Sims Road, Gerringong

Economic Impact Assessment

THL Rural

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Atlas URBAN ECONOMICS

Document Control

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Executive Summary

BACKGROUND

THL Rural own a large site being Lot 40 DP1230679 (the Site) which is adjacent to Sims Road which is just off the Princes Highway and immediately west of the Gerringong township in NSW's Illawarra-Shoalhaven region. Over the course of 2013-2016, the Site was occupied by Roads and Maritime Services (RMS) for use as a site office and storage depot during delivery of the Princes Highway upgrade. The Site was vacated and cleared in Q1 2016 and has remained vacant since that time. The Site is zoned RU1 Primary Production under the Kiama Local Environmental Plan 2011.

Figure ES.1: The Site

Source: Atlas/Nearmap

THL Rural acquired the Site in October 2020 at public auction following completion of remediation works by RMS. Kiama Municipal Council had shown interest in acquiring the Site for the purposes of expanding the Kiama LGA's supply of industrial and employment lands. This was considered in the Agenda of Ordinary Meeting of Council dated 15 December 2020.

THE PROPOSAL

THL Rural are planning to develop the Site for a mix of employment uses. A Concept Master Plan has been prepared for the Site which envisages six (6) industrial buildings and a variety of future employment uses. These are summarised in **Figure ES.1**.

Table ES.1: Concept Master Plan, The Site

Building	Gross Floor Area (sqm)	Possible Use
A	2,129	Wholesale Landscape Supplies
B	110	Firewood Business
C	408	Fabrication/Manufacturing Business
D	540	Fabrication/Manufacturing Business
E	1,350	Fabrication/Manufacturing Business
F	1,600	Fabrication/Manufacturing Business

Source: Allen Price and Scarratts (2021)

To facilitate the development, THL Rural are progressing a planning proposal which permits General Industry and Landscape Material Supplies land uses within the RU1 Primary Production zone. Atlas Urban Economics (Atlas) have been engaged by THL Rural to carry out an Economic Impact Assessment (EIA) to assess the need for the land uses proposed in the Concept Master Plan from an economic and market perspective and examine the economic impacts of the Proposal.

STRATEGIC CONTEXT

The Proposal is considered to be economic and market supported given:

- The location of the Site alongside the Princes Highway is ideally suited for industrial uses.
- The Kiama Local Strategic Planning Statement specifically acknowledges the current shortage of industrial land in the Kiama LGA and recommends Council investigate rezoning opportunities to accommodate small scale industrial uses.
- There is a lack of local employment opportunities for residents in the Kiama LGA, with around 80% of working residents commuting outside of Kiama for employment.
- The Gerringong Region is expected to grow by ~1,000 residents by 2036, demanding 500 more jobs. Ensuring there are adequate employment opportunities to accommodate this projected level of growth is crucial to Kiama's economic sustainability.

AGRICULTURAL LAND USES

The Illawarra Agricultural Region is an important component of the Illawarra economy. The region is characterised by small scale operators with only 10 large farming operations identified in 2017-18 – most of these being dairy farms (ABS 2019, citied in Department of Agriculture, Water and Environment, 2021).

The suitability of land for agricultural purposes is intrinsically linked to the potential output that could be derived from its use. A multitude of factors therefore influence agricultural viability, particularly soil quality and land area. An Agricultural Viability Assessment (Cowman Stoddart Pty Ltd, 2021) concluded ***the Site is no longer suited for agricultural uses*** given:

- The Site has not been used for agricultural uses for almost a decade.
- Remediation works carried out by RMS resulted in the complete removal of topsoil across the Site, removing its agricultural value.
- The Site is not identified as prime agricultural land in the SEPP (Mining, Petroleum Production and Extractive Industries) 2007 and is most probably defined as Class 5 under the DAWE agricultural land hierarchy.
- The size of the Site (2.95ha in total site area) and its poor remaining soil quality are unlikely to facilitate viable grazing or horticulture operators.
- Existing DA approval for construction of a dwelling on the Site has shifted price expectations for the Site with agricultural uses no longer economically viable.

Accordingly, it is unlikely that the Proposal will have an impact on the Illawarra Agricultural Region. The topographical nature of the Site makes it well-buffered from adjoining neighbours and is not expected to impact on other surrounding uses.

INDUSTRIAL LAND USES

The Illawarra-Shoalhaven industrial market has continued to perform strongly over the past 12-24 months, driven by a range of structural and market factors. Strong demand is fuelling marked capital growth, with numerous new estates experiencing swift take-up rates.

The Kiama LGA industrial market is a minor component of the overall Illawarra-Shoalhaven industrial market–accounting for less than 1% of the markets total industrial land supply. The recently released 'Belvedere Central' industrial development in Kiama has received a swift and positive response from the market since its release in late-2020 with prices achieved being well above initial expectations. Demand is overwhelmingly being driven by local businesses and tradesmen.

The Site and Proposal are considered appropriate for industrial land uses from an economic and market perspective:

- The Proposal would effectively assist in accommodating demand from industrial users in a heavily constrained market.
- The Proposal via the Concept Master Plan envisages the development of six freestanding warehouses-factory buildings ranging in size from 110sqm to 2,129sqm in floor area. These concept buildings are considered appropriate and have the ability to attract a range of small and medium sized businesses.

- The location of the Site and mix of concept buildings will likely attract population-orientated and smaller industrial occupiers who are more reliant on proximity to population catchments as opposed to larger industrial users such as freight and logistic operators (though the Site lends itself to both).

Overall, the Proposal would assist in addressing the severe shortage of industrial land in the Kiama LGA and would not result in any adverse economic impacts on Kiama's existing industrial market.

ASSESSMENT OF ECONOMIC IMPACTS

The economic activity and impacts that could be facilitated through progression of the Proposal to later approval for construction and operation were examined. This assessment has been based on the Concept Master Plan, namely the development of the development of six freestanding warehouse- factory buildings totalling 6,137sqm of GFA.

The assessment distinguishes the economic impacts during the construction phase and the operational phase.

Construction Phase

During the construction phase of the Proposal, the following economic outcomes are anticipated:

- **$9.6 million** in output (including $6.2 million in direct activity).
- **$3.3 million** contribution to GRP (including $1.5 million in direct activity).
- **$1.9 million** in incomes and salaries paid to households (including $1.0 million in direct income).
- **23 FTE** jobs (including 11 FTE directly employed in construction activity).

Operational Phase

Following construction, the Proposal is expected to impact ongoing economic operational activity through the variety of businesses which will be accommodated in proposed warehouse-factory buildings.

The assessment finds that the Proposal will result in the following annual economic activity through direct and indirect (flow-on) impacts:

- **$48.4 million** in output (including $31.4 million in direct activity).
- **$20.0 million** contribution to GRP (including $11.5 million in direct activity).
- **$10.6 million** in incomes and salaries paid to households (including $6.3 million in direct income).
- **115 FTE** jobs (including 62 directly related to activity on the Site).

CONCLUSION

Economic modelling indicates that the Proposal will make a significant contribution to the Kiama economy. The Proposal is expected to generate an annual GRP of $20.0 million to the local economy and support 115 FTE jobs.

Given the Site is no longer considered viable agricultural land, the most likely outcome for the Site under existing planning controls would be development for rural residential uses. The Site has existing approval for single detached dwelling.

The Proposal is not anticipated to negatively impact the Illawarra Agricultural Region and is well-buffered to ensure little impact on adjoining landowners. The Proposal directly responds to a key action of the Kiama LSPS – delivering new industrial land supply to accommodate employment growth and diversify the local economy.

Importantly, the Proposal will provide opportunities for local Kiama businesses to locate and/or expand without needing to relocate outside Kiama. This will in turn assist in providing for more local employment opportunities for local residents.

In summary, the Proposal is concluded to exhibit economic merit and has the ability to immediately contribute to the local Kiama economy and address the severe shortage of industrial land in the Kiama LGA.

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1. Introduction

1.1 Background

THL Rural own a large site being Lot 40 DP1230679 (the Site) which is adjacent to Sims Road which is just off the Princes Highway and immediately west of the Gerringong township in NSW's Illawarra-Shoalhaven region.

Over the course of 2013-2016, the Site was occupied by Roads and Maritime Services (RMS) for use as a site office and depot to deliver the Princes Highway upgrade. The Site was vacated and cleared in Q1 2016 and has remained vacant since that time. The Site is zoned RU1 Primary Production under the Kiama Local Environmental Plan 2011.

THL Rural acquired the Site in October 2020 at public auction following completion of remediation works by RMS. Kiama Municipal Council had shown interest in acquiring the Site for the purposes of expanding the Kiama LGA's supply of industrial and employment lands. This was considered in the Agenda of Ordinary Meeting of Council dated 15 December 2020.

THL Rural are progressing a planning proposal which permits General Industry and Landscape Material Supplies land uses within the RU1 Primary Production zone.

Atlas Urban Economics (Atlas) have been engaged by THL Rural to carry out an Economic Impact Assessment (EIA) to assess the need for the land uses proposed and examine the economic impacts of the planning proposal.

1.2 The Site

Lot 40 DP1230679 (the Site) is a large 2.95ha site comprising a single triangular allotment. The Site bears a 300m frontage to Sims Road – a service road which runs parallel to the recently upgraded Princes Highway. The Site is subject to various easements for underground cables, overhead powerlines, gas pipeline and transmission lines. The Site is not flood impacted and bears a slight elevation with a south-easterly aspect.

The Site is currently vacant following completion of remediation works in 2019. The Site was not restored to farmland (which was its likely land use prior to its use as a depot by RMS in 2013). The Site is bounded by privately owned rural landholdings to the north and west, with Sims Road, Princes Highway and South Coast rail line forming its eastern and southern boundary.

Figure 1.1 depicts the formal boundaries of the Site.

Figure 1.1: The Site

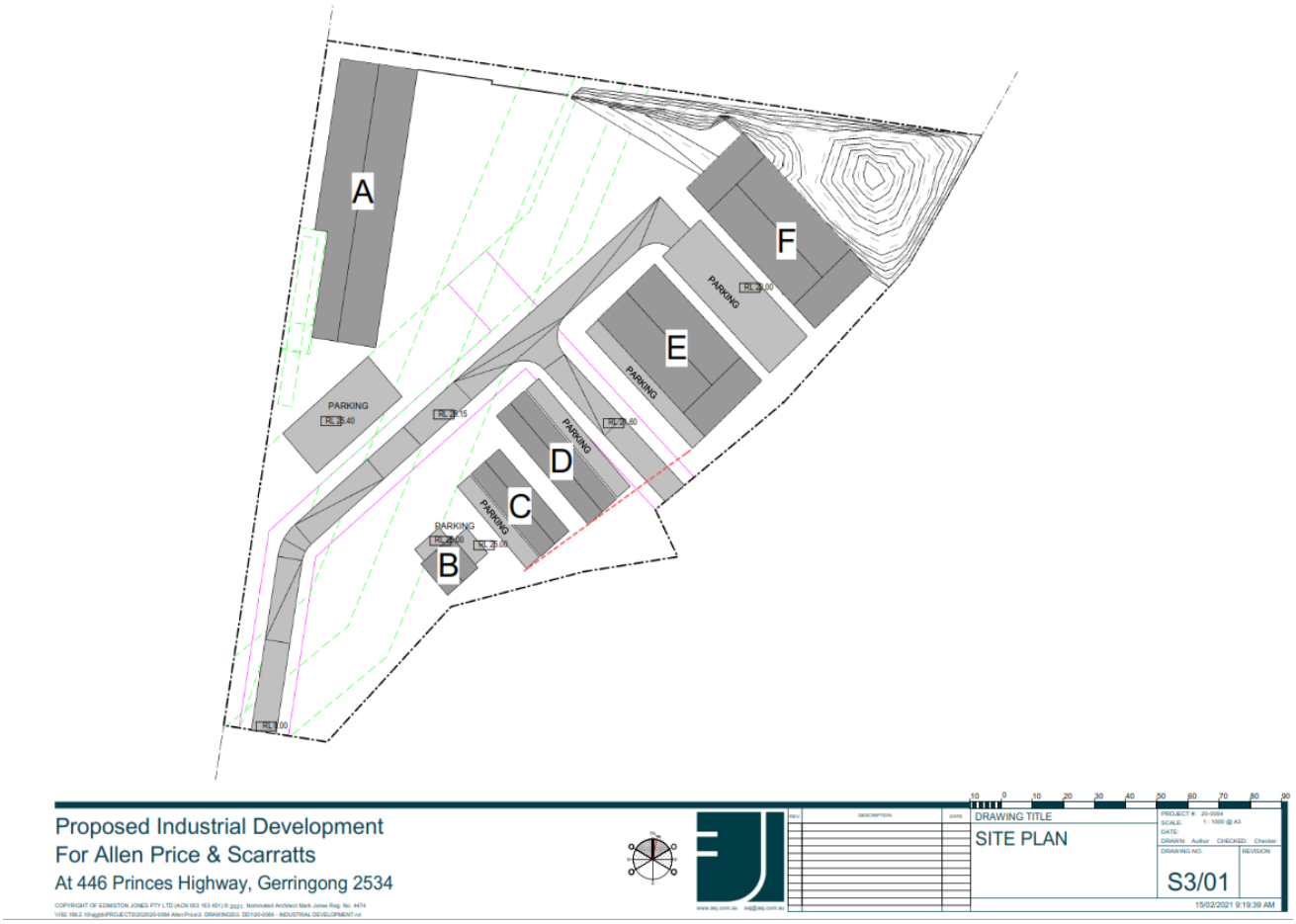
Source: Atlas/Nearmap

1.3 The Proposal

A Concept Master Plan for the Site (the Proposal) has been prepared which envisages the development of six freestanding warehouse and factory buildings ranging in size from 110sqm to 2,129sqm in floor area. A total of 6,137sqm of gross floor area (GFA) is proposed across the Site, equivalent to a density of FSR 0.34:1.

Figure 1.2 illustrates the distribution of buildings across the Site in the Concept Master Plan.

Figure 1.2: Concept Master Plan, The Site



Source: Allen Price and Scarratts

A variety of land uses are expected to be accommodated through the Proposal, predominantly small-scale wholesaling and manufacturing uses. A list of possible uses which could be accommodated in the proposed industrial buildings are outlined in **Table 1.1**, noting that these are indicative only.

Table 1.1: Concept Master Plan, The Site

Building	Gross Floor Area (sqm)	Possible Use
A	2,129	Wholesale Landscape Supplies
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C	408	Fabrication/Manufacturing Business
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F	1,600	Fabrication/Manufacturing Business

Source: Allen Price and Scarratts (2021)

1.4 Purpose and Scope

The purpose of the Study is threefold:

1. Consider the suitability of the Site for agricultural and rural uses permitted under the RU1 Primary Production zoning.
2. Examine the need for industrial land uses within the Kiama LGA in the context of existing supply and demand.
3. Estimate the economic impacts of the Proposal to the Kiama LGA.

To meet the requirements of the brief, we undertook the following tasks:

- Review relevant State and local planning documents and policies to assess the merits of the Proposal.
- Extract and analyse ABS socio-economic data to profile the local resident catchment and economy to understand how they have evolved over time.
- Review population and employment projections for the Gerringong Region and broader Kiama LGA to gauge the need for local employment opportunities.
- Investigate the nature of demand and supply for industrial land uses within the Kiama LGA and broader Illawarra-Shoalhaven region to assess whether there is a market need for the Proposal.
- Make recommendations for the land use and development yields in the Concept Plan.
- Assess overall economic impacts (direct and indirect/flow-on) that could result from the Proposal during construction and post-construction in the operational phase.

Structure of the Study

This EIA appraises the economic impact of the proposed development using the following approach:

- Chapter 1 provides an overview of the Site and Proposal, scope and approach and assumptions and limitations.
- Chapter 2 considers the locational context of the Site, including an analysis of population and employment growth within Gerringong and the broader Kiama LGA and the role of the Site from a strategic planning context.
- Chapter 3 examines the suitability of the Site for rural/ agricultural uses and the potential impact of the Proposal on the Illawarra Agricultural Region.
- Chapter 4 investigates the economic and market trends influencing the demand and supply of industrial land uses across the Illawarra-Shoalhaven Region. General market conditions, market indicators and development activity are examined. The likely need for industrial land uses in Gerringong is considered.
- Chapter 5 undertakes an economic impact assessment to ascertaining the economic impacts of the Proposal against a base case scenario to conclude whether the Proposal would deliver a net positive economic impact to the Kiama LGA.

1.5 Assumptions and Limitations

Atlas acknowledges a number of limitations associated with the Study.

- At the time of writing, the fallout of the COVID-19-induced recession is still being understood. The true economic ramifications of the recession are yet to fully play out and are intrinsically linked to the significant financial assistance packages provided by Commonwealth and State Governments. A clearer 'picture' of the economy will be observable following the cessation of these assistance packages.
- Data from third party sources is assumed to be correct and is not verified.
- Projections carried out by the NSW Government (Transport for NSW) are 'point in time' projections and were made prior to the release of the Kiama Local Strategic Planning Statement or the onset of the COVID-19-induced recession.
- Desktop market research has been undertaken without physical site surveys and inspections.
- Specific assumptions related to economic impact modelling are detailed in Chapter 5 and Schedule 1.

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

2. Strategic Context

2.1 Location

The Site is located within NSW's Illawarra-Shoalhaven region and is located immediately west of the Gerringong township. Gerringong is located within the Kiama local government area (LGA) and is the second largest town centre within the municipality.

The Site is situated just off the Princes Highway – the principal highway serving the Illawarra-Shoalhaven region and linking Gerringong with Shellharbour, Wollongong and Greater Sydney in the north and the Shoalhaven region further south. A major freight thoroughfare, a $329 million upgrade of Princes Highway stretching some 7.5km from Gerringong to Gerroa was completed in 2015. Since 2011, $2.5 billion in upgrades has been progressed along the Princes Highway with an additional$960 million recently committed to improve the Princes Highway between Jervis Bay Road and Moruya.

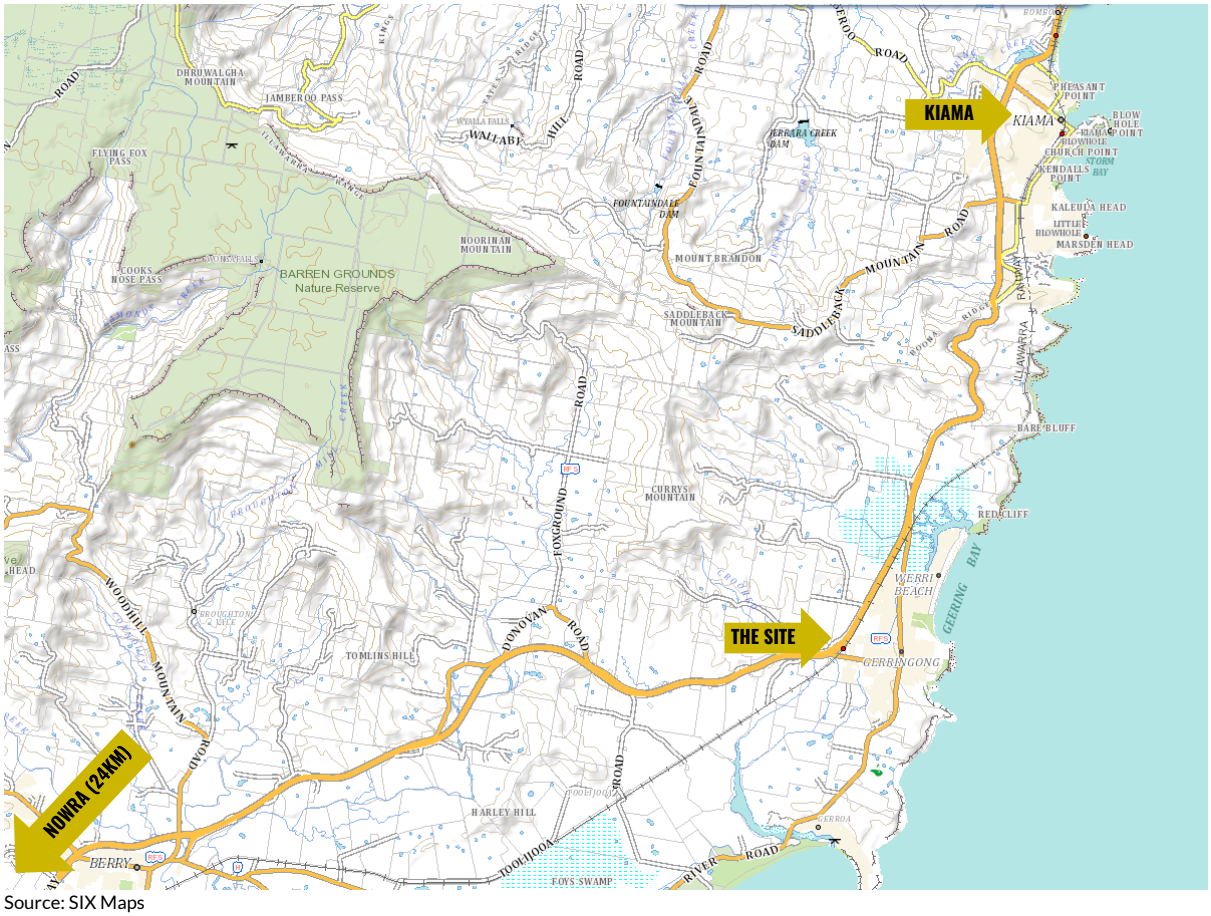
Gerringong Train Station is located immediately south of the Site on the southern side of Princes Highway. Gerringong Train Station forms part of the South Coast Rail Line and provides direct access to Wollongong CBD via Kiama in just over an hour.

Approximately 1km east of the Site, the Gerringong Town Centre is a small, service-orientated local centre anchored by a small format IGA supermarket in addition to multiple small retailers and service providers located along Fern Street. The larger town centre of Kiama is some 8.5km north of the Site and is the primary administrative, commercial and retail centre for the Kiama LGA.

Gerringong is situated between the Illawarra-Shoalhaven's two major city centres – Wollongong and Nowra – which are located 36km and 24km to the north and south respectively. Both centres are major sources of employment for residents within the Kiama LGA, whilst providing a broad range of health and education services otherwise unavailable in the Kiama region.

Figure 2.1 depicts the locational context of the Site in the broader Kiama region.

Figure 2.1: Location Map



Source: SIX Maps

Surrounding Land Uses

The Site is surrounded by a variety of land uses with rural zones on the western side of Princes Highway and urban uses to the east. Key neighbouring land uses include:

- **Ivy Mount, 24 Princes Highway** – prime agricultural land with ryegrass pasture used for hay and silage production located immediately west of the Site. Includes a single storey detached house and various farm buildings which are some 250m from the western boundary of the Site. The Site is located downslope of 24 Princes Highway.
- **Clareview, 37 Sims Road** – large rural landholding which appears to be used for intermittent grazing purposes improved with a single storey detached housing and various outbuildings. Located some 300m north of the Site's northern boundary. The Site is located downslope of 37 Sims Road.
- **Crooked River Winery, 11 Willowdale Road** – large rural site occupied by Crooked River Winery for grape cultivation and processing, cellar door retailing and private functions. The Site is located some 600m to the east.
- **Various Business Uses, Gray Street/Rowlins Road** – multiple properties improved with aged warehouses and factory units. Located on the southern side of Princes Highway. The Site is visible from some of these properties.
- **Low-density detached housing, Victoria Street** – multiple single storey detached houses located on the southern side of Princes Highway immediately east of Gerringong Train Station.

Whilst the nature of some of these land uses would be sensitive to certain forms of development (e.g. agricultural and residential uses), the topographic nature of the Site and adjoining land in combination with existing natural buffers such as Princes Highway and the rail line mean any future development of the Site would unlikely result in a major impact to these neighbouring land uses.

2.2 Planning Context

2.2.1 Kiama Local Strategic Planning Statement

The Kiama Local Strategic Planning Statement (LSPS) details a 20-year land use, economic, transport and infrastructure vision for the Kiama LGA. The LSPS provides the overarching strategic planning framework for the Kiama LGA and will serve as the principal guiding document in the review of the Kiama Local Environmental Plan in the coming years.

The LSPS is structured into a series of five themes, each with their own individual sets of planning priorities and actions. The two themes of direct relevance to the Site and Proposal include:

- **Theme 2: Develop and Diverse and Resilient Economy**
- **Theme 3: Protect Rural Landscapes**

These two themes are their relevant actions are summarised below.

Theme 2: Develop and Diverse and Resilient Economy

The Kiama LSPS recognises the importance of developing a diverse local economy less reliant on tourism and holiday trade during the peak summer periods, aligning with the vision and objectives of the *Kiama Regional Economic Development Strategy 2018-2022*. Whilst acknowledging the importance of growing and supporting the visitor economy, the LSPS notes the importance of developing the local health care and social assistance, ICT, education and agricultural sectors.

Importantly, the LSPS recognises the dearth of industrial land across the Kiama LGA which is available for light industrial uses. The strength of demand for such uses is acknowledged, with the lack of available industrial land forcing local businesses to relocate to other neighbouring LGAs upon their growth or expansion.

In recognition of this issue, a key action under Planning Priority 5 of the LSPS is to:

- Identify land and propose and appropriate zoning that is suitable for small scale service industrial uses in the short to medium term.

This aligns with Council's intention of acquiring the Site in late-2020 with the intent with repurposing it for industrial uses.

Theme 3: Protect Rural Landscapes

The Kiama LSPS acknowledges the significant economic role agricultural and rural land uses have historically played, and continue to play, in the Kiama region. Over a third of the Kiama LGA is zoned for Primary Production or Rural Landscape, whilst the annual net value of agriculture exports from Kiama is $26 million (Kiama Council, 2020).

The LSPS outlines a series of important actions under Planning Priority 8. Two of the most relevant actions include:

- Following completion of the NSW Government's Agricultural Lands Mapping project, review rural zonings of the Kiama Local Environmental Plan 2011 to ensure agricultural lands are appropriately zoned.
- Review land use tables of rural zonings in the Kiama Local Environmental Plan to ensure appropriate mix of uses permitted in rural zones, balancing environmental outcomes.

The LSPS recognises the importance of protecting *viable* agricultural lands from further development, though acknowledges that existing agricultural mapping is out-of-date and requires immediate review. This has implications for the Site, particularly around its definition as 'viable' agricultural land. This is further explored in Chapter 3.

2.2.2 Kiama Local Environmental Plan 2011

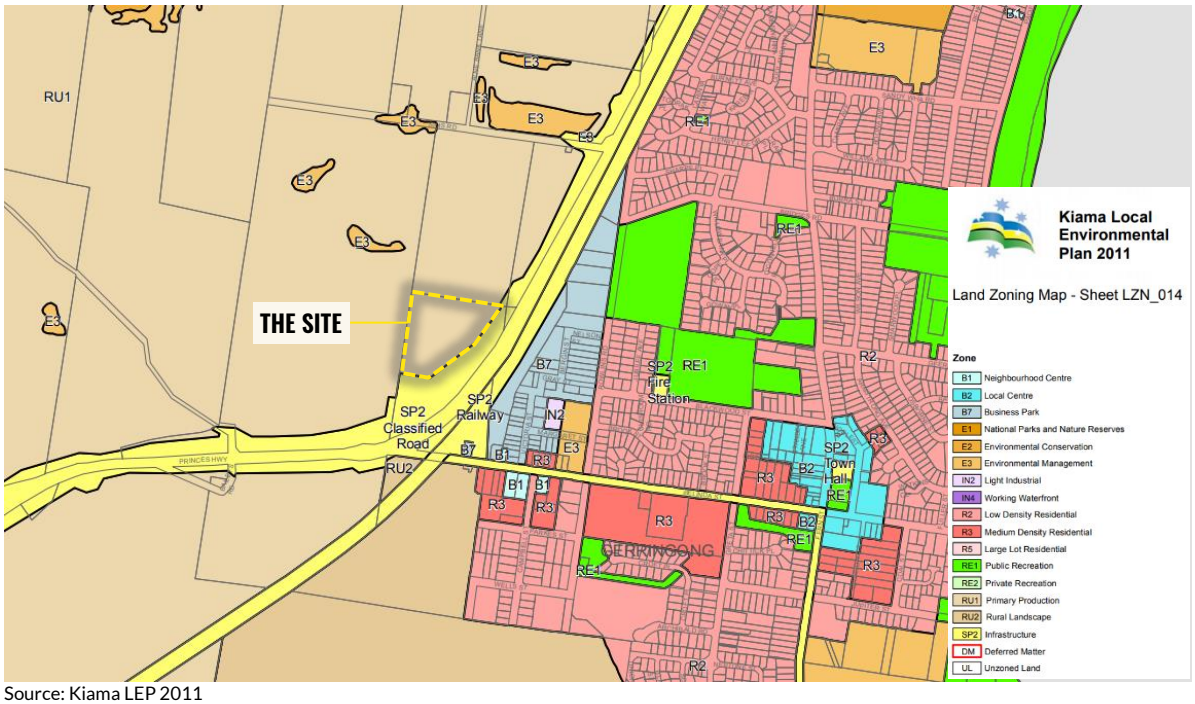
The Kiama Local Environmental Plan 2011 (Kiama LEP) is the principal statutory planning document governing land use and development in the Kiama LGA. It is intended that the Kiama LEP will be reviewed in the short to medium term.

The Site is currently zoned RU1 Primary Production under the Kiama LEP. The objectives of the RU1 zone include:

- Encourage sustainable primary industry production by maintaining and enhancing the natural resource base.
- Encourage diversity in primary industry enterprises and systems appropriate for the area.
- Minimise the fragmentation and alienation of resource lands.
- Minimise conflict between land uses within this zone and land uses within adjoining zones.
- Protect agricultural land for long term agricultural production.
- Provide opportunities for employment-generating development that adds value to local agricultural production through food and beverage processing.

The land uses envisaged in the Proposal, such as wholesaling and manufacturing, are not permitted in the RU1 zone.

Figure 2.2: Land Use Zone (Kiama LEP 2011), The Site



Source: Kiama LEP 2011

2.3 Resident Characteristics

Understanding the resident and economic profile of the Gerringong Region – both the rural lands west of Princes Highway and the Gerringong township are important considerations when assessing the economic merit and impacts of the Proposal.

Socio-economic analysis has relied up Australian Bureau of Statistics (ABS) Census data. Analysis is based on Statistical Area 1 (SA1) and Destination Zone (DZ) geographies as defined by the ABS, being the smallest geographical areas available for such analysis. SA1 geographies are used to understand the demographic profile of local *residents*, whereas DZ geographies provide insight into the employment characteristics of local *workers*.

For comparative purposes, resident and employment data is analysed against the broader Shoalhaven LGA to distinguish between Gerringong-specific and Kiama-wide trends. The Catchment Area used for the purposes of socio-economic analysis is illustrated in **Figure 2.2**. A breakdown of the SA1 and DZ geographies selected for analysis is provided in Schedule 1.

Figure 2.3: Socio-Economic Catchment Area

Note: Depicts SA1 boundaries with the DZ boundaries slightly larger than these depicted
Source: ABS/Atlas/Nearmap

2.3.1 Historic Population Growth

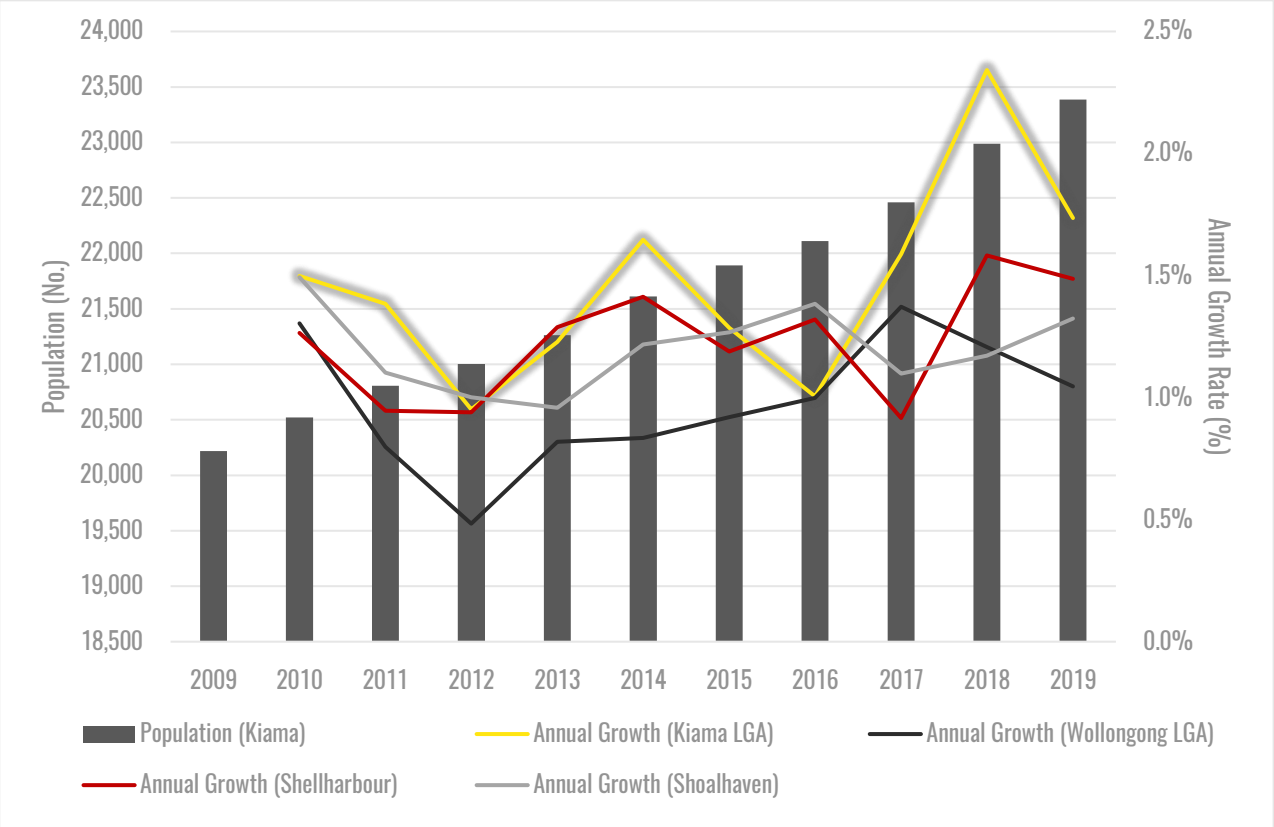
The Catchment Area recorded a population of some 5,900 residents in 2016, accounting for around 28% of the total resident population in the broader Kiama LGA. The Gerringong Township accounted for the majority of residents within the Catchment Area, accommodating some 4,400 residents compared to just over 1,500 residents in the Gerringong Rural-Gerroa Catchment Area.

Strong population growth was recorded across the Catchment Area over the 2011-2016 period – rising by 667 residents at an annual growth rate of 2.4%. This pace of growth was significantly faster than that recorded in the Kiama LGA over the same period (1.4%). Some 45% of total population growth recorded in the Kiama LGA over the five years to 2016 occurred within the Catchment Area. This is indicative of the areas role as a quickly growing and expanding area within the region.

More recently, the Kiama LGA has grown at a significant pace. The local population has expanded by almost 1,300 residents over the 2016-2019 period, reflecting average annual growth of 1.9%. This rate of growth is well above that being experienced in the other Illawarra-Shoalhaven LGAs and is more comparable to that witnessed in Greater Sydney (1.9%). Whilst this pace of growth is somewhat reflective of the low population base of the Kiama LGA, this marked rate of population growth has economic, employment and infrastructure implications.

Figure 2.4 depicts resident population growth recorded across the Kiama LGA and other Illawarra-Shoalhaven LGAs over 2009-2019.

Figure 2.4: Population Growth (2009-2019), Kiama LGA and Illawarra-Shoalhaven



Source: ABS (2020)

2.3.2 Age Profile

The most recent age profile data recorded by the ABS is from the 2016 Census. In 2016, the Catchment Area was characterised by a large composition of older residents with around 46% of the population aged 50 years and over. This generally aligns with the broader Kiama LGA, with residents aged 50 years and older accounting for 47% of the population.

The composition of residents aged 70 years is markedly higher in the Gerringong Rural-Gerroa Catchment Area, accounting for almost 18% of residents compared to 16.5% in the Gerringong Township and 16% in the Kiama LGA.

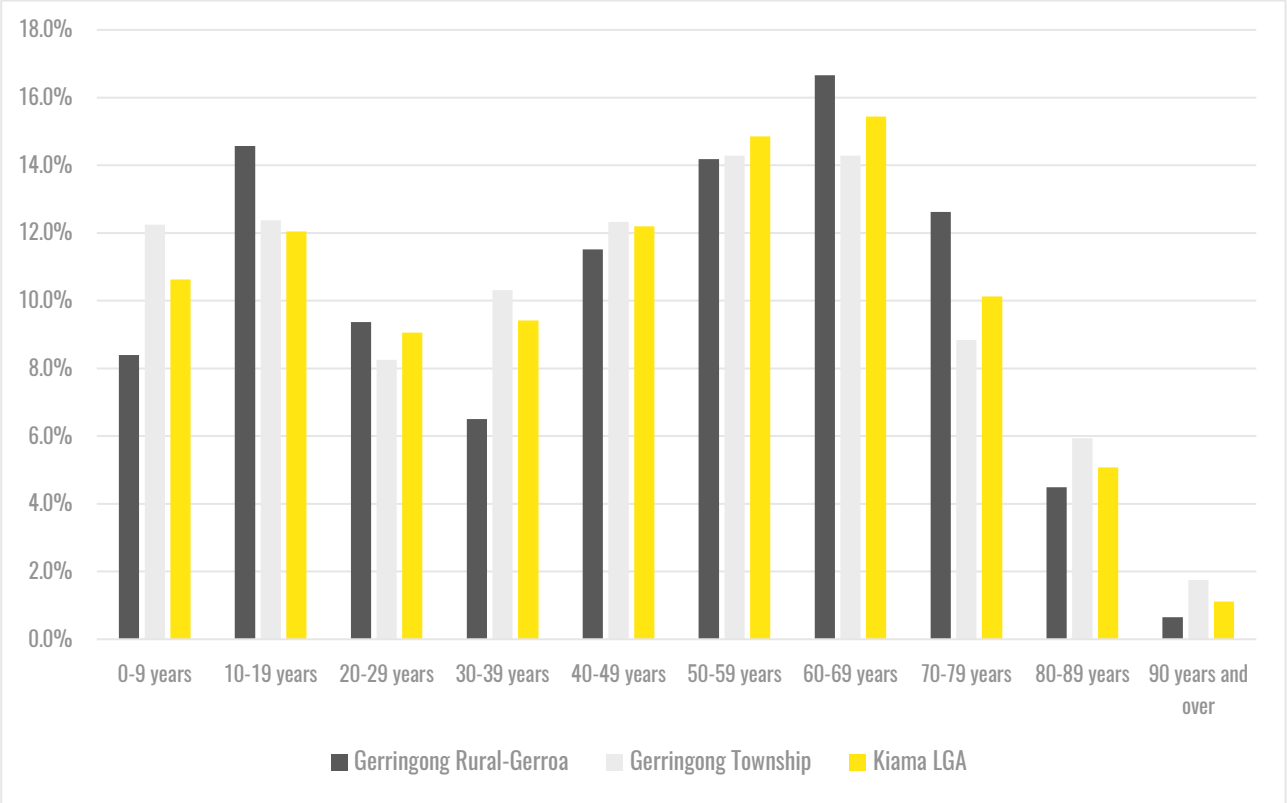
Compared to 2011, the age demographic of the Catchment Area has continued to progress to that of an older population as the proportion of residents aged 50 years and older increasing from 42% to 55% of the total population.

When compared against the broader Kiama LGA, several observations can be drawn:

- A higher proportion of younger residents (20 years and younger) is observed in the Catchment Area at almost 25% compared to 23% in the Kiama LGA.
- The proportion of middle-aged residents (30 to 50 years old) is similar in both the Catchment Area and broader Kiama LGA at around 22%.
- The Catchment Area has a larger proportion of elderly residents (80 years old and over) at 7.7% compared to the Kiama LGA at 6.0%.

Figure 2.5 illustrates the age profile of the Catchment Area and Kiama LGA as at the 2016 Census.

Figure 2.5: Age Profile (2016), Catchment Area and Kiama LGA



Source: ABS (2017)

2.3.3 Household Composition

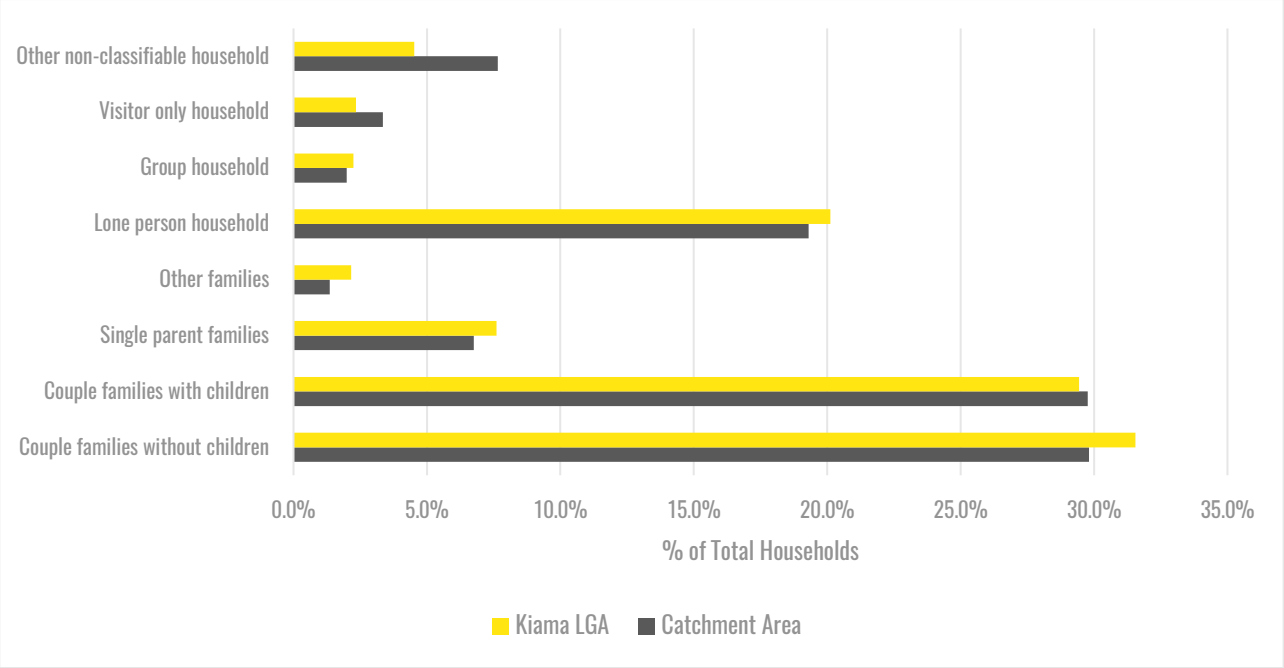
The most recent household composition data available is sourced from the 2016 Census. In 2016, couples without children and couples with children were the largest household types in the Catchment Area and accounted for some 60% of all households. This composition had remained essentially unchanged compared to 2011.

A series of key differences can be drawn from a comparison with the broader Kiama LGA:

- A slightly higher proportion of couple families with children households at 30% compared to 29%.
- A lower proportion of lone person households at 19% compared to 20%.
- A slightly lower proportion of single parent families at 6% compared to 8%
- A higher proportion of visitor only households (i.e. holiday homes) at 3% compared to 2%.

Figure 2.6 illustrates the household composition of the Catchment Area and Kiama LGA as at the 2016 Census.

Figure 2.6: Household Composition (2016), Catchment Area and Kiama LGA



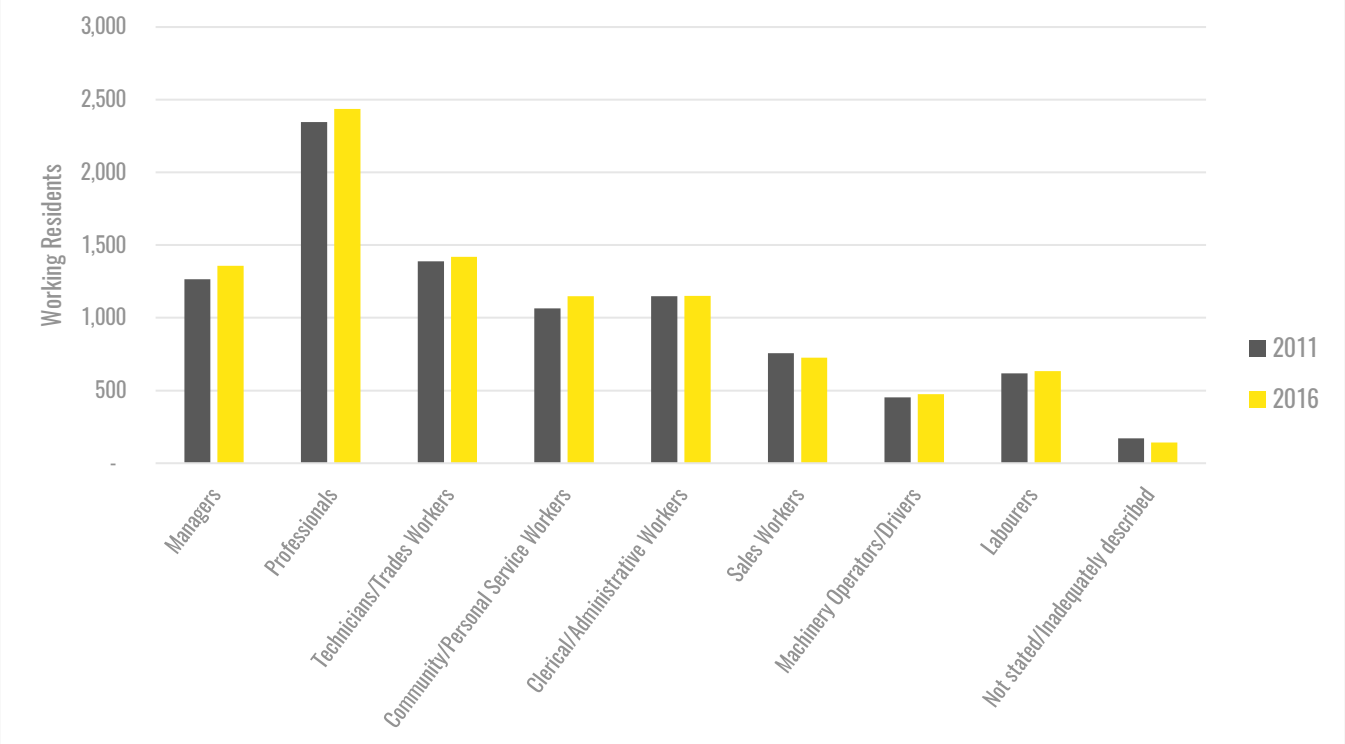
Source: ABS (2017)

2.3.4 Employment by Occupation

Working residents in the Kiama LGA are predominantly 'white collar' workers (i.e. professionals, managers, clerical and administrative workers), accounting for around 52% of local working residents. Traditional 'blue collar' occupations (i.e. technicians and trades workers, machinery operators and drivers, labourers) account for around 27% of local resident occupations. This occupation mix has remained largely unchanged since 2011.

Figure 2.7 illustrates the occupation profile of local working residents in the Kiama LGA over 2011-2016. This analysis excludes residents who are unemployed, not in the labour force (e.g. retirees) and residents aged 15 years and younger.

Figure 2.7: Employment by Occupation (2011-2016), Kiama LGA Residents



Note: Employment by occupation data for the Catchment Area is not analysed due to data inconsistencies
Source: ABS (2017)

2.3.5 Journey to Work

The overwhelming majority of working residents in the Kiama LGA commute to other regions for employment with around 20% of local residents also working locally in the Kiama LGA. The Illawarra-Shoalhaven's other regions are the other key destinations for employment, notably Wollongong (10%-12%), Shoalhaven (6%-9%) and Shellharbour (6%-7%). This has been consistent in recent years, with the number of working residents in the Kiama LGA marginally *decreasing* over this period.

Table 2.1 summarises the main destinations of employment for working residents in the Catchment Area and Kiama LGA.

Table 2.1: Destination of Employment (2016), Catchment Area and Kiama LGA

Destination (LGA)	Origin (LGA)	
	Catchment Area	Kiama LGA
Kiama	21%	19%
Wollongong	10%	12%
Shoalhaven	9%	6%
Shellharbour	6%	7%
Other Regions	**54%**	**54%**

Source: ABS (2017)

2.4 Employment Profile

The ABS categorise employment activity into 19 industry sectors referred to as ANZSICs (Australian New Zealand Standard Industry Classification). These are the most commonly utilised categorises used when analysing an areas employment profile.

That said, it is often more useful to consider employment composition in broader industry terms. Broad industry classifications (BICs) group the 19 ANZSIC sectors into four main industry categories - population-serving, knowledge-intensive, health and education and industrial. These BIC groupings and their corresponding ANZSICs are shown in **Table 2.2**.

Table 2.2: Broad Industry Classifications (BICs) by 19-Digit ANZSICs

Population Serving	Knowledge-Intensive	Health and Education	Industrial
• Construction • Retail Trade • Accommodation & Food Services • Arts & Recreation Services • Other Services	• Information, Media & Telecommunications • Financial & Insurance Services • Rental, Hiring & Real Estate Services • Professional, Scientific & Technical Services • Administrative & Support Services • Public Administration & Safety	• Education & Training • Health Care & Social Assistance	• Mining • Manufacturing • Electricity, Gas, Water & Waste Services • Wholesale Trade • Transport, Postal & Warehousing

Source: ABS/Atlas

2.4.1 Employment by Industry

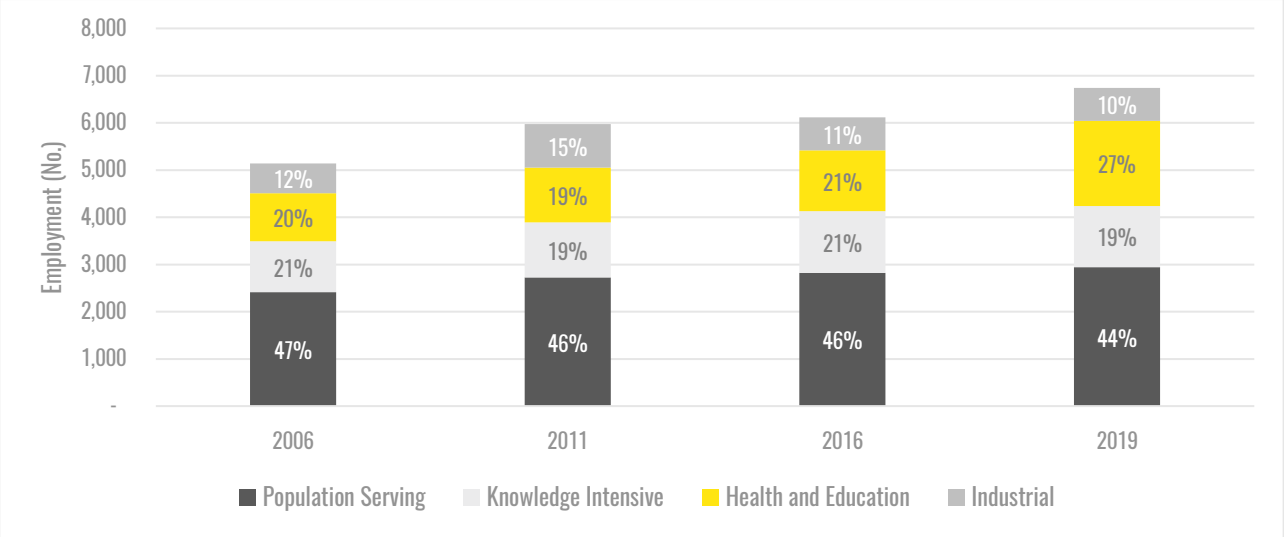
Kiama LGA

The Kiama LGA recorded some 6,700 workers in 2019 (NIEIR, 2020). Local employment is heavily represented by five industries which account for almost two thirds of all local employment – health care and social assistance (18%), accommodation and food services (17%), retail trade (11%), education and training (9%) and construction (9%).

The Kiama LGA has experienced 'stop-start' employment growth over the past decade. Strong employment growth was recorded over the 2006-2011 period, with an additional ~830 jobs created at an average annual rate of growth of 3.0%. The 2011-2016 period was markedly softer – employment growth of 0.5% with around 140 new jobs recorded in this period. In the three years to 2019, employment growth has returned to much stronger levels with ~625 jobs generated at an average rate of growth of 3.3%. This reflects the greatest pace of growth recorded since 2006.

It is important to understand the profile of employment growth across Kiama over this period. Over the 2016-2019 period, over 80% of all new employment has been recorded in the health sector. Minimal growth in population-serving or industrial sectors occurred, whilst knowledge intensive employment declined (NIEIR, 2020). Ove 2011-2016, health and education and knowledge intensive sectors were the key generators of growth, whereas industrial industries declined by almost 25%.

Figure 2.8: Employment Growth (2006-2019), Kiama LGA



Source: NIEIR (2020)

Key industries which recorded strong growth over the 2016-2019 period include the health care and social assistance and construction industries– these two industries alone accounting for 78% of all new employment during the period. Conversely, notable declines were recorded in a variety of sectors, ranging from arts and creation services, accommodation and food services, transport, postal and warehousing and rental, hiring and real estate services.

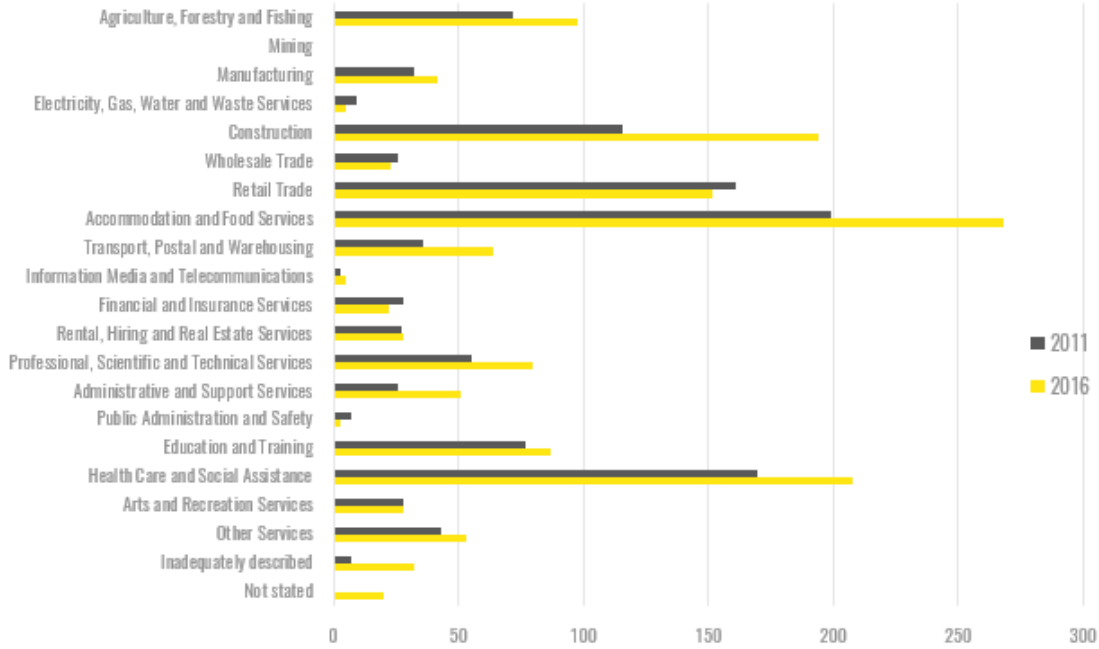
A detailed breakdown of employment growth (by ANZSIC and BIC) over 2006-2019 is provided in Schedule 2.

Catchment Area

The most recent employment data available at the small geography (DZ) level is sourced from the 2016 Census. As at 2016, the Catchment Area recorded a total of 1,463 workers (representing around a quarter of the Kiama LGA workforce). The Catchment Area is characterised by the similar major industries observed in the Kiama LGA, with accommodation and food services, health care and social assistance, construction and retail trade accounting for over half of all local employment.

An additional ~340 workers were recorded across the Catchment Area over the 2011-2016 period – the majority of these employed in the construction (78 jobs), accommodation and food services (69 jobs) and health care (38 jobs) sectors.

Figure 2.9: Employment by Industry (2011-2016), Catchment Area



Source: ABS (2017)

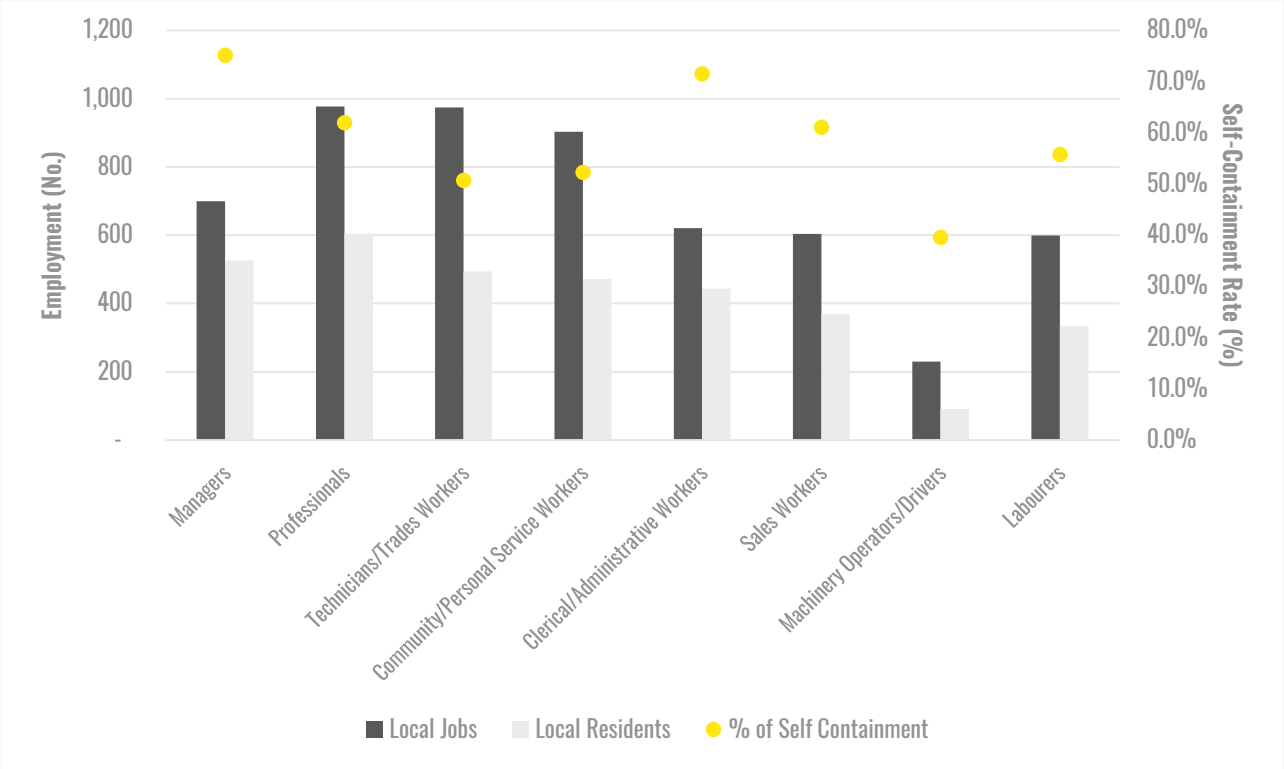
2.4.2 Self-Sufficiency and Self-Containment

A comparison of the number of workers in the Kiama LGA compared to its working residents shows the Kiama LGA (at 2016) has a relatively low level of self-sufficiency of 54%, suggesting there is 0.54 local jobs available for each working resident. This is significantly lower than the self-sufficiency rate observed for Greater Sydney – recorded at 105% in 2016.

In addition to this low rate of self-sufficiency, the Kiama LGA also has a relatively low self-containment rate (i.e. the number of residents who also work locally). The self-containment rate in 2016 was measured at just over 60% and is a direct reflection of the misalignment of local employment opportunities versus the skills and qualifications of Kiama's local residents.

As demonstrated in **Figure 2.10**, Kiama's self-containment rate differs across occupation types. The highest rate of self-containment is observed with managers with some 75% of Kiama's managerial workforce also residing within the LGA. Occupations with the lowest rate of self-containment are machinery operators/drivers at a rate of just 40%.

Figure 2.10: Self-Containment by Occupation Type (2016), Kiama LGA



Source: ABS (2017)

2.5 Population and Employment Projections

Official population and employment projections are carried out for Transport for NSW's Performance, Transport and Analytics Division (TPA). These projections inform strategic planning and infrastructure planning across NSW.

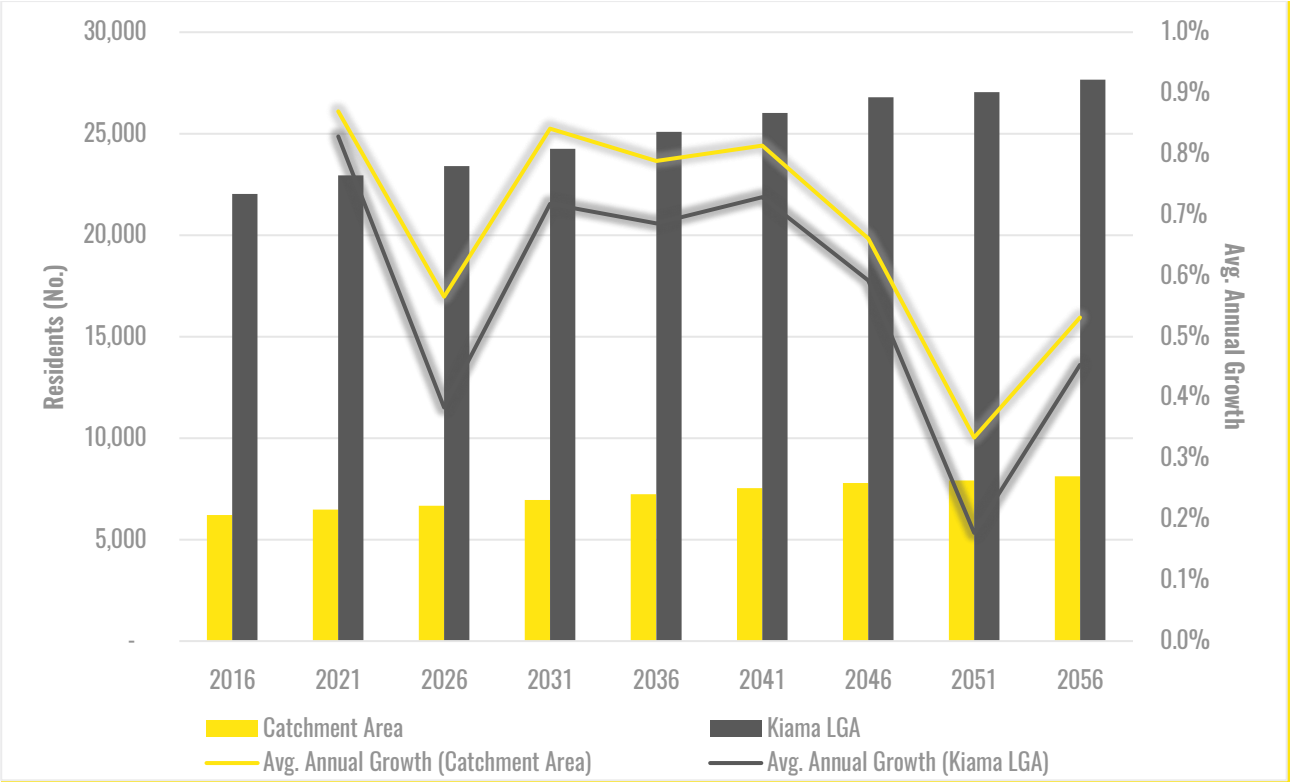
The smallest geography at which population and employment projections are carried out by TPA is at the Travel Zone (TZ) level. To understand how the Catchment Area (and broader Kiama LGA) is anticipated to grow over the coming decades, TZs which align with the earlier defined Catchment Area have been selected for analysis.

2.5.1 Population Projections

Population projections indicate that the Catchment Area is anticipated to grow by some 1,000 residents over the coming years to 2036, reaching a total population of ~7,200. By 2056, the Catchment Area is expected to have risen to just over 8,100, following further growth of about 900 residents.

The pace of growth anticipated over this period is lower than that historically observed across the Kiama LGA, averaging at 0.8% per annum over the 2016-36 projection period and 0.6% over the 2036-56 period. This rate of growth aligns with that forecasted for the broader Kiama LGA, which is expected to grow to ~25,000 residents in 2036 following average annual growth of some 0.7% over 2016-2036.

Figure 2.11: Population Projections (2016-2036), Catchment Area and Kiama LGA



Source: TPA (2020)

2.5.2 Employment Projections

On the back of strong population growth and an ageing population, the Catchment Area is anticipated to require a total of 2,249 jobs by 2036. This would reflect growth of almost 500 jobs over the 2016-2036 period (TPA, 2020).

Around 70% of the projected employment growth to 2036 is anticipated to stem from the health care and social assistance, construction and accommodation and food services industries:

- Health care and social assistance (+178 jobs, 36% of total employment growth)
- Construction (+92 jobs, 19% of total employment growth)
- Accommodation and Food Services (+14 jobs, 36% of total employment growth)

Traditional industrial industries are not anticipated to be major sources of employment – only the transport, postal and warehousing industry is expected to record notable growth. Other industrial industries are expected to record zero to nominal growth, whilst the agriculture, forestry and fishing industry is anticipated to *decline* in terms of overall employment over the coming years to 2036.

It is important to recognise that these employment projections are 'point in time' projections and have not considered the strategic directions of the Kiama LSPS, particularly the actions which will encourage for a more diversified economy. TPA employment projections have also not considered the impacts and trends which will result in a post-COVID economy. Nevertheless, they provide an insight into the quantum of growth expected in the Gerringong Catchment Area over the coming years to 2036.

An industry breakdown of the employment projections for the Gerringong Catchment Area is provided in Schedule 3.

2.6 Implications for the Proposal

Several important implications for the Proposal can be drawn from the review of the Site's strategic context.

Location

- The Site is located immediately west of the Gerringong township and 8.5km south of the Kiama Town Centre.
- The Site is located directly opposite Princes Highway – the Illawarra-Shoalhaven region's principal arterial highway.
- The Site is situated midway between the regional cities of Wollongong and Nowra – the primary administrative, retail, education, and employment hubs of the Illawarra-Shoalhaven region.

Planning Context

- The Site is zoned RU1 Primary Production. Land uses envisaged in the Proposal are not permitted in the RU1 zone.
- The Kiama LSPS acknowledges the need to balance protecting *viable* agricultural land against the need for urban development to support future population growth.
- The Kiama LSPS specifically acknowledges the current shortage of industrial land in the Kiama LGA and recommends Council investigate rezoning opportunities to accommodate small scale service industrial uses.

Demographic Profile

- The Gerringong Catchment Area recorded 5,900 residents in 2019, equivalent to 28% of the broader Kiama LGA.
- The age profile of the Gerringong Catchment Area broadly aligns with the Kiama LGA with residents aged 50 years and over accounting for almost half of the local population. That said, a higher proportion of younger residents (20 years and younger) is observed in the Catchment Area compared to the Kiama LGA.
- Over half of working residents in the Kiama LGA are professionals, managers and clerical and administrative workers. Traditional 'blue collar' occupations (i.e. technicians and trades workers, machinery operators and drivers, labourers) are still a major component of the resident labour force, accounting for around 27% of local working residents.
- ~80% of working residents in the Catchment Area and Kiama LGA commute outside of the Kiama LGA for employment

Employment Profile

- The Gerringong Catchment Area recorded a workforce of almost 1,500 workers in 2016, around 25% of the Kiama LGA.
- Similar to the Kiama LGA, the largest employing industries in the Catchment Area include health care and social assistance (19%), construction (18%), retail trade (16%) and accommodation and food services (9%). This low level of employment diversification poses risks to the local economy.
- Comparison of the number of local jobs in the Kiama LGA compared to its resident labour force suggests there are 0.54 local jobs available for each working resident. This is significantly lower than the self-sufficiency rate observed in Greater Sydney. A lack of local employment opportunities for Kiama residents, particularly younger residents, is a key weakness of the Kiama economy.

Future Growth

- The Gerringong Catchment Area is projected to grow by ~1,000 residents by 2036, reaching a population of ~7,200.
- It is expected that there will be a need for some 500 more jobs by 2036 to accommodate this expected growth. Ensuring there are adequate employment opportunities to accommodate this projected level of growth will be critical. Importantly, aiming to provide local employment for the Catchment Area's residents will be important to arrest the historic shift of residents out of the Kiama LGA to pursue employment opportunities elsewhere.

Overall, the Proposal has an opportunity to play a strategic role in diversifying the Kiama economy and address the lack of local job opportunities for local residents. This is subject to the impact of the Proposal on the local agricultural and industrial markets. These impacts are examined in the coming Chapters.

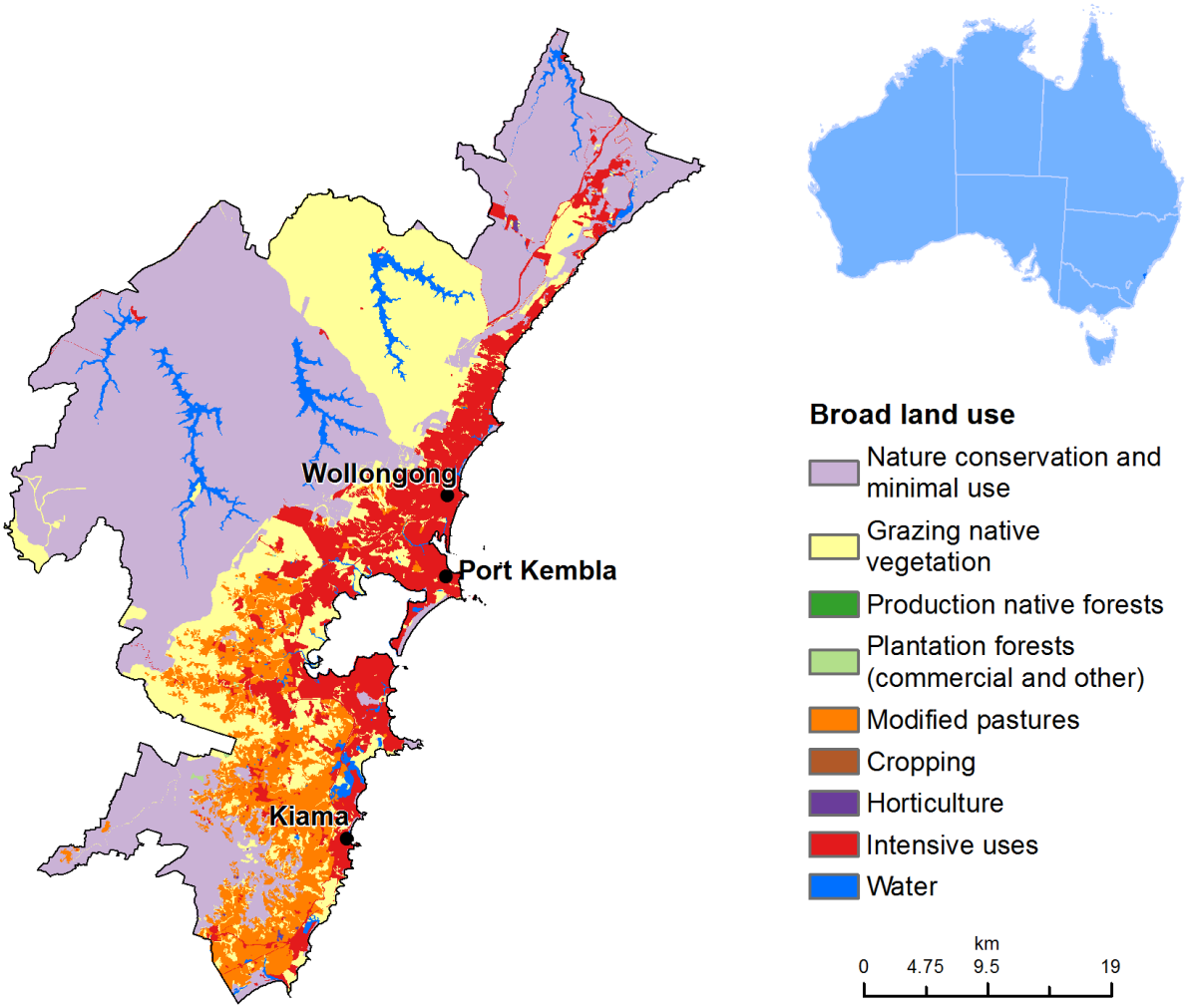
3. Rural/ Agricultural Land Uses

3.1 Illawarra Agricultural Region

The Illawarra Agricultural Region is defined by the Department of Agriculture, Water and Environment as the Kiama, Shellharbour and Wollongong LGAs, and parts the Campbelltown, Sutherland Shire, Wollondilly, Shoalhaven and Wingecarribee LGAs. The region covers a total area of around 1,500 square kilometres with agricultural land comprising some 480 square kilometres, representing 31% of the region (Department of Agriculture, Water and Environment, 2021).

Figure 3.1 illustrates the defined boundaries of the Illawarra Agricultural Region and its broad existing land uses.

Figure 3.1: Illawarra Agricultural Region



Source: Department of Agriculture, Water and Environment

Economic Value

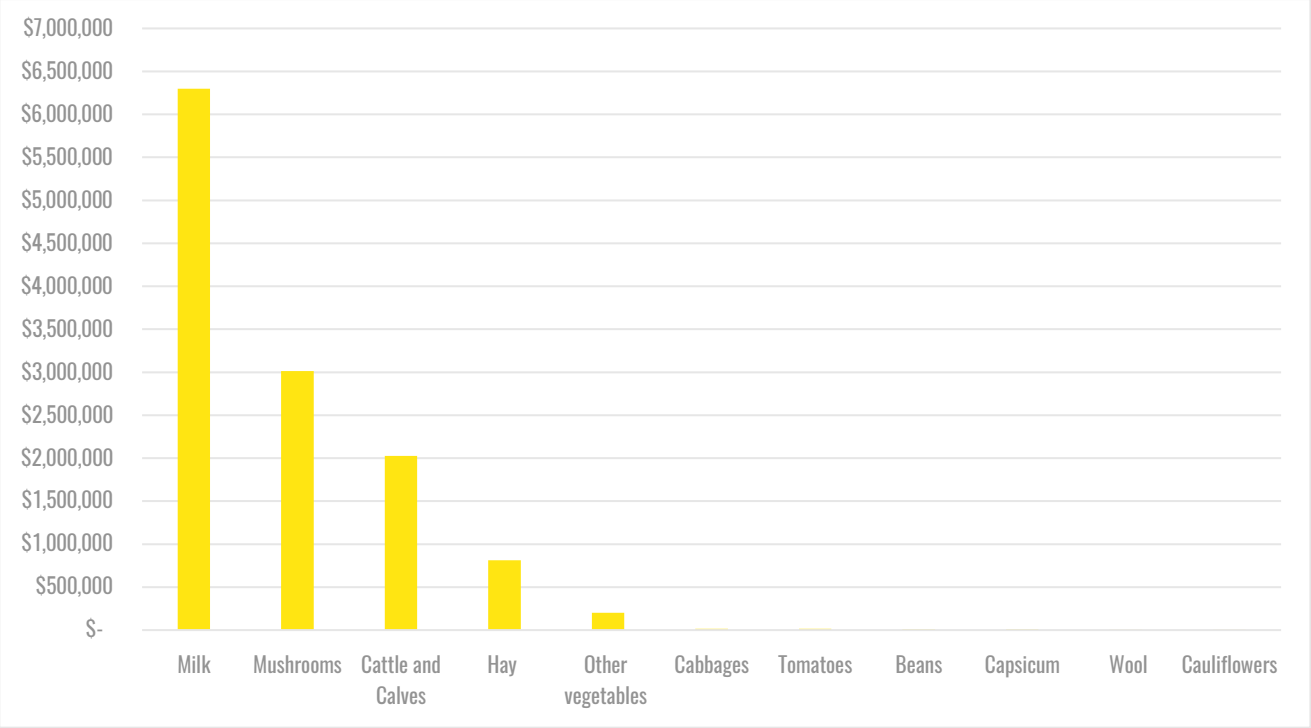
The most recent economic data on the value of the Illawarra Agricultural Region's economic output is for the 2018-19 financial year. In 2018-19, the Illawarra Region's gross value of agricultural production was recorded at $12 million. This was a very minor component of the broader NSW agricultural market, accounting for less than 1% of total gross value of state agricultural production at $11.7 billion.

As at May 2020, the Illawarra Region recorded a labour force of some 145,700 workers with the agriculture, forestry and fishing sector accounting for just 1% (circa 200 workers) of the labour force.

Key commodities in the Illawarra region based on the gross value of agricultural production were milk ($6 million), mushrooms ($3 million) and cattle and calves ($2 million) which collectively accounted for 91% of the total value of agricultural production across Illawarra.

Figure 3.2 illustrates the gross value of agricultural commodities over 2018-19 in the Illawarra Agricultural Region.

Figure 3.2: Gross Value of Agricultural Commodities (2018-19), Illawarra Region



Source: ABS (2020)

Recent farming data (2017-18) indicates that there we less than 10 farms in the Illawarra Region with an estimated value of agricultural operations of $40,000 or more. The Illawarra Region is not a major source of farming, accounting for less than 1% of all farms across NSW. The largest operators in the Illawarra Region were identified as dairy cattle farms (ABS, 2019).

The properties adjoining the Site do not represent any of the major farms identified in the Illawarra Region.

3.2 Agricultural Land Requirements

The suitability of land for agricultural purposes is influenced by a myriad of factors – climate, topography, soil, land area, water availability, previous land uses – all which determine the potential productivity and therefore its viability for agricultural uses.

Land which does not meet the needs of certain agricultural land uses will not be utilised for that purpose. The highly competitive and global nature of the agricultural industry, coupled with the low value nature of its exports, means there is little incentive for operators to invest and improve sub-quality agricultural land. Many commercial operators will also require minimum area requirements order to viably operate.

The viability of land for agricultural land uses can be measured in various methods. An independent Agricultural Viability Assessment (Cowman Stoddart Pty Ltd) has been prepared for the Site which examines its suitability for agricultural uses. This section considers some of these key measures examined in the Agricultural Viability Assessment.

3.2.1 Biophysical Strategic Agricultural Land

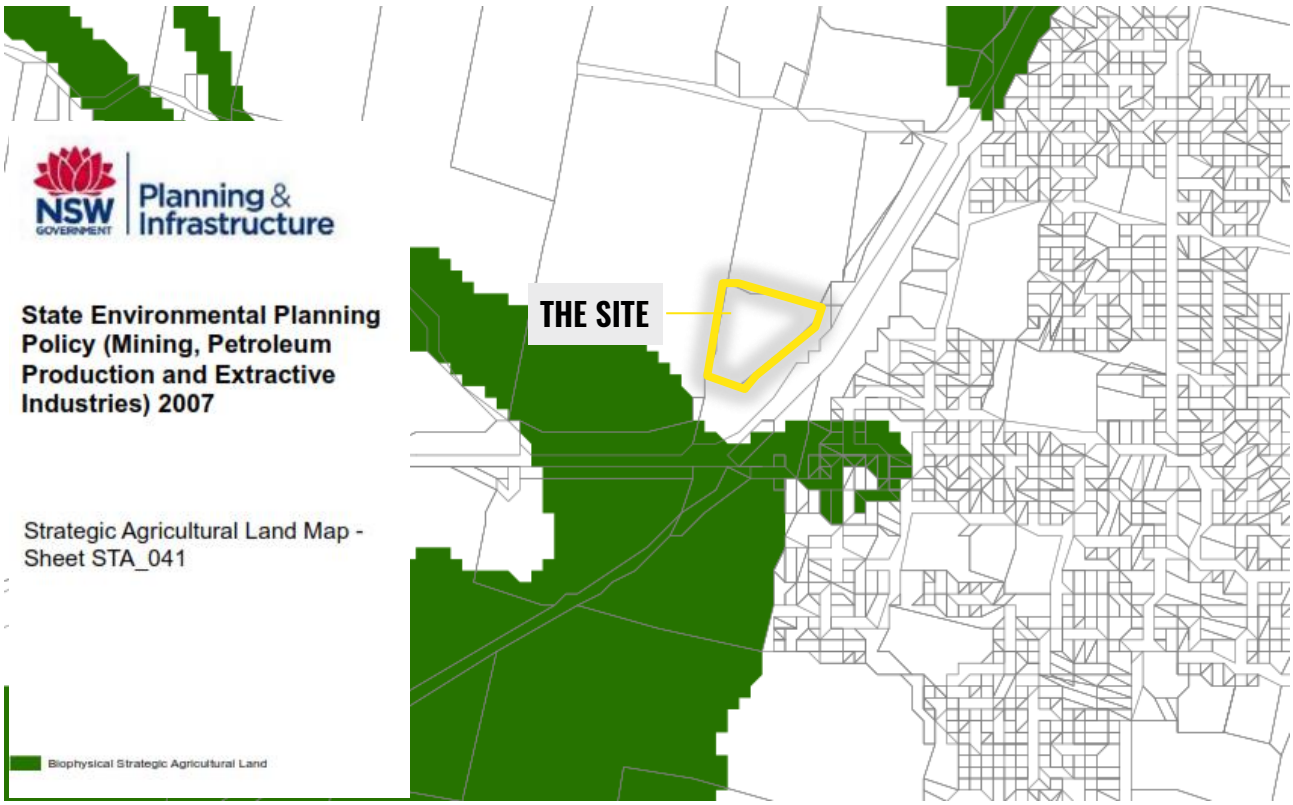
Biophysical Strategic Agricultural Land (BSAL) is defined as land with high quality soil and water resources capable of sustaining high levels of productivity.

A BSAL mapping system is provided in the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 to ensure extractive industries do not jeopardise highly productive agricultural land.

The Site is not identified as BSAL in the SEPP (Mining, Petroleum Production and Extractive Industries) 2007, though is located immediately east of a large stretch of BSAL-identified land which stretches along the Crooked River.

Figure 3.3 illustrates the location of the Site in the context of neighbouring BSAL land.

Figure 3.3: Biophysical Strategic Agricultural Land, Gerringong Region



Source: State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007

3.2.2 Agricultural Land Classifications

An agricultural land hierarchy has been developed by the Department of Agriculture, Water and Environment (DAWE) to classify the suitability of land for agricultural use across NSW. The hierarchy comprises five classes – ranging from Class 1 (prime agricultural land) to Class 5 (land unsuitable for agricultural use except light grazing).

Table 3.1 defines the five classes in the DAWE agricultural land hierarchy.

Table 3.1: Agricultural Land Classifications

Class	Description
Class 1	Arable alluvial land with deep, fertile soils having a very good capability for agriculture. These lands have only minor or no constraints to sustained high to very high levels of production.
Class 2	Arable lands having a very good capability for agriculture. Minor to moderate constraints to sustained high levels of production are present.
Class 3	Grazing land or land well suited to pasture improvement. It may be cultivated or cropped in rotation with sown pasture. The overall production level is moderate because of edaphic factors or environmental constraints. Erosion hazard, soil structural breakdown or other factors including climate may limit the capacity for cultivation, and soil conservation or drainage works may be required.
Class 4	Land suitable for grazing but not for cultivation. Agriculture is based on native pastures or improved pastures established using minimum tillage techniques. Production may be seasonally high, but the overall production level is low as a result of major environmental constraints.
Class 5	Land unsuitable for agriculture or at best suited only to light grazing. Agricultural production is very low or zero because of severe constraints, including economic factors which preclude land improvement.

Source: Department of Agriculture, Water and Environment, sourced from Cowman Stoddart Pty Ltd (2021)

The most recent agricultural mapping for the Illawarra Region which defines agricultural land under the DAWE hierarchy was prepared in 1986. At this time, the Site was defined as Class 3 agricultural – similar to adjoining land to the north and west. This assessment (dated some 35-years ago) pre-dated the use of the Site as a RMS storage depot.

The Agricultural Viability Assessment (Cowman Stoddart Pty Ltd, 2021) found that remediation works carried out by RMS following their use of the Site as a storage depot had entirely removed the Site's topsoil with rock and kikuyu pasture grass introduced to provide surface stability. Whilst this has prevented soil erosion, the removal of existing topsoil has significantly and negatively impacted the agricultural value of the Site.

The Agricultural Viability Assessment concluded the likely classification of the Site is Class 5 (unsuitable for agricultural use).

3.2.3 Classification under Local Government Act

The Local Government Act 1993 also provides guidance on the definition of agricultural land. Key metrics to determine whether agricultural land is 'farmland' (and therefore eligible for rating concessions) include:

- The land is used for agricultural uses on a permanent and repetitive basis and is of a significant or commercial character.
- The land is not rural residential land.

The Agricultural Viability Assessment notes that practical interpretations of these metrics include:

- A minimum 250 dry sheep equivalent (d.s.e.) for grazing enterprises; and
- A minimum of 2 hectares of high-quality soil and irrigated land for horticultural enterprises.

The Agricultural Viability Assessment concluded that the Site would not meet the eligibility criteria to be designated as 'farmland' under the Local Government Act 1993.

3.3 Implications for the Proposal

The Illawarra Agricultural Region is an important component of the Illawarra economy. The region is characterised by small scale operators with only 10 large farming operations identified in 2017-18 – most of these being dairy farms.

The suitability of land for agricultural purposes is intrinsically linked to the potential output that could be derived from its use. A multitude of factors therefore influence agricultural viability, particularly soil quality and land area.

An Agricultural Viability Assessment (Cowman Stoddart Pty Ltd, 2021) concluded the Site is no longer a viable parcel of agricultural land. This assessment was based on numerous factors:

- The Site has not been used for agricultural uses for almost a decade.
- Remediation works carried out by RMS resulted in the complete removal of topsoil across the Site, removing its agricultural value.
- The Site is not identified as prime agricultural land in the SEPP (Mining, Petroleum Production and Extractive Industries) 2007 and is most probably defined as Class 5 under the DAWE agricultural land hierarchy.
- The size of the Site (2.95ha in total site area) and its poor remaining soil quality are unlikely to facilitate viable grazing or horticulture operators.
- Existing DA approval for construction of a dwelling on the Site has shifted price expectations for the Site with agricultural uses no longer economically viable.

Based on these findings, it is unlikely that the Proposal will have an impact on the Illawarra Agricultural Region. The topographical nature of the Site makes it well-buffered from adjoining neighbours and is not expected to impact on agricultural uses in the surrounding region north of Princes Highway.

4. Industrial Land Uses

4.1 General Land Uses

Despite the economic headwinds following the outbreak of COVID-19 in early 2020, the Illawarra-Shoalhaven's industrial market has continued to perform strongly over the past 12 months. The market has been buoyed by growth in the logistics and e-commerce sectors, population growth demanding urban services, a 'shift south' as Sydney-based businesses relocate to the Illawarra and Shoalhaven and localised employment growth in traditional industrial sectors.

Whilst the economic repercussions of COVID-19-idnuced recession being felt across Australia make the outlook for many property sectors uncertain, market conditions in the Illawarra/Shoalhaven industrial sector are expected to remain strong as:

- Further uptake in the use of e-commerce platforms by consumers and businesses, driving demand for freight and logistics. This trend is expected to be exacerbated in a post-COVID economy.
- Further growth in throughput at Port Kembla for both containerised goods and bulk goods.
- Increasing shift of occupiers from Greater Sydney to the Illawarra-Shoalhaven given the rising cost of land.
- Large scale transport infrastructure projects underway and in the pipeline stimulating industrial activity.
- Strong projected population growth driving demand for urban services (e.g. waste recycling, automotive services, utilities, small scale manufacturing), particularly in the wake of COVID-19.

These drivers have resulted in significant investment interest into industrial assets within the industrial markets of the Wollongong Shellharbour, resulting in strong capital and rental growth. This is expected to persist for some time.

It is important to understand the factors influencing location decisions of large-scale industrial users differ markedly compared to those of smaller scale, service-focused industrial and urban service users. Proximity to the orbital and arterial road network and access to Trade Gateways are typically key factors for larger industrial occupiers, whereas proximity to local residential catchments and co-location with similar services are the key location determinants for urban services.

The size and location of the Site make it ideally suited to industrial SMEs which focus on servicing local customer catchments, though it could also suit certain transport and logistics users given its position along Princes Highway.

4.2 Illawarra-Shoalhaven Industrial Market

The Illawarra-Shoalhaven industrial market comprises all industrial precincts which fall within the Wollongong, Shellharbour, Kiama and Shoalhaven LGAs. The Wollongong LGA accounts for most of the market – accounting for 70% of all developed industrial land as at Q1 2020. Shoalhaven comprises the largest amount of *undeveloped* industrial land at some 280ha.

The Kiama LGA comprises just 4.7ha of industrial (IN) land – comprising less than 1% of the Illawarra-Shoalhaven market. All of Kiama LGA's industrial land supply is developed, having been fully developed since 2015.

Table 4.1 shows the existing supply of developed and undeveloped industrial land for the Illawarra-Shoalhaven at Q1 2020.

Table 4.1: Existing Supply (Q1 2020), Illawarra-Shoalhaven Industrial Market

LGA	Industrial Land (ha)			Key Precincts
	Developed	**Undeveloped**	Total	
Wollongong	1,579.7	263.2	1,842.9	Port Kembla, Kembla Grange, Unanderra, Yallah
Shellharbour	99.0	5.7	104.7	Albion Park Rail, Oak Flats,
Kiama	4.7	-	4.7	Kiama
Shoalhaven	336.8	279.6	616.4	South Nowra, Bomaderry, Ulladulla, Huskisson
Total	**2,020.2**	**548.5**	**2,568.7**	

Source: DPIE (2021)

4.3 Local Market Activity

At just 4.7ha, the Kiama LGA industrial market is amongst the smallest in NSW and is limited to two small precincts in Kiama and Gerringong. The Kiama LGA also includes 13.2ha of B7 Business Park land which permits limited forms of industrial activity, though is not as flexible as the IN2 Light Industrial zone.

The Kiama and Gerringong industrial market is tightly held – very few sales have been recorded of existing properties in recent years with most sites owned by local owner occupier businesses.

The first new industrial development to be released in Kiama in recent years commenced marketing in late 2020. Known as 'Belvedere Central' at 3 Belvedere Street, the development is marketing a range of small warehouse and self-storage suites from 90sqm to 140sqm.

Discussions with the marketing agent suggest the market response to date has been strong – 40% of the 22 strata-titled units have been sold with sale prices achieved well above initial market expectations. Demand has been observed from a mix of local owner occupiers, particularly tradesmen and light industrial users looking for tool and equipment storage space. Owing to the market response, the developer is now understood to be withholding the remaining suites until post-completion given the potential for further price growth.

Figure 4.1: 'Belvedere Central', 3 Belvedere Street, Kiama

Source: Realcommercial.com

Sales activity in new industrial estates further north in the Shellharbour LGA have been equally strong. For instance, a new industrial subdivision in Yallah (some 24km north of the Site) has recorded significant interest since marketing commenced in 2020. The 31-lot subdivision comprising serviced lots ranging from 1,000sqm to 2,100sqm is 75% sold and has achieved sale prices some 70% higher than those recorded in 2017.

Further south, the industrial markets in the Shoalhaven LGA (particularly South Nowra) are also experiencing significant levels of demand, particularly from freight and logistic operators. For instance, a new industrial subdivision in South Nowra (Flinders Industrial Estate) has experienced a strong increase in land values over the past 12-18 months. When initially released to market in 2016, vacant industrial sites ranging from 3,000sqm to 6,000sqm of site area were achieving sale prices analysing to $75/sqm to $100/sqm of site area over the course of 2016-2018. Sales recorded over 2019-2020 analysed to rates from $100/sqm to $120/sqm of site area – reflecting price growth of up to 33%.

Development Activity

With the exception of 3 Belvedere Street in Kiama, no new industrial development is being progressed in the Kiama LGA. This a direct reflection of the lack of available vacant land, with high industrial property values making comprehensive redevelopment unlikely.

In contrast, a flurry of development activity is occurring in nearby Shellharbour and Shoalhaven where there are greater development opportunities, particularly in Shoalhaven.

4.4 Implications for the Proposal

The Illawarra-Shoalhaven industrial market has continued to perform strongly over the past 12-24 months, driven by a range of structural and market factors. Strong demand is fuelling marked capital growth, with numerous new estates experiencing swift take-up rates.

The Kiama LGA industrial market is a minor component of the overall Illawarra-Shoalhaven industrial market–accounting for less than 1% of the markets total industrial land supply. The recently released 'Belvedere Central' industrial development in Kiama has received a swift and positive response from the market since its release in late-2020 with prices achieved being well above initial expectations. Demand is overwhelmingly being driven by local businesses and tradesmen.

Based on these findings, the following observations for the Proposal can be made.

- The Proposal would effectively assist in accommodating demand from industrial users in a heavily constrained market.
- The Proposal via the Concept Master Plan envisages the development of six freestanding warehouse- factory buildings ranging in size from 110sqm to 2,129sqm in floor area. These are considered appropriate and provides a sufficient range to attract a range of small and medium sized businesses.
- The location of the Site and the size of the proposed warehouse buildings will likely attract population-orientated and small industrial occupiers who are more reliant on proximity to population catchments as opposed to larger industrial users such as freight and logistic operators (though the Site lends itself to both).

Overall, the Proposal would assist in addressing the severe shortage of industrial land in the Kiama LGA and would not result in any adverse economic impacts on Kiama's existing industrial market.

5. Economic Impact Assessment

5.1 Overview and Approach

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

- **Proposal Case**:
    - The Site is developed to accommodate 6,137 sqm of industrial employment space (as envisaged in the Concept Master Plan).
- **Base Case**:
    - The Site is developed as a single rural residential dwelling (as per existing DA approval).

The economic impacts are assessed at the Kiama Local Government Area (LGA) level. An Input-Output model (including the development of specific regional Input-Output transaction tables) was developed to reflect the economic structure of the Kiama LGA (see Schedule 2 for further detail).

Input-Output modelling describes economic activity through the examination of four types of impacts described in **Table 5.1**.

Table 5.1: Economic Indicators

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

Source: Atlas

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

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

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

Drivers of Economic Activity

To understand the economic impacts likely to result from the Proposal compared to the Base Case, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature during the operational phase. .

- **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in the Kiama LGA as well as from outside the LGA. Assumptions are made on the proportion sourced from within and from outside the LGA. Construction activity is assessed for the Base and Proposal Cases.
- **Operational Phase:** The Site is expected to generate ongoing economic/ operational activity through:
    - Direct turnover generated by the operational activities on-site (Proposal Case).
    - Additional household expenditure within the Kiama LGA generated through the additional dwelling (Base Case).

Refer to Schedule 2 for a description of the drivers and assumptions that underpin the assessed economic impacts.

5.2 Economic Activity and Impacts

Economic impacts arising in the Construction phase are estimated separately to the Operational phase. Construction impacts are expected to be short-term in nature and will conclude when development activity is completed.

5.2.1 Construction Phase

The Proposal Case is projected to generate significant economic impacts for Kiama LGA during the construction phase, including:

- **$9.6 million** in output ($6.2 million directly).
- **$3.3 million** contribution to GRP ($1.5 million direct contribution).
- **$1.9 million** in wages and salaries paid to local workers ($1.0 million directly).
- **23** FTE jobs (11 direct FTE).

Table 5.2 summarises the estimated economic impacts during the construction phase in both the Base and Proposal Case.

Table 5.2: Construction Impacts (Base and Proposal Case), Kiama LGA

Indicator	Output ($M)	GRP ($M)	Incomes ($M)	Employment (FTE)
Base Case				
Direct	$0.4	$0.1	$0.1	1
Flow-on Type I (Production-induced)	$0.1	$0.0	$0.0	0
Flow-on Type II (Consumption-induced)	$0.1	$0.0	$0.0	0
Total	**$0.6**	**$0.2**	**$0.1**	**1**
Proposal Case				
Direct	$6.2	$1.5	$1.0	11
Flow-on Type I (Production-induced)	$2.3	$1.0	$0.6	8
Flow-on Type II (Consumption-induced)	$1.1	$0.7	$0.3	4
Total	**$9.6**	**$3.3**	**$1.9**	**23**
Net Construction Impact				
Direct	$5.8	$1.4	$0.9	10
Flow-on Type I (Production-induced)	$2.2	$1.0	$0.6	8
Flow-on Type II (Consumption-induced)	$1.0	$0.7	$0.3	4
Total	**$9.0**	**$3.1**	**$1.8**	**22**

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

**The small number of jobs created in the Base Case (1 FTE) reflects the annual amount of full-time work the Base Case would generate. For instance, if the Base Case was delivered over a 3-month period, the number of FTEs would be equivalent to 4 over the three months.*

Compared with the Base Case, the Proposal Case is estimated to result in **a net increase in economic activity** during construction through direct and indirect (flow-on) activity:

- **$9.0 million** additional in output (including $5.8 million in direct activity).
- **$3.1 million** additional in contribution to GRP (including $1.4 million in direct activity).
- **$1.8 million** additional in incomes and salaries paid to households (including $0.9 million directly).
- **22** additional FTE jobs (including 10 additional FTE jobs directly related to construction activity on the Site).

5.2.2 Operational Phase

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

- **$48.4 million** in output (including $31.4 million in direct activity).
- **$20.0 million** contribution to GRP (including $11.5 million in direct activity).
- **$10.6 million** in incomes and salaries paid to households (including $6.3 million in direct income).
- **115** FTE jobs (including 62 FTE directly related to activity on the Site).

Table 5.3 summarises the estimated economic impacts during the operational phase in both the Base and Proposal Case.

Table 5.3: Operational Impacts in Kiama LGA, Base Case and Proposal Case

Indicator	Output	GRP	Incomes	Employment (FTE)
Base Case (Household Spend)	**($M)**	**($M)**	**($M)**	**FTE**
Direct	$0.047	$0.027	$0.015	0.2
Flow-on Type I (Production-induced)	$0.009	$0.005	$0.003	0.0
Flow-on Type II (Consumption-induced)	$0.012	$0.007	$0.003	0.0
Total	$0.068	$0.039	$0.020	0.3
Proposal Case (Operational Activity)	**($M)**	**($M)**	**($M)**	**FTE**
Direct	$31.4	$11.5	$6.3	62
Flow-on Type I (Production-induced)	$10.8	$4.8	$2.7	32
Flow-on Type II (Consumption-induced)	$6.1	$3.7	$1.5	22
Total	**$48.4**	**$20.0**	**$10.6**	**115**
Net Operational Impacts	**($M)**	**($M)**	**($M)**	**FTE**
Direct	$31.4	$11.5	$6.3	62
Flow-on Type I (Production-induced)	$10.8	$4.8	$2.7	32
Flow-on Type II (Consumption-induced)	$6.1	$3.7	$1.5	22
Total	**$48.3**	**$20.0**	**$10.6**	**115**

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

Compared with the Base Case, the Proposal Case facilitates a significantly intensified use of the Site, accommodating more businesses and employment activity, resulting in greater levels of output and contribution to the Kiama LGA economy.

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

- **$20.0 million** contribution to GRP (including $11.5 million in direct activity).
- **$10.6 million** in incomes and salaries paid to households (including $6.3 million in direct income).
- **115** FTE jobs (including 62 FTE directly related to activity on the Site).

5.3 Summary of Findings

The economic impacts of the Proposal are found to be significant. The future development of the Site for industrial uses is expected to generate an additional $20 million in annual GRP for the Kiama LGA and support around 62 full-time jobs on Site.

The Proposal Case is estimated to result in the following economic impacts during the construction phase:

- **$9.6 million** in output (including $6.2 million in direct activity).
- **$3.3 million** contribution to GRP (including $1.5 million in direct activity).
- **$1.9 million** in incomes and salaries paid to households (including $1.0 million in direct income).
- **23 FTE** jobs (including 11 FTE directly employed in construction activity).

Following construction, the Proposal Case is estimated to support the following net annual economic activity through direct and flow-on impacts:

- **$48.4 million** in output (including $31.4 million in direct activity).
- **$20.0 million** contribution to GRP (including $11.5 million in direct activity).
- **$10.6 million** in incomes and salaries paid to households (including $6.3 million in direct income).
- **115 FTE** jobs (including 62 directly related to activity on the Site).

The Proposal is not anticipated to negatively impact the Illawarra Agricultural Region and is well-buffered to ensure little impact on adjoining landowners. The Proposal directly responds to a key action of the Kiama LSPS – providing opportunities for industrial employment diversifying the local economy. Importantly, the Proposal will provide opportunities for local Kiama businesses to locate and/or expand without needing to relocate outside Kiama.

The economic impacts estimated in this chapter demonstrate the Proposal has economic merit, having the ability to contribute immediately to the Kiama local economy.

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Schedules

SCHEDULE 1

Socio-Economic Catchment Area

ABS geographies – both Statistical Area 1 and DZ geographies – were defined and allocated to a Gerringong Rural-Gerroa and Gerringong Township area for the purposes of the demographic and employment analysis.

The geographies selected for this analysis are outlined in **Table S1. 1**.

Table S1. 1: ABS Geographies Selected, Catchment Area

Region	Statistical Area 1	Destination Zone
Gerringong Rural- Gerroa	• 10703114012 • 10703114018 • 10703114019 • 10703114020	• 111407550
Gerringong Township	• 10703114001 • 10703114002 • 10703114006 • 10703114007 • 10703114008 • 10703114009 • 10703114010 • 10703114011 • 10703114013 • 10703114014	• 111407551

Source: ABS

SCHEDULE 2

Employment Growth (2006-2019), Kiama LGA

Figure S2. 1: Employment by ANZSIC and BIC (2006-2019), Kiama LGA

Industry	2006		2011		2016		2019	
	No.	%	No.	%	No.	%	No.	%
Australian and New Zealand Standard Industrial Classification (ANZSIC)								
Agriculture, Forestry and Fishing	166	3.2%	424	7.1%	186	3.0%	219	3.3%
Mining	-	0.0%	4	0.1%	1	0.0%	0	0.0%
Manufacturing	154	3.0%	137	2.3%	174	2.8%	215	3.2%
Electricity, Gas, Water and Waste	6	0.1%	25	0.4%	17	0.3%	13	0.2%
Construction	442	8.6%	552	9.2%	401	6.6%	585	8.7%
Wholesale Trade	78	1.5%	88	1.5%	84	1.4%	58	0.9%
Retail Trade	770	15.0%	740	12.4%	709	11.6%	735	10.9%
Accommodation and Food Services	878	17.1%	986	16.5%	1,147	18.8%	1109	16.5%
Transport, Postal and Warehousing	229	4.5%	241	4.0%	233	3.8%	195	2.9%
Information Media and	56	1.1%	54	0.9%	31	0.5%	50	0.7%
Financial and Insurance Services	128	2.5%	113	1.9%	116	1.9%	115	1.7%
Rental, Hiring and Real Estate Services	136	2.6%	138	2.3%	116	1.9%	89	1.3%
Professional, Scientific and Technical	298	5.8%	333	5.6%	419	6.9%	414	6.1%
Administrative and Support Services	154	3.0%	219	3.7%	283	4.6%	272	4.0%
Public Administration and Safety	313	6.1%	308	5.2%	345	5.6%	356	5.3%
Education and Training	448	8.7%	522	8.7%	587	9.6%	606	9.0%
Health Care and Social Assistance	566	11.0%	642	10.7%	703	11.5%	1193	17.7%
Arts and Recreation Services	117	2.3%	201	3.4%	282	4.6%	194	2.9%
Other Services	205	4.0%	248	4.2%	278	4.5%	319	4.7%
Total	**5,142**	**100.0%**	**5,974**	**100.0%**	**6,114**	**100.0%**	**6,739**	**100.0%**
Broad Industry Classification (BIC)								
Population Serving	2,411	46.9%	2,727	45.6%	2,817	46.1%	2,943	43.7%
Knowledge Intensive	1,084	21.1%	1,164	19.5%	1,312	21.5%	1,296	19.2%
Health and Education	1,014	19.7%	1,164	19.5%	1,290	21.1%	1,799	26.7%
Industrial	632	12.3%	919	15.4%	694	11.4%	700	10.4%
Total	**5,142**	**100.0%**	**5,974**	**100.0%**	**6,114**	**100.0%**	**6,739**	**100.0%**

Source: NIEIR (2020)

SCHEDULE 3

Employment Projections (2016-2016), Catchment Area

Table S3. 1: Employment Projections (2016, 2026, 2036), Catchment Area

Industry	2016		2026		2036		2016-2036	
	No.	%	No.	%	No.	%	No.	%
Agriculture, Forestry and Fishing	133	7.6%	99	4.9%	103	4.6%	-30	-22.5%
Mining	0	0.0%	0	0.0%	0	0.0%	0	7.9%
Manufacturing	23	1.3%	24	1.2%	25	1.1%	2	8.7%
Electricity, Gas, Water and Waste	9	0.5%	9	0.5%	10	0.4%	1	8.2%
Construction	301	17.1%	362	17.9%	392	17.5%	92	30.4%
Wholesale Trade	15	0.9%	17	0.8%	18	0.8%	2	14.3%
Retail Trade	178	10.2%	187	9.2%	200	8.9%	21	11.9%
Accommodation and Food Services	326	18.6%	364	18.0%	396	17.6%	70	21.6%
Transport, Postal and Warehousing	90	5.1%	104	5.1%	108	4.8%	18	20.4%
Information Media and	6	0.3%	6	0.3%	7	0.3%	1	10.5%
Financial and Insurance Services	16	0.9%	16	0.8%	17	0.8%	1	9.6%
Rental, Hiring and Real Estate Services	37	2.1%	45	2.2%	49	2.2%	12	32.5%
Professional, Scientific and Technical	110	6.3%	151	7.5%	165	7.3%	55	49.7%
Administrative and Support Services	75	4.3%	78	3.9%	83	3.7%	7	9.6%
Public Administration and Safety	4	0.2%	4	0.2%	4	0.2%	1	18.0%
Education and Training	105	6.0%	127	6.3%	144	6.4%	39	37.5%
Health Care and Social Assistance	247	14.1%	336	16.6%	425	18.9%	178	71.9%
Arts and Recreation Services	28	1.6%	32	1.6%	36	1.6%	8	28.6%
Other Services	55	3.1%	61	3.0%	67	3.0%	13	23.4%
Total	**1,757**	**100.0%**	**2,022**	**100.0%**	**2,248**	**100.0%**	**491**	**27.9%**

Source: TPA (2020)

SCHEDULE 4

Input-Output Modelling Methodology

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

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

Impacts are traced through the economy via:

Direct impacts, which are the first round of effects from direct operational expenditure on goods and services.

Flow-on impacts, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:

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

Economic analysis considers the following four types of impacts.

Table S4.1: Economic Activity Indicators

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

Source: Atlas

REGIONAL MODEL DEVELOPMENT

Multipliers used in this assessment have been created using a regionalised Input-Output model derived from the 2017-18 Australian transaction table (ABS, 2020).

Estimates of gross industry production in the catchment area were developed based on the share of employment (by place of work) of the Catchment Area within the Australian economy (ABS, 2017a) using the Flegg Location Quotient and Cross Hauling Adjusted Regionalisation Method (CHARM). See Norbert (2015) and Kronenberg (2009) for further details.

MODELLING LIMITATIONS AND ASSUMPTIONS

Input-Output modelling is subject to a number of key assumptions and limitations (ABS, 2020):

- **Lack of supply–side constraints:** The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply–side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.
- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production:** Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount.
- **No allowance for purchasers' marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.

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

DRIVERS OF ECONOMIC IMPACT

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

- **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in the Kiama LGA as well as from outside the LGA. Assumptions are made on the proportion sourced from within and from outside the LGA.
- **Operational Phase (Proposal Case):** On completion of development, the Site is expected to generate ongoing economic/ operational activity through the direct turnover generated by the industrial operational activities.
- **Household Spend (Base Case):** Economic activity generate through additional residential household expenditure under the Base Case.

Construction Phase

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

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

Table S4.2:: Construction Cost Allocation (including Contingency)

Work Type	Proposal Case ($M)	ANZSIC
Base Case		
Residential Building	$0.37	Residential Building Construction
Professional Fees	$0.04	Professional, Scientific and Technical Services
Total	**$0.41**	-
Proposal Case		
Industrial Warehouses	$5.5	Non-Residential Building Construction
Professional Fees	$0.6	Professional, Scientific and Technical Services
Total	**$6.2**	-

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

The above capital outlay is assumed to be undertaken entirely within the Kiama LGA economy.

Operational Phase (Proposal Case)

In order to model the economic impacts, operational employment levels for the economic activity occurring in Proposal Case were categorised into the ANZSIC industries which Atlas considered most appropriate.

Employment by industry estimates were converted to a direct output value using a multiplier based on the national transaction table (ABS, 2020). The resultant estimates of output were modelled as the direct activity associated with Proposal Case.

Table S4.3: Operational FTE Allocation of Floorspace (Proposal Case Only)

Work Type	GFA (sqm)	GFA (sqm) / FTE	Estimated Jobs (FTE)	Direct Output ($M)	ANZSIC
Industrial	6,137	100	62	$31.4	Wholesale trade (22 FTE) Manufacturing (20 FTE) Construction (20 FTE)
Total	**6,137**	**100**	**62**	**$31.4**	-

Source: Atlas

Household Expenditure Supported (Base Case)

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

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

This data was converted to 2021 values (ABS, 2021), annualised and allocated into their respective ANZSIC industries. The breakdown to ANZSIC industries was developed based on assumptions by Atlas regarding the most appropriate ANZSIC industries for each activity.

The table below shows the household expenditure estimates for the Kiama LGA should the Site be redeveloped to support an additional residential household.

Table S4.4:: Estimated Household Expenditure Supported, Base Case

ANZSIC	Total Annual Spend ($000)	% Spent in LGA	Local Spend ($000)
Ownership of Dwellings	$15.9	$0.5	$8.0
Retail Trade	$14.9	$0.8	$11.2
Food and Beverage Services	$8.0	$0.8	$6.0
Personal Services	$4.3	$0.8	$3.2
Other Services	$4.4	$0.8	$3.3
Telecommunication Services	$2.7	$0.3	$0.7
Road Transport	$5.6	$0.5	$2.8
Rail Transport	$3.4	$0.5	$1.7
Air and Space Transport	$2.3	$0.0	$0.0
Sports and Recreation	$7.0	$0.8	$5.3
Primary and Secondary Education Services	$1.0	$0.8	$0.7
Technical, Vocational and Tertiary Education Services	$0.8	$0.6	$0.5
Arts, Sports, Adult and Other Education Services	$0.2	$0.6	$0.1
Health Care Services	$4.9	$0.8	$3.7
Heritage Creative and Performing Arts	$3.0	$0.8	$2.3
Electricity Transmission, Distribution, On Selling and Electricity Market Operation	$1.1	$0.3	$0.3
Total	**$79.5**	**$0.6**	**$49.7**

Note: Totals may not sum due to rounding.

Source: Atlas.

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