

11 July, 2013

Wes van der Gardner
Roche Group
365 New South Head Road
Double Bay NSW 2028

By email: wes@rochegroup.com.au

Dear Wes,

Re: Brimbin Release Area Employment Land Provision

Hill PDA was engaged by Roche Group Pty Limited to determine demand for employment land in the 3,763ha Brimbin release area. This was based on the intention to provide around 8,000 dwellings for 22,000 future residents upon full development.

This letter has been prepared to outline Hill PDA's outcomes which informed land use planning in Brimbin and to comment on the resultant quantum of employment land provision as per the 2013 Structure Plan. For the purpose of Hill PDA's work employment lands were nominated as including land commonly zoned B4 Mixed Use, B5 Business Development, B6 Enterprise Corridor, IN1 General Industrial and IN2 Light Industrial.

As background, Hill PDA's Employment Lands Assessment (2013) considered demand based on the consideration of:

1. Forecast population and employment growth in a regional catchment which included Greater Taree, Great Lakes and Gloucester local government areas. This determined over or under supply of employment lands to 2036 assuming development at Brimbin (residential and employment land) did not go ahead.
2. The impact new residents in Brimbin would have on demand for employment land in the regional catchment. This determined whether there was enough zoned or planned employment land in the regional catchment to meet demand from new resident workers living in Brimbin.
3. Market based drivers for employment land demand, given locational decisions by some firms and industries are based on the characteristics of land supply (e.g. access, lot size and configuration, land values etc.).

Hill PDA's assessment determined that excluding new residents and employment land provision in Brimbin, there is sufficient supply of employment lands (420.4ha) to meet demand (396.8ha) in the regional catchment to 2036.

Whilst Great Lakes and Gloucester have limited future employment land supply, Greater Taree is planning for 73.49ha of employment land in South Taree. This precinct would meet ongoing demand from resident workers in the regional catchment.

However, new resident workers living in Brimbin will increase employment land demand. Based on a population of 22,000 people in Brimbin upon full development, Hill PDA estimated 7,209 of these would be working residents.

Whilst the provision of employment land in Brimbin had always been intended (as already noted in the 2009 Mid-North Coast Regional Strategy), not all working residents living in Brimbin would be employed there given some industries and jobs (e.g. government and civic, retail trade, professional services and even industrial) would be in other locations.

As a result, Hill PDA's Employment Land Assessment assumed around 70% of jobs would be retained (5,025 jobs upon full development in 2044) although this retention rate differs across various industries. Based on Hill PDA's modelling, this is equivalent to demand for 47.36ha of employment land¹ by 2036 increasing to 62.59ha by 2046 (two years after full occupation).

Whilst the 23.6ha of vacant employment land supply in the regional catchment (i.e. South Taree) would go some way to meeting demand from the new workforce residing in Brimbin, remaining demand (23.76ha) would need to be provided elsewhere. The most logical location for new employment land provision is in Brimbin, in order to support the new resident population.

However, Hill PDA's Employment Lands Assessment noted that the modelling was based on forecast population and worker growth and ignores the fact that locational decisions by some firms and industries are determined by the likes of:

- Local market factors including land values, rents, construction costs, levels of developer activity; and
- Individual site characteristics including lot size, configuration, access, opportunities for agglomeration.

This is based on the premise that locational decisions by some firms, in particular for large industry, are often based on a range of factors compared across a greater geographical area. These firms are often less dependent on being located close to a particular market or city.

Furthermore, the modelling does not consider the impact of new and emerging industries which may decide to locate in Greater Taree (e.g. new technologies and lean manufacturing, research and development, diverse and value added agriculture) due to the characteristics of land supply.

The site presents a unique opportunity to plan for the future success of the local economy through the protection of sufficient and flexible employment land for a range of industries. As a result, it would be prudent to plan for more employment land in Brimbin than that required to meet the needs of local residents.

With this in mind and based on a range of other factors (e.g. infrastructure provision and access, environmental and planning considerations and so on), the 2013 Structure Plan for Brimbin provides for around 112ha of employment land.

In planning for this quantum of supply, Brimbin has the ability to accommodate industry that cannot otherwise be catered for in smaller industrial precincts. It would allow for the consolidation of firms currently spread across a range

¹ Being land zoned B4 Mixed Use, B5 Business Development, B6 Enterprise Corridor, IN1 General Industrial and IN2 Light Industrial.

of sites along the coast, and in attracting new and emerging industries that would become an important employment driver attracting additional residents to Greater Taree.

In doing so, it must be recognised that upon full development the 112ha of employment land as per the Structure Plan will provide for more jobs than those associated with the provision of 23.76ha of land for local urban services (equivalent to around 2,500 jobs).

That said, the density of jobs will largely depend on the type of industry that results and could range from 25 jobs per hectare (e.g. large clear span warehousing) to 75 jobs per hectare (e.g. light industry and local urban services). Assuming 50 jobs per hectare, this would equate to 5,600 jobs (full time equivalent) upon full absorption.

In terms of job generation, it should be further recognised that the 2013 Structure Plan also provides for other employing land uses in Brimbin including the likes of retail, commercial, and education. These uses are indicated in the following table along with their potential employment generation.

Brimbin Employment Generating Land Uses	Area (ha)	Employment Density (jobs/ha)*		No. Jobs	
		Low	High	Low	High
Employment (Industrial and Bulky Goods)	112	25	75	2,800	8,400
Mixed Use Centre (Retail and Commercial)	26	100	150	2,600	3,900
Primary and High Schools	15	10	10	150	150
Neighbourhood Shops	0.75	100	100	75	75
Neighbourhood Shops	0.75	100	100	75	75
Total	155			5,700	12,600

* Various sources including Hill PDA Research (2006-2012), ABS Data and other consultancy and industry reports.

Assuming the employment land component generates 5,600 jobs, based on the low and high scenarios for remaining uses in the table above, Brimbin could accommodate between 8,500 and 9,800 jobs upon full absorption.

However, the above estimation and table excludes seniors living (14ha), private recreation (52ha) and primary production land (400ha) either because the density of employment is low or the employment density is unknown at this early stage. That said these uses do contribute to employment and the following should be acknowledged:

- Whilst the split between assisted and independent seniors living in Brimbin is not yet confirmed, it should be recognised that the aged care sector is a major employer with the residential care sector alone being the ninth largest employing industry in Australia. The density of employment in seniors living in Brimbin will vary dependant on the nature of the facility and level of service offered. Based on discussions with industry providers, it is understood that in the order of 0.03 jobs per person² is generated in low care accommodation (i.e. 3 jobs per 100 persons residing in accommodation described as independent living above) with the ratio increasing to 1 job per person for higher levels of care (i.e. for accommodation described as continuing care, nursing care, alzheimers care and rehabilitation).
- The private recreation component of Brimbin is envisaged to include a golf course and sporting club. The Australian Golf Industry Council reports that³ on average courses and clubs had 15.1 employees in 2008, with clubs with over 1,200 members having 43.3 staff.

² Estimates based on various sources including the Royal Freemasons Benevolent Society, Council and the Dorrigo Seniors Living employment and Spending Study, Urbis 2010

³ Source: The Australian Golf Industry Economic Report, Australian Golf Industry Council 2010

- Employment ratios on primary production land are typically low. According to the ABS Census, there were 800 residents in Greater Taree employed in agriculture, forestry and fishing in 2006, compared to the 305,828ha of land zoned RUI Primary Production, RU3 Forestry and RU4 Rural Small Holdings⁴. However, these lands will nonetheless be employment generating. Furthermore, should a component of the primary production land be rezoned to employment land in the future, greater job densities would be achieved.

Employment land provision in Brimbin to the extent proposed in the Structure Plan supports the ongoing growth of the regional economy and aims to arrest some of the economic challenges experienced by the Mid-North Coast by encouraging further and diversified employment opportunities.

Should any further information or explanation be required, please don't hesitate to contact us.

Regards,



Victoria Tompsett

Principal, Hill PDA

⁴ Source: Greater Taree State of the Environment Report 2009-2010