

Cudgen Connection

Economic Impact Assessment (EIA)

PREPARED FOR **Planit Consulting**

November 2023

Important Notice

© MacroPlan Holdings Pty Ltd All Rights Reserved. No part of this document may be reproduced, transmitted, stored in a retrieval system, or translated into any language in any form by any means without the written permission of MacroPlan Holdings Pty Ltd. All Rights Reserved. All methods, processes, commercial proposals and other contents described in this document are the confidential intellectual property of MacroPlan Holdings Pty Ltd and may not be used or disclosed to any party without the written permission of MacroPlan Holdings Pty Ltd.

MacroPlan staff responsible for this report:

Mark Courtney – General Manager – QLD

Ilan Davidoff – Consultant – VIC

Table of contents

Executive summary	4
Introduction	8
Section 1: Regional context and site location.....	9
1.1 Regional context and site location.....	9
1.2 State and local policies.....	9
Section 2: Socio-economic analysis.....	13
2.1 Tweed Shire	13
2.2 Resident population.....	15
2.3 Socio-demographic profile.....	17
2.4 Employment profile.....	20
2.4.1 Full Time Equivalent (FTE) employment growth.....	20
2.4.2 Self-containment	21
2.4.3 Industry Value Added (IVA).....	22
2.4.4 Jobs to Workers Ratio	23
2.4.5 Tourism Profile	25
Section 3: Economic Impact Assessment (EIA)	26
Appendices	33

Executive summary

Key Finding

On the basis of the findings of this report, the Cudgen Connection will be a beneficial economic and social addition to the Tweed Shire Local Government Area (LGA) well into the future. Cudgen Connection will provide significant quantifiable economic impacts including notable employment generation during both the construction and operational phases and create value-add benefits for a range of industries on an ongoing basis. It will generate qualitative benefits for the Tweed Shire including the establishment of a health and education hub with significant investment opportunities. It will support the Tweed Shire business profile, strengthen the local economy and make a significant contribution to diverse housing options for key workers and others.

Regional context and site location

- The Cudgen Connection project (“subject site”) is located at 741 Cudgen Road, Cudgen, within the Tweed Local Government Area (LGA).
- When complete and operational, the Cudgen Connection will feature a total of 65,830 sq.m of GFA, allocated to private hospital (9,000sqm), medical suites (6,750 sq.m), mental health hospital (6,000 sq.m), university (7,000 sq.m), medi-hotel (5,000 sq.m), community centre, (1,000 sq.m), residential (23,380 sq.m), retail (1,600 sq.m) and childcare (1,100 sq.m) uses.
- The subject site has been developed to leverage off the surrounding location, adjoining the new Tweed Valley Hospital and the established Kingscliff TAFE, and would directly advance the creation of a ‘health and education precinct’ – a key direction of State and local policies.
- The project would support the surrounding area through health, services, education, retail and provide residential housing solutions and amenity to the precinct’s key workforce, supporting the Tweed LGA economy.
- The Cudgen Connection represents an opportunity to contribute to the objectives, visions, and strategies of both the State and local governments health and education policies.

Socio-economic analysis

Resident population

- The Tweed LGA population is estimated at 97,150 as of June 2021 and is projected to increase to 102,915 by 2026, reflecting growth of 1,153 people per annum and average annual growth of 1.2% between 2021 and 2026. From the years 2026 to the year 2031, Tweed’s population is projected to increase by 745 persons per annum. By 2036, Tweed LGA is anticipated to grow to 109,745, and by 2046 is anticipated to reach 112,244 people.

- This is reflecting growth within Tweed LGA of over 755 people per annum with annual growth rate of 0.7% between the 25-year period from 2021 to 2046.

Socio-demographic profile

- The key features of the socio-demographic profile of the Tweed LGA include lower average household incomes, a prominent representation of an older family population cohort and higher-than-benchmark home ownership levels.
- The Cudgen Connection project would be well suited to target this older demographic and support the local area given the proposed development health-oriented mix of uses including medical suites, a medi-hotel and mental health and private hospitals. Through the university's provision of tertiary education services, representation in professional occupations will be enhanced and in turn help to increase income levels for the local population.

Employment profile

Full Time Equivalent (FTE) employment growth

- Within the Tweed LGA, health care and social assistance is the largest employer, generating 5,410 FTE jobs in the LGA in 2021/22, closely followed by construction at 5,212 jobs in 2021/22. The Cudgen Connection will increase employment opportunities for the Tweed LGA, further increasing job growth over time in industries including; construction and electricity, gas, water and waste services, retail, accommodation and food services and health care and social assistance services, and thereby the Gross Regional Product (GRP).

Self-containment

- The Cudgen Connection will provide local employment opportunities for the Tweed LGA, increasing the self-containment of the area for local workers – thereby increasing social and economic benefits of the LGA residents. These industries are anticipated to include, construction, retail and wholesale trade, healthcare and social assistance, accommodation and food services.

Industry Value Added (IVA)

- Over the ten-year period from 2011/12 to 2021/22, the IVA of the Tweed LGA increased by \$980 million from \$2.64 billion to \$3.62 billion, with the largest growth to IVA coming from the health care and social assistance (+\$229 million) and construction (+\$223 million) industries, representing 46% of the total growth in IVA. Given these two industries will form a large part of the construction and functioning of project, it is highly likely that the future GRP of the Tweed Region will be supported from the Cudgen Connection project.

Jobs to Workers Ratio

- In 2021/22 the Tweed LGA had a total of 39,253 local jobs with 44,953 employed residents. This implies there were 5,700 fewer jobs (or a theoretical capacity shortfall of local jobs) than the total of working residents across all industries; giving a Jobs to Workers Ratio of 0.87. The Cudgen Connection project would be looked at favourably in terms of a Jobs to Workers ratio by helping to maximise this ratio, reduce this shortfall and thereby helping to create more employment opportunities locally.

Tourism

- Tourism Research Australia (TRA) data for the Tweed Shire LGA for 2019 shows Tourism is an important component of the local economy. Tweed Destination Management Plan (DMP) 2023 – 2027 Review Discussion Paper aims to grow the visitation economy to \$1.46 billion by 2030.

- The Cudgen Connection can help act as a draw to new tourism numbers and spend capacity by creating a world-class destination, which can help support the Tweed DMP 2023 – 2027 goals and visions and support the local Tweed LGA economy.

Economic Impact Assessment (EIA)

Macroplans Cudgen Connection EIA finds significant economic benefits will accrue as a result of the Cudgen Connection. Quantifiable benefits include notable local job creation and value-add economic benefits.

During the construction phase notable results include:

Employment

- 358FTEs will be created locally in each year of the construction phase. This represents a multiplier effect of 3.4.

Income, Value-add and output

- Total wages and salaries, including all direct, and indirect effects are estimated to increase by up to \$20.1 million per annum during construction. This represents a multiplier effect of 2.8.
- Total value-added, including all direct, and indirect effects is estimated to be \$38.3 million per annum during the construction phase. This represents a multiplier effect of 2.8.
- Total output including all direct, and indirect effects is estimated to increase by up to \$142.5 million per annum during the construction phase. This represents a multiplier effect of 2.3.

Other economic benefit

- An additional economic benefit would arise through the construction phases as a consequence of construction workers retail expenditure. At 46 weeks per year at the rate of \$60 for the 358 FTE workers an additional \$1.0 million expenditure per annum in each of the 5 years during construction will be generated.

During the operation phase notable results include:

Employment

- When fully operational it is estimated that there will be 1,040 new local employment opportunities created by the Project.

Incomes and value-add

- Total annual wages figure produced by these 1,040 workers is estimated to be \$103.5 million.
- \$160.2 million in total value add benefits (direct plus indirect value add) each year for the combined Health care and social assistance, (\$137.5m) Accommodation and food services (\$5.5m), Education and training (\$14.0m) and the Retail (\$3.2m) industries.

- This value-add impact created by the Cudgen Connection dramatically exceeds the site's current economic potential through primary production. Notably the Cudgen Connections value-add estimate of \$160.2 million will represent approximately 4% of the total Tweed LGA's 2021/22 IVA estimate.

Other economic benefits

- An additional economic benefit would arise through the operational phase as a consequence of workers retail expenditure. At 46 weeks per year at the rate of \$60 for the 1,040 FTE Cudgen Connection workers, an additional \$2.87m expenditure per annum on an ongoing basis is generated.
- The Cudgen Connection Medi hotel would provide approximately 100 serviced apartments increasing the capacity of Tweed's short-term accommodation and having flow-on economic benefits such as increased employment and tourism expenditure. Total expenditure generated by tourists on site is expected to be around \$7.2m per annum. While a portion of this will be spent on room rates, a significant amount will be spent on retail, food and beverage, and entertainment which will benefit existing local businesses.

In regard to qualitative benefits, a diverse range of economic, social and environmental benefits can also be expected to be generated as a direct and indirect consequence of the proposed development. These include the creation of health and education precinct, a more diverse economic base, economic clustering impacts, a larger, better trained and more knowledgeable local workforce, a significant contribution to local housing demand including essential worker housing and the promotion of the overall business profile of the Tweed Shire LGA and surrounding region.

Introduction

This report presents an Economic Impact Assessment (EIA) to support the Cudgen Connection project in Cudgen – a suburb located in north-eastern New South Wales, within the Tweed Shire Local Government Area (LGA).

This report has been prepared in accordance with instructions received from Planit Consulting and is presented in three sections as follows:

- **Section 1** reviews the regional context and site location of the subject site. Also included in this section is a brief summary of relevant State and local policies.
- **Section 2** provides a concise review of the Tweed Shire's socio-economic profile of the local economy, focusing on the key economic statistics to investigate how the project can promote growth and opportunity for the LGA. This section includes an examination of the socio-demographic profile of the Tweed Shire LGA including the current and projected resident population, employment characteristics, as well as a high-level overview of the tourism profile.
- **Section 3** presents the Economic Impact Assessment (EIA) model outputs showing the effects of the project to the Tweed Shire's economy in terms of economic output, employment, incomes and value-added benefits.

Section 1: Regional context and site location

This section reviews the regional context and site location of the Cudgen Connection project. Also included in this section is a brief summary of relevant State and local policies.

1.1 Regional context and site location

The Cudgen Connection project (“subject site”) is located at 741 Cudgen Road, Cudgen (see Figure 1.1 and Map 2.1), within the Tweed Local Government Area (LGA).

The subject site abuts Cudgen Road to the south and Tweed Coast Road to the west – a major thoroughfare connecting the subject site to the Pacific Motorway, to the wider North Coast region, and to the Gold Coast to the north. These transport links provide favourable connectivity to uses of space including those of logistical uses, health and education employees and students and potential patients.

Additionally, the subject site is a short 500 metres walking distance to the Kingscliff TAFE, and approximately 1.6 km from the Kingscliff town centre. The subject site is also located in a popular tourism location with natural assets, providing an opportunity to support tourists to the region.

The subject site has been developed to leverage off and provide synergies to the surrounding location, adjoining the new Tweed Valley Hospital and the established Kingscliff TAFE, and would directly advance the creation of a ‘health and education precinct’ – a key direction of State and local policies.

The Cudgen Connection project would support the surrounding area through health, services, education, retail and provide residential housing solutions and amenity to the precinct’s key workforce, supporting the Tweed LGA economy. Specifically, the Cudgen Connection project would provide a total of 57,048 sq.m of total site area, and 15,520 sq.m of community open space, with a total Gross Building Area (GBA) of 72,390 sq.m. The GBA breakdown is shown in Table 1.1.

1.2 State and local policies

With health and education playing a key role in State and local policies, the Cudgen Connection can contribute to and support these and wider objectives, visions, and strategies of State and local policies.

These State and local policies include:

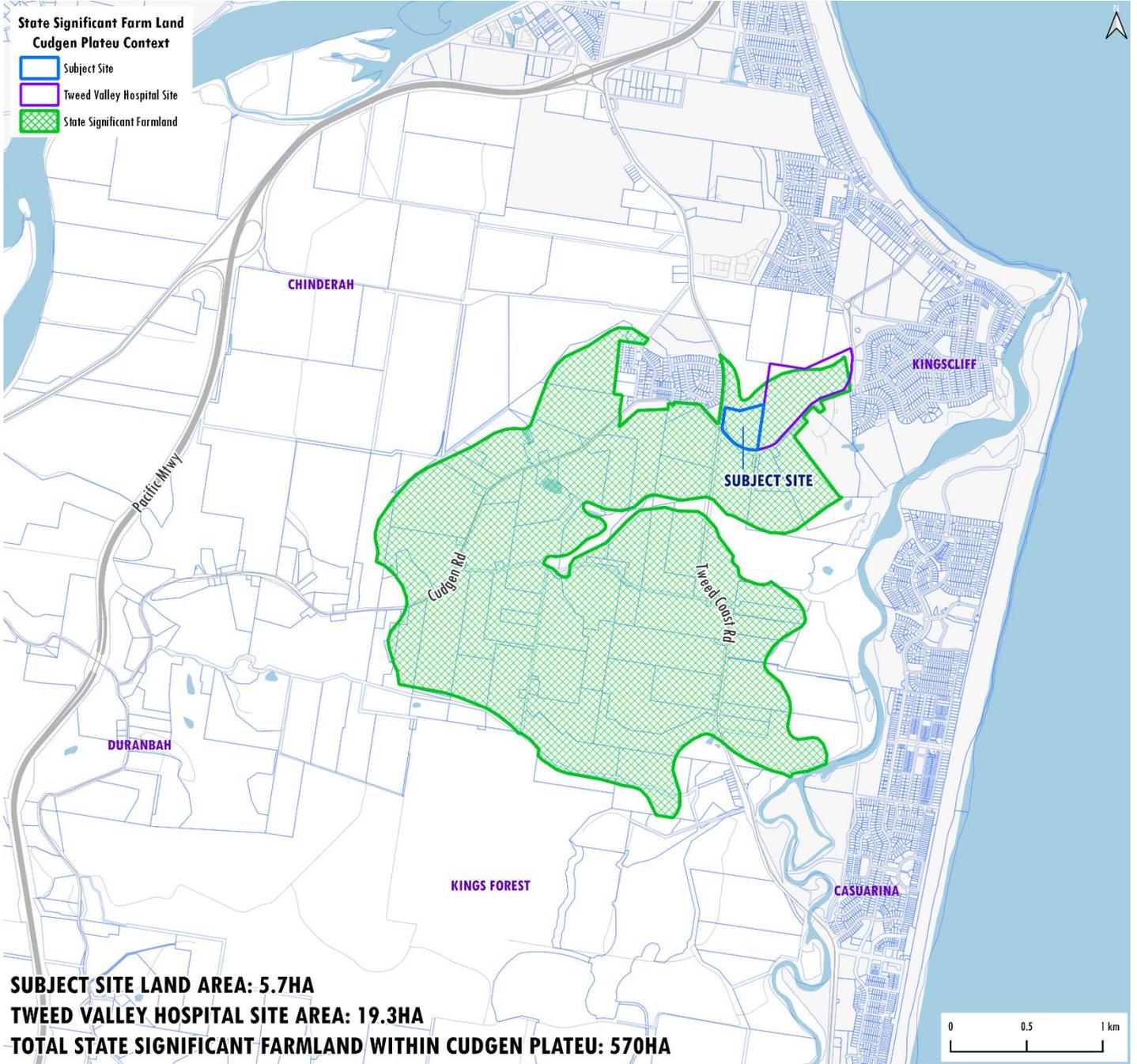
- North Coast Regional Plan 2041,
- Economic Development Strategy for Regional NSW,
- Community Development Strategy 2020–2024 - Tweed Shire
- Tweed Regional Economic Development Strategy - 2023 Update
- Tweed Shire Local Planning Statement 2020,

- Tweed Shire Economic Development Strategy 2014, and
- The South East Queensland Regional Plan 2017, known as Shaping SEQ 2017 and the newly released Draft Shaping SEQ, South East Queensland Regional Plan, 2023 Update.

Table 1.1 Cudgen Connection Masterplan

Building Use	Use type	Stories	GBA per level (m2)	Total GBA (m2)	Car parking proposed
Private hospital	Health	4	2,250	9,000	96
Medical suites	Health	3	2,250	6,750	208
Mental Health Hospital	Health	5	1,200	6,000	115
University	Education	7	1,000	7,000	86
Medical hotel	Services	5	1,000	5,000	55
Community centre	Services	1	1,000	1,000	20
Residential	Residential	3	1,100	3,300	45
Residential recreation space	Residential	1	260	260	
Residential	Residential	4	1,400	5,600	70
Residential	Residential	4	1,400	5,600	70
Residential	Residential	5	1,400	7,000	88
Residential	Residential	5	1,400	6,880	85
Retail	Retail	1	700	700	32
Retail	Retail	1	900	900	41
Childcare	Services	1	1,100	1,100	40
Public Park 1	Community open space			7,760	
Public park 2	Community open space			4,450	
Public park 3	Community open space			1,410	
Plaza	Community open space			1,900	

Source: Planit Consulting; Macroplan



macroplan

**Map 1.1: Cudgen Connection
Local Context**

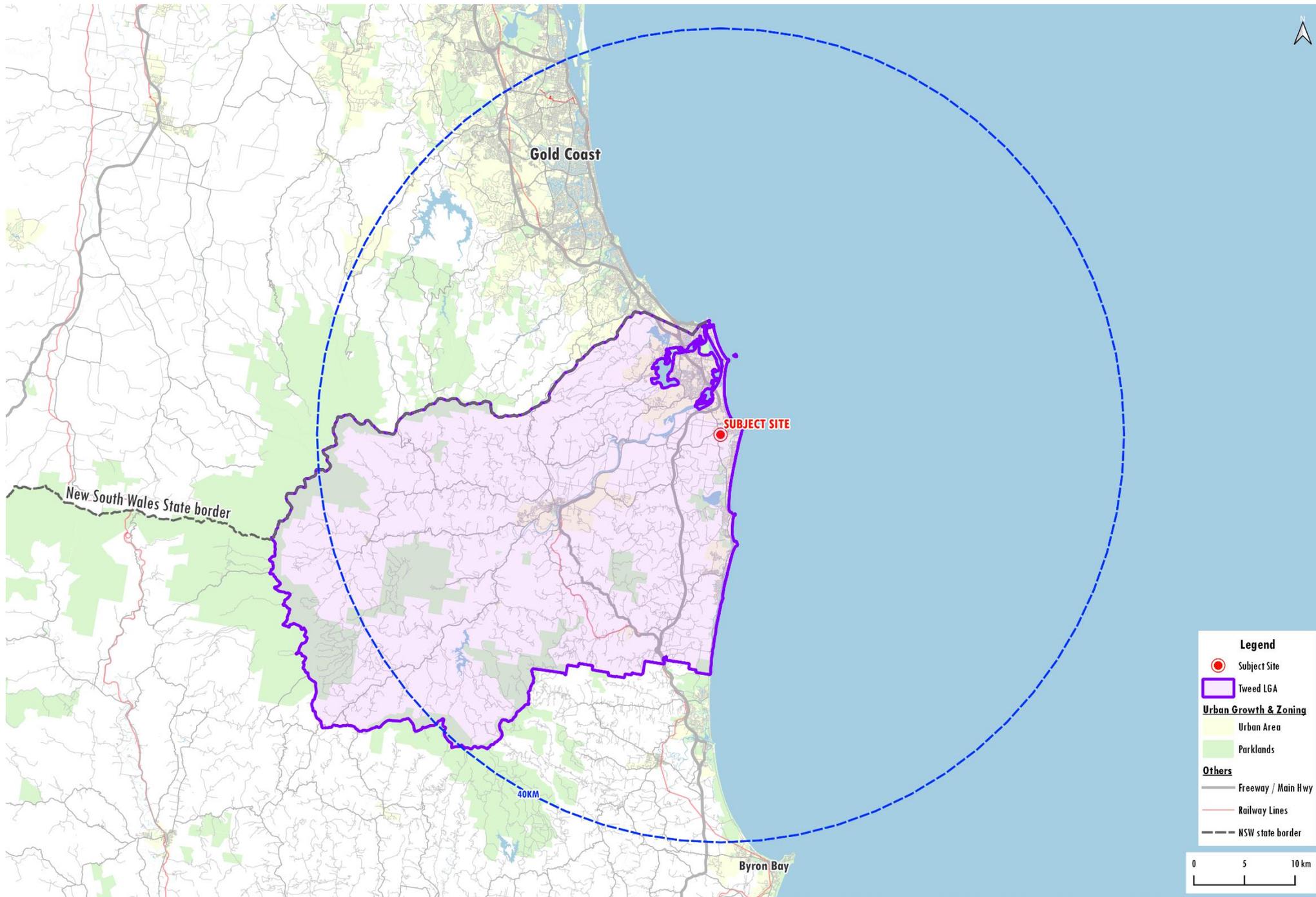
Section 2: Socio-economic analysis

This section of the report provides a concise review of the Tweed Shire's socio-economic profile of the local economy, focusing on the key economic statistics to investigate how the project represents an opportunity to promote growth for the LGA. It includes an examination of the socio-demographic profile of the Tweed Shire LGA including the current and projected resident population, employment characteristics, as well as a high-level overview of the tourism profile.

2.1 Tweed Shire

The socio-economic area for the Tweed Shire is defined by use of the Australian Statistical Geography Standard (ASGS) which is used by the Australian Bureau of Statistics (ABS) at Local Government Area (LGA) level. The LGA of the Tweed Shire is referred to as "Tweed" within this report.

Map 2.1 illustrates a regional context view for the Tweed LGA. Refer to Section 1 for more details.



**Map 2.1: Tweed LGA
Regional Context**

2.2 Resident population

Table 2.1 and Chart 2.1 details the recent and projected population levels within the defined Cudgen Connection area. Population forecasts for the Tweed LGA have been based on the following:

- The Australian Bureau of Statistics (ABS) Census of Population and Housing 2021;
- ABS estimated resident population (ERP) up to June 2021;
- ABS new dwellings approvals data to June 2021;
- The latest population projections prepared the NSW Department of Planning and Environment 2022.
- Other research undertaken by Macroplan.

The Tweed LGA (see Section 2.1) population is estimated at 97,150 as of June 2021 and is projected to increase to 102,915 by 2026, reflecting growth of 1,153 people per annum and average annual growth of 1.2% between 2021 and 2026. From the years 2026 to the year 2031, Tweed's population is projected to increase by 745 persons per annum. By 2036, Tweed LGA is anticipated to grow to 109,745, and by 2046 is anticipated to reach 112,244 people. These projections reflect a more conservative approach when compared to Councils population projections as per Forecast ID.

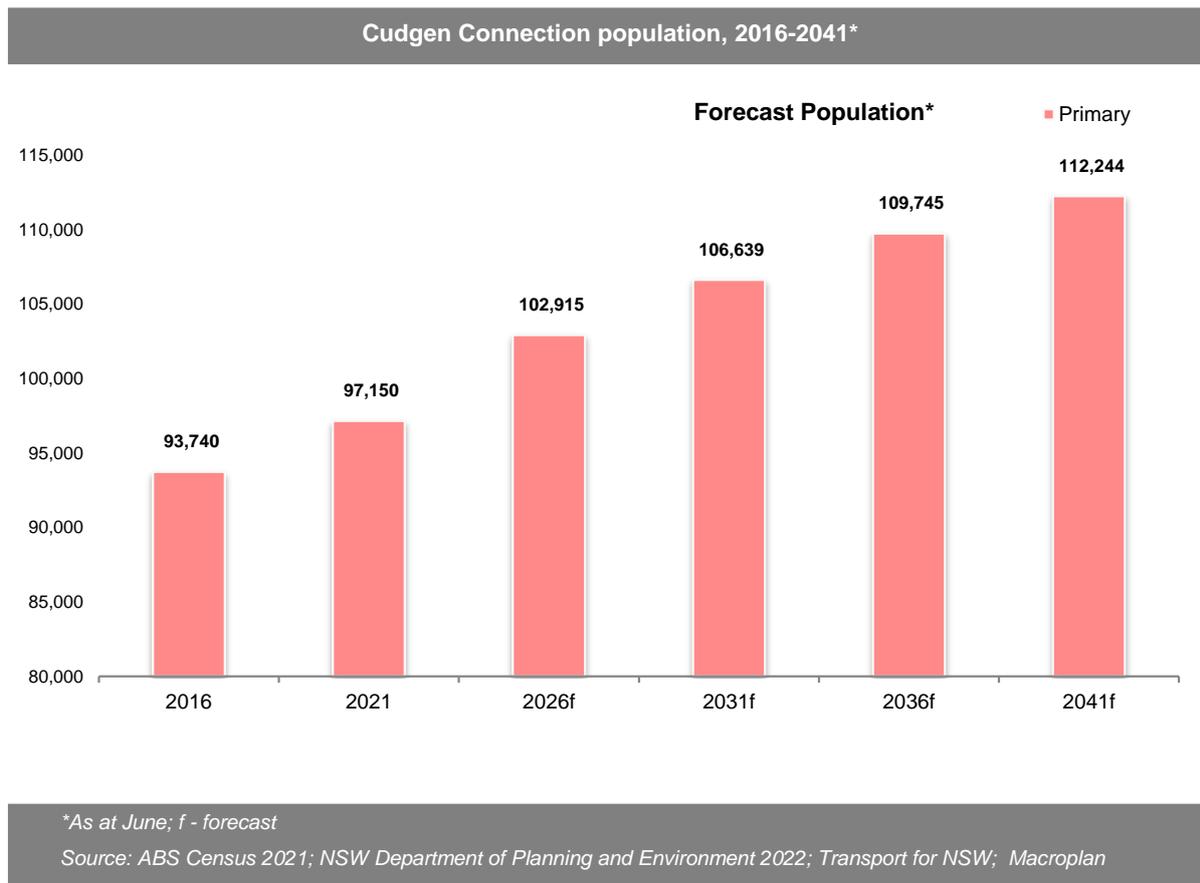
This is reflecting growth within Tweed LGA of over 755 people per annum with annual growth rate of 0.7% between the 25-year period from 2021 to 2046.

Table 2.1 Resident population

Cudgen Connection population, 2016-2041*						
Trade area sector	Estimated population		Projected population			
	2016	2021	2026	2031	2036	2041
Primary	93,740	97,150	102,915	106,639	109,745	112,244
Total trade area	93,740	97,150	102,915	106,639	109,745	112,244
Trade area sector	Average annual growth (no.)					
	2016-21	2021-26	2026-31	2031-36	2036-41	
Primary		682	1,153	745	621	500
Total trade area		682	1,153	745	621	500
Trade area sector	Average annual growth (%)					
	2016-21	2021-26	2026-31	2031-36	2036-41	
Primary		0.7%	1.2%	0.7%	0.6%	0.5%
Total trade area		0.7%	1.2%	0.7%	0.6%	0.5%

*As at June
Source: ABS Census 2021; NSW Department of Planning and Environment 2022; Transport for NSW; Macroplan

Chart 2.1 Population growth



2.3 Socio-demographic profile

Utilising data from the 2021 Census of Population and Housing, Table 2.2 and Chart 2.2 detail the resident socio-demographic profile of Tweed LGA, compared with the Rest of NSW average and national benchmarks. The key points to note include the following:

- Residents of Tweed LGA earn per capita incomes which are on average 7.0% below the Rest of NSW benchmark.
- Average household incomes within the Tweed LGA are \$85,260 which is 8.7% below the Rest of NSW benchmark and below above the Australian average of \$111,341.
- The average household size within the Tweed LGA is 2.4, being on-par with the Rest of NSW benchmark.
- The average age of the Tweed LGA population at 47.8 years is older than the Rest of NSW benchmark of 43.2 years and Australian national average of 38.8 years. The LGA has an above-average representation of those aged 40 and above, being reflective of older families.
- The proportion of Tweed LGA households that are owner-occupiers of their residence is above the Rest of NSW and Australian national benchmark (71.5% compared to 68.5% and 65.1%, respective).
- Some 83.5% of the residents in the Tweed LGA were born in Australia which is lower than the 87% for the Rest of NSW benchmark.
- The majority (32.4%) of households are couples with dependent children, while the Rest of NSW benchmark is 2.2 percentage points above this. There is an additional 25.0% of households without children, 17.3% of households that are couples with non-dependent children, and 11.6% of households are lone persons, while the metropolitan benchmark is 24.1%, 17.6% and 11.0% respectively.
- The Tweed LGA owns more cars on average (92.3% owning 1 or more cars), than the national benchmark (91.2%) which could highlight higher reliance on motor vehicle use over other modes of transport.

The key features of the socio-demographic profile of the Tweed LGA include lower average household incomes, a prominent representation of an older family population cohort and higher-than-benchmark home ownership levels.

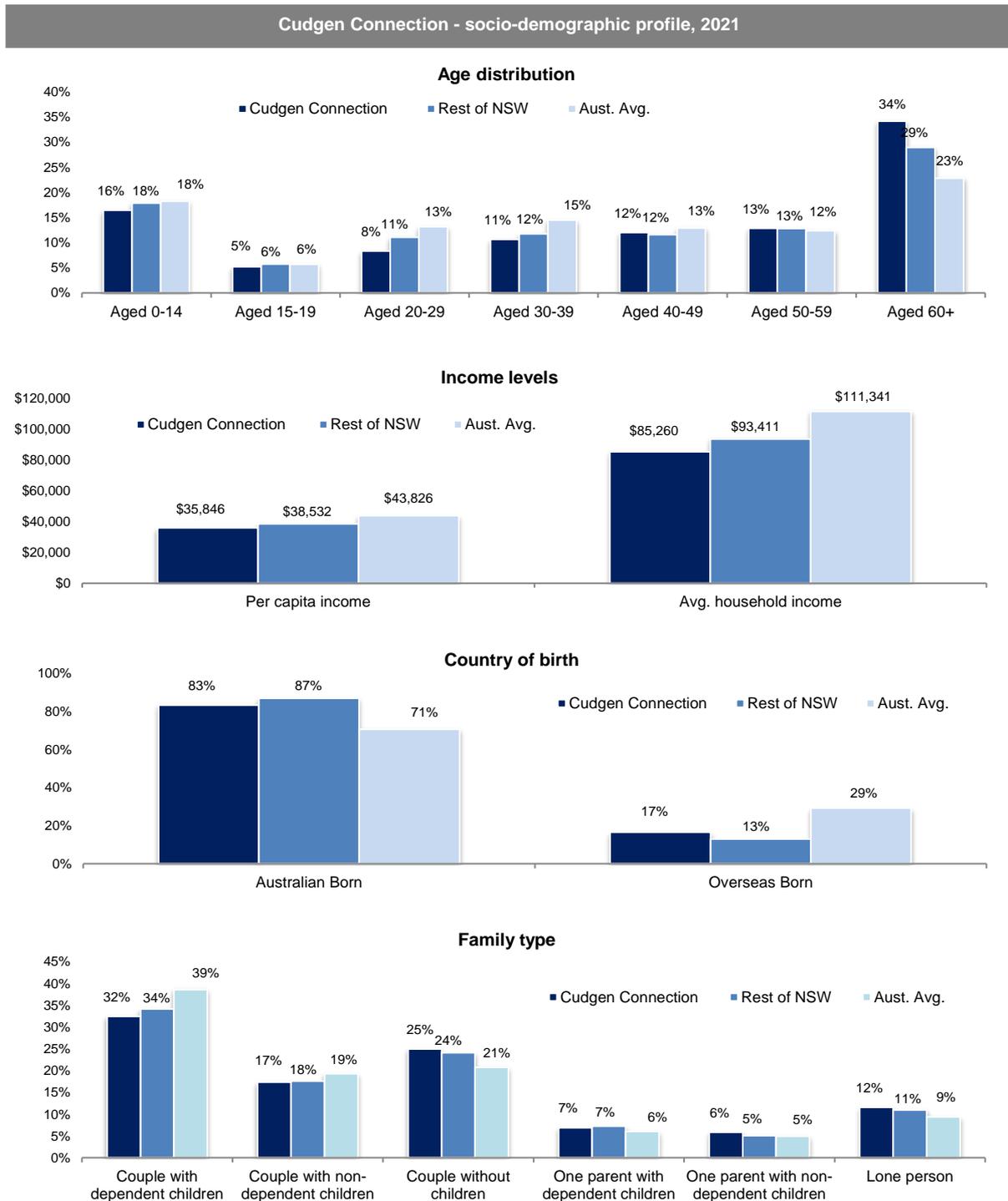
The Cudgen Connection project would be well suited to target this older demographic and support the local area given the proposed development health-oriented mix of uses including medical suites, a medi-hotel and mental health and private hospitals. Through the university's provision of tertiary education services, representation in professional occupations will be enhanced and in turn help to increase income levels for the local population.

Table 2.2 Socio-demographic profile

Cudgen Connection - socio-demographic profile, 2021			
Census item	Cudgen Connection	Rest of NSW avg.	Australia avg.
Per capita income	\$35,846	\$38,532	\$43,826
<i>Var. from Rest of NSW</i>	-7.0%		
Avg. household income	\$85,260	\$93,411	\$111,341
<i>Var. from Rest of NSW</i>	-8.7%		
Avg. household size	2.4	2.4	2.5
<u>Age distribution (% of population)</u>			
Aged 0-14	16.5%	17.9%	18.3%
Aged 15-19	5.2%	5.8%	5.7%
Aged 20-29	8.3%	11.1%	13.2%
Aged 30-39	10.6%	11.8%	14.5%
Aged 40-49	12.1%	11.6%	12.9%
Aged 50-59	12.9%	12.8%	12.4%
Aged 60+	34.2%	28.9%	22.8%
Average age	47.8	43.2	38.8
<u>Housing status (% of households)</u>			
Owner (total)	71.5%	68.5%	65.1%
• Owner (outright)	41.3%	37.6%	30.6%
• Owner (with mortgage)	30.1%	30.9%	34.5%
Renter	24.2%	26.5%	30.3%
<u>Birthplace (% of population)</u>			
Australian born	83.5%	87.0%	70.8%
Overseas born	16.5%	13.0%	29.2%
• Asia	2.5%	3.2%	12.7%
• Europe	2.4%	2.5%	4.2%
• Other	11.7%	7.3%	12.4%
<u>Family type (% of population)</u>			
Couple w dep't child.	32.4%	34.2%	38.6%
Couple w non-dep't child.	17.3%	17.6%	19.3%
Couple without child.	25.0%	24.1%	20.8%
One parent w dep't child.	6.9%	7.3%	6.0%
One parent w non-dep't	5.8%	5.1%	5.0%
Lone person	11.6%	11.0%	9.4%
<u>Car ownership</u>			
% 0 Cars	5.7%	5.4%	7.2%
% 1 Car	38.5%	35.0%	36.2%
% 2 Cars	36.4%	37.2%	36.3%
% 3 Cars	11.3%	13.0%	12.0%
% 4 plus Cars	6.1%	7.6%	6.8%

Source: ABS Census of Population & Housing 2021; Macroplan

Chart 2.2 Socio-demographic profile



Source: ABS Census of Population & Housing 2021; Macroplan

2.4 Employment profile

This section details the employment profile of Tweed LGA, including employment growth, self-containment, employment growth, Gross Regional Product (GRP), jobs to workers ratios, and a tourism profile.

2.4.1 Full Time Equivalent (FTE) employment growth

Full Time Equivalent (FTE) employment considers differences in hours worked between different industry sectors, allowing for a more complete direct comparison.

Within the Tweed LGA, health care and social assistance is the largest employer, generating 5,410 FTE jobs in the LGA in 2021/22, closely followed by construction at 5,212 jobs in 2021/22. Over the ten-year period from 2011/12 to 2021/22, total industry employment increased by 6,913 jobs or over 29.5%, with construction having the highest number of FTE job growth at 2,194, and the highest percentage growth being in electricity, gas, water and waste services - more than doubling to 276 new FTE jobs created (see Table 2.3).

The Cudgen Connection could increase employment opportunities for the Tweed LGA, further increasing job growth over time in industries including; construction and electricity, gas, water and waste services, retail, accommodation and food services and health care and social assistance services, and thereby the Gross Regional Product (GRP) (see Section 2.4.3) of the Tweed LGA.

Table 2.3 FTE employment growth by Industry

Full-time equivalent employment growth by Industry - Tweed LGA						
Industry	2011/12		2021/22		Change	
	Number	%	Number	%	Number	%
Agriculture, Forestry and Fishing	932	4.0%	839	2.8%	-93	-10.0%
Mining	70	0.3%	85	0.3%	15	21.4%
Manufacturing	1,321	5.6%	1,523	5.0%	201	15.3%
Electricity, Gas, Water and Waste Services	259	1.1%	535	1.8%	276	106.6%
Construction	3,019	12.9%	5,212	17.2%	2,194	72.6%
Wholesale Trade	560	2.4%	613	2.0%	53	9.5%
Retail Trade	3,119	13.3%	3,113	10.3%	-6	-0.2%
Accommodation and Food Services	2,181	9.3%	2,460	8.1%	279	12.8%
Transport, Postal and Warehousing	1,051	4.5%	1,151	3.8%	100	9.5%
Information Media and Telecommunications	221	0.9%	321	1.1%	100	45.2%
Financial and Insurance Services	361	1.5%	419	1.4%	57	16.1%
Rental, Hiring and Real Estate Services	519	2.2%	475	1.6%	-44	-8.5%
Professional, Scientific and Technical Services	1,063	4.5%	1,503	5.0%	440	41.4%
Administrative and Support Services	823	3.5%	790	2.6%	-32	-4.0%
Public Administration and Safety	1,350	5.8%	1,579	5.2%	229	17.0%
Education and Training	1,792	7.7%	2,644	8.7%	852	47.5%
Health Care and Social Assistance	3,459	14.8%	5,410	17.9%	1,952	56.4%
Arts and Recreation Services	350	1.5%	360	1.2%	10	2.9%
Other Services	947	4.0%	1,276	4.2%	329	34.7%
Total Industries	23,395	100.0%	30,307	100.0%	6,913	29.5%

Source: Economy ID

Looking closer at the sub-industry level, the top ten sub-industries accounted for 82% of the FTE employment growth between 2011-12 and 2021-22 (see Table 2.4). The Cudgen Connection could further increase future growth within these sub-employment categories within the Tweed LGA.

Table 2.4 Top 10 FTE employment growth by Sub-Industry, 2011-12 to 2021-22

Top 10 Full-time equivalent employment growth by Sub-Industry - Tweed LGA		
Industry	Change	
	Number	%.
Construction Services	1,583	77.2%
Preschool and School Education	693	54.9%
Social Assistance Services	637	86.8%
Building Construction	597	82.0%
Medical and Other Health Care Services	568	65.1%
Hospitals	491	48.5%
Professional, Scientific and Technical Services (Except Computer System Design and Related Services)	337	35.8%
Food and Beverage Services	272	15.6%
Residential Care Services	256	30.5%
Furniture and Other Manufacturing	251	144.3%
Total	5,685	54.8%
<i>Source: Economy ID</i>		

2.4.2 Self-containment

Self-containment measures the proportion of resident workers who are employed within the boundaries of the area. A higher self-containment provides greater economic and social benefits for the area though more local jobs and lower worker travel times etc. In other words, it equips the Tweed to be more economically independent and resilient.

The Cudgen Connection could provide local employment opportunities for the Tweed LGA, increasing the self-containment of the area for local workers – thereby increasing social and economic benefits of the LGA residents. These industries could include, construction, retail and wholesale trade, healthcare and social assistance, accommodation and food services, potentially further increasing the growth of these industries (see Section 2.5), and the GRP of the Tweed LGA over time (see Section 2.4.3).

Table 2.5 Self-containment by industry, 2016-21

Resident self-containment by Industry - Tweed LGA							
Industry	2016			2021			Change
	Total resident workers	Resident workers employed in the region	% of resident workers employed in the region	Total resident workers	Resident workers employed in the region	% of resident workers employed in the region	2016 - 2021
Agriculture, Forestry and Fishing	898	793	88.3%	957	803	83.9%	-4.4%
Mining	247	42	17.0%	223	40	17.9%	0.9%
Manufacturing	1,505	862	57.3%	1,691	1,024	60.6%	3.3%
Electricity, Gas, Water and Waste Services	341	214	62.8%	417	295	70.7%	8.0%
Construction	3,974	1,669	42.0%	4,749	2,136	45.0%	3.0%
Wholesale Trade	610	356	58.4%	676	425	62.9%	4.5%
Retail Trade	3,980	2,896	72.8%	4,170	3,119	74.8%	2.0%
Accommodation and Food Services	3,641	2,531	69.5%	3,855	2,985	77.4%	7.9%
Transport, Postal and Warehousing	1,376	769	55.9%	1,337	825	61.7%	5.8%
Information Media and Telecommunications	355	173	48.7%	370	197	53.2%	4.5%
Financial and Insurance Services	532	316	59.4%	674	373	55.3%	-4.0%
Rental, Hiring and Real Estate Services	723	461	63.8%	696	408	58.6%	-5.1%
Professional, Scientific and Technical Services	1,642	1,075	65.5%	2,144	1,312	61.2%	-4.3%
Administrative and Support Services	1,410	823	58.4%	1,358	734	54.1%	-4.3%
Public Administration and Safety	1,843	1,132	61.4%	1,939	1,132	58.4%	-3.0%
Education and Training	3,051	1,987	65.1%	3,758	2,512	66.8%	1.7%
Health Care and Social Assistance	5,579	3,622	64.9%	7,048	4,481	63.6%	-1.3%
Arts and Recreation Services	615	353	57.4%	677	416	61.4%	4.1%
Other Services	1,323	886	67.0%	1,545	1,077	69.7%	2.7%
Industry not classified	1,605	1,007	62.7%	1,836	1,146	62.4%	-0.3%
Total Industries	35,664	21,942	61.5%	40,601	25,440	62.7%	1.1%

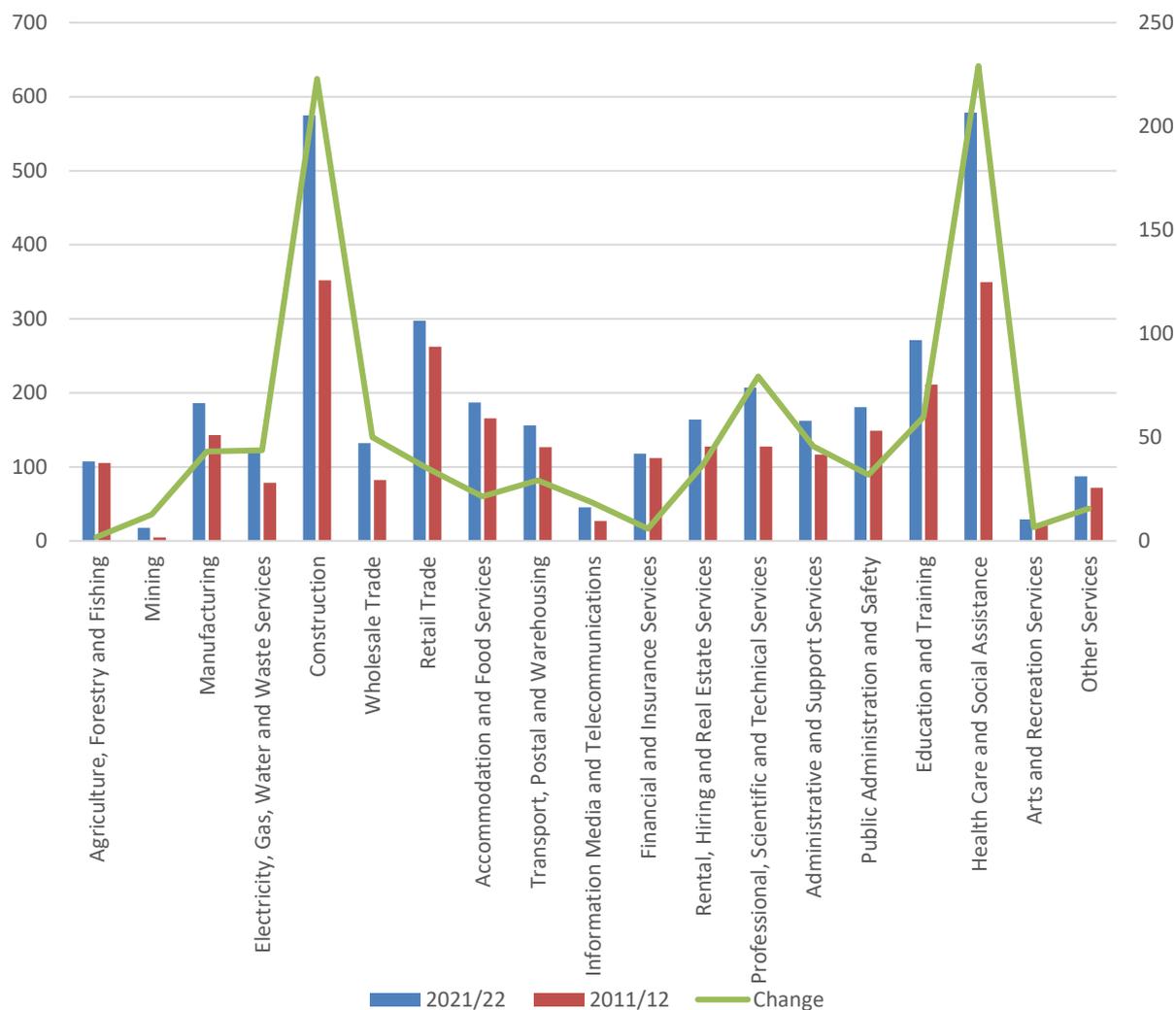
Source: Economy ID

2.4.3 Industry Value Added (IVA)

The Industry Value Added (IVA) is the contribution an industry has to the overall Gross Domestic Product (GDP) or Gross Regional Product (GRP) of an area. It is measured by the value of industry outputs less the cost of the inputs used to generate those outputs.

Over the ten-year period from 2011/12 to 2021/22, the IVA of the Tweed LGA increased by \$980 million from \$2.64 billion to \$3.62 billion. The largest growth to IVA coming from the health care and social assistance (+\$229 million) and construction (+\$223 million) industries, which represented 46% of the total growth in IVA (see Chart 2.3). Given these two industries will form a large part of the construction and functioning of project, it is likely that the GRP of the Tweed Region will be supported within the future from the Cudgen Connection project.

Chart 2.3 Industry Value Added by Industry category (\$m), 2011/12 to 2021/22



Source: Economy ID

2.4.4 Jobs to Workers Ratio

The Jobs to Workers Ratio measures the ratio of residents employed in jobs where they reside, compared to the total jobs located in the area. It is a measure of a theoretical employment capacity of an area. A figure above 1.0 means there are more jobs available than residents employed in an area. A figure below 1.0 means there are more residents employed than jobs in that sector. Given the goal of local economic development and growth is to maximise employment opportunities locally (a 1:1 ratio), a higher ratio is deemed more favourable, and provides both economic and social benefits to an area.

Table 2.6 displays the Jobs to Workers Ratio within Tweed LGA between the ten-year period from 2011/12 to 2021/22. In 2021/22 the Tweed LGA had a total of 39,253 local jobs with 44,953 employed residents. This implies there were 5,700 fewer jobs (or a theoretical capacity shortfall of local jobs) than the total of working residents across all industries; giving a Jobs to Workers Ratio of 0.87.

Cudgen Connection would be looked at favourably in terms of a Jobs to Workers ratio by helping to maximise this ratio, reduce this shortfall and thereby helping to create more employment opportunities locally.

Table 2.6 Jobs to Workers Ratios by Industry, 2011/12 to 2021/22

Jobs to workers ratios by Industry - Tweed LGA								
Industry	2011/12			2021/22			Change	
	Local Jobs	Employed residents	Ratio of jobs to workers	Local Jobs	Employed residents	Ratio of jobs to workers	Ratio of jobs to workers	%
Agriculture, Forestry and Fishing	920	940	0.99	1,001	906	1.11	0.13	13.3%
Mining	58	352	0.17	79	373	0.21	0.04	23.5%
Manufacturing	1,489	2,137	0.70	1,826	2,212	0.83	0.13	18.6%
Electricity, Gas, Water and Waste Services	292	366	0.80	500	579	0.86	0.06	7.5%
Construction	3,303	4,335	0.76	5,743	7,046	0.82	0.06	7.9%
Wholesale Trade	680	930	0.73	705	887	0.79	0.06	8.2%
Retail Trade	4,453	4,533	0.98	4,406	5,001	0.88	-0.10	-10.2%
Accommodation and Food Services	3,216	3,873	0.83	3,841	4,378	0.88	0.05	6.0%
Transport, Postal and Warehousing	1,181	1,577	0.75	1,376	1,681	0.82	0.07	9.3%
Information Media and Telecommunications	275	400	0.69	348	493	0.71	0.02	2.9%
Financial and Insurance Services	472	680	0.69	529	656	0.81	0.12	17.4%
Rental, Hiring and Real Estate Services	592	749	0.79	595	685	0.87	0.08	10.1%
Professional, Scientific and Technical Services	1,292	1,713	0.75	1,890	2,213	0.85	0.10	13.3%
Administrative and Support Services	1,165	1,412	0.83	1,216	1,448	0.84	0.01	1.2%
Public Administration and Safety	1,643	2,284	0.72	1,927	2,437	0.79	0.07	9.7%
Education and Training	2,610	3,040	0.86	3,443	3,738	0.92	0.06	7.0%
Health Care and Social Assistance	4,937	5,262	0.94	7,580	7,607	1.00	0.06	6.4%
Arts and Recreation Services	497	704	0.71	595	748	0.80	0.09	12.7%
Other Services	1,146	1,323	0.87	1,654	1,864	0.89	0.02	2.3%
Total Industries	30,222	36,608	0.83	39,253	44,953	0.87	0.04	4.8%

Source: Economy ID

Looking closer at the sub-industry level, the top ten sub-industries accounted for 64% of the theoretical local job capacity shortfall (assuming a desired 1:1 ratio) in 2021-22 (see Table 2.7). The Cudgen Connection could help further maximise employment opportunities within the Tweed LGA, for example in construction or building construction services.

Table 2.7 Top 10 Jobs to Workers Ratios by Sub-Industry, 2021/22

Top 10 jobs to worker theoretical capacity by Sub-Industry - Tweed LGA				
Industry	2021/22			Theoretical Capacity (Local Jobs)
	Local Jobs	Employed residents	Ratio of jobs to workers	
Construction Services	4,077	4,826	0.84	749
Public Order, Safety and Regulatory Services	480	917	0.52	437
Building Construction	1,428	1,854	0.77	426
Food and Beverage Services	3,222	3,630	0.89	408
Other Store-Based Retailing	2,324	2,683	0.87	359
Food Retailing	1,547	1,831	0.84	284
Air and Space Transport	40	320	0.13	280
Tertiary Education	324	579	0.56	255
Professional, Scientific and Technical Services (Except Computer System Design and Related Services)	1,631	1,877	0.87	246
Administrative Services	410	606	0.68	196
Total	15,483	19,123	0.81	3,640

Source: Economy ID

2.4.5 Tourism Profile

Tourism Research Australia (TRA) data for the Tweed Shire LGA for 2019 shows Tourism is an important component of the local economy. In 2019, the tourism and hospitality industry accounted for 1,029 business and tourism expenditure contributed \$437 million to the GRP. It is estimated that a peak number of 2.26 million tourists visited the Tweed Shire in 2019, just prior to COVID-19. Further insights into the tourism profile of the Tweed LGA are described in this section.

The Tweed Destination Management Plan (DMP) 2023 – 2027 Review Discussion Paper includes the aim to double the visitation economy by 2025 and again double the visitation economy to \$1.46 billion by 2030. The Cudgen Connection can help act as a draw to new tourism numbers and spend capacity by creating a world-class destination, which can help support the Tweed DMP 2023 – 2027 goals and visions.

Section 3: Economic Impact Assessment (EIA)

This section presents the Economic Impact Assessment (EIA) of the Cudgen Connection to the Tweed Shire's economy in terms of output, the number of jobs, incomes and value-added economic impacts.

Model Inputs

Construction cost and timing details have been provided by the client. Macroplan understands that the total construction cost is \$303,825,000 with an anticipated construction period of 5 years.

Table 3.1 shows the breakdown of the GFA by the proposed land uses, benchmarks for employees per sq.m, estimates for worker numbers and wages.

Table 3.1 Key metrics – GFA, workers and wages

Land use	Floorspace GFA sq.m	Sq.m per employee	Number workers	Wage estimate	Total wage
Private hospital	9,000	35	257	\$125,000	\$32,142,857
Medical suites	6,750	20	338	\$90,000	\$30,375,000
Mental Health Hospital	6,000	35	171	\$125,000	\$21,428,571
University	7,000	95	74	\$105,000	\$7,736,842
Medical hotel	5,000	300	17	\$56,500	\$941,667
Community centre	1,000	40	25	\$70,000	\$1,750,000
Residential	3,300	300	11	\$56,500	\$621,500
Residential	5,600	300	19	\$56,500	\$1,054,667
Residential	5,600	300	19	\$56,500	\$1,054,667
Residential	7,000	300	23	\$56,500	\$1,318,333
Residential	6,880	300	23	\$56,500	\$1,295,733
Retail	700	35	20	\$60,000	\$1,200,000
Retail	900	35	26	\$60,000	\$1,542,857
Childcare	1,100	60	18	\$58,000	\$1,063,333
Total	65,830	2155	1040		\$103,526,028

(Source: Centuria; Fair Work Australia; Macroplan)

Note: residents recreational space of 260sqm not included

Quantitative Benefits

On the basis of these key metrics, the following provides quantifiable benefits estimated in terms of local employment generation. These benefits are estimated to be generated for the local economy or in other words the Tweed Shire Local Government Area (LGA).

Employment outcomes (Full Time Equivalents or FTE's)

Over an assumed 5-year construction phase period, the project will create local employment opportunity for local construction workers and builders, concreters, electricians, plumbers and many other skilled trades and labouring positions.

Macroplans input-output model is used to estimate job creation during the construction and operational phases of the project. The input-output model established the economic multipliers for estimation of the economic impacts of the project in both the construction and operational phases of the project.

The following is a summary of economic benefits for the Tweed Shire LGA.

Macroplan adopted a 75% capture rate by the local economy of the \$303,825,000 construction cost.

Importantly other benefits relating to the balance 25% for both the construction and operation phases of this project will be generated for areas outside of the Tweed Shire including the rest of New South Wales and Australia. The findings presented from hereon, are estimates for the Tweed Shire LGA only. The economic impacts of the balance 25% capture rate for the non-Tweed Shire are considered outside to be the scope of this work. It is sufficient for the purpose of this work to note that other additional impacts reflective of a 25% capture rate would be generated for the non-Tweed Shire area.

Construction Phase

Employment

As a direct result of the construction of the project which is estimated to cost \$303.8 million or \$60.8 million per annum during the construction period, there will be 358FTEs created locally in each year of the construction phase. These include FTEs for 104 local direct and 254 local indirect jobs generated by production and consumption flow on effects. This represents a multiplier effect of 3.4.

Income, Value-add and Output

From the construction expenditure of \$60.8 million per annum it is estimated that direct wages and salaries (income) would increase by \$7.2 million. Indirect impacts would result in a further increase in wages and salaries of \$21.9 million in each year of construction. Total wages and salaries, including all direct, and indirect effects are estimated to increase by up to \$20.1 million per annum during construction. This represents a multiplier effect of 2.8.

The construction expenditure will generate direct value-add of \$13.7 million. Indirect flow-on effects can be expected to result in a further increase to value-add of \$24.6 million. Total value-added, including all direct, and indirect effects is estimated to be \$38.3 million per annum during the construction phase. This represents a multiplier effect of 2.8.

From the construction expenditure an increase in direct output of \$45.6 million will be generated. From this direct expansion in the economy, indirect flow-on effects through local purchases of goods and services can be expected to result in a further increase to output of \$81.8 million. Total output including all direct, and indirect effects is estimated to increase by up to \$142.5 million per annum during the construction phase. This represents a multiplier effect of 2.3.

Construction workers retail expenditure

An additional economic benefit would arise through the construction phases as a consequence of construction workers retail expenditure. This would be spent mainly on locally provided convenience goods items such as food and beverages for lunches and snacks. Macroplan adopts a conservative figure of \$60 per week. At 46 weeks per

year at the rate of \$60 for the 358 FTE workers an additional \$1.0m expenditure per annum in each of the 5 years during construction.

Operation phase

When fully operational the Cudgen Connection project will generate economic benefits for the Tweed Shire. Importantly, these benefits will be ongoing in each year and every year for the duration of the operation of the Cudgen Connection. Ongoing employment, value-add and other benefits are described in the following sections.

Employment

The number of workers to be employed at the Cudgen Connection when fully operational is determined by applying Macroplan benchmark ratios of worker/sqm by industry to the gross floor areas of the individual Cudgen Connection land use components. Table 3.1 shows the application of these industrial worker/sq.m benchmarks to the various land uses. When fully operational it is estimated that there will be 1,040 new local employment opportunities created by the Project.

Table 3.1 also shows that total annual wages figure produced by these 1,040 workers is estimated to be \$103.5 million. Guidance to the average annual wages by each industry is provided by reference to Fair Work Australia awards. The relevant awards selected are shown in Table 3.2

Table 3.2 Fair Work Australia Wage Guidance for relevant industries

Land use	Fair Work Australia Pay Guidance
Private and Mental health hospital	Health Professionals and Support Services Award [MA000027]; Health professional employee level 4 - pay point 4
Medical suites	Professional Employees Award [MA000065]; Professional - level 4
University	Educational Services (Post-Secondary Education) Award [MA000075]; Academic teacher - level C.6
Medi Hotel	Hospitality Industry (General) Award [MA000009]; Managerial staff - hotel
Community Centre	Social, Community, Home Care and Disability Services Industry Award [MA000100]; Level 2 - pay point 4
Residential	Hospitality Industry (General) Award [MA000009]; Managerial staff - hotel
Retail	General Retail Industry Award [MA000004]; Retail employee level 8
Childcare	Children's Services Award [MA000120]; Children's services employee level 3.4 (Diploma)

(Source: Fair Work Australia; Macroplan)

Value-add

The wages created by the Cudgen Connection will generate value-add benefits for the Tweed Shire. This will include increased value-add benefits for a range of industries including Health care and social assistance, Accommodation and food services, Education and training and the Retail.

Macroplan allocated each land use to an appropriate industry as follows: Health Care and Social Industry comprised of: Private hospital, medical suites, mental health hospital and community centre. Accommodation + food services Industry comprised of medical hotel and residential; Education and Training Industry comprised of university and childcare; and Retail industry comprised of retail land uses.

Table 3.3 Value-added benefits

Direct and Indirect Value Add	Health Care and Social Industry Value Add	Accommodation and Food Services Industry Value Add	Education and Training Industry Value Add	Retail Industry Value Add	Total (\$m)
Direct (\$m)	\$62.7	\$2.0	\$6.4	\$1.3	\$72.4
Indirect (\$m)	\$74.8	\$3.5	\$7.6	\$1.9	\$87.8
Total (\$m)	\$137.5	\$5.5	\$14.0	\$3.2	\$160.2

(Source: Macroplan)

On the basis of the \$103.5 million in annual wages, Macroplans input-output model produces \$160.2m in total value add benefits (direct plus indirect value add) each year for the combined Health care and social assistance, (\$137.5m) Accommodation and food services (\$5.5m), Education and training (\$14.0m) and the Retail (\$3.2m) industries.

This value-add impact created by the Cudgen Connection dramatically exceeds the site's current economic potential through primary production. Notably the Cudgen Connections value-add estimate of \$160.2 million will represent approximately 4% of the total Tweed LGA's 2021/22 IVA estimate.

Operational phase worker retail expenditure

An additional economic benefit would arise through the operational phase as a consequence of workers retail expenditure. This would be spent mainly on locally provided convenience goods items such as food and beverages for lunches and snacks. As per the construction phase, Macroplan adopts the same workers weekly retail expenditure figure of \$60 per week. At 46 weeks per year at the rate of \$60 for the 1,040 FTE Cudgen Connection workers, an additional \$2.87m expenditure per annum on an ongoing basis is generated.

Visitation expenditure

Tourism is an important component of the Tweed Shire economy in 2019 the tourism and hospitality industry accounted for 1029 business and tourism expenditure contributed \$437 million to the GRP. It is estimated around 2,000,000 tourists visited the Tweed Shire.

The Cudgen Connection Medi hotel would provide approximately 100 serviced apartments increasing the capacity of Tweed's short-term accommodation and having flow-on economic benefits such as increased employment and tourism expenditure.

Total number of visitor nights per annum is expected to be around 35,600 assuming 1.5 persons per room and 65% occupancy rate. Assuming an average spend per visitor night of \$206 (latest TRA data for March 2023), total expenditure generated by tourists on site is expected to be around \$7.2 million per annum. While a portion of this will be spent on room rates, a significant amount will be spent on retail, food and beverage, and entertainment which will benefit existing local businesses.

Qualitative Benefits

Several qualitative economic, social and environment benefits will also be created as result of the subject site development during the construction and operational phases of the development. These, however, are problematic to measure and estimate owing to their unique non-monetary nature and to their scale. Nonetheless, they will

contribute to the enhanced wellbeing of local residents, business owners and employees. Macroplan considers that each of the following represents a notable economic, social and/or environmental benefit for the Region.

Economic Benefits

- Cudgen Connection will strengthen the Tweed Shires economy, assist in employment growth and help to reduce unemployment. The Cudgen Connection will help to build a more diverse economy, grow employment and investment in the Health Care and Social Services, Accommodation and food services, Education and training, and Retail industries. Employment and investment in other industries that supply and support these 4 key industries will also expand.
- The New South Wales Government significant funding commitment to the Tweed Valley Hospital, health hub and the Tweed Valley Skills Centre will assist the creation of a health, education and wellbeing/innovation precinct within the LGA. The Cudgen Connection will ensure the realisation of such precinct for the Tweed Shire. Cudgen Connection represents a genuine opportunity to provide a sound investment return on the New South Wales Government's investment.
- A set of benefits will also be generated as a consequence of the clustering of the particular uses to be developed as integral parts of the Cudgen Connection. Synergistic economic and business development opportunities are expected to arise from the close co-location of health, medical, education and training uses all in close proximity to the public hospital.

Social Benefits

- Cudgen Connection will provide a significant contribution to local housing demand, including provision of new and diverse accommodation for all including for key workers.
- In both the construction and operation phases the Cudgen Connection will assist in addressing social issues associated with unemployment.
- Improved health outcomes for the local population, and for people outside the Tweed Shire.
- Improved training and education outcomes and knowledge acquisition that will benefit employees as they develop their trade, skills and careers.
- Increased interest and knowledge in the Tweed Shire and surrounding region. This may work to help to build the "Tweed Shire brand" as place that accommodates business opportunities and welcomes investment, particularly in relation to the Healthcare and Educations and training industries.
- Improved ability for the local business to elevate their profile and to form business opportunities with tenants occupying the Cudgen Connection.

Environmental Benefits

- Reduction of facilities carbon footprint through the incorporation of state-of-the-art environmentally sensitive design features and potential energy saving technologies e.g., solar and other renewable energy sources.
- Use of greywater within the new facilities to reduce overall complex water usage.
- The subject sites' location also supported by the new accommodation supply means reduced travel times by workers. This should translate into reduced GHG emissions from workers journeys to and from work.

Summary

Macroplans Cudgen Connection EIA finds significant economic benefits will accrue as a result of the Cudgen Connection. Quantifiable benefits include notable local job creation and value-add economic benefits.

During the construction phase notable results include:

Employment

- 358FTEs will be created locally in each year of the construction phase. This represents a multiplier effect of 3.4.

Income, Value-add and Output

- Total wages and salaries, including all direct, and indirect effects are estimated to increase by up to \$20.1 million per annum during construction. This represents a multiplier effect of 2.8.
- Total value-added, including all direct, and indirect effects is estimated to be \$38.3 million per annum during the construction phase. This represents a multiplier effect of 2.8.
- Total output including all direct, and indirect effects is estimated to increase by up to \$142.5 million per annum during the construction phase. This represents a multiplier effect of 2.3.

Other economic benefit

- An additional economic benefit would arise through the construction phases as a consequence of construction workers retail expenditure. At 46 weeks per year at the rate of \$60 for the 358 FTE workers an additional \$1.0m expenditure per annum in each of the 5 years during construction will be generated.

During the operation phase notable results include:

Employment

- When fully operational it is estimated that there will be 1,040 new local employment opportunities created by the Project.

Incomes and value-add

- Total annual wages figure produced by these 1,040 workers is estimated to be \$103.5 million.
- \$160.2m in total value add benefits (direct plus indirect value add) each year for the combined Health care and social assistance, (\$137.5m) Accommodation and food services (\$5.5m), Education and training (\$14.0m) and the Retail (\$3.2m) industries.

Other economic benefits

- An additional economic benefit would arise through the operational phase as a consequence of workers retail expenditure. At 46 weeks per year at the rate of \$60 for the 1,040 FTE Cudgen Connection workers, an additional \$2.87m expenditure per annum on an ongoing basis is generated.
- The Cudgen Connection Medi hotel would provide approximately 100 serviced apartments increasing the capacity of Tweed's short-term accommodation and having flow-on economic benefits such as increased employment and tourism expenditure. Total expenditure generated by tourists on site is expected to be around \$7.2 million per annum. While a portion of this will be spent on room rates, a significant amount will be spent on retail, food and beverage, and entertainment which will benefit existing local businesses.

- A set of benefits will also be generated as a consequence of the clustering of the particular uses to be developed as integral parts of the Cudgen Connection. Synergistic economic and business development opportunities are expected to arise from the close co-location of health, medical, education and training uses all in close proximity to the public hospital.

In regard to qualitative benefits, a diverse range of economic, social and environmental benefits can also be expected to be generated as a direct and indirect consequence of the proposed development. These include the creation of health and education precinct, a more diverse economic base, economic clustering impacts, a larger, better trained and more knowledgeable local workforce, a significant contribution to local housing demand including essential worker housing and the promotion of the overall business profile of the Tweed Shire LGA and surrounding region.

Appendices

MELBOURNE

SYDNEY

BRISBANE

PERTH

(03) 9600 0500

www.macroplan.com.au

macroplan