

An aerial photograph of a suburban neighborhood, showing a mix of residential houses with various roof colors (red, grey, blue), green lawns, and trees. A multi-lane road runs diagonally through the center of the image. In the background, a body of water and distant hills are visible under a blue sky with light clouds. The entire image is framed by a thick black border.

URBIS

ECONOMIC BENEFITS ASSESSMENT

GOONELLABAH LAND APPROVAL

November 2022
Prepared for Nimble Estates

INTRODUCTION

This study has been prepared by Urbis Pty Ltd on behalf of Nimble Estates Pty Ltd (*Nimble Estates*) to highlight the key economic benefits of rezoning 1055 Bruxner Highway, Goonellabah to a mixed use development. The proposed development will benefit Goonellabah and the wider Lismore LGA by:

1. **UNLOCKING THE DEVELOPMENT POTENTIAL OF FLOOD-FREE LAND**
2. **HELPING TO MEET THE SHORTFALL IN DWELLINGS IN THE LISMORE LGA**
3. **HELPING TO MEET THE DEMAND FOR SECURE PREMISES FROM FLOOD AFFECTED BUSINESSES**
4. **MEETING DEMAND FOR MEDIUM SCALE INDUSTRIAL LOTS**
5. **DELIVERING SORELY NEEDED COMMUNITY FACILITIES TO THE LOCAL COMMUNITY**
6. **HAVING A MINIMAL IMPACT ON THE ECONOMY FROM THE LOSS OF RUI LAND**
7. **NOT DEGRADING THE NORTHERN RIVERS ENVIRONMENT**
8. **CREATING A VIBRANT NEW COMMUNITY CENTRE WITH ACCESS TO GREEN OPEN SPACE**
9. **ADDING 214 JOBS DURING CONSTRUCTION AND 4,336 JOBS ANNUALLY FROM ONGOING OPERATIONS TO INCREASE JOB OPPORTUNITIES FOR LOCAL RESIDENTS**
10. **ADDING \$345.1 MILLION DURING CONSTRUCTION AND \$759.0 MILLION ANNUALLY DURING ONGOING OPERATIONS GROSS VALUE ADD TO THE ECONOMY**



PROPOSED DEVELOPMENT

This proposal seeks to rezone a 76ha site at the 1055 Bruxner Highway at Goonellabah, from RU1 Primary Production to allow for the mix of land uses detailed below, by amending the Lismore Local Environmental Plan 2012 (LLEP) :

- General Residential (R1) in the north of the site consisting of 106 standard lots (600sqm) and 239 smaller lots (200sqm)
- General Industrial (IN1) in the southern section of the site consisting of 100 lots
- Mixed-use (B4) business lots between the industrial and residential uses, consisting of 24 lots

- Open space (RE1) consisting of parks, buffer zones and riparian corridors
- A Local Centre (B2) consisting of retail uses (future inclusions and uses are to be determined).

The potential development yield of the site is as follows:

- Residential Land: Approx. 109,866 sqm (364 lot)
- Employment Land: Approx. 260,304 sqm (105 Lot)
- Local Centre: Approx. 4,953 sqm



LEGEND

- Site Boundary
- ⊙ Proposed Vehicular Entry
- Standard Residential Lots
- Smaller Residential Lots
- Riparian Corridor
- Buffer Zone
- Creekline
- Local Centre
- Open Space
- Industrial Lots
- Business Lots
- Potential Future Employment Land
- Future Road Connection
- Existing Main Road
- Biological Buffer (30m)
- De-Husking Shed Offset (300m)
- Pedestrian Connection to be Investigated
- Pedestrian Bridge to be Investigated
- Extent of Potential Swap Land
- Potential Future Open Space

01

UNLOCK THE DEVELOPMENT POTENTIAL OF FLOOD-FREE LAND

The LGA faces significant challenges to modernize and adapt its built infrastructure in response to an increased threat from flooding. The problem is particularly severe for Lismore considering the majority of its employment, industrial and residential land is located within flood prone areas. In the last five years, there has been three flooding events that breached Lismore's flood level.

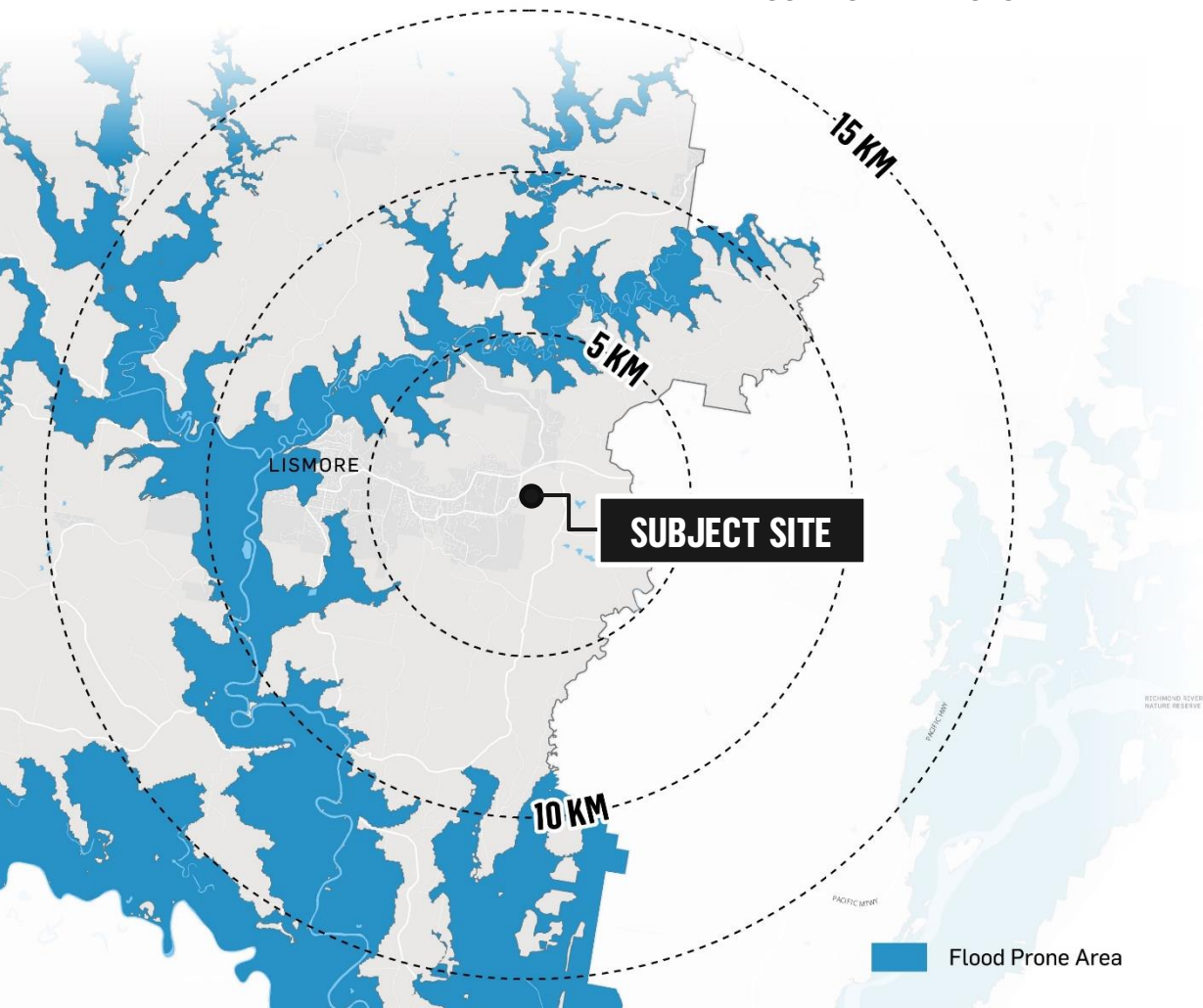
The vulnerability of Lismore was demonstrated by the approximately 1,700 homes affected during the flooding in February and March 2022, rendering around 2,000 residents homeless.

To deal with these challenges, Lismore needs

to unlock the development potential of flood-free land and provide a potential opportunity for land-swap arrangements for residents and industries affected by the flood. Current planning controls constrain the ability of Lismore to develop outside of flood-prone areas of the city.

The planning proposal, if approved, will enable rezoning of a large 76 Ha site in Goonellabah (the site) by amending the Lismore Local Environmental Plan 2012 (LLEP). The proposal will allow for a mix of industrial, residential alongside plentiful open spaces.

THIS WILL ENABLE THE CITY TO PREVENT CATASTROPHIC CONSEQUENCES FROM INEVITABLE FLOODING IN THE FUTURE.



02

HELPING TO MEET THE SHORTFALL IN DWELLINGS IN THE LISMORE LGA

Imagine Lismore Community Strategic Plan 2017-2027, which details the community's 10-year aspirations for Lismore, outlines a need for a more diverse and affordable mix of housing options.

In 2021, 65% of households had less than two residents while 75% of dwellings in Lismore Council had 3+ bedrooms. The lack of housing choices, especially for smaller homes, forces smaller families to reside in larger homes.

According to profile.id forecasts, Lismore Council projected the population to grow at an average annual rate of 0.6%, adding another 6,000 people to the population by 2041. Based on the growth forecasts, Lismore Council will need 2,500 more dwellings to accommodate additional residents.

Due to the flood, around 1,700 homes in Lismore were affected with 80% assessed as greatly impacted or destroyed. This has rendered around 2,000 residents to be homeless and in need of emergency housing. As part of the city's post-flood rebuild options, Lismore Council has identified 1,000 homes for potential buy back or relocation.

The residential rental vacancy rate before the flood in January 2022 was 0.5%. A low vacancy considering the equilibrium between supply and demand for rental housing is usually at 3%. The low vacancy rate indicates pent-up demand as residents have limited housing options.

The proposed development would help address the demand from population growth, flood incident and pent-up demand by providing 364 new residential lots.



**+6,000 RESIDENTS
BY 2041**



**+3,500 REQUIRED
DWELLINGS BY 2041**



**0.5% RESIDENTIAL VACANCY
RATES (PRE-FLOOD)**



**1,720 HOMES
FLOODED**



**1,000 HOMES
IDENTIFIED FOR
LAND-SWAP
OPPORTUNITY**

03

HELPING TO MEET THE DEMAND FOR SECURE PREMISES FROM FLOOD AFFECTED BUSINESSES

In 2021, there were 4,172 businesses in Lismore Council, supporting over 23,000 jobs across different industries. Due to the 2022 Flood in the Northern Rivers region, more than 3,000 businesses were affected directly or indirectly, impacting approximately 18,000 jobs in the LGA.

Lismore Council conducted a survey to undertake a Business Flood Impact Assessment after the 2022 Flood in which 293 people respondent. Based on the survey, the flood had significant impact on the Retail Trade sector (24%), followed by Health Care and Social Assistance sector (13%). These sectors employ a substantial number of workers, highlighting the urgency for them to be relocated.

Due to its high-risk location, flood insurance is generally unavailable or unaffordable to the businesses. As a result, almost 90% of the survey respondents did not have any form of flood insurance. In fact, *"The Insurance Council of Australia has commented that insurance is unlikely to be available unless there are strategies to 'de-risk' through flood mitigation and adaptation activities,"* (Lismore Council, 2022)

Overall, a majority of business zonings (70%) in the LGA are in the flood prone region, indicating a strong demand for relocation. Therefore, the 27,500 sq.m of business lots to be delivered by the proposed development would help address the demand for secure premises from flood affected businesses.



**4,172 BUSINESSES
IN LISMORE
COUNCIL**



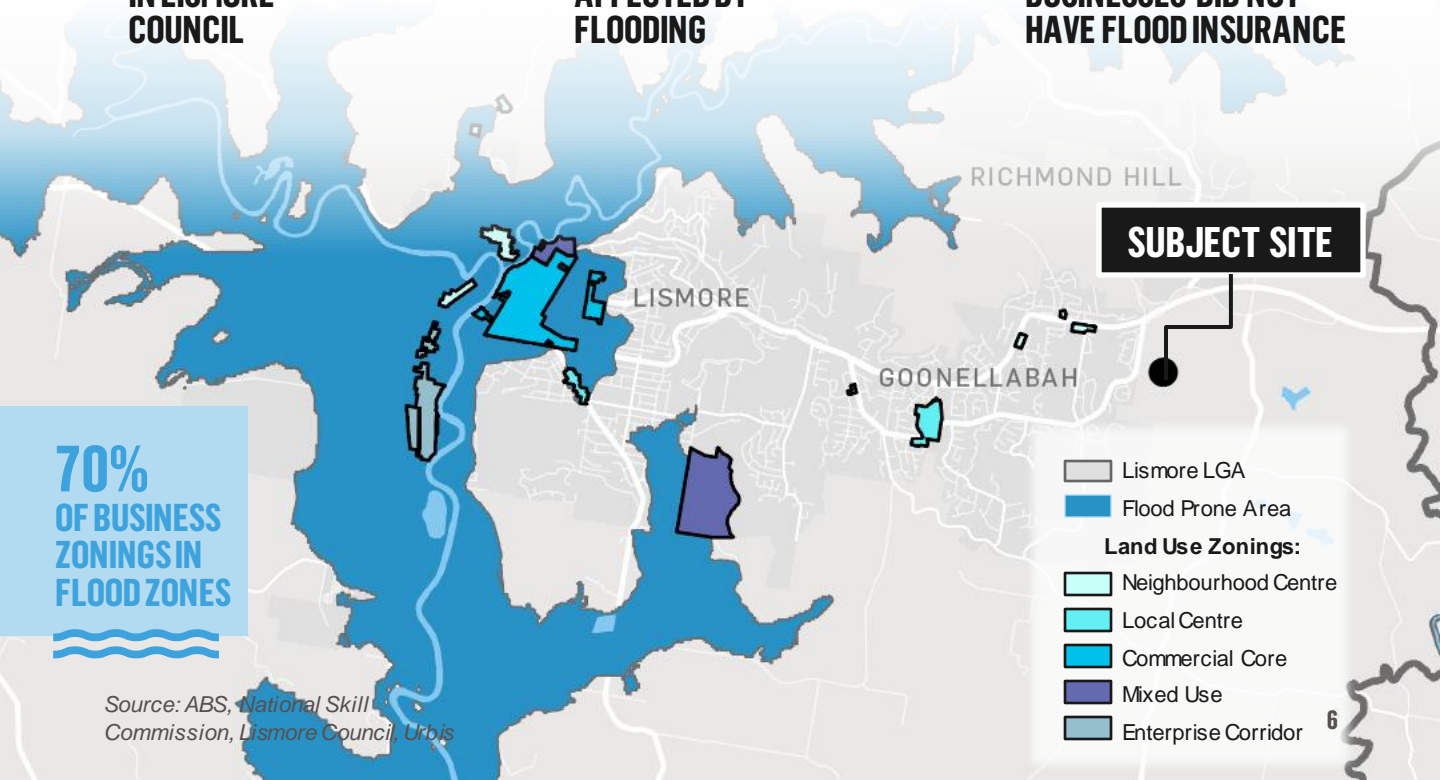
**3,000 BUSINESSES
AFFECTED BY
FLOODING**



**90% OF SURVEYED
BUSINESSES DID NOT
HAVE FLOOD INSURANCE**

**70%
OF BUSINESS
ZONINGS IN
FLOOD ZONES**

Source: ABS, National Skill Commission, Lismore Council, Urbis



04 MEETING DEMAND FOR MEDIUM SCALE INDUSTRIAL LOTS

Transport, Postal and Warehousing, Manufacturing, and Wholesale Trade are the main industry sectors that take up zoned industrial land. The number of businesses in these sectors has grown in the last five years from 402 businesses in 2016 to 434 businesses in 2021 despite the 2017 flood in Lismore.

According to the Business Flood Impact Assessment survey, 25% of the respondents have shown interest in flood-free storage/warehouse options to support their businesses future flood mitigation measures, pointing to demand for warehousing and storage businesses in flood free zone.

In 2021, there were approximately 290 ha of General Industrial and Light Industrial zoned land in Lismore Council in which 72% of the industrial zoned land is located within the flood zone. About 60% of the zoned industrial land have been developed, leaving Lismore LGA with approximately 100 ha of undeveloped land. However, about 95% of undeveloped land is located in and around the flood zone region.

The proposed development would help address the immediate demand as part of a flood mitigation measures by providing 23 ha of additional industrial zoned land in a flood free zone.



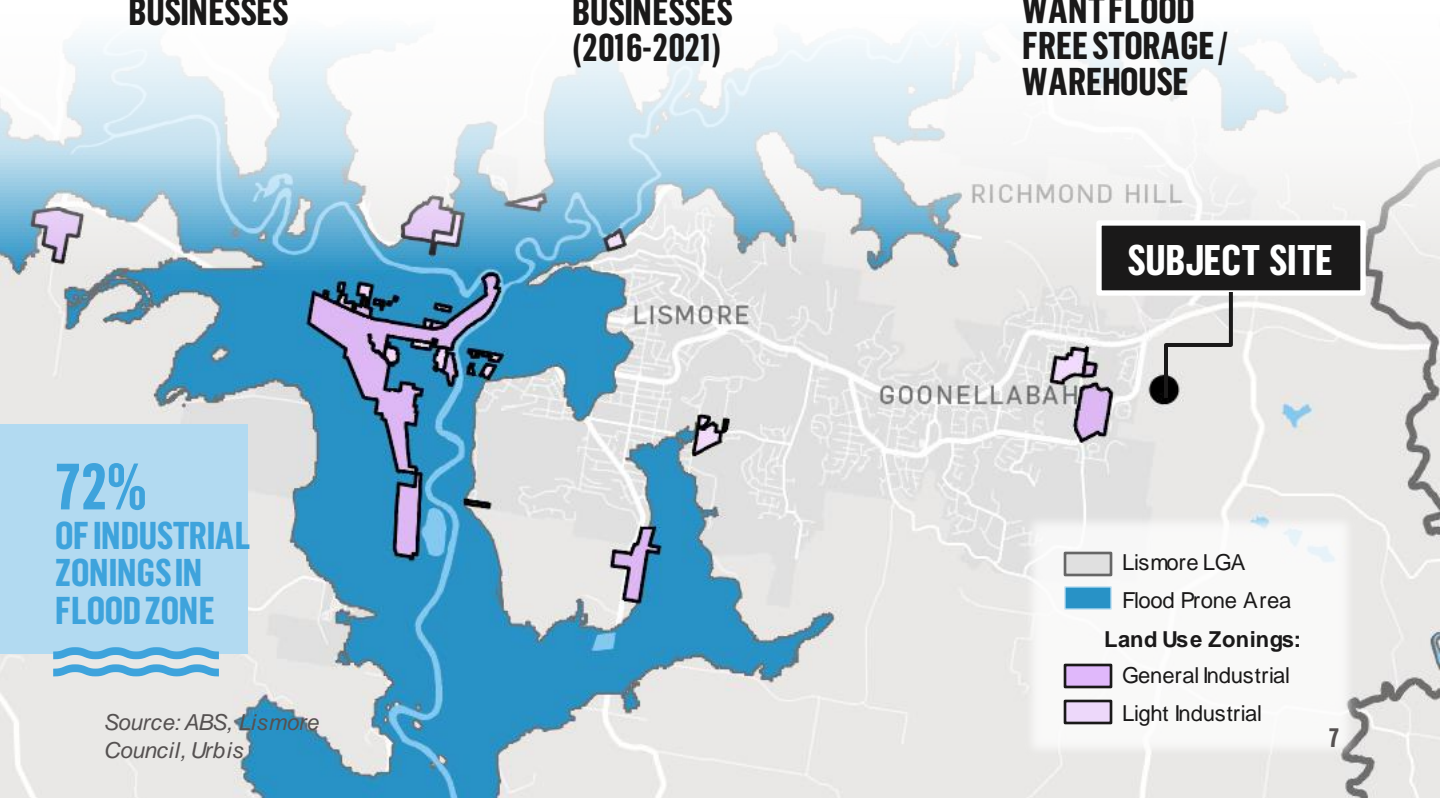
434 INDUSTRIAL BUSINESSES



+32 INDUSTRIAL BUSINESSES (2016-2021)



25% RESPONDENTS WANT FLOOD FREE STORAGE / WAREHOUSE



05

THE DEVELOPMENT WILL DELIVER SORELY NEEDED COMMUNITY FACILITIES TO THE LOCAL COMMUNITY

One of the key priorities of the Lismore Council is the provision of community facilities in the LGA. These community facilities should be accessible, flexible and provide space to enhance social connections across the community.

A recent Lismore Council assessment found that over 100 council sites, including many community facilities, were affected by the 2022 floods. This demonstrates the need for community renewal in the Lismore City LGA. New facilities need to be placed in locations that are not vulnerable to flooding, such as the proposed site in Goonellabah.

The proposed rezoning will provide a local centre, located centrally within the proposed residential lots. This will provide convenient access for future residents. Currently, the subject site, has no community and cultural centres within a 2km radius.

In addition, the planning proposal has

detailed plans for pedestrian footpaths and bridges to ensure that proposed employment land are accessible via active transport with planned residential lots. Active transport paths will ensure residents in the proposed development will be able to have healthy and active lifestyles, in line with council objectives.

The lack of developable land in flood free area of the LGA has been a constraint on the provision of new community facilities. The planning proposal will provide new integrated community facilities within the subject site, addressing the shortage of community facilities.

**OVER 100 COUNCIL
FACILITIES DAMAGED BY
2022 FLOODING**



**INTEGRATED
ACTIVE TRANSPORT
NETWORKS**

06

THE REZONING WILL HAVE MINIMAL ECONOMIC IMPACT FROM THE LOSS OF RU1 LAND

Under existing planning controls, the site is zoned RU1 Primary Production and has been used for many years for Beef Cattle grazing. The site is largely cleared of vegetation except for remnant trees dispersed across the site.

According to an agricultural assessment commissioned by EcoTeam, a specialist environmental assessment company, the site contains three dominant terrain units:

- Ridges
- Hillslopes
- Footslopes/Gully.

Each dominant terrain was assessed for their agricultural viability based on the NSW DPI Agricultural Land Classification Technique.

The results of the assessment found that a large portion of land was Footslopes/Gully.




This Footslopes/Gully was classified as Class 5 Agricultural Land, which is unsuitable for agriculture or light grazing.

The Hillslopes were classified as Class 4 Agricultural Land, which is only suitable for grazing. Both class 4 and 5 signal very low agricultural productivity in the subject site.

Considering a large portion of land falls into Class 4 or 5 classification of land type, there will be minimal economic loss from land rezoning. Hence there will be more productive land uses for the subject site instead of maintaining it as RU1 land.



SUBJECT SITE UNSUITABLE FOR MOST AGRICULTURAL ENTERPRISES

Terrain		Classification	Land Composition
	Ridge	Class 3	20%
	Hillslope	Class 4	29%
	Footslope	Class 5	51%
Final Classification		Class 5	100%

07

THE PLANNING PROPOSAL WILL NOT DEGRADE THE NORTHERN RIVERS ENVIRONMENT

The Northern Rivers Region is nationally renowned for its pristine environment and diverse ecosystems. Specifically, the Lismore LGA contains one of the most significant populations of koalas in Southeastern Australia.

One of the key concerns of council and residents is the declining state of the Lismore natural environment. These concerns are justified as the Regional State of the Environment Report 2016, highlighted the Lismore LGA as one of the worst performing North Coast LGAs in terms of land clearing. As of 2016 the LGA had only 24.6% of land as existing native vegetation. This compares poorly to 75.1% in the nearby Clarence Valley LGA.

As established, the subject site consists of already cleared, low productivity, agricultural land. This contrasts with other prospective development locations in and around Lismore. For example, the North Lismore Plateau has been the subject of a development application proposing hundreds of residential lots. If the development went ahead, existing native vegetation would have to be cleared. This would threaten existing endangered species, such as koalas.

Therefore, the subject site is a logical option for the Council, allowing houses and employments lands to be relocated to flood-free land, with minimal detrimental environmental consequences.



08

CREATE A VIBRANT NEW COMMUNITY WITH ACCESS TO GREEN OPEN SPACE

The proposal includes the following areas of open space:

- An open space of 3.47 ha adjoining the riparian corridor.
- A buffer zone of 6.64 ha to the east of the residential lots, consisting of a 30-metre-wide vegetated buffer between the neighbouring operational rural lands. A potential location for a local park has been identified within the buffer zone.
- A riparian Corridor of 7 ha that runs east-west through the site between the employment uses to the south and the residential lots to the north.

- A potential pedestrian bridge across Tucki Tucki Creek, connecting the business and industrial uses to the south with residential areas to the north.

The proposed local centre will provide a gathering point for residents, adding vibrancy to the community.

Combining green open spaces, connective infrastructure and the local centre will create a vibrant new community in a flood free location.



**COMMUNITY SPACE
INCLUDED IN
DEVELOPMENT PLANS**



**21.5 HECTARES OF GREEN
OPEN SPACES IN
PROPOSED DEVELOPMENT**

09

ADDING 214 JOBS DURING CONSTRUCTION AND 4,336 ONGOING JOBS ANNUALLY TO INCREASE JOB OPPORTUNITIES FOR LOCAL RESIDENTS

The development cost of the proposed project is estimated at around \$500 million over a 10-year construction period. To estimate the economic effect of the proposed development, Urbis conducted Input-Output modelling using REMPLAN software. REMPLAN is a widely respected, industry standard software used to assess economic impacts across a range all industries in an economy.

The modelling forecasts the proposed development would generate 214 total jobs over the 10-year construction period which includes 87 direct jobs and 127 indirect jobs. Upon completion of the development the ongoing operations will also support ongoing jobs in the local economy.

Using a job density of 100 sq.m per job for industrial spaces, 60 sq.m per job for commercial space, and 40 sq.m per job for retail spaces, the proposed development will generate 4,336 total ongoing jobs annually

which includes 2,614 direct jobs and 1,722 indirect jobs.

Due to its geographical location, Lismore Council has a high employment containment rate of 76%. However, the unemployment rate in the Council is high at 5.6% in March 2022, compared to 3.5% across NSW.

These additional jobs will help residents to work within Lismore Council rather than having to travel outside the Council for work (which around a quarter of residents currently do). It will also assist in tackling the long-term high unemployment rates and attract new industries to promote jobs for young and old, the community's aspiration outlined in Lismore Imagine 2017-2027 document.

The development will also provide new residents in Goonellabah with job opportunities in close proximity to the new residential development.



CONSTRUCTION PHASE



+ 87
Direct Jobs over 10 years



+ 127
Indirect Jobs over 10 years



ONGOING PHASE



+ 2,614
Direct Jobs



+ 1,722
Indirect Jobs



24% OF LISMORE RESIDENTS WORKERS WORK OUTSIDE THE LGA



5.3% UNEMPLOYMENT RATE

10

ADDING \$345.1 MILLION DURING CONSTRUCTION AND \$759.0 MILLION ANNUALLY DURING ONGOING OPERATIONS IN GROSS VALUE ADD TO THE ECONOMY

The development will not only add employment to Lismore Council but will generate addition Gross Added Value (GVA) to the local economy.

During the construction phase the cost of development of \$500 million will generate a total GVA of \$345.1 million.

This includes a direct effect GVA of \$144.4 million and an indirect effect GVA of \$200.7 million.

Once the development is completed, the 2,614 jobs supported by the proposed local centre and employment land will contribute a total GVA of \$759.0 million per annum.

This contribution includes a direct effect of \$458.7 million and an indirect effect of \$300.3 million both per annum.



DEVELOPMENT PHASE



\$345.1 million
Total GVA



\$144.4 million
Direct GVA



\$200.7 million
Indirect GVA



OPERATIONAL PHASE



\$759.0 million
Total GVA per annum



\$458.7 million
Direct GVA per annum



\$300.3 million
Indirect GVA per annum

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PLEASE NOTE OUR FURTHER DISCLAIMER IN RELATION TO COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION ON THE FOLLOWING PAGE OF THIS REPORT.

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Project code	P0042442
Report number	RP1

COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

The recent international outbreak of the Novel Coronavirus (COVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, is causing a material impact on the Australian and world economies and increased uncertainty in both local and global market conditions.

The effects (both directly and indirectly) of the COVID-19 Outbreak on the Australian real estate market and business operations is currently unknown and it is difficult to predict the quantum of the impact it will have more broadly on the Australian economy and how long that impact will last. As at March 2020, the COVID-19 Outbreak is materially impacting global travel, trade and near-term economic growth expectations. Some business sectors, such as the retail, hotel and tourism sectors, are already reporting material impacts on trading performance now and potentially into the future. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The Report Content and the data and information that informs and supports it is current as at the date of this report and (unless otherwise specifically stated in the Report) necessarily assumes that, as at the date of this report, the COVID-19 Outbreak has not materially impacted the Australian economy, the asset(s) and any associated business operations to which the report relates and the Report Content. However, it is not possible to ascertain with certainty at this time how the market and the Australian economy more broadly will respond to this unprecedented event. It is possible that the market conditions applying to the asset(s) and any associated business operations to which the report relates and the business sector to which they belong could be (or has been) materially impacted by the COVID-19 Outbreak within a short space of time and that it will have a lasting impact. Clearly, the COVID-19 Outbreak is an important risk factor you must carefully consider when relying on the report and the Report Content.

Any Report Content addressing the impact of the COVID-19 Outbreak on the asset(s) and any associated business operations to which the report relates or the Australian economy more broadly is (unless otherwise specifically stated in the Report) unsupported by specific and reliable data and information and must not be relied on.

To the maximum extent permitted by law, Urbis (its officers, employees and agents) expressly disclaim all liability and responsibility, whether direct or indirect, to any person (including the Instructing Party) in respect of any loss suffered or incurred as a result of the COVID-19 Outbreak materially impacting the Report Content, but only to the extent that such impact is not reflected in the data and information used to support the Report Content.

REMPPLAN ANALYSIS

This Economic Analysis uses REMPLAN to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Generation – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the ongoing economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full time and part time jobs created over the life of the construction phase; or in terms of the ongoing operations, total on going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry
- Indirect effects are
 - Those felt within industries that supply goods to the industries directly affected (industry effects)
 - Those felt by industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption induced effects).

For the purposes of this analysis, consumption induced effects have been excluded. Consumption induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.

