



TELEGRAPH ROAD, NEW SOUTH WALES

Economic Forecast Analysis

Prepared for Apollo Fabrication
March 2021

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INTRODUCTION

This report presents an independent assessment of the need for an expanded steel fabrication facility at the existing site located at 10 – 12 Telegraph Road in Young, New South Wales.

This report is structured and presented in four (4) sections as follows:

- **Section 1** provides background details about the site and steel fabrication facility generally. The regional and local context of Telegraph Road site is also reviewed.
- **Section 2** reviews the planning policy documentation under which the expanded facility will be assessed. Consideration will be given to the suitability of existing appropriately zoned land in the Young urban area.
- **Section 3** outlines the benefits to the wider Young economy from the proposed expanded steel fabrication facility. The cost to the Young economy will also be outlined should the facility relocate elsewhere.
- **Section 4** provides key findings of the analysis.

Planning Statement

The Planning Proposal intends to amend planning provisions relating to land holdings, currently owned and controlled by Apollo Fabrications, that will enable the use of the land for industrial purposes, specifically steel fabrication. The Planning Proposal will also help inform the draft Hilltops Local Environmental Plan that has received Gateway approval from NSW Department of Planning Industry & Environment (DPIE) and is currently on public exhibition.



EXECUTIVE SUMMARY

- 1.** Apollo Fabrication operate a steel fabrication business at 10 – 12 Telegraph Road in Young, New South Wales. The site currently comprises a covered facility of 3,940 sq.m, including a supporting office component across 7,662 sq.m of land.

- 2.** Apollo Fabrication propose to redevelop their existing facility to include an additional 15,123 sq.m of floorspace, including 2,043 sq.m of additional supporting office space. The total size of the facility would be in the order of 19,000 sq.m including the existing components, with the new components to be developed at 2 and 20 Telegraph Road.

- 3.** Based on details provided by Apollo Fabrication, the construction investment cost of the Telegraph Road site development is anticipated to be in the order of \$30.2 million in current 2019/20 dollars. This results in total job years of 121 during the construction project. The employment multiplier effects from the additional construction jobs would result in further employment of 194 job years. Some \$23.5 million in wage/salary income will be added to the economy both directly from construction and from flow on multiplier effects during the construction phase of the project. This is derived from some 316 additional job years.

- 4.** Total benefits from the construction phase of the Telegraph Road site development plus one year of operation are estimated at \$103.3 million under the low scenario and \$118.8 million under the high scenario. This analysis represents the uplift to the economy resulting from the redevelopment and is therefore incremental (i.e. does not take into account the benefit accrued from the existing component of the Apollo Fabrication operation).

- 5.** Should the proposed development of the Telegraph Road site not be approved, Apollo Fabrication would consider their options regarding an alternative location in what would become a competitive process. This would not necessarily result in Apollo Fabrication locating elsewhere in Young, but potentially to another part of New South Wales.

- 6.** The total economic benefit from one year of operation at the existing facility is \$15.8 million. The majority of this would accrue within the Hilltops Council LGA and would be lost should Apollo Fabrication relocate out of the area.

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- 7.** The total benefits from the construction period and one year of operation are \$119.0 million under the low scenario and \$134.6 million under the high scenario. This outlines the total benefit, including from the existing Apollo Fabrication operations.
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1 BACKGROUND

This section of the report outlines background information in relation to the Telegraph Road site as well as detailing the regional and local context within which the site sits.

1.1. Background

- i. Apollo Fabrication operate a steel fabrication business at 10 – 12 Telegraph Road in Young, New South Wales. This will be referred to as the Telegraph Road site for the purposes of this report. The site currently comprises a covered facility of 3,940 sq.m, including a supporting office component across 7,662 sq.m of land.
- ii. Apollo Fabrication are specialists in structural and architectural engineering, producing between 300 – 400 tonnes of material every month for developments all around Australia.
- iii. In relation to the subject application, the key information includes:
 - The existing site 10 and 12 Telegraph Road are two separate addresses both owned by Jackson SMSF Pty Ltd.
 - Two additional properties at 2 and 20 Telegraph Road are owned by Jackson Property Assets Pty Ltd (refer Map 1.1).
 - 20 Telegraph Road is located to the east of the existing facility and comprises almost two hectares of land which is predominantly greenfield, although includes a number of small structures at the western side of the lot.
 - 2 Telegraph Road is located to the west of the existing facility and is not currently used. The lot comprises some 5,298 sq.m.
 - An offer for Apollo Fabrication to purchase an additional property at 4 Telegraph Road has been accepted by its current owner with contracts currently being drawn up.
- iv. The land zoning across these five parcels is a combination of General Residential and Primary Production Small Lots (refer Map 1.2). The existing Apollo Fabrication facility is allowed to operate under existing use rights that predate the current zoning of the land.

- v. Apollo Fabrication propose to redevelop their existing facility to include an additional 15,123 sq.m of floorspace, including 2,043 sq.m of additional supporting office space. The total size of the facility would be in the order of 19,000 sq.m including the existing components, with the new components to be developed at 2 and 20 Telegraph Road (refer Figure 1.1). New components will include a blasting and painting facilities.
- vi. The proposed size of the completed development across different addresses is as follows:
- 2 Telegraph Road would include 2,280 sq.m of workshop space and 360 sq.m of office space.
 - 10 – 12 Telegraph Road would include 3,240 sq.m of workshop space and 700 sq.m of office space.
 - 20 Telegraph Road would include 10,800 sq.m of workshop space and 1,683 sq.m of office space.
- vii. Discussions with representatives from Apollo Fabrication indicated that the current facility is too small for their existing business. A modernised facility would be provided that would better suit the volume of work that Apollo Fabrication undertakes
- viii. The proposed development would internalise site operations which are currently conducted outside such as sand blasting which creates significant noise. On this basis, the development is expected to reduce noise from operations.
- ix. An economic analysis of the benefits of the proposed development is now required to support an application to rezone the land. This analysis will consider the additional downstream economic activity generated from the development during both the construction and operation phases. Additionally, the economic loss to the wider economy will also be outlined should the facility have to move from its current location.

MAP 1.1. APOLLO FABRICATION PROPERTIES



MAP 1.2. APOLLO FABRICATION LAND ZONING



TELEGRAPH ROAD

NEW OFFICE BLOCK

NEW WORKSHOP

1 DP 736225

2 DP 736225

EXISTING WORKSHOP 1

EXISTING WORKSHOP 2

EXISTING WORKSHOP 3

OFFICE BLOCK

Surface Treatment, Storage and Loading

NEW WORKSHOP 2

Fabrication

NEW WORKSHOP 1

Processing and Storage

1 DP 374948

2 DP 374948

1 DP 374004

1 DP 372540

1 DP 247533

11 DP 1138027

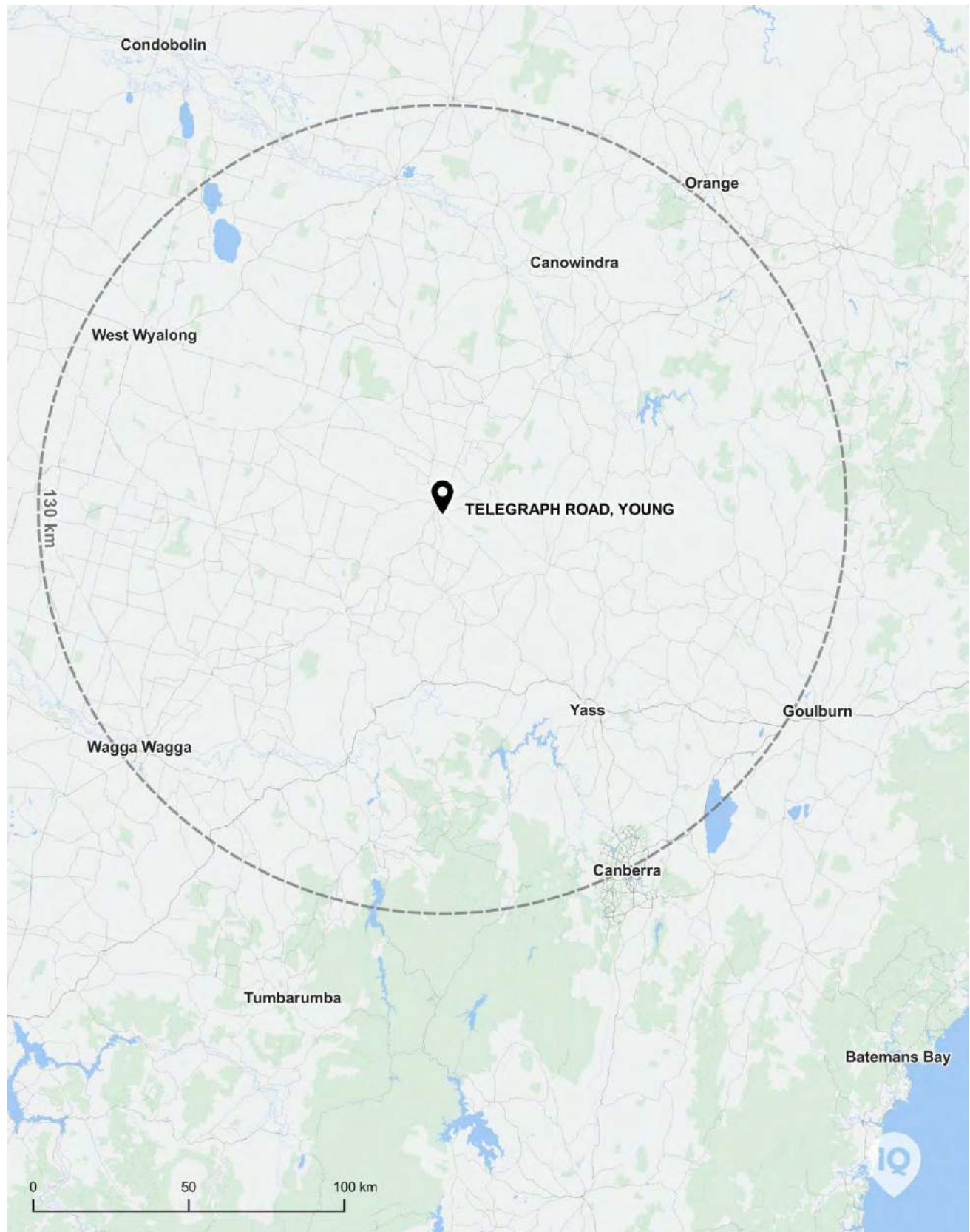
12 DP 1138027

ROAD 10/66 WIDE

1.2. Regional and Local Context

- i. Young is a town of approximately 10,000 persons (Suburb, 2016 Census) located in the Hilltops Council Local Government Area (LGA), some 273 km from the Sydney Central Business District (CBD) (refer Map 1.2).
- ii. The Apollo Fabrication facility is situated along Telegraph Road which connects with Murringo Road/Whiteman Avenue to the immediate west of the site.
- iii. Murringo Road/Whiteman Avenue is the main road leading out of the Young urban area to the east and generally links with the Young Town Centre to the west. To the east, Murringo Road/Whiteman Avenue passes through the town of Murringo before terminating in Boorowa.
- iv. Telegraph Road is currently used by a variety of different vehicle types including small private vehicles for residents living in the area and workers travelling to and from their place of employment. There are a number of large trucks that utilise Telegraph Road as a means of traveling to various business located to the east of the Telegraph Road site, including Ambos Stockfeeds Processing Facility (90 Telegraph Road)..
- v. Map 1.3 outlines the local context of the Telegraph Road, with key points to note including:
 - The Young Harness Racing facility is located to the immediate north of the Telegraph Road site on the northern side of Murringo Road/Whiteman Avenue.
 - Residential properties are situated to the east and south of the Telegraph Road site.
 - Victoria Creek is located to the south of the site.
 - Ambos Stockfeeds Processing Facility is situated to the east of the site.
 - The New Life Community Church is provided to the east of the Young Harness Racing Facility and to the north of the site.
- vi. Overall, the location of the Telegraph Road site is easily accessible and is in a semi-rural area with limited residential land surrounding the location. There are other businesses in the area that also generate commercial traffic along Telegraph Road.

MAP 1.3. REGIONAL CONTEXT



MAP 1.4. LOCAL CONTEXT



Basemap by <https://maps.six.nsw.gov.au/>

- | | |
|--|--|
| Site | Rural Industrial |
| Entertainment | Residential |
| Community | |



2 PLANNING DOCUMENTATION

This section of the report provides a review the relevant planning documentation relating to the Telegraph Road site and for Young more generally and how that impacts on the economic need for the development.

2.1. Overview of Relevant Planning Documentation

- i. There are a number of planning documents that inform the priorities of the Hilltops Council area. These include the *Hilltops Local Strategic Planning Statement (LSPS) 2020 – 2040* and the *Hilltops Community Strategic Plan 2030*.

Hilltops Local Strategic Planning Statement (LSPS) 2020 – 2040

- i. The Hilltops Local Strategic Planning Statement looks at the three geographic areas that make up the Hilltops LGA and outlines a number of strategic objectives for each. The document then consolidates these into a number of strategic policies that apply to the total Hilltops LGA more generally.
- ii. Young comprises one of the areas outlined in the document and refers to industrial business and industrial zoned land in Young as follows:

Existing industrial development comprises a diverse range of small to large industries, from small workshops to large engineering and steel fabrication businesses. These are significant employers and supply products for national markets...

The Telegraph Road precinct benefits from its ready access to the regional road network and proximity to the town centre. However, its proximity to established residential development and intersections with Murringo Road will need to be addressed if further economic development is to occur...

The shape, topography and location of existing industrial lands provide challenges to providing high quality services and road connectivity...

Additional areas such as the northern entrance to Young on Olympic Highway and Telegraph Road are to be further investigated as alternate locations

*for larger footprint light and commercial industries and logistic centres
that can benefit from easy access to the regional road network...*

(Bold text is our emphasis)

- iii. The document also outlines a number of strategic objectives for the Young economy, including the facilitation of growth in existing businesses and increasing the capacity to include further industrial development in Young.
- iv. These objectives coupled with the acknowledged difficulties in further developing the existing industrial zoned land (as discussed following) provide significant weight for allowing the rezoning for the relevant land to industrial and the redevelopment of the Apollo Fabrication site.

Hilltops Community Strategic Plan 2030

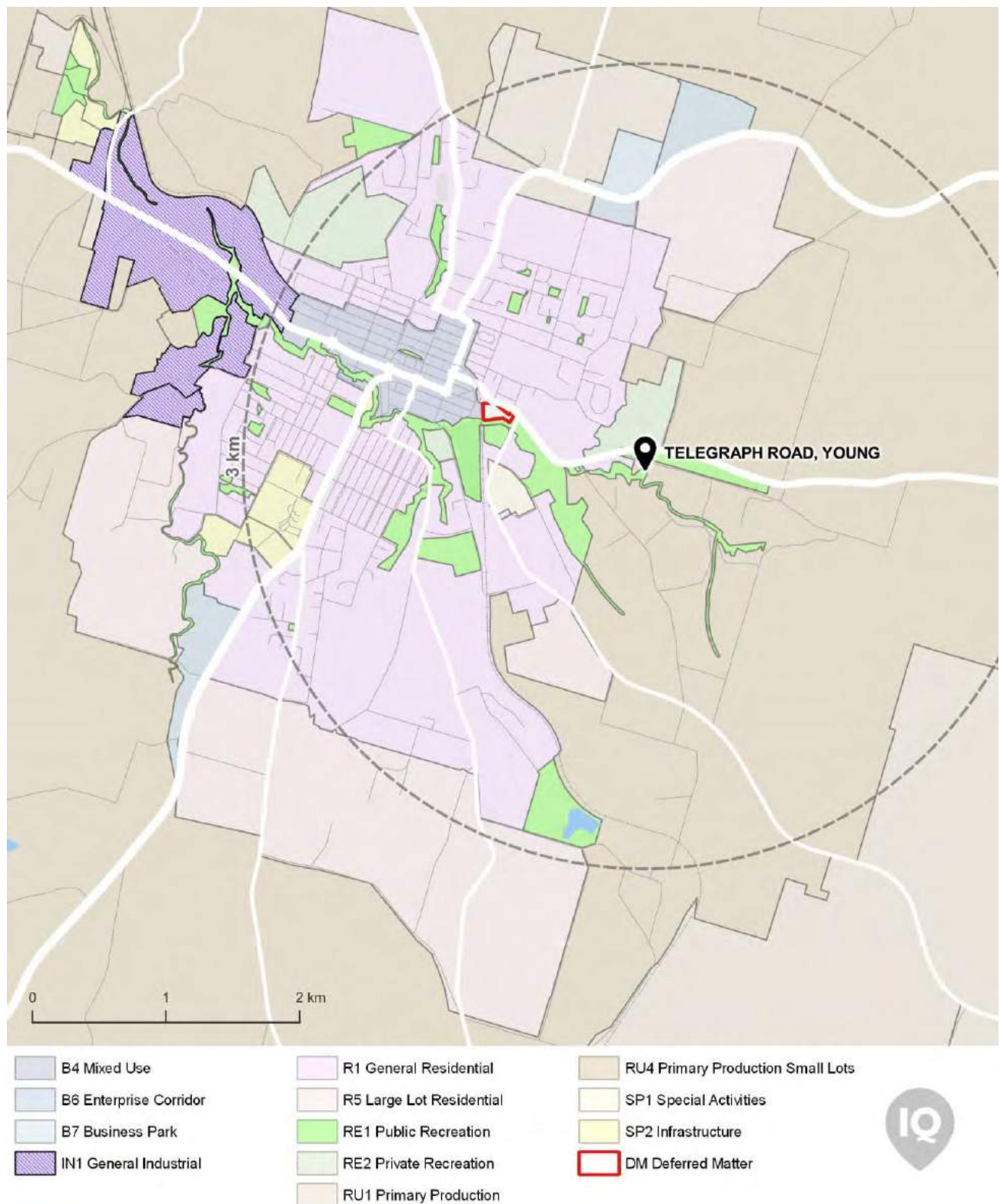
- i. The Hilltops Community Strategic Plan 2030 is aimed at understanding what Hilltops residents see as the priorities for the region over the next ten years.
- ii. Appendix 2 in the document outlines how the community responded to questions about the biggest challenges facing the Hilltops region. The most popular answer was employment opportunities with 46% of respondents mentioning this.
- iii. In addition, residents were also asked what future changes in the Hilltops Region they wanted to see. The top response was 'better employment opportunities' with 34% of respondents mentioning this.
- iv. Both these responses from the community suggest that employment is a concern that they want addressed. As outlined in the next section of this report, the expansion of Apollo Fabrication at the Telegraph Road would provide an additional 84 to 153 workers directly with considerable downstream employment generated from the investment in the site itself.

2.2. Industrial Land Zoning

- i. The planning documentation summarised above refers to other zoned industrial land throughout Young. This land is outlined in the zoning Map 2.1 below and is largely located in the western part of the Young urban area.
- ii. Should Apollo Fabrication wish to take advantage of the industrial zoning of this land, this would involve relocating their entire operation at considerable expense. If Apollo Fabrication were to move, representatives from Apollo Fabrication have indicated they would consider other potential locations beyond Young as part of a competitive process. This decision would involve considering the following:
 - Proximity to customers.

- The suitability of available land.
 - Critical infrastructure in the surrounding area.
 - Local and State Government initiatives such as special activation precincts.
 - Industrial land already under ownership.
- iii. Apollo Fabrication requirements for a potential site include the following:
- A 3 – 4 hectare site that is relatively flat and is long and narrow in width.
 - Good access to road networks to Sydney and Canberra.
 - Suitable utilities including power, town water, gas, and telecommunications.
- iv. Map 2.2 shows where vacant 3+ hectare sites are available within the Young industrial area. As shown, Site 4 is the only site which provides direct access for heavy vehicles from a main road. However, this site is provided in an irregular shape as opposed to the long and narrow site required by Apollo Fabrication, making it impractical for the required uses of Apollo Fabrication.
- v. There are a number of additional reasons as to why this zoned land in the western part of Young is not appropriate for an expanded Apollo Fabrication facility, including:
- The land is tightly held and seldom available for purchase.
 - Residential properties are scattered throughout the industrial land, often with little or no natural barriers between residential and industrial properties.
 - Almost every industrial lot is divided by both a creek and a train line.
 - Critical infrastructure is typically lacking.
 - Industrial land with suitable road frontage is unavailable. Remaining lots tend to be located along back streets with unsuitable access for vehicles to transport the large fabricated steel items produced at Apollo Fabrications.
- vi. The reasons outlined above make relocation of the Apollo Fabrication operation within Young highly improbable due to the lack of availability of suitable sites.

MAP 2.1. YOUNG LAND ZONING MAP



MAP 2.2. YOUNG VACANT INDUSTRIAL LAND (3+ HECTARES)



 Vacant Industrial Zoned Land



3 ECONOMIC BENEFITS

This section of the report considers the wider monetary benefits to the local economy from the Telegraph Road site development. Initial monetary benefits such as from construction will be outlined along with ongoing benefits post construction.

3.1. Construction Benefits

- i. Based on details provided by Apollo Fabrication, the construction investment cost of the Telegraph Road site development is anticipated to be in the order of \$30.2 million in current 2019/20 dollars.
- ii. Based on the cost of construction, the total number of construction job years throughout the construction phase of the project can be calculated using multipliers for construction. This results in total job years of 121 during the construction project (refer Table 3.1). Multiplying these jobs by the average annual income for a construction industry worker of \$84,524 results in \$10.3 million directly added to the economy.
- iii. The employment multiplier effects from the additional construction jobs would result in further employment of 194 job years. Multiplying this by the average income across all industries of \$68,031 results in a net addition of \$13.2 million to the economy.
- iv. Based on the above, some \$23.5 million in wage/salary income will be added to the economy both directly from construction and from flow on multiplier effects during the construction phase of the project. This is derived from some 316 additional job years (refer Table 3.2).
- v. Table 3.3 outlines the multiplier effects from the construction spending of \$30.2 million as part of the Telegraph Road site development. Multipliers measure downstream economic activity that results from initial spending to determine the overall change in economic activity. Some \$84.4 million of total economic activity is anticipated to result from the initial construction spending of \$30.2 million.

TABLE 3.1. ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

Metric	Industrial Floorspace
Estimated Capital Costs of Construction	
Estimated Capital Costs 2019/20 (\$M)*	\$30.2
Estimated Capital Costs 1996/97 (\$M)	\$17.3
Direct Employment Generation	
Construction Jobs per \$1 million (2019/20)	4.02
Total Construction Jobs¹	121

Source : Australian National Accounts: Input-Output Tables 1996-97

Employment totals include both full-time and part-time work. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year

TABLE 3.2. ESTIMATED ECONOMIC ACTIVITY FROM CONSTRUCTION

Original Stimulus	Est. Capital Costs (\$M)	Est. Capital Costs (\$M) ¹	Direct Employment	Employment Multiplier Effect	Total Employment
Construction	30.2	17.3	121	194	316

* Employment totals include both full-time and part-time work

1. Discounted to 1996/97 dollars

Source: Australian National Accounts: Input-Output Tables 1996-97

TABLE 3.3. ESTIMATED ECONOMIC ACTIVITY FROM CONSTRUCTION

Metric	Cost (\$M)	Total Construction Multiplier	Value of Economic Activity (\$M)
Construction	30.2	2.796	84.4

Source: Australian National Accounts: Input-Output Tables 1997-98

3.2. Ongoing Benefits

- i. When the Telegraph Road site development is fully completed, ongoing benefits will accrue over and above those generated by the existing facility.
- ii. Tables 3.4 and 3.5 multiplies the number of direct jobs generated in both the office and manufacturing sectors by average income in those sectors to determine the direct addition from wages to the economy from employee income. This analysis represents the uplift to the economy resulting from the redevelopment and is therefore incremental (i.e. does not take into account the benefit accrued from the existing component of the Apollo Fabrication operation). The total benefit of the Apollo fabrication operation is discussed in the next subsection.
- iii. The exact number of additional employees located at the site post development is currently unknown. Apollo Fabrication has provided high and low figure which have been modelled under alternative scenarios. The total number of employees upon completion of the development is assumed to be 119 under the low scenario and 188 under the high scenario. Total wages from employment within the Telegraph Road development is \$6.0 million annually under the low scenario and \$10.9 million under the high scenario.
- iv. Applying the relevant multiplier to determine additional employment resulting from direct employment at the development results in an additional 80 jobs in the economy. By comparison, the Woolworths supermarket in Young is estimated to employ some 140 people. This is based on the typical benchmark of 50 workers per 1,000 sq.m and the total Woolworths size in the order of 2,800 sq.m.
- v. Applying the average income across all industries of \$68,031 results in an additional \$5.4 million in downstream employment income under the low scenario. The total annual benefit to the economy from income earned at the development and downstream multiplier effects is \$11.4 million under the low scenario.
- vi. Total wage income from direct and indirect jobs is some \$9.4 million higher under the high scenario, at \$20.8 million.

TABLE 3.4. ESTIMATED ECONOMIC ACTIVITY FROM ONGOING OPERATION (LOW SCENARIO)

Metric	Office	Manufacturing	Total
Employment Generation			
Floorspace (sq.m)	2,220	11,310	13,530
sq.m per Employee	105.7	179.5	161.1
Direct Employment	21	63	84
Direct Wages			
Average Wage/Salary	\$68,031	\$72,025	\$71,026
Total Wage/Salary (\$M)	\$1.4	\$4.5	\$6.0
Employment Multiplier Effect			
Additional Employment	20	60	80
Average Wage (All Industries)	\$68,031	\$68,031	\$68,031
Total Multiplier Wage/Salary (\$M)	\$1.4	\$4.1	\$5.4
Total Wages/Salary			
Total Employment	41	123	164
Total Wages/Salary (\$M)	\$2.8	\$8.6	\$11.4

* Employment totals include both full-time and part-time work

Source: Australian National Accounts: Input-Output Tables 1996-97

TABLE 3.5. ESTIMATED ECONOMIC ACTIVITY FROM ONGOING OPERATION (HIGH SCENARIO)

Metric	Office	Manufacturing	Total
Employment Generation			
Floorspace (sq.m)	2,220	11,310	13,530
sq.m per Employee	67.3	94.3	88.4
Direct Employment	33	120	153
Direct Wages			
Average Wage/Salary	\$68,031	\$72,025	\$71,164
Total Wage/Salary (\$M)	\$2.2	\$8.6	\$10.9
Employment Multiplier Effect			
Additional Employment	31	114	145
Average Wage (All Industries)	\$68,031	\$68,031	\$68,031
Total Multiplier Wage/Salary (\$M)	\$2.1	\$7.7	\$9.9
Total Wages/Salary			
Total Employment	64	234	298
Total Wages/Salary (\$M)	\$4.4	\$16.4	\$20.8

* Employment totals include both full-time and part-time work

Source: Australian National Accounts: Input-Output Tables 1996-97



- vii. Table 3.6 outlines the total monetary benefits of the Telegraph Road site development to the economy both during the construction phase and on an ongoing basis. Construction benefits will accrue during the construction period only, whereas ongoing benefits are accrued annually. The table therefore shows benefits during the construction period and for one year of operation thereafter. This analysis is presented under high and low scenarios, consistent with the job numbers outlined above.
- viii. Total benefits from the construction phase of the Telegraph Road site development plus one year of operation are estimated at \$103.3 million under the low scenario and \$118.8 million under the high scenario.
- ix. This analysis does not consider other sources of income derived from economic activity undertaken at the Telegraph Road site such as commercial profit, purchase of inputs etc and the downstream multiplier effects of those.

TABLE 3.6. ESTIMATED ECONOMIC ACTIVITY

Metric	Total Benefit (\$M)	
	Low	High
Construction Benefit		
Construction Wages/Salaries	\$10.3	\$10.3
Construction Employment Multiplier Effects	\$13.2	\$13.2
Other Construction Multiplier Effects	\$60.9	\$60.9
Total Construction Benefits	\$84.4	\$84.4
Ongoing Annual Benefits		
Industry Wages/Salaries	\$6.0	\$10.9
Industry Employment Multiplier Effects	\$5.4	\$9.9
Other Multiplier Effects	\$7.5	\$13.6
Total Ongoing Annual Benefits	\$18.8	\$34.4
Total Benefits from Construction Plus One Year of Operation	\$103.3	\$118.8

3.3. Current Benefits

- i. Should the proposed development of the Telegraph Road site not be approved, Apollo Fabrication would consider their options regarding an alternative location in what would become a competitive process. This would not necessarily result in Apollo Fabrication locating elsewhere in Young, but potentially to another part of New South Wales.
- ii. It is important, therefore, to outline the current benefit derived from the Apollo Fabrication operation at the Telegraph Road site. This will inform what the potential loss to the Young economy would be should Apollo Fabrication leave.
- iii. The subject proposal will allow for enhanced economies of scale which will ensure that Apollo Fabrication will remain competitive. Refusal of this proposal will limit the capacity growth of the current facility as well as its contribution to the local economy.
- iv. Table 3.7 outlines employment and floorspace currently provided at the Telegraph Road site. In total some 14 office workers and 23 industrial workers are provided at the site across a total of 3,240 sq.m of floorspace. This includes supporting office floorspace of 700 sq.m.

TABLE 3.7. CURRENT FLOORSPACE AND EMPLOYMENT

Component	Total Floorspace (sq.m)	Current Employment	
		Employment per 1,000 sq.m	Total Jobs
Commercial			
Offices	700	50.0	14
Industrial	<u>3,240</u>	7.1	<u>23</u>
Total	3,940		37

- v. Table 3.8 multiplies the number of direct jobs generated in both the office and industrial sectors by average income in those sectors to determine the direct addition from wages to the economy from employee income. Total income from employment at the Telegraph Road site is estimated at \$2.6 million annually. This is an estimate only based on ABS data and does not reflect the actual wages paid to employees. It is understood that Apollo Fabrication pay higher wages than the ABS average. Using the same ABS estimates as the ongoing benefits outlined in Section 3.2 allows for direct comparison between the current and post development scenarios.
- vi. Applying the relevant multiplier to determine additional employment resulting from direct employment at the development results in an additional 35 jobs in the economy. Applying the average income across all industries of \$68,031 results in an additional \$2.4 million in downstream employment income.

- vii. The total annual benefit to the economy from income earned at the development and downstream multiplier effects is \$5.0 million.
- viii. As in section 3.2, this analysis does not consider other sources of income derived from economic activity undertaken at the Telegraph Road site such as commercial profits and the downstream multiplier effects of those.
- ix. Using the multiplier for fabricated metal products of 3.158, this suggest the total economic benefit from one year of operation at the existing facility is \$15.8 million. The majority of this would accrue within the Hilltops Council LGA and would be lost should Apollo Fabrication relocate out of the area.
- x. Table 3.9 outlines the total economic activity from Apollo Fabrication operations, including the construction period and both current and existing operations. The total benefits from the construction period and one year of operation are \$119.0 million under the low scenario and \$134.6 million under the high scenario.

TABLE 3.8. ESTIMATED ECONOMIC ACTIVITY FROM ONGOING OPERATION

Metric	Office	Manufacturing	Total
Employment Generation			
Floorspace (sq.m)	700	3,240	3,940
sq.m per Employee	50.0	140.9	106.5
Direct Employment	14	23	37
Direct Wages			
Average Wage/Salary	\$68,031	\$72,025	\$70,514
Total Wage/Salary (\$M)	\$1.0	\$1.7	\$2.6
Employment Multiplier Effect			
Additional Employment	13	22	35
Average Wage (All Industries)	\$68,031	\$68,031	\$68,031
Total Multiplier Wage/Salary (\$M)	\$0.9	\$1.5	\$2.4
Total Wages/Salary			
Total Employment	27	45	72
Total Wages/Salary (\$M)	\$1.9	\$3.1	\$5.0

** Employment totals include both full-time and part-time work*

Source: Australian National Accounts: Input-Output Tables 1996-97

TABLE 3.9. ESTIMATED ECONOMIC ACTIVITY FROM TOTAL APOLLO FABRICATION OPERATIONS

Metric	Total Benefit (\$M)	
	Low	High
Total Construction Benefits	\$84.4	\$84.4
Total Ongoing Annual Benefits	\$18.8	\$34.4
Total Ongoing Existing Benefits	\$15.8	\$15.8
Total Benefits from Construction Plus One Year of Operation	\$119.0	\$134.6

4 KEY FINDINGS

1. Apollo Fabrication operate a steel fabrication business at 10 – 12 Telegraph Road in Young, New South Wales. The site currently comprises a covered facility of 3,940 sq.m, including a supporting office component across 7,662 sq.m of land.
2. Apollo Fabrication propose to redevelop their existing facility to include an additional 15,123 sq.m of floorspace, including 2,043 sq.m of supporting office space. The total size of the facility would be in the order of 19,000 sq.m including the existing components.
3. Young is a town of approximately 10,000 persons (Suburb, 2016 Census) located in the Hilltops Council LGA, some 273 km from the Sydney CBD.
4. The location of the Telegraph Road site is easily accessible for large vehicles and is in a semi-rural area with limited residential land surrounding the location. There are other businesses in the area that also generated commercial traffic along Telegraph Road.
5. The *Hilltops Local Strategic Planning Statement (LSPS) 2020 – 2040* and the *Hilltops Community Strategic Plan 2030* outline the community concern surrounding the lack of employment opportunities in Young. The planning documentation also acknowledges the difficulty in utilising existing industrial zoned land in Young, with major issues including topography, lack of services and inadequate road connectivity.
6. Should Apollo Fabrication be required to relocate to land that is currently zoned as industrial, it is likely that this would become a competitive process which may result in Apollo Fabrication relocating away from Young. Apollo Fabrication would consider a number of factors in deciding where to move such as proximity to customers etc.
7. Total benefits from the construction phase of the Telegraph Road site development plus one year of operation are estimated at \$103.3 million under the low scenario and \$118.8 million under the high scenario. This would include some 164 to 298 jobs provided both directly and indirectly as a result of the development, under the low and high scenarios, respectively.

8. The total economic benefit from one year of operation at the existing facility is \$15.8 million and some 72 jobs. The majority of this would accrue within the Hilltops Council LGA and would be lost should Apollo Fabrication relocate out of the area.

9. The total benefits from the construction period and one year of operation are \$119.0 million under the low scenario and \$134.6 million under the high scenario. This outlines the total benefit, including from the existing Apollo Fabrication operations.



02 8248 0100
Level 27, 19 Martin Place
Sydney NSW 2000
Locationiq.com.au