitors will also stay at the hotel, they are considered less likely to attend conferences at the centre and therefore will spend less, on average, than overnight business visitors.
- The other daytripper market segment is forecast to have the lowest average spend at $100 per visitor.
- The estimated average spend per visitor for each market segment has then been applied to the forecast visitation from each market segment to provide an indicative forecast of the gross revenue that could be achieved by Winter Sports World in its first five years of operation (in constant $2017 dollars).
- In its first full year of operation (2021), the centre is forecast to generate over $36 million in annual revenue. This is projected to increase to $42 million per annum by 2025.
- Between 517% and 61% of forecast revenue is attributable to other domestic overnight visitors, while 14-15% is accounted for by residents and 16-20% will be generated by other international overnight visitors. In total, these three visitor segments are estimated to account for 91% of annual revenue.
- Applying an indicative gross margin of 90% (based on the financial performance of SnowWorld in the Netherlands), yields an indicative gross profit of $32.7 million in 2021, growing to $38.1 million by 2025 in $2017 constant dollars.

ESTIMATED AVERAGE SPEND PER VISITOR ($2017) TABLE 6.3

Winter Sports World

Market Segment	Average Spend Per Visitor
Residents	$102
Daytrip Visitors (Business)	$142
Daytrip Visitors (Remainder)	$100
Domestic Overnight Visitors (Business)	$277
Domestic Overnight Visitors (Remainder)	$215
International Overnight Visitors (Business)	$277
International Overnight Visitors (Remainder)	$215
TOTAL	**$181**

Source: ABS; Tourism Research Australia; NSW DPE; Urbis

INDICATIVE REVENUE FORECAST – BASE CASE ($2017) TABLE 6.4

Winter Sports World, 2021-25

Market Segment	2021	2022	2023	2024	2025
Residents	$5,400,900	$5,512,800	$5,634,900	$5,756,900	$5,879,000
Daytrip Visitors (Business)	$155,700	$169,800	$169,800	$169,800	$184,000
Daytrip Visitors (Remainder)	$915,400	$945,300	$965,200	$995,000	$1,024,900
Domestic Overnight Visitors (Business)	$1,965,400	$2,076,100	$2,186,900	$2,297,600	$2,408,300
Domestic Overnight Visitors (Remainder)	$22,035,100	$22,550,000	$23,064,900	$23,601,300	$24,116,300
International Overnight Visitors (Business)	$138,400	$166,100	$166,100	$166,100	$193,800
International Overnight Visitors (Remainder)	$5,771,600	$6,372,400	$7,016,000	$7,745,500	$8,539,400
GROSS REVENUE	**$36,382,500**	**$37,792,500**	**$39,203,800**	**$40,732,200**	**$42,345,700**
Indicative Gross Margin	*90%*	*90%*	*90%*	*90%*	*90%*
Indicative Gross Profit	**$32,744,300**	**$34,013,300**	**$35,283,400**	**$36,659,000**	**$38,111,100**
Indicative Net Margin	*15%*	*15%*	*15%*	*15%*	*15%*
Indicative Net Profit	**$5,457,375**	**$5,668,875**	**$5,880,570**	**$6,109,830**	**$6,351,855**

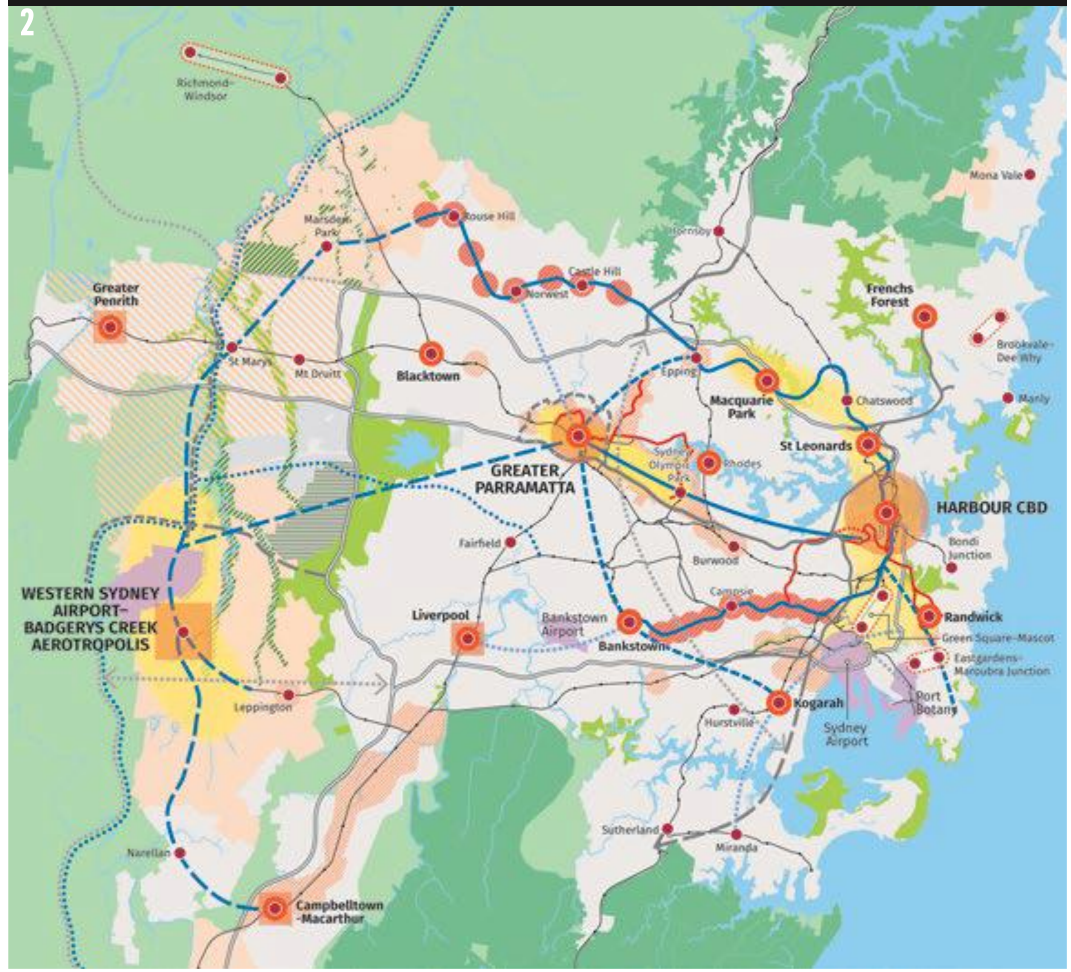
Source: ABS; Tourism Research Australia; NSW DPE; SnowWorld; Urbis

WINTER SPORTS WORLD VISITATION AND REVENUE – UPLIFT POTENTIAL

KEY FINDINGS

- There are several opportunities to increase the visitation and revenue that could be achieved by the Winter Sports World.
- The first opportunity is for the on site hotel and conferencing facilities to cater to visitors who will not also attend the snow centre. This would require effective marketing and would allow the hotel to achieve higher occupancy rates than if it were to only rely on visitors who were there to attend the centre.
- Another key opportunity for Winter Sports World is the proposed Western Sydney Airport at Badgerys Creek, only 20 km driving distance from the subject site (refer Map 2). Construction is due to commence in late 2018 with the airport expected to commence operations by 2026.
- The airport is expected to generate significant employment and economic activity in Western Sydney, and further drive population growth in the western priority growth area.
- In its first five years (2026-31), the airport is forecast to service approximately 5 million passengers per annum. This is anticipated to grow to 10 million passengers per year from 2031 onwards.
- Winter Sports World stands to benefit from both the increased population growth in Western Sydney driven by the airport, in addition to the improved access to domestic and international visitor markets. There is strong potential for Winter Sports World to experience an uplift in visitation and revenue post-2026 due to the opening of the airport.
- The third key opportunity for the Winter Sports World is the potential for the centre to host professional and amateur athletes who would use the centre as a training venue.
- Due to Australia's short and unpredictable snow season, Australia's professional snow sports athletes currently have to train overseas in Chile and Argentina during the winter before moving to Europe for the summer. Winter Sports World would present a year-round alternative where athletes can undertaken fundamentals training in a highly controlled environment.
- Hosting these professional athletes would raise the profile of the centre which has the potential to result in an uplift in visitation from the amateur athlete and general visitor markets.
- This is expected to be a growing market following the Australian Government's commitment of a $5.2 million boost to winter sports funding in June 2017. The increased funding of winter sports, and improving performance Australian winter sports athletes in recent years, is likely to lead to an increased interest in winter sports at a casual, amateur and professional level in Australia.

WESTERN SYDNEY AIRPORT – GEOGRAPHICAL CONTEXT MAP 2



WINTER SPORTS WORLD VISITATION FORECASTS – HIGH CASE

KEY FINDINGS

- In addition to the Base Case visitation and revenue forecasts, we have also prepared forecasts under a High Case scenario.
- This High Case reflects the uplift potential noted previously, and accounts for induced demand (i.e. increased visitation to Sydney due to the establishment of Winter Sports World), higher demand from the corporate market, increased hotel occupancy, and a stronger focus on the athlete market.
- The forecast visitation to Winter Sports World under the High Case is outlined in Table 7.1. In its first full year of operation (2021), the centre is forecast to achieve visitation of 235,300 persons, increasing to 270,200 visitors per annum by 2025. This reflects an uplift of 17-20% over the Base Case visitation forecast.
- Approximately 27% of this uplift over the Base Case is estimated to be attributable to the business-visitor market, while the remaining 73% will be a result of induced demand and greater visitation from the athlete market. The significant uplift attributable to induced demand reflects that Winter Sports World will provide a wholly unique offer that will be the first of its kind in Australia. As such, it has the potential to act as 'magnetic infrastructure', drawing new visitors to Western Sydney.
- As with the Base Case, other domestic overnight visitors are forecast to represent the largest visitor segment (43-45% of visitors). While residents are still forecast to account for the second-largest share, this share is slightly higher than the Base Case at 27-28% of total visitors.
- The higher visitation forecast under the High Case consequently yields a higher revenue forecast as shown in Table 7.2. The centre is forecast to generate around $42 million in annual revenue in its first year of operation, growing to $48 million per annum by 2025. This reflects a 14-15% uplift on the revenue forecast under the Base Case.
- Applying an indicative gross margin of 90% (based on the financial performance of SnowWorld in the Netherlands), yields an indicative gross profit of $37.5 million in 2021, increasing to $43.6 million by 2025 in $2017 constant dollars.

FORECAST VISITATION – HIGH CASE — TABLE 7.1

Winter Sports World, 2021-25

Market Segment	2021	2022	2023	2024	2025
Residents	66,400	67,800	69,300	70,800	72,300
Daytrip Visitors (Business)	2,300	2,300	2,400	2,500	2,600
Daytrip Visitors (Remainder)	18,400	19,000	19,500	20,000	20,500
Domestic Overnight Visitors (Business)	14,300	15,000	15,800	16,600	17,400
Domestic Overnight Visitors (Remainder)	105,300	107,800	110,200	112,700	115,200
International Overnight Visitors (Business)	1,000	1,100	1,200	1,300	1,400
International Overnight Visitors (Remainder)	27,600	30,400	33,600	37,000	40,800
TOTAL VISITORS	**235,300**	**243,400**	**252,000**	**260,900**	**270,200**

Source: ABS; Tourism Research Australia; NSW DPE; Urbis

INDICATIVE REVENUE FORECAST – HIGH CASE ($2017) — TABLE 7.2

Winter Sports World, 2021-25

Market Segment	2021	2022	2023	2024	2025
Residents	$6,753,700	$6,896,100	$7,048,700	$7,201,200	$7,353,800
Daytrip Visitors (Business)	$325,500	$325,500	$339,700	$353,800	$368,000
Daytrip Visitors (Remainder)	$1,830,800	$1,890,500	$1,940,300	$1,990,000	$2,039,800
Domestic Overnight Visitors (Business)	$3,958,500	$4,152,300	$4,373,700	$4,595,200	$4,816,600
Domestic Overnight Visitors (Remainder)	$22,592,900	$23,129,300	$23,644,200	$24,180,600	$24,717,000
International Overnight Visitors (Business)	$276,800	$304,500	$332,200	$359,900	$387,500
International Overnight Visitors (Remainder)	$5,921,800	$6,522,500	$7,209,100	$7,938,600	$8,753,900
GROSS REVENUE	**$41,660,000**	**$43,220,700**	**$44,887,900**	**$46,619,300**	**$48,436,600**
Indicative Gross Margin	*90%*	*90%*	*90%*	*90%*	*90%*
Indicative Gross Profit	**$37,494,000**	**$38,898,600**	**$40,399,100**	**$41,957,400**	**$43,592,900**
Indicative Net Margin	*15%*	*15%*	*15%*	*15%*	*15%*
Indicative Net Profit	**$6,249,000**	**$6,483,105**	**$6,733,185**	**$6,992,895**	**$7,265,490**

Source: ABS; Tourism Research Australia; NSW DPE; SnowWorld; Urbis

ECONOMIC BENEFIT ASSESSMENT – METHODOLOGY

METHODOLOGY

- Property development projects provide economic benefits to a local economy and wider region during both the construction and development phase, and during the ongoing operation or working life of the project. Direct economic benefits during the development phase are identified in the form of expenditure, economic growth and employment benefits. These direct benefits in turn generate flow-on (multiplier or indirect) benefits which also benefit the regional and state economies.
- The Economic Benefit Assessment (EBA) uses REMPLAN to model the potential economic benefits associated with the proposed development. REMPLAN is an Input-Output model that captures inter-industry relationships within an economy. It can assess the area-specific direct and flow-on implications across industry sectors in terms of employment, wages and salaries, output and value-added (Gross State Product).
- REMPLAN base data is drawn from the Australian Bureau of Statistics (ABS) and other government agencies. It provides highly reliable, up-to-date, and defensible economic modelling across any state or region in Australia.
- Previous modelling of economic impacts have used ABS Input-Output tables from 1996-97. These multipliers are close to 20 years old and are less accurate in estimating impacts on the economy, particularly due to:
  - Productivity changes throughout the economy over the past 20 years; and
  - The changing industry make-up of the Australian economy since 1997 – for example the decline in manufacturing and the rise in financial services.

- Input-Output multipliers are typically referred to as either Type 1 or Type 2.
  - **Type 1 multipliers** measure the industry response to a project, including initial impact from the primary industry and the relevant support from other industries. The initial impact consists of the employment and value added directly generated in the industry that associates specifically to the project. The industry support captures flow-on effects that occur as the industry that is finally impacted on changes its demand for inputs required from other industries. These industries will in turn respond by changing their input demands leading to additional activity and so on.
  - **Type 2 multipliers** measure the industrial response, plus the consumption-induced response. The consumption-induced effects represent changes in consumption by the household sector in response to income changes resulting from a project. For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.

- The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:
  - **Expenditure Generation** – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value-added expenditure impacts to the regional and state economies during both the development and operating phases; and
  - **Employment Creation** – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry benchmarks and regional employment multipliers for New South Wales.

ECONOMIC BENEFIT ASSESSMENT – DEVELOPMENT PHASE

KEY FINDINGS

- Direct economic benefits during the development phase are identified in the form of employment and value-added benefits. These direct benefits, in turn, generate flow-on (multiplier or indirect) benefits which also benefit the regional and state economies.

Project Expenditure

- Total expenditure estimates for the proposed development have provided by the architects of the proposed centre – Environa Studio (refer Table 8.1).
- This development is estimated to generate approximately $204.8 million of direct expenditure (Output) to the local region and state over the development period.

Employment Benefits

- New jobs will be supported during the development phase by the direct expenditure on the proposed development. The direct and indirect employment benefits are shown below:
  - Direct Jobs = 230
  - Indirect Jobs = 666
  - Total Jobs = 896

Value-Added Benefits (constant $2017 dollars)

- Value-added benefits (Gross State Product) will be generated from the direct expenditure incurred on the proposed development. Value-added essentially represents economic growth for the region and state. The direct and indirect value-added benefits are shown below:
  - Direct Value-Added = $45.9 million
  - Indirect Value-Added = $99.1 million
  - Total Value-Added = $145.0 million

ESTIMATED PROJECT EXPENDITURE TABLE 8.1

Component	Estimated Cost ($M)
Recreation Facilities	$75.8
Gymnasium	$0.9
Hotel and Conferencing	$47.9
Food and Beverage Retail	$4.0
Other	$76.2
TOTAL	**$204.8**

Source: Environa Studio; Urbis

TOTAL ECONOMIC BENEFITS – DEVELOPMENT PHASE TABLE 8.2

	Direct	Indirect	Total
Employment (Jobs)	230	666	896
Value-added ($M)	$45.9	$99.1	$145.0

Source: Environa Studio; REMPLAN; Urbis

ECONOMIC BENEFIT ASSESSMENT – OPERATING LIFE

KEY FINDINGS

- In addition to economic benefits that are generated during the development of the proposed Winter Sports World, there will be ongoing economic benefits created through the operation of the facilities on the site. These benefits include growth in employment and value-added (Gross State Product).
- The potential direct and indirect value-added and employment estimated to be supported by the ongoing operation of the proposed development is outlined in Table 8.3 and 8.4.

Employment Benefits

- The ongoing operation of the proposed centre will directly and indirectly support new jobs in the local region and state. The direct and indirect employment benefits are shown below:
  - Direct Jobs = 499
  - Indirect Jobs = 260
  - Total Jobs = 759

Value-Added Benefits (constant $2017 dollars)

- Once operational, the proposed Winter Sports World will generate ongoing additional value-added via annual contributions to Gross State Product (GSP). This represents economic activity which would otherwise not have occurred.
- Value-Added Benefits (2021+):
  - Direct Value-Added = $36.9 million per annum
  - Indirect Value-Added = $38.0 million per annum
  - Total Value-Added = $74.9 million per annum

DIRECT EMPLOYMENT – OPERATING LIFE — TABLE 8.3

Component	Size	Sq.m per Employee	Jobs
Recreation Facilities	18,475 sq.m	65	284
Gymnasium	210 sq.m	38	6
Hotel	170 rooms	1.66	102
Restaurant/Conference Facilities	1,264 sq.m	27	47
Other Food and Beverage Retail	953 sq.m	16	60
Total			**499**

Source: Environa Studio; Urbis

TOTAL ECONOMIC BENEFITS – OPERATING LIFE — TABLE 8.4

	Direct	Indirect	Total
Employment (Jobs)	499	260	759
Value-added ($M)	$36.9	$38.0	$74.9

Source: Environa Studio; REMPLAN; Urbis

SUMMARY OF FORECASTS

KEY FINDINGS

- The potential visitation that could be achieved, and revenue that could be generated, by the proposed Winter Sports World has been forecast under a Base Case and a High Case scenario.
- The Base Case reflects a conservative forecast while the High Case provides an indication of the level of visitation and revenue that could potentially be achieved if the opportunities for uplift are realised.
- Under the Base Case, Winter Sports World is forecast to attract 200,600 visitors in its first year of operation (i.e. 2021), yielding gross revenue of $36.4 million and indicative gross profit of $32.7 million.
- By 2025, the centre is forecast to achieve annual visitation of 231,000 persons. This increased visitation is projected to drive up gross revenue to reach $42.3 million and indicative gross profit to reach $38.1 million per annum.
- Under the High Case, Winter Sports World is forecast to achieve visitation of 235,300 persons in 2021, growing to 270,200 persons by 2025. This reflects a 17-20% uplift on the Base Case.
- The higher visitation forecast also results in a higher revenue forecast with an estimated gross revenue of $41.7 million in 2021. This is projected to increase to $48.4 million by 2025. Similarly, indicative gross profit is forecast to grow from $37.5 million in 2021 to reach $43.6 million in 2025. This represents uplift of 14-15% over the Base Case revenue forecast.
- We have also estimated, in a quantified method, the future economic benefits that will be generated by the proposed Winter Sports World development in terms of employment and economic growth (value-added) both during the development phase and on an ongoing operating basis.
- An additional 896 direct and indirect jobs are estimated to be supported during the development period. This will contribute a total of $145.0 million in value-added to the NSW economy (constant $2017 dollars).
- Once complete, the development is estimated to support a total of 759 direct and indirect jobs across the local region and state, and contribute $74.9 million in value-added to the NSW economy each year (constant $2017 dollars).

VISITATION AND REVENUE – BASE CASE (CONSERVATIVE) — TABLE 9.1

	Unit	2021	2022	2023	2024	2025
Visitation	*persons*	200,600	207,800	215,000	222,800	231,000
Gross Revenue	*$M*	$36.4	$37.8	$39.2	$40.7	$42.3
Indicative Gross Profit	*$M*	$32.7	$34.0	$35.3	$36.7	$38.1
Indicative Net Profit	*$M*	$5.5	$5.7	$5.9	$6.1	$6.4

Source: ABS; Tourism Research Australia; NSW DPE; SnowWorld; Environa Studio; REMPLAN; Urbis

VISITATION AND REVENUE – HIGH CASE (POTENTIAL) — TABLE 9.2

	Unit	2021	2022	2023	2024	2025
Visitation	*persons*	235,300	243,400	252,000	260,900	270,200
Gross Revenue	*$M*	$41.7	$43.2	$44.9	$46.6	$48.4
Indicative Gross Profit	*$M*	$37.5	$38.9	$40.4	$42.0	$43.6
Indicative Net Profit	*$M*	$6.2	$6.5	$6.7	$7.0	$7.3

Source: ABS; Tourism Research Australia; NSW DPE; SnowWorld; Environa Studio; REMPLAN; Urbis

ECONOMIC BENEFITS — TABLE 9.3

Development Phase

	Direct	Indirect	Total
Employment (Jobs)	230	666	896
Value-added ($M)	$45.9	$99.1	$145.0

Operating Life

	Direct	Indirect	Total
Employment (Jobs)	499	260	759
Value-added ($M)	$36.9	$38.0	$74.9

Source: Environa Studio; REMPLAN; Urbis

APPENDIX
REVENUE FORECASTING METHODOLOGY

APPENDIX – REVENUE FORECASTING METHODOLOGY

EXPLANATION

- To estimate the indicative revenue forecasts, we have assumed base prices for admission, food and beverage spending, hotel nights, and conferencing packages. These reflect how much an average visitor might spend on each item at the Winter Sports World.
- However, spending by visitors from the different market segments is likely to vary. This will primarily be driven by whether they are attending a conference or staying at the hotel while visiting the centre.
- We have therefore split the market segments based on whether they are likely to attend a conference and/or stay at the on site hotel when they visit Winter Sports World (refer Table A.2).
- For example, of all the domestic business overnight visitors to Winter Sports World, 10% are assumed to also attend a conference during their visit, 5% are assumed to also stay overnight at the on site hotel, and 65% are assumed to both attend a conference and stay at the on site hotel during their visit. Therefore, only 20% of domestic business overnight visitors are assumed to only attend the snow centre during their visit.

AVERAGE SEND PER VISITOR – BASE PRICES TABLE A.1

	Average Spend per Visitor (Base Prices)
Snow Centre Admission	$80
Food and Beverage	$20
Hotel	$250
Conference	$99

ASSUMED LIKELIHOOD OF ATTENDING CONFERENCES / STAYING AT HOTEL TABLE A.2

	Attend Conference	Stay at On Site Hotel	Attend Conference and Stay at On Site Hotel
Residents	5%	0%	0%
Daytrip Visitors (Business)	95%	0%	0%
Daytrip Visitors (Remainder)	0%	0%	0%
Domestic Overnight Visitors (Business)	10%	5%	65%
Domestic Overnight Visitors (Remainder)	0%	46%	0%
International Overnight Visitors (Business)	10%	5%	65%
International Overnight Visitors (Remainder)	0%	46%	0%

APPENDIX – REVENUE FORECASTING METHODOLOGY

EXPLANATION

- In addition to the different market segments spending differing amounts on the different items, there is also likely to be discounts offered when visitors stay at the hotel or attend a conference.
- Table A.3 therefore outlines the assumed variations from base prices which reflects different spending habits as well as potential discounting.
- It shows that visitors who are only attending the snow centre are assumed to pay 100% of the base price for admission (=$80) and 100% of the base price for food and beverages (=$20).
- In comparison, visitors who will also stay at the hotel during their visit to the snow centre are assumed to pay 100% of the base price for their hotel stay (=$250) but will receive a 25% discount on their admission to the snow centre (=$60 spend). However, given these visitors will spend at least two days at the centre, they are assumed to pay 200% of the base price for food and beverages (=$40).
- Similarly, visitors who are attending a conference during their visit to the snow centre are assumed to pay 100% of the base price for their conference (=$99) but will receive a 50% discount on their admission to the snow centre (=$40). Additionally, as these visitors are likely to receive catering as part of their conference package, they are assumed to only pay 25% of the base price for food and beverages (=$5).

ASSUMED VARIATIONS FROM BASE PRICES — TABLE A.3

	Admission	Food and Beverage	Hotel	Conference
Snow Centre Only	100%	100%	0%	0%
Snow Centre + Hotel Stay	75%	200%	100%	0%
Snow Centre + Conference	50%	25%	0%	100%
Snow Centre + Hotel Stay + Conference	50%	100%	75%	100%

APPENDIX – REVENUE FORECASTING METHODOLOGY

EXPLANATION

- Based on the assumptions regarding likelihood to attend conferences and stay at the hotel, and the assumed variations from base prices, Table A.4 provides the indicative weighted average spend for visitors from each market segment.
- A summarised version of this table (containing only the totals) appears in the body of this report as Table 6.3.
- These weighted average spend figures have been applied to the visitation forecast for each market segment to provide an indicative forecast of the revenue that could potentially be generated by the proposed centre.

AVERAGE SPEND BY MARKET SEGMENT — TABLE A.4

Market Segment		Average Spend ($) Admission	F&B	Hotel	Conferencing	TOTAL
Residents		$78	$19	$0	$5	**$102**
Snow Centre Only	*95%*	$80	$20	$0	$0	$100
Conference	*5%*	$40	$5	$0	$99	$144
Daytrip Visitors (Business)		$42	$6	$0	$94	**$142**
Snow Centre Only	*5%*	$80	$20	$0	$0	$100
Conference	*95%*	$40	$5	$0	$99	$144
Daytrip Visitors (Remainder)	*100%*	$80	$20	$0	$0	**$100**
Domestic Overnight Visitors (Business)		$49	$20	$134	$74	**$277**
Snow Centre Only	*20%*	$80	$20	$0	$0	$100
Hotel Stay	*5%*	$60	$40	$250	$0	$350
Conference	*10%*	$40	$5	$0	$99	$144
Hotel Stay + Conference	*65%*	$40	$20	$188	$99	$346
Domestic Overnight Visitors (Remainder)		$70	$29	$115	$0	**$215**
Snow Centre Only	*54%*	$80	$20	$0	$0	$100
Hotel Stay	*46%*	$60	$40	$250	$0	$350
International Overnight Visitors (Business)		$49	$20	$134	$74	**$277**
Snow Centre Only	*20%*	$80	$20	$0	$0	$100
Hotel Stay	*5%*	$60	$40	$250	$0	$350
Conference	*10%*	$40	$5	$0	$99	$144
Hotel Stay + Conference	*65%*	$40	$20	$188	$99	$346
International Overnight Visitors (Remainder)		$70	$29	$115	$0	**$215**
Snow Centre Only	*54%*	$80	$20	$0	$0	$100
Hotel Stay	*46%*	$60	$40	$250	$0	$350

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