



16 GEORGE STREET MARULAN HOTEL / MOTEL & BOTTLE SHOP

Economic Impact Assessment

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This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature		Dated	23/12/20
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INTRODUCTION

1.0 INTRODUCTION

1.1 Background

DIB Group Pty Ltd are submitting a Planning Proposal seeking to amend the LEP to allow for additional uses on 16 George Street Marulan (the subject site) adjacent to the existing truck stop. The purpose of the LEP amendment is to allow for future developments including a new hotel, motel and bottle shop. The Planning Proposal may also seek to allow for additional food and drink services, but the impacts of such use in this report have only been considered on a high level and not quantified in detail.

1.2 Purpose of the study

HillPDA was commissioned by DIB Group Pty Ltd to prepare an Economic Impact Assessment (the 'Study') to analyse the likely economic impacts of the development proposal.

The objectives of this Study are as follows:

- Consider the statutory planning objectives, economic drivers and competitive landscape in respect of the proposal. This is to develop a more detailed understanding of the need and appropriateness of the proposed development. As part of addressing this objective the impact on the existing Marulan Town Centre is also considered
- Assess the economic impacts of the proposed development in the locality.

1.3 Assessment methodology and structure

The conclusions and recommendations of this Assessment have been developed using the following methodology:

- **Chapter 2** reviews the Site, including location and regional context, as well as the specific site characteristics relevant to development of a highway service centre
- **Chapter 3** provides a summary overview of relevant strategies and state and local policies that relate to the Marulan locality
- **Chapter 4** analyses the existing and forecast demographics of Marulan, the local economy and the competitive context
- **Chapter 5** assesses the economic impacts of the proposed development
- **Chapter 6** provides an overall conclusion on the benefits of proposed development

SUBJECT SITE AND PROPOSAL

2.0 SUBJECT SITE AND PROPOSAL

This Chapter provides a description of the Subject Site, including location and regional context, as well as the specific site characteristics relevant to development.

2.1 Location and regional context

Marulan is located approximately 30km north of Goulburn towards Sydney along the Hume Highway. The Great Southern Railway Line passes through the town which has a staffed railway station with passenger rail services at similar frequencies to Goulburn Railway Station. The town of Marulan accommodated a population of 1,178 people as at the 2016 Census.

Several quarries, including hard rock and limestone, are located in the area surrounding the town. The limestone resources are recognised as significant to Australia's steel production, providing limestone to the Port Kembla Steel Works 130km to the north-east, and for general cement manufacture. Hard rock is extracted from quarries surrounding Marulan, supplying the Sydney construction industry. There are fuel stations located within the town, as well as along the Hume Highway to service trucks travelling north and south.

The tourism industry in Marulan is small with its main role being a rest stop town between the Capital Region and Sydney, but it does offer some heritage attraction. Its main event is the annual kite festival along with some other local community events around school holidays.

2.2 Subject Site

The subject site is No. 16 George Street, Marulan around 500 metres south west from the commercial core which is centred along George Street.

The subject site is strategically located at the southern entrance into Marulan off the Hume Highway Northbound Exit.

Surrounding development includes a truck stop with fuel and convenience retail and low density residential housing to the north east along George Street.

The subject site is currently zoned IN1 – General Industrial. Tourist and visitor accommodation is prohibited under this current zoning.

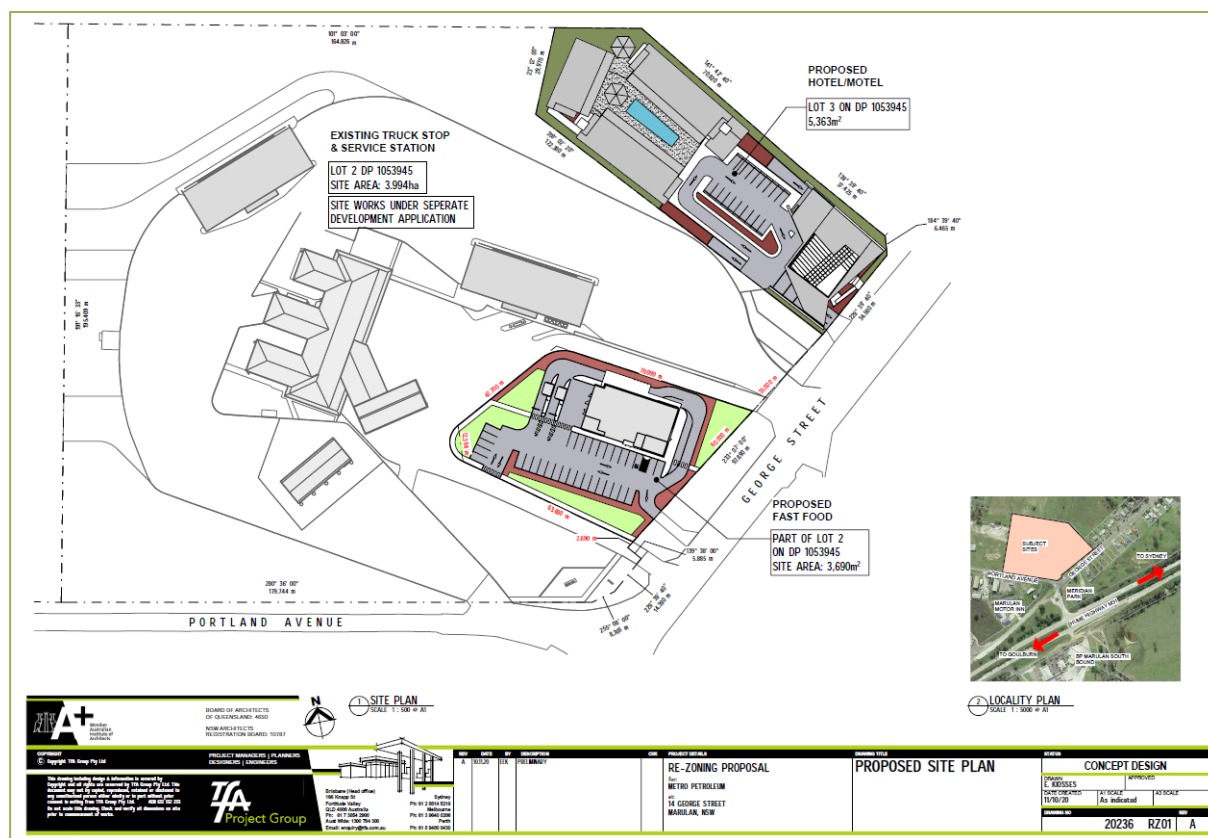
2.3 Proposed development

The planning proposal seeks to amend the LEP to allow for additional uses on the site including a new hotel, motel and bottle shop.

The components of the proposed development include:

- A hotel of 839sqm GFA plus roof top seating of 281sqm
- A bottle shop as part of the hotel
- A three level 48 room motel of 3,144sqm GFA.

Figure 1: Proposed Site Plan



Source: TFA Project Group

STRATEGIC POLICY CONTEXT

3.0 STRATEGIC POLICY CONTEXT

This chapter provides a summary overview of relevant strategies that relate to the Marulan locality.

3.1 NSW Making it Happen

The state plan titled 'NSW Making it Happen' contains 12 Premier's priorities and 18 state priorities being actioned by the NSW Government. The proposal is consistent with two Premier Priorities being:

- Creating jobs (150,000 by 2019). The proposal will make some contribution towards this target albeit a small contribution;
- Delivering Infrastructure: key metropolitan, regional and local infrastructure projects to be delivered on time and on budget. The bypass itself is a State Government infrastructure project but the proposed highway service centre provides an important addition to the bypass.

The proposed HSC is not inconsistent with any of the priorities of NSW.

The South East and Tablelands population is projected to increase by 45,450 people between 2016 and 2036. This section summarises the implications of existing State and Council policy and statutory instruments for the South east and tablelands regions.

The Premier of NSW released priorities that represent the commitment to making a significant difference to enhance the quality of life for the people of NSW, those directly relevant to this strategy are:

- **A connected and prosperous economy:** The diverse economy of the South east and tablelands region is underpinned by its connections to Sydney and Canberra. Access to global gateways like Canberra Airport and port of Eden provide regional exposure to international markets. The state government is working with local governments and communities across NSW to identify the improvements required to reach this goal. This priority highlights the need for an efficient transport network, healthy natural environment, and robust connections between rural and regional economic centres.
- **A diverse environment interconnected by biodiversity corridors:** Characterised by coastal lakes, Lagoons, wetlands, estuaries and protected waters the region is underpinned by the environmental, social and economic values of the landscapes. This strategic direction aims to protect and manage natural ecosystems and connect habitats.
- **Healthy and connected communities:** Home to some of the most diverse communities the region is rich in heritage characterised by its rural, alpine and coastal attributes. This priority highlights need for improvement in access to health and education, border connectivity, goods transportation connectivity, inclusive and safe communities and heritage.

The following sections detail the state and local level strategic and statutory plans and regulations and the key implications of each for this strategy.

3.2 South East and Tablelands Regional Plan 2036

The South East and Tablelands Regional Plan 2036 sets out a strategy to guide development in South East and Tablelands to 2036. The Regional Plan is a product of extensive consultation with councils, stakeholders and the wider community to produce a framework to guide the delivery of the identified regional vision.

The plan contains 3 strategic goals which establish the aspirations for the region over the next 19 years, each goal is translated into several directions. Of particular note for this report are the following directions:

- Objective 5: Promote agricultural innovation, sustainability and value-add opportunities
- Objective 10: Strengthen the economic self-determination of Aboriginal communities
- Objective 19: *Strengthen cross-border connectivity*
- Objective 20: Enhance access to goods and services by improving transport connections
- Objective 21: *Increase access to health and education services*
- Objective 22: *Build socially inclusive, safe and healthy communities*
- Objective 23: *Protect the region's heritage*
- Objective 28: *Manage rural lifestyles*

3.3 Guide for Establishing and Managing Night Time Economy Uses GEMNTE

The NSW Department of Planning, Industry and Environment has published a guide for establishing and managing night time economy uses. The guide is designed to act as “a guidance tool for entrepreneurs seeking to operate or owners wishing to expand existing day time businesses into the evening and night time economy. The Guide has an emphasis on promoting arts, music and culture given its positive effect on life in NSW.” In addition to outlining the basic steps in applying for the relevant permits to operate a business that would be classified within the night time economy, the guide includes a list of things to consider before lodging a Development Application. The list includes reference to:

- Evaluating proximity to neighbours and potential amenity impacts (such as noise impacts);
- Evaluating potential community impacts, including local crime rates and trends; and
- Preparing a Plan of Management for the proposed venue.



3.4 Local Plans

This section summarises policy set by Local Government highlighting relevant actions, strategies and implications for Goulburn Mulwaree LGA in relation to social infrastructure.

3.4.1 Goulburn Mulwaree Local Strategic Planning Statement 2020

The Goulburn Mulwaree LSPS sets out a 20 year vision for land use in LGA identifying what Council preserve, and how growth and change will be managed into the future. The strategic priorities within the LSPS most relevant to the proposal aim to increase the attractiveness of the LGA to tourists and potential residents and increase employment opportunities within existing centres:

- Planning Priority 2: City, Town and Village Centres
 - Actions:
 - › Promotion of Goulburn Mulwaree as a destination
- Planning Priority 6: Industry and Economy
 - Challenges for land use

- › Local employment is available for a growing population, opportunities to attract employment generating business need to be maximised.
- › Shortage of short term accommodation for fly in fly out (FIFO) workers and medical personnel.
- Actions:
 - › Promoting Goulburn Mulwaree as a destination for tourism.
- Strategies:
 - › Jointly develop appropriate tourism opportunities and promote the region as a destination

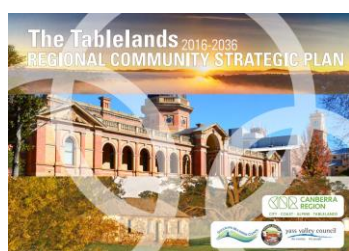
The proposal will increase the employment opportunities within Marulan both during construction and operation, it will increase available tourist accommodation in the town and the LGA, while also providing an additional venue within the town socialisation, recreation and provision of food services.

3.4.2 Goulburn Employment Land Strategy

The Employment Land Strategy was prepared to provide a framework for the development and use of employment land within the LGA over the short (2021), medium (2027) and long term (2038). The preparation of the strategy was undertaken in consultation with a range of stakeholders across the LGA.

The strategy includes recommendations for Marulan, in particular. The site is not included in the main Industrial Precinct, which is the wider industrial area to the west of the site, nor is it included in the town centre business area or enterprise corridor. The strategy identifies a need to define the overall future character and function of Marulan and a need to ensure that employment land is developed in concert with local business in a way that capitalises on the town's locational strengths (e.g. location along the Hume Highway). With respect to the proposal, the strategy does not provide scope for commentary on its appropriateness, save identifying a general desire to drive complementary activity in the centre, while also highlighting the risk presented by the existing service station south of the site in attracting business away from the town centre.

3.4.3 Goulburn Mulwaree Regional Community Strategic Plan 2016-2036



The Goulburn Mulwaree Regional Community Strategic Plan 2016-2036 sets out the joint strategy of the Goulburn Mulwaree Council, Upper Lachlan

Shire Council and Yass Valley Council's to guide development in The Tablelands to 2036. The Regional Community Strategic Plan identifies the aspirations of the community through clear strategic priorities with all three councils sharing similar visions. The plan developed through extensive community, stakeholder and council engagement sets high level expected

outcomes and broad strategies to be implemented across relevant local governments. There are 5 identified strategic pillars which are broken down into multiple further strategies.

The primary strategic pillars relevant to this study are:

- *Economy*
- *Community*
- *Infrastructure*

THE LOCAL ECONOMY

4.0 THE LOCAL ECONOMY

This Chapter provides an overview of key demographic, employment and economic trends which are of relevance to the proposal.

Analysis for Marulan has been undertaken at the Statistical Area Level 2 known as Goulburn Region with comparisons made to the Capital Region and Regional NSW to highlight unique locational characteristics.

4.1 Resident population characteristics

Over the last ten years the population of Goulburn Region increased from 11,300 to 12,670 persons, representing an increase of 1,370 persons or an annual compound growth rate of 1.15%. Capital Region had a similar growth rate 1% over the same period. This growth is more than double Regional NSW.

Table 1: Population growth

Area	2006	2016	Growth	Average growth rate
Goulburn Region	11,300	12,670	1,370	1.15%
Capital Region	197,942	218,843	20,901	1.01%
Regional NSW	2,419,774	2,643,532	223,758	0.44%

Source: ABS time series data 2016

4.1.1 Household and family structure

Over the last ten years family households have remained the dominant household type (66% of households in 2016). However, this dominance has proportionally decreased over the period with 'lone person' households increasing. This is a trend reflected across the Regional NSW.

Family structure within Goulburn Region and Capital Region has remained relatively stable over the last ten years with 'couples no children' being the dominant family type followed by 'couples with children'.

4.1.2 Employment industries

As of 2016 there were 7,499 employed residents in the Goulburn Region, representing an increase of 493 from 2006 (7,006 employed residents).

Over this period, construction experienced significant growth in employment (141 jobs) becoming the dominant industry for employed Goulburn Statistical Area Level 2 (SA2) residents. The second fastest growing industry was Health Care and Social Assistance which experienced a growth of 113 jobs.

The Agricultural industry has remained a dominant employment industry for residents within the Goulburn Region, with it being the largest employment generator.

Table 2: Employed Goulburn residents by industry type

Top seven employment industries (2016)		Top seven growth industries (06-16)	
Industry	SA2	Industry	% growth
Agriculture, Forestry and Fishing	1,073	Construction	29%
Health Care and Social Assistance	626	Health Care and Social Assistance	23%
Public Administration and Safety	514	Other Services	16%
Construction	506	Education and Training	16%
Education and Training	427	Administrative and Support Services	16%
Retail Trade	398	Mining	15%
Accommodation and Food Services	326	Public Administration and Safety	15%

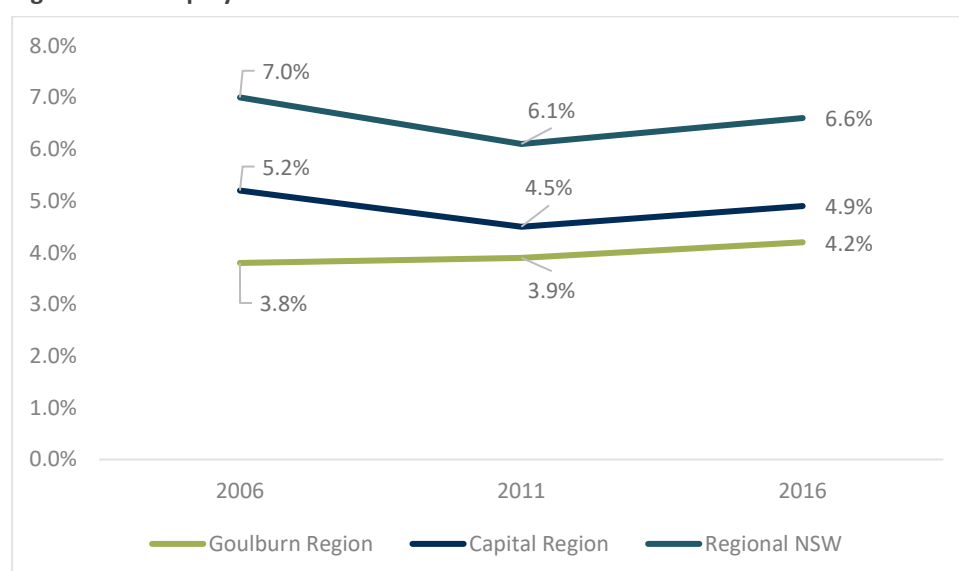
Source: ABS time series data 2016

4.1.3 Unemployment trends

The unemployment rate in the Goulburn Region has increased over the last ten years, from 3.8% in 2006 to 4.2% in 2016. This is reflective of the wider Capital Region from 2011. In comparison, the unemployment rate across Regional NSW was higher than that recorded in Goulburn Region and the Capital Region however it has decreased over the ten year period.

Of particular interest is the profile of those residents who are unemployed and actively seeking work. Of the 253 unemployed persons in the Goulburn Region as of 2016, a total of 153 people indicated that they were seeking full-time employment, while 103 people were seeking part-time employment.

Figure 3: Unemployment rate



Source: ABS time series data 2016

Full-time and part-time positions would be created by the new hotel and motel, providing additional employment opportunities for residents with a range of options that suit the employment preferences of the local labour force.

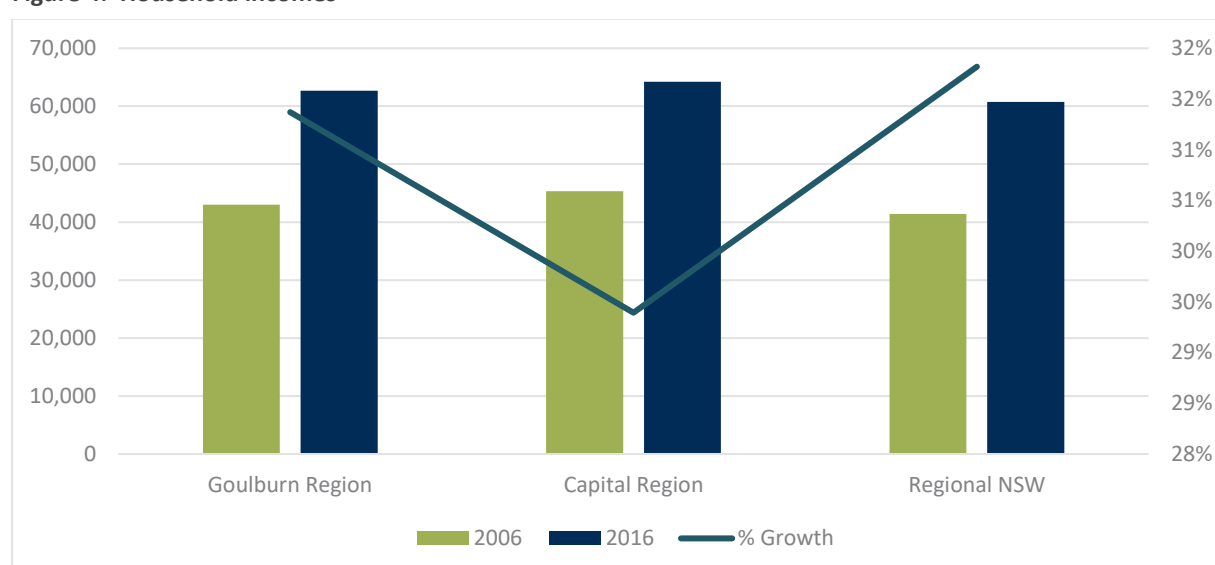
4.1.4 Household income

The average household income in the Goulburn Region has remained inline with the Capital Region and Regional NSW. As of 2016, the average household income in the Goulburn Region was around \$62,600, representing a \$19,600 or 31% increase over the last ten years.

This is compared to the Capital Region which had an average household income of around \$64,200 and regional NSW with \$60,750.

The higher household incomes in Capital Region suggests that residents have a greater proportion of disposable income that could be directed towards discretionary items.

Figure 4: Household incomes



Source: ABS time series data 2016

4.2 Economic trends

4.2.1 Employment

Marulan provided over 970 jobs in 2016, which represented 28% of all jobs across the Goulburn Region. Over the last five years employment in Marulan increased by 200 jobs or 20% with the majority of this being attributed to the industries of mining (130 jobs), construction (53 jobs) and Agricultural (24 jobs).

In the Marulan destination zone for employment the highest employment category in 2016 is Mining (183 jobs), followed by construction (155 jobs) then agriculture (115 jobs).

Employment to retail and accommodation has increase over the last five years and has remained one part of the top five industries for jobs in Marulan.

Table 3: Top seven employment industries (Marulan DNZ)

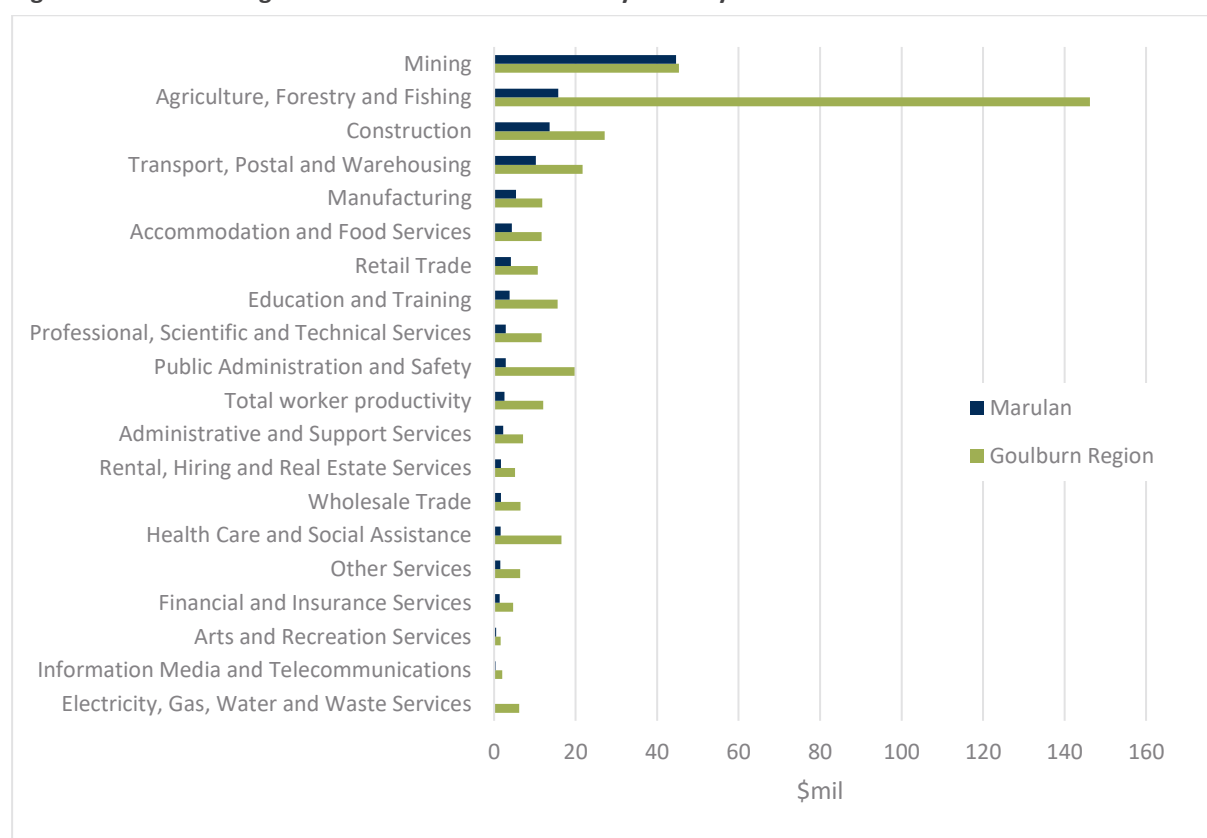
2016 Industry	2011	2016 Industry	2016
Manufacturing	121	Mining	183
Construction	102	Construction	155
Agriculture, Forestry and Fishing	91	Agriculture, Forestry and Fishing	115
Accommodation and Food Services	84	Accommodation and Food Services	87
Retail Trade	66	Retail Trade	71
Mining	53	Transport, Postal and Warehousing	62
Transport, Postal and Warehousing	53	Manufacturing	57

Source: Working Profile 2016

4.2.2 Gross value added

Of the total value added in the Goulburn Region economy of \$390 million of which Marulan contributes is \$121 million. It is estimated that tourism, retail trade and accommodation and food services contribute \$22 million or 2%.

Figure 5: Goulburn Region and Marulan value-added by industry



Source: Economy ID, ABS 2016

4.3 Marulan Town Centre

Marulan is located approximately 30km north of Goulburn towards Sydney along the Hume Highway. The Great Southern Railway Line passes through the town which has a staffed railway station with passenger rail services at similar frequencies to Goulburn Railway Station.

Several quarries, including hard rock and limestone, are located in the area surrounding the town. The limestone resources are recognised as significant to Australia's steel production, providing limestone to the Port Kembla Steel Works 130km to the north-east, and for general cement manufacture. Hard rock is extracted from quarries surrounding Marulan, supplying the Sydney construction industry. There are fuel stations located within the town, as well as along the Hume Highway to service trucks travelling north and south.

The recent increase in quarrying, while driving economic activity within Marulan, has placed the community and local infrastructure, in particular haulage routes, under increasing pressure.

The commercial core within Marulan Township is centred on the Hume Highway (exiting) down George Street. Along this stretch of road there are around 50 operating businesses which cater for the business and shopping needs of the local residents. Land uses within this area are comprised of small retail outlets including a post office, café and bakery, as well as larger depots for trucks and service-based industries.

The types and number of businesses located along George Street is shown in the figure below.

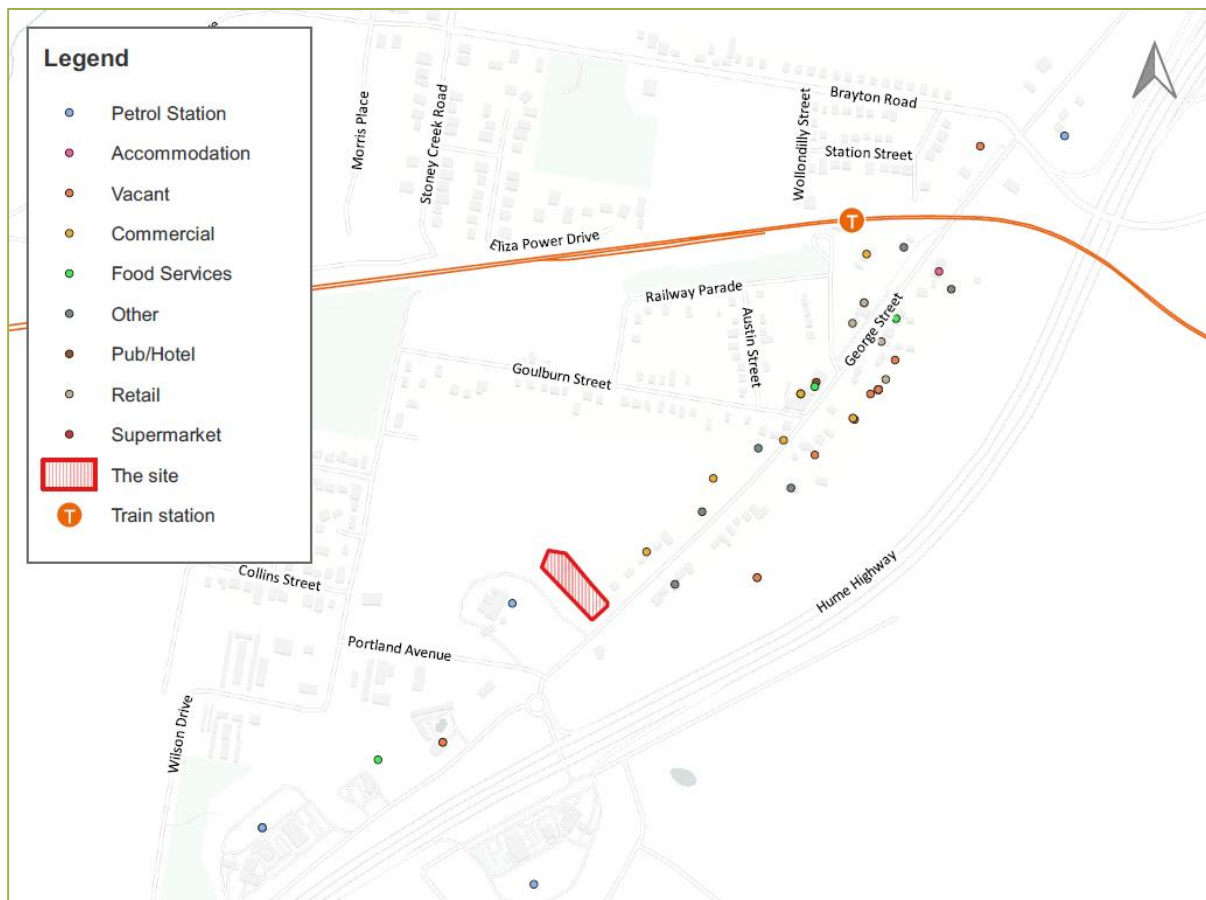
Table 4: Number and types of business in Marulan

Industry	Count	Floorspace (sqm)	%
Accommodation	3	36 Rooms	
Commercial	9	890	11%
Food Services	7	1,620	20%
Other	8	1,210	15%
Petrol Station	4	620	8%
Pub/Hotel	1	450	6%
Retail	8	1,014	13%
Supermarket	1	700	9%
Vacant	10	1,515	19%
Total	51	8,019	100%

Source: HillPDA Survey 2020

These businesses include 3 in accommodation, 7 restaurants/cafes/fast food premises, 8 retail and 4 service stations. The location of these businesses is provided in the following figure. Not included in the above table is a further 3 fast food businesses on the other side of the motorway primarily to serve south bound motorists.

Figure 6: Location of sensitive businesses



Source: HillPDA 2020

4.4 Transport

4.4.1 Road

The Hume and Federal Highways pass by Marulan and are the main freight and travel routes between Sydney, Canberra and Melbourne. Highway interchanges are located at the southern entrance to Goulburn and 3km to the south of Marulan village, facilitating access to several major quarries.

4.4.2 Rail

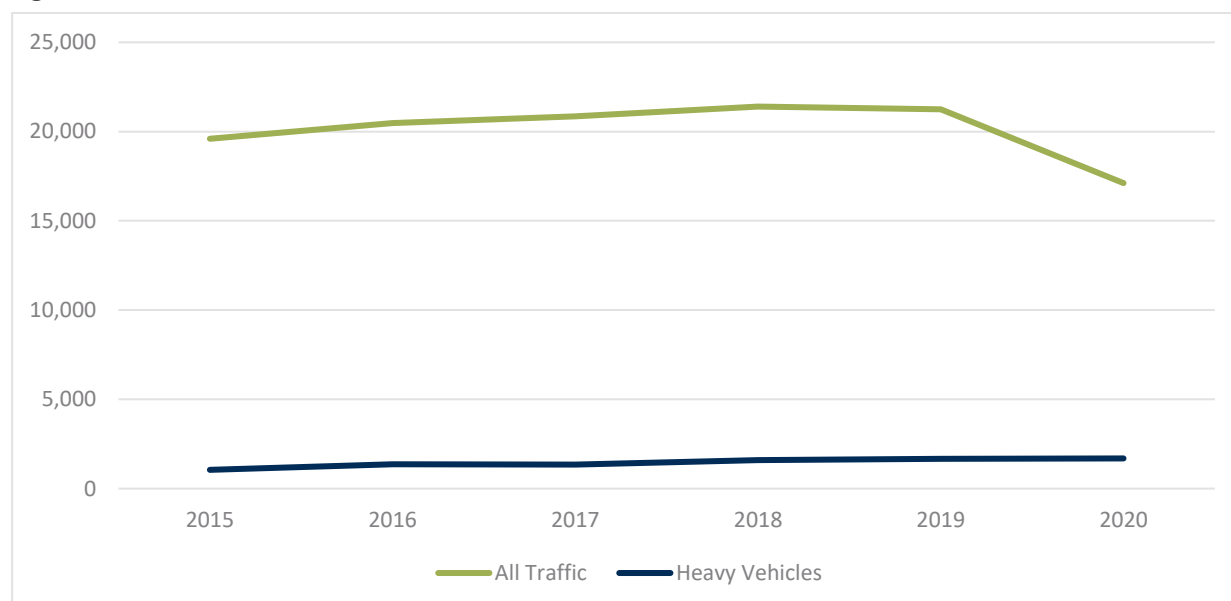
The Marulan railway station is located on the north of the town and provides three daily passenger services to and from Canberra, and four daily services to and from Sydney.

4.4.3 Vehicle Traffic Activity

The RMS traffic count data shows the average vehicle count per day at Marulan have been increasing from 2015-2019 at a rate of 1.6% per year. The dip in 2020 is related the COVID-19 pandemic border closers and travel restrictions. Heavy vehicles on average make up 7% of the daily counts and have been increasing steadily over the last five years.

An increase in traffic activity overtime will increase the demand for travel related services highway service centres (HSC), truck stops and accommodation.

Figure 7: RMS Marulan Traffic Count



Source: RMS T0274-PR

4.5 Potential Competing Businesses

Potential competing businesses with the proposed HSC in Marulan include service stations, restaurants and motels. These are described below.

4.5.1 Motels and other accommodation

There are three places of tourist accommodation in Marulan being:

1. Marulan Stayz

At the northern end of the town is a house converted into 3 star accommodation with rooms at \$125/night.

2. Terminus Hotel

At the centre of the town is a basic pub overnight style accommodation with a few rooms for \$120/night.

3. Marulan Motor Inn

At the southern end of the town is a 3 star motel with 28 rooms at \$120/night room rate.

4.5.2 Cafes and Restaurants

In addition to the motels and the Terminus Hotel there are a further 6 cafés and restaurants in the Marulan township. Three of these (Café Marulan, Marulan Café and the bakery) are in the town centre while the other four are 'out-of-centre' in the highway enterprise corridor – around one kilometre from the town centre. These are fast food premises and include KFC, Subway, Hungry Jacks and Roadhaven Café. There are a further three on the other side of the highway largely serving southbound traffic.

ECONOMIC IMPACT ASSESSMENT

5.0 ECONOMIC IMPACT ASSESSMENT

The following Chapter assesses and where possible quantifies the potential economic impacts of the proposed development measured against the “do nothing” or “retain current zoning” option.

5.1 The Base Case “Do Nothing”

There are no employment uses currently on site. The site could be developed for industrial related purposes but the market is very small and there is an abundance of alternative industrial vacant sites in Marulan. For the purpose of the economic assessment we have assumed no alternative employment uses.

5.2 Economic Impacts from Construction

The economic impacts from construction was assessed using national input-output tables and LGA location quotients, to develop LGA specific multipliers. These multipliers illustrate the level of additional economic activity generated by a source industry, at the local government area level.

HillPDA estimates construction of the proposed development would cost \$15m as shown in the table below.

Table 5: Estimated Construction Cost

	GFA (sqm)	\$/sqm	\$m
Demolition and Clearing	5,363	150	0.80
Motel (incl fitout)	3,261	3,200	10.44
Hotel Food & Beverage (incl fitout)	923	3,000	2.77
Car Parking (Basement spaces)	20	35,000	0.70
Car Parking (at grade spaces)	19	6,000	0.11
Site costs and external works	2,000	150	0.30
TOTAL			15.12

Sources include Construction Rates (Rawlinsons, RLB Digest) and HillPDA

The construction industry is a significant component of the economy accounting for 6.8% of Gross Domestic Product (GDP) and employing just over one million workers across Australia¹. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

The economic impact assessment is carried out using national input-output tables and LGA location quotients, to develop specific multipliers at the LGA. These multipliers illustrate the level of additional economic activity generated by a source industry, at the local government area level.

There are two types of multipliers:

- Production induced: which is made up of first round effects (all outputs and employment required to produce the inputs for construction) and industrial support effects (induced extra output and employment from all industries to support the production of the first round effect) and
- Consumption induced: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

¹ IBIS World 2020 and ABS Input Output tables 2018

Table 6: Estimated Local Economic Multipliers

	Direct Effects	Production Induced Effects	Consumption Induced Effects	Total
Output multipliers	1	0.225	0.308	1.534
Output (\$million)	15.1	3.4	4.7	23.2

Source: ABS Australian National Accounts: Input-Output Tables 2017-18 (ABS Pub: 5209.0), Economy.ID.

15 million dollars of construction would generate a further \$3.4m of activity in production induced effects and \$4.7m in consumption induced effects in the local economy. Total economic activity in the LGA generated by the construction of the proposed development would be approximately \$23m.

5.2.1 Construction Employment

HillPDA calculates that every million dollars of design and construction directly generates 2.32 full time positions over 12 months². Based on the estimated construction cost of \$15m, approximately 35 job years³ would be directly generated.

Through production and consumption induced (multiplier) impacts additional job years would be generated. At a national level a total of 150 job years would be generated, both directly and indirectly, as a result of the planning and development of the site. At the LGA level HillPDA has estimated total job years generated to be 53 as shown in the table immediately below.

Table 7: Estimated LGA Job Multipliers

	Direct Effects	Production Induced Effects	Consumption Induced Effects	Total
Multipliers	1	0.208	0.299	1.507
Employment No. per \$million	2.323	0.484	0.695	3.502
Total Job Years Generated	35.1	7.3	10.5	53.0

Source: ABS Australian National Accounts: Input-Output Tables 2017-18 (ABS Pub: 5209.0), Economy.ID

The ABS notes that “Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment.” In particular it may leave the impression that resources used for production would not have been utilised elsewhere in the local economy. Nevertheless, the estimates illustrate the high flow-on effects of construction activity.

5.2.2 Financial impacts on whole of government

State and local government stand to receive additional revenue from development which is estimated at \$265,000. This includes around \$165,000 in Section 7.12 levy and \$100,000 in payroll tax during construction. There will be GST revenue from construction as well but its likely this would be returned as an input credit. There would be GST and other normal operating taxes following building completion and occupation.

² Source: Hill PDA and ABS Australian National Accounts: Input-Output Tables 2017-18 (ABS Pub: 5209.0)

³ Note: One job year equals one full-time job for one full year

5.3 Economic Impacts from Hotel and Motel Operations

5.3.1 Job Creation

The table immediately below provides an estimate of the number of jobs that would be generated on the subject site as a result of the proposed development.

Table 8: Employment Generation

Land Use	Employment Rate	No.	No. of Workers
Motel	1 job / 6 rooms	48 rooms	8
Hotel, restaurant and bottle shop	1 job / 38sqm	923sqm	24
Total			32

Sources include IBIS World Reports and Australian Benchmarking reports. Assumes the hotel will include a restaurant with 16-18 opening hours every day.

Based on the table above, the proposed development will provide around 32 jobs on the subject site when fully completed. These are jobs in full and part-time positions.

5.3.2 Staff remuneration

The total remuneration of workers on site would amount to approximately \$1.16 million as shown in the table immediately below.

Table 9: Staff remuneration

Land Use	No. of Workers	Average Annual Remuneration	Total staff remuneration
Motel	8	\$42,000	\$0.34m
Hotel, restaurant and bottle shop	24	\$34,000	\$0.83m
Total	32	\$35,982	\$1.16m

* IBIS World Industry Reports in retail, hospitalities and selected personal services

** ABS Average Weekly Earnings in the LGA (Census 2016 adjusted to \$2020).

5.3.3 Gross Value Added

Gross value added of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP).

We estimate the gross value added from the proposed development to be in the order of \$6.2m every year as shown in the table immediately below.

Table 10: Gross Value Added

Gross Value Added	No. Of Workers	IVA/ Worker*	Gross Value Add
Motel	8	\$61,700	\$0.49m
Hotel, restaurant and bottle shop	24	\$42,200	\$1.03m
Total	32	\$47,031	\$1.52m

* IBIS World Industry Reports and HillPDA Estimate.

5.4 Tourism Benefits

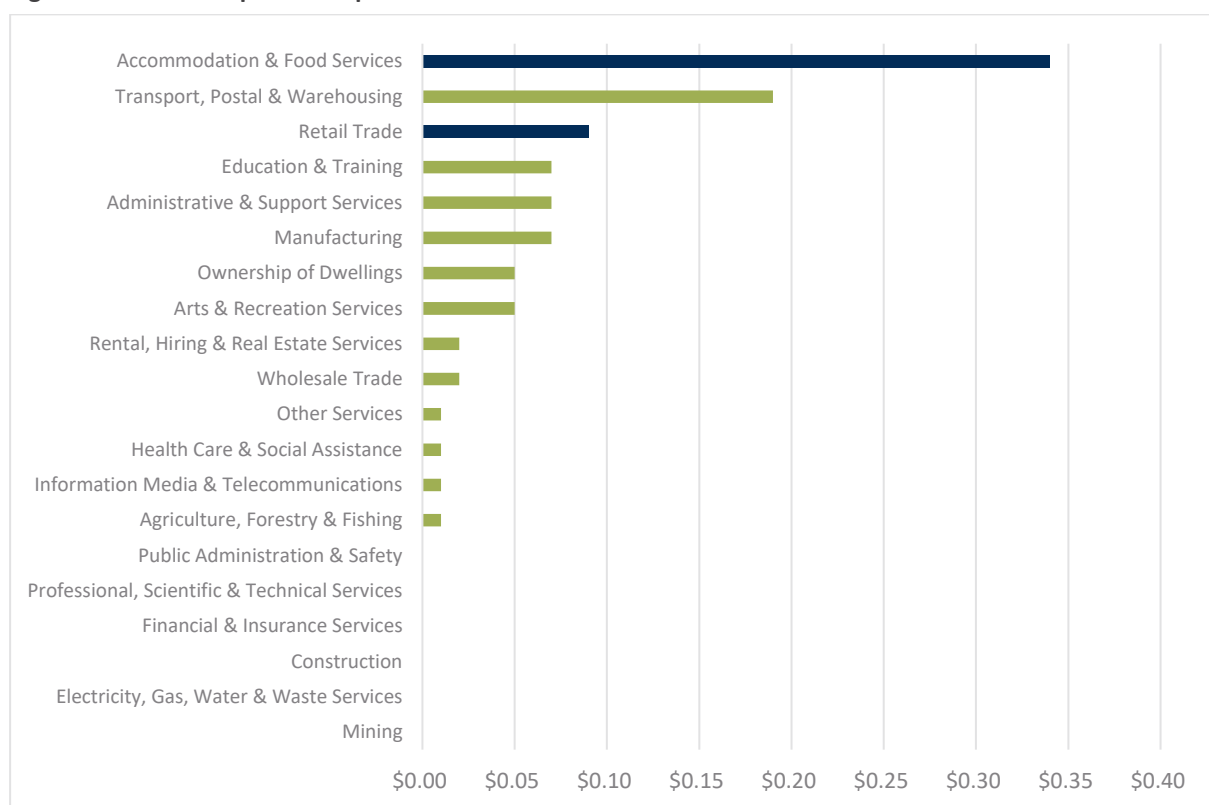
Tourism Research Australia estimates that total expenditure generated by visitors to the Capital Region was \$772 million in 2020 down from the 2019 high of \$945 million. Of this, \$444 million from domestic overnight and \$306 million from domestic day visitors.

In the Goulburn Mulwaree LGA total expenditure in 2019 was \$165 million. Of this, \$91 million is from domestic overnight, \$65 million domestic day trips and \$8 million from international visitors. The spend per night is on average \$148 and \$181 per night on accommodation.

The figure below details how, on average, a dollar spent by a visitor to Capital Region benefits local industries. The most beneficial industry is accommodation and food services while retail the third most beneficial.

It is reasonable that increased accommodation within the area would have significant positive flow on effects to the estimated 40 local businesses in Marulan.

Figure 8: Tourism expenditure per dollar



Source: Remplan 2020

5.4.1 Visitor Expenditure

Increased patronage levels associated with an expanded accommodation offer in Marulan would create new and increased levels of visitor expenditure. This expenditure would be generated in terms of room rate revenues and retail and associated spend in and around Marulan and further afield on dining out, fast food, travel, apparel, personal items and gifts.

Assuming an occupancy rate of 60% for the total of 48 rooms and 1.25 persons per room, the proposed motel would generate a total of 13,000 room nights. With an average room rate of say \$120 per night total room revenue would approximate \$1.56 million per year (2020 dollars).

These visitors will each spend a further \$69 per day on retail goods and services⁴. This amounts to \$900,000 per annum much of which would be captured by existing businesses in the Marulan township.

5.5 Impacts on Marulan Town Centre

Assessing the impacts on Marulan Town Centre is vexed. At a starting point is the question of whether or not the site is in the town centre. By definition of the current zoning it could be defined as being outside the town centre. However it does front the main street and is only 300m from the edge of B2 zone and is only 500m from the IGA supermarket in the middle of the town. If considered to be part of the town centre then the impacts on individual traders within the town centre is not a relevant matter for consideration.

As stated above the proposal is likely to generate 13,000 tourist room nights spending almost one million dollars every year on retail goods and services. Some of this would clearly benefit businesses in the town centre.

The strongest competitive impacts would be on the Marulan Motor Inn and on the Terminus Hotel. The Terminus Hotel is in the middle of the town centre but it is a small venue with only a few rooms. The larger Marulan Motor Inn is further 'out-of-town' than the subject site being 850m from the IGA supermarket. We therefore consider any adverse trading impacts on the Marulan Motor Inn as not being a relevant matter for consideration.

There are six restaurants/café's that will also face added competition but only two of these are in the town B2 zoned centre. The other four are all in the 'out-of-centre' Enterprise Corridor area near the exit ramp from the motorway – around 1.2km from the IGA supermarket. Again we consider the impacts on those businesses to be irrelevant.

We are left with only three or four stores in the town centre that are likely to experience some competitive impacts, although this would be to some extent balanced by additional visitors staying in Marulan.

The proposed restaurant would be one of seven in Marulan which is only a 14% increase in supply. This needs to be considered against growth in demand. Traffic along the motorway is increasing at a rate of 1.6% every year and the number of rest and truck stops need to increase with rising demand. Tourist nights in the Capital Country Tourist Region have risen from 2.33 million in 2010-11 to 3.52 million in 2018-19 – a rise of 5.3% per annum. The supply of visitor beds need to increase to keep up with rising demand.

5.6 Other impacts

Other economic benefits include the following:

- Provide a catalyst for further investment in the locality
- Providing jobs closer to home and meet local employment targets
- Provide additional short-term accommodation options for the local community and travellers, and
- Assist in the overall economic revitalisation of Marulan and the Goulburn LGA

⁴ Destination NSW Regional Profiles 2019 and 2009-10

CONCLUSION

6.0 CONCLUSION

The proposed motel, hotel and food/beverage offering is expected to contribute a number of economic benefits in the locality or Marulan Township and in the wider local government area. While there may be some competitive impacts on several existing businesses the overall net benefit is positive given the increase in overnight visitors and day visitors to Marulan.

Economic impacts, both positive and negative, which are likely to be brought about by the development are summarised as follows:

- Total cost of construction is estimated to be in the order of \$15.12 million
- Construction on site would provide 35 job years directly on site and 18 indirect (or flow-on) job years in the LGA
- A further 32 jobs would be provided in motel and hotel operations and food services of which around half would be part time workers
- Total remuneration of staff would amount to \$1.16m per annum (2020 dollars)
- Gross value added (contribution to the local economy) would amount to \$1.52m each year
- Visitor expenditure would be derived from the motel. Some \$1.56 million per year would be captured in room revenue, while food and retail expenditure from overnight visitors would total a further \$900,000 per year.
- Impacts on Marulan businesses would be mixed. The majority of businesses that are likely to experience competitive impacts (Marulan Motor Inn, Hungry Jacks, KFC, Subway, etc) are not in the town centre but are in the enterprise corridor area one kilometre to the southwest of the town centre. The impacts on these businesses are considered to be a matter of competition rather than a relevant matter for consideration of the proposed development. In any case the viability of these businesses are unlikely to be threatened by the proposal.
- The competitive impacts are likely to be balanced by the positive impacts with more overnight stayers spending \$900,000 a year on retail goods and food services in Marulan.
- Any adverse impacts on Marulan businesses will diminish over time as traffic along the highway continues to increase at 1.6% each year as well as growth in tourist nights at 5.3% each year. The supply of accommodation and food services needs to increase in order to keep up with rising demand.

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