

ATTACHMENT 9

SOCIAL AND ECONOMIC EVALUATION
RPS AUSTRALIA EAST PTY LTD



The Coolum Residences

Social and Economic Evaluation

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Summary

The Beachside community of The Coolum Residences is proposed to comprise a 5 star hotel including retail uses, restaurants, conference facilities, pools and short term accommodation, as well as permanent residential apartments. Development of Beachside is also proposed to include the establishment of a new coastal public park and surf saving amenities.

Employment

- The creation of a total of 376 EFT construction jobs per annum over a 12 year timeline. Of these, 137 EFT jobs per annum are expected to be generated on-site and 239 EFT jobs per annum are expected to be generated off-site.
- At completion, the proposed Beachside community is anticipated to host 623 EFT direct jobs. The demands and needs generated by these employees are expected to support an additional 5,100 jobs throughout the community; of these 4,080 jobs are estimated to be based in the Sunshine Coast.
- The occupation of the EWFT jobs are expected to be:
 - » 524 retail and hospitality workers
 - » 9 qualified tradespeople
 - » 90 management, administration and professionals
- Operational employees are expected to generate \$3.7 million in taxes per annum, while businesses are expected to generate \$22.2 million per annum.

Stamp Duty

- There will be financial benefit generated via stamp duty taxes from the sale of the residential apartments that will be received by the Office of State Revenue. These benefits will be generated through the development life of the project in line with the sale of residential units.
- The estimated value of stamp duties generated from the development of the apartments in years 1 to 12 of the development is \$2.14 million per year. From year 12 of the development and onwards, the estimated value of stamp duties is \$2.5 million per annum. This assumes a 12 year sale period for residential and 12% resales per year.

Rates Charges

- The development of the residential apartments will result in an increase in residential rates charges. The rates charges are recurring annual payments and as such will increase in total value as the development nears completion. The benefit of these rates charges will be received by the relevant local government authority, in this case Sunshine Coast Regional Council.
- From year 12 of the development and onwards, the apartments are expected to add approximately \$2.1 million in rates charges per annum to Sunshine Coast Regional Council. When the hotel is complete, it is expected to add \$3.3 million in rates charges per annum to Sunshine Coast Regional Council

Expenditure

- The hotel is expected to inject \$73 million of tourist expenditure into the Sunshine Coast economy per annum while the apartments are expected to inject \$23.5 million in resident expenditure per annum.

Hotel

- The hotel is expected to attract 125,000 new visitor nights per year to the region.

- Guests of the hotel are expected to generate an increase of total regional expenditure of \$63 m.

Conclusion

The proposed development of the Beachside community of The Coolum Residences has the potential to create a precinct of regional and state importance. The development of a 5 star hotel and associated facilities will expand the appeal of the Sunshine Coast as a tourist destination. These facilities will also provide the opportunity to cater for the expanding conferences/convention industry and attract major events to the region. The community will also benefit in terms of the new public facilities of the coastal public park and surf saving amenities.

I.0 Introduction

This report has been prepared in response to a request by Sekisui House. The purpose of this report is to prepare a social and economic evaluation of the proposed development of the Beachside Precinct of The Coolum Residences. This report will provide an economic and social assessment of the proposed development and the benefits captured by the local and regional communities.

Under the Preliminary Approval Document, Coolum Hyatt Resort – Master Planned Document, the subject site has preliminary approval for a mix of resort, residential and commercial/retail uses, with the current development commitment for a maximum of 450 residential dwellings and 500 Sq M of GFA and a maximum building height ranging from 2 storeys to 4 storeys. The proposed concept for the expansion of The Coolum Residences is to include:

- A Hotel Precinct comprising:
 - » a 5 star hotel with 250 hotel rooms and 150 apartments (serviced by the operator);
 - » 3,000 Sq M of retail uses;
 - » 400 seat conference facilities, club facilities, restaurants and BOH;
- 1,200 to 1,400 dwellings developed in 3 to 8 storey buildings

The total expansion of The Coolum Residences is proposed to comprise 1,350 to 1,550 dwellings (including apartments within the hotel complex) and 250 hotel rooms (and related facilities).

The proposed uses within the development are expected to create a precinct of regional and state importance, with each component collectively and individually to add to the tourist capital of the Sunshine Coast.

2.0 Site Assessment

2.1 Introduction

This section provides an assessment of the subject site and surrounding land uses from a market perspective to determine the most relevant locational considerations of the proposed uses.

2.2 Site Assessment

The subject site comprises the Beachside precinct of The Coolum Residences residential development located in Yaroomba. The Coolum Residences is a masterplanned community being developed by Sekisui House. Development of the subject site is expected to take advantage of its location proximate to Yaroomba Beach through the proposed development of a resort hotel comprising retail uses, restaurants, conference facilities, pools and short term accommodation. Development of Beachside is also proposed to include the establishment a new coastal public park and surf saving amenities.

Adjacent to the subject site is the Palmer Coolum Resort, comprising 324 hotel suites, nine pools, nine restaurants/bars, an 18 hole golf course, conference/event facilities, spa, gym and seven tennis courts. This resort has been run down over the last two years.

Coolum Beach is located approximately 4 Km north of the subject site and comprises two shopping centres, three schools, and a number of restaurant and accommodation facilities. A conservation reserve and low density housing are located north of the site, while low density residential uses in the towns of Mount Coolum and Marcoola are located to the south.

Figure 1 illustrates the site and surrounding uses. Aerial imagery has been sourced from Google Earth.



Coolum Beach is located approximately 4 Km north of the subject site and comprises retail, short stay accommodation, community and residential uses.

Palmer Coolum Resort comprises 324 hotel suites, restaurants, bars, conference/event facilities, spa, tennis courts and an 18 hole Australian PGA championship golf course.

Conservation reserve

The subject site fronts the beach.

Yaroomba Beach runs from Point Arkwright in the north to Marcoola in the south.

Mount Coolum

David Low Way is a major traffic thoroughfare in the area, running from Sunshine Beach in the north to Mudjimba in the south.

The subject site is located approximately 8 Km north of Sunshine Coast Airport. Sunshine Coast Airport services Jetstar and Virgin Australia, which fly to Sydney and Melbourne. Air New Zealand will run seasonal flights between Auckland and Sunshine Coast from June to October 2014. Sunshine Coast Airport is currently preparing an Environmental Impact Statement for an expansion of the airport.

Figure 1 Site and Surrounding Land Uses

2.3 Implications

The subject site is located proximate to existing residential and tourist uses and will act as a natural expansion of these uses in the local area. The site is easily accessible and visible to passing traffic along David Low Way and its location proximate to the Palmer Coolum Resort and surrounding tourist facilities provides the site the opportunity to complement these uses and expand the conference market in the local area through the proposed offer of facilities. The resort offer proposed for the Beachside community will enhance the attractiveness of the local area as a tourist destination.

3.0 Sunshine Coast Tourism

3.1 Introduction

This section will provide an overview of the tourism industry in the Sunshine Coast, including its contribution to the economy, number of visitors, and the current state of tourism in the region. The outcome of this section will be to determine how the development on the subject site can contribute to this major industry in the region.

3.2 Contribution to the Economy

According to the Sustainable Tourism Cooperative Research Centre (STCRC), Brisbane, the Gold Coast, Tropical North Queensland and the Sunshine Coast are the largest producers of tourism goods and services to the Queensland economy in terms of both value added and employment.¹

According to Tourism Research Australia, the economic importance of tourism in the Sunshine Coast is 6.7%, which is higher than Queensland with 3.7% and Australia with 3.0%.² Out of the 77 tourism regions in Australia, the Sunshine Coast is ranked 16 in terms of economic importance.

In 2007/08 tourism GRP in the Sunshine Coast was \$1.1 billion, representing 11.6% of the total Queensland tourism GRP of \$9.2 billion.³ This is an increase of 9% from \$973 million in 2006/07, which represented 11.1% of total Queensland tourism GRP of \$8.8 billion. The \$958 million tourism GRP in the Sunshine Coast in 2003/04 represented 11.8% of the total Queensland tourism GRP of \$8.1 billion in 2003/04. Based on these figures provided by the STCRC, the Sunshine Coast is fourth in Queensland in terms of tourism GRP, following Brisbane, the Gold Coast, and Tropical North QLD.

In 2007/08 there were approximately 14,700 people employed in the tourism industry in the Sunshine Coast, representing 12% of the total number of people employed in tourism in Queensland⁴. As with tourism GRP, the Sunshine Coast came fourth in terms of the number of people employed in tourism throughout Queensland, following Brisbane, the Gold Coast and Tropical North QLD. The total number of people employed in the tourism industry in the Sunshine Coast increased from 13,600 people in 2003/04 and 14,100 people in 2006/07, while the total share of people employed in tourism in Queensland decreased from 13.1% in 2003/04 and increased from 11.8% in 2006/07.

3.3 Visitor and Visitor Nights

Based on data from Tourism Research Australia, there were a total of 2.9 million visitors to the Sunshine Coast in the year ending June 2013. This represented an increase of 4.1% from the year ending September 2002. Visitors from the domestic market accounted for 92% of all visitors, while international visitors accounted for 8%.

3.3.1 Domestic Visitors

Over the past 10 years, the number of domestic visitors to the Sunshine Coast has decreased by 5.1% while the number of visitor nights decreased by 16%. This is illustrated in Figure 2.

¹ STCRC Centre for Economics and Policy, Regional Economic Contribution of Tourism Destinations in Queensland, 2010

² Tourism Research Australia, The Economic Importance of Tourism in Australia's Regions, April 2011

³ STCRC Centre for Economics and Policy, Regional Economic Contribution of Tourism Destinations in Queensland, 2010

⁴ IBID.

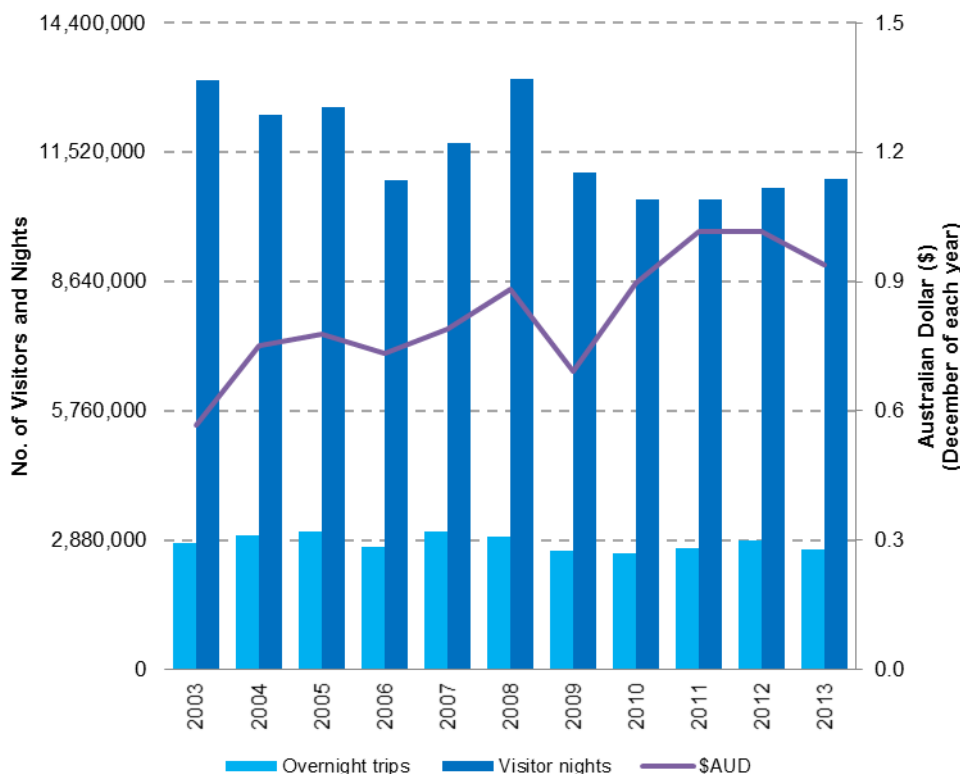


Figure 2 Domestic Overnight Visitors to the Sunshine Coast (Year Ending September)

Figure 2 also illustrates the Australian dollar against the US dollar as of December each year. The data illustrates that in general, when the Australian dollar increased, the number of visitor nights decreased and vice versa. An example of this is in the year ending September 2004, whereby the Australian dollar increased by 32.5% to 75 US cents, and the number of visitor nights decreased by 5.8% to 12.4 million. Another example is in the year ending September 2010, whereby the Australian dollar increased by 29.5% to 90 US cents, and the number of visitor nights decreased by 5.4% to 10.5 million. In the year ending September 2012, the Australian dollar decreased by 0.1% to 1.02 US dollars, while the number of visitor nights increased by 2.6% to 10.7 million. This correlation can be attributed to the high Australian dollar making overseas destinations such as the United States becoming more attractive to domestic visitors who may otherwise have visited the Sunshine Coast.

In the year ending June 2013, visitors to the Sunshine Coast were predominantly from Brisbane (46.0%), followed by regional Queensland (33.6%), Melbourne (7.3%), regional NSW (5.7%), Sydney (5.6%) and regional Victoria (1.7%). Over the same period the major reason for domestic tourists visiting the Sunshine Coast was for a holiday or leisure purpose, with 7.15 million visitor nights.

Total expenditure by overnight domestic visitors has decreased over the past four years, while the expenditure per visitor has fluctuated over the same period. The total expenditure per domestic visitor peaked in the year ending June 2013 was \$778, while total expenditure per visitor night for the year ending June 2013 was \$190.

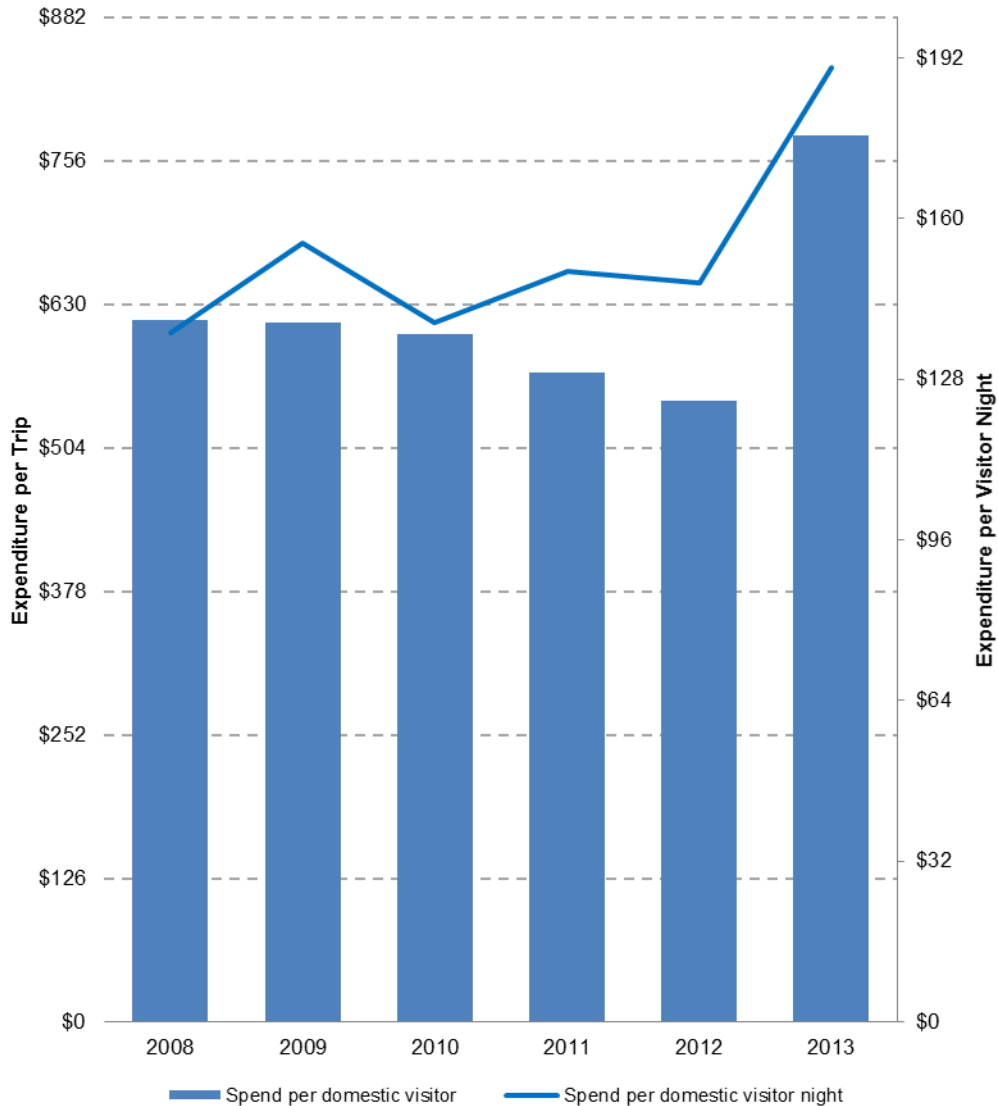


Figure 3 Domestic Tourist Expenditure in the Sunshine Coast, Year Ending June

In the year ending June 2013, domestic day visitors to the Sunshine Coast spent a total of \$542 million. Of this, \$194 million (36%) was spent on food and drink, \$147 million (27%) was spent on fuel, \$147 million (27%) was spent on shopping, \$15 million (3%) was spent on other items, \$23 million (4%) was spent on entertainment and \$16 million (3%) was spent on transport fares and packages.

In terms of domestic overnight visitors, a total of \$2.1 billion was spent in the year ending June 2013. This was predominantly spent on accommodation (\$744 million, or 36%), food and drink (\$613 million, or 30%), shopping (\$187 million, or 9%), airfares (\$173 million, or 8%) and fuel (\$154 million, or 7%).

3.3.2 International Visitors

The Sunshine Coast experienced a decline in the number of international visitors over the past 10 years of 4.8%. The number of visitor nights increased by 25.4% over the same period. This is illustrated in Figure 4.

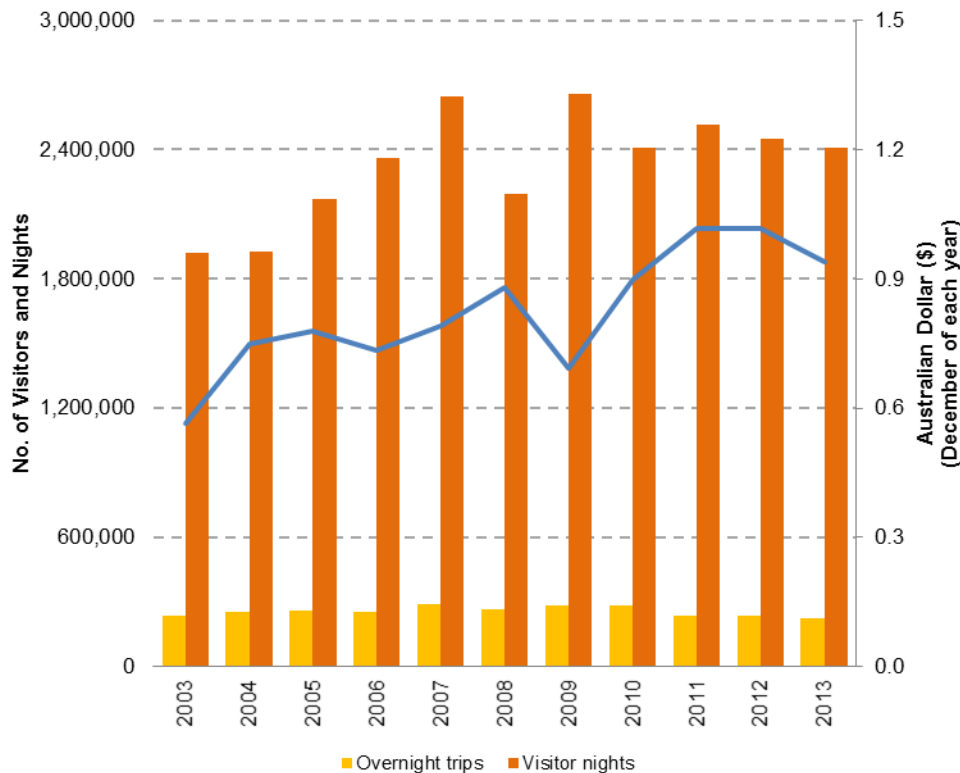


Figure 4 International Overnight Visitors to the Sunshine Coast (year ending September)

In terms of the correlation between the number of visitor nights and the Australian dollar against the US dollar, Figure 4 illustrates that as with domestic visitor nights, in general, when the Australian dollar increased, the number of visitor nights decreased and vice versa. An example of this is the year ending September 2008, whereby the Australian dollar increased by 11.4% to 88 US cents, and the number of visitor nights decreased by 17.0% to 2.2 million. Another example is in the year ending September 2010, whereby the Australian dollar increased by 29.5% to 90 US cents, and the number of visitor nights decreased by 9.3% to 2.4 million. In the year ending September 2006, the Australian dollar decreased by 5.8% to 73 US cents while the number of visitor nights increased by 8.8% to 2.4 million; and in the year ending September 2009, the Australian dollar decreased by 21.4% to 69 US cents, while the number of visitor nights increased by 21.0% to 2.7 million. This correlation can be attributed to the high Australian dollar making Australian destinations such as the Sunshine Coast less desirable for international visitors who may not see as much value in their dollar in comparison to other overseas destinations.

International visitors to the Sunshine Coast in the year ending June 2013 were predominantly from New Zealand (24%), followed by the United Kingdom (22%) and Germany (11%). The major reason for international visitors to the Sunshine Coast was for a holiday or leisure purpose, with 1.46 million visitor nights over the same period.

Total expenditure by overnight international visitors has decreased over the past three years, while the expenditure per visitor and per visitor night has also declined. The total expenditure per international visitor peaked in the year ending June 2011 with \$857, while total expenditure per visitor night peaked in the year ending June 2010 with \$90.

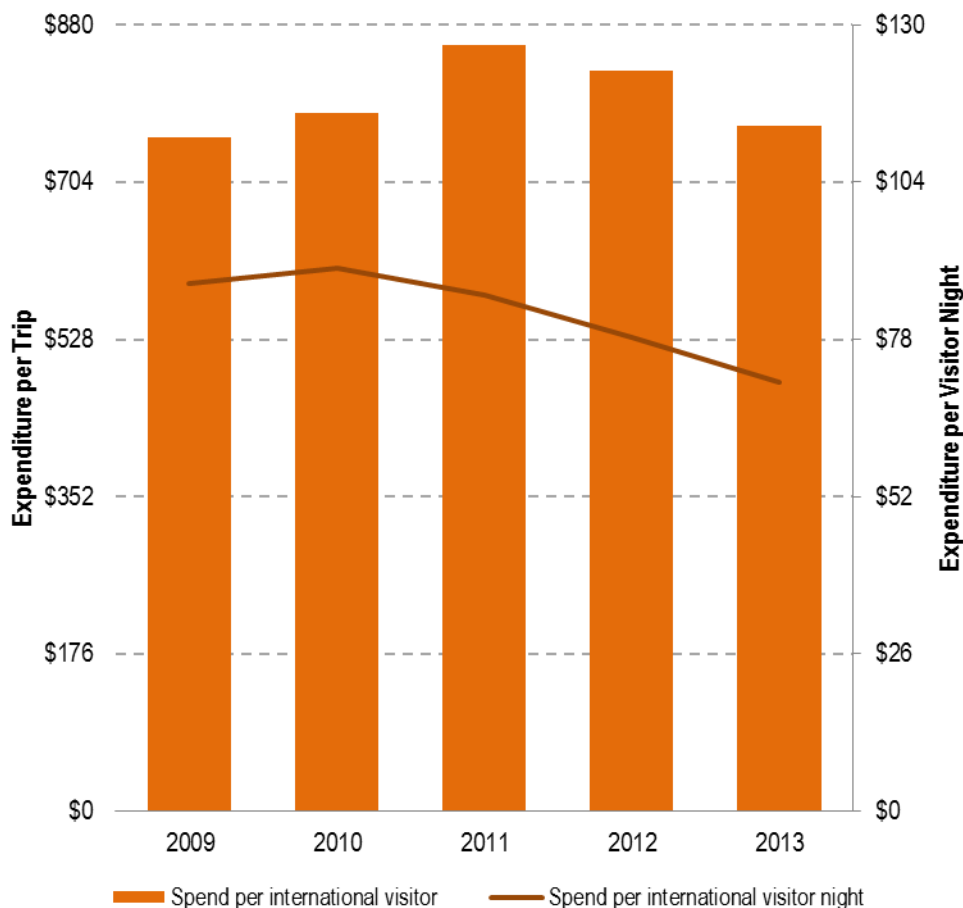


Figure 5 International Tourist Expenditure in the Sunshine Coast, Year Ending June

International visitors to the Sunshine Coast spent a total of \$171 million in the year ending June 2013. Of this, \$91 million (53%) was spent on accommodation, food and beverage.

3.4 State of the Sunshine Coast Tourism Market

The Sunshine Coast currently offers the following activities/attractions for visitors:

- Art galleries
- Hinterland townships
- Aussie World amusement park
- Australia Zoo
- Bellingham Maze
- Big Kart Track
- Underwater World
- Sunshine Castle Bli Bli
- Top Shots Fun Park
- Aqua Fun Park
- The Ginger Factory
- The Big Pineapple
- Nutworks and the Chocolate Factory
- National Parks, including the Glass House Mountains
- Markets
- Golf courses
- Shopping centres
- Beaches
- Water activities such as waterways cruises, various surf schools, Go Wake Cable Park, scuba diving, whale watching, jet skiing, stand up paddle boarding

Most of these activities/attractions would generally only take a couple of hours for visitors to experience, with the exception of Australia Zoo, national parks, beaches and water activities. As many of these attractions are now ageing, the Sunshine Coast will need to provide a new offer in order to be able to compete against other tourism destinations such as the Gold Coast, Cairns and the Whitsundays, which also offer beaches and national parks, for domestic and international visitation and expenditure.

The Sunshine Coast tourism industry has also been facing challenges that have been experienced nationally, including the Global Financial Crisis (GFC), natural disasters in Australia and overseas and the high Australian dollar against the United States dollar making overseas destinations more attractive for domestic visitors and deterring international visitors from coming to Australia and subsequently the Sunshine Coast. This reinforces the need for the Sunshine Coast to continually evolve and update its offer in order to compete with other tourism destinations.

Promising signs for the future of tourism in the Sunshine Coast include the region being named the fourth most preferred holiday spot for visitors who have their sights set on a break over the next two years in the Roy Morgan Holiday Tracking Survey (down from 3rd the year before).⁵ In addition, research conducted by the accommodation website lastminute.com.au found that the Sunshine Coast was fourth in Australia for the most popular holiday destination over the 2012/13 New Year break. However, the international director of tourism, travel and leisure from Roy Morgan Research Jane Iannielle has stated that the popularity of beach destinations has suffered over the past decade, with increased competition from destinations such as Bali, Fiji and Thailand.

An opportunity that has been identified for the Sunshine Coast tourism industry is through weddings, particularly in the Sunshine Coast hinterland. The Sunshine Coast Daily reports that this industry is injecting an average of \$4 million into the local economy each month.⁶ According to the manager of Maleny Manor, visitors from Brisbane, interstate and international are mainly choosing to marry in Maleny, with all but two dates booked out for 2013.

In order to get the tourism industry in Queensland back on track, the Destination Q strategy was developed in April 2012 in order to grow overnight visitor spending in Queensland to \$30 billion by 2020 and re-establish Queensland as Australia's number one tourism destination. The Destination Q strategy is a collaboration between key ministers, departments, local governments, Tourism Queensland, industry associations and operators and Regional Tourism Organisations to focus on bringing growth to the industry and Queensland. The Government is working with local operators to determine how best to market Queensland attractions to both national and international tourists. The DestinationQ Forum for 2014 will be held on the Sunshine Coast in September.

3.5 Implications

The Sunshine Coast lacks unique half and full day activities that would allow it to compete with other tourism destinations such as the Far North, Gold Coast and Whitsundays in Queensland, and overseas destinations as the Australian dollar remains strong against the United States dollar. Many of the existing attractions on offer are starting to age, with a need to reinvigorate the industry with a new offer.

Developing a 5 star resort hotel with associated facilities and residential apartments will provide additional attractions to not only attract new tourists to the region, but provide the opportunity for repeat patronage. The provision of conference facilities within the proposed development, combined with its location at Yaroomba Beach, provides the opportunity for the subject site to take advantage of the emerging destination wedding industry in the Sunshine Coast and cater for such events, as well as other conferences/conventions.

⁵ <http://www.roymorgan.com/findings/5537>

⁶ Sunshine Coast Daily, Tourism hitches a ride on boom in weddings, 13th January 2013

4.0 Sunshine Coast Economy

4.1 Introduction

This section provides an overview of the Sunshine Coast economy, including planning documents and major projects in the region.

4.2 Planning Documents

4.2.1 Sunshine Coast Planning Scheme 2014

In terms of economic development, the scheme states that the Sunshine Coast economy will host several 'game changer' projects⁷ including:

- Maroochydore City Centre
- Sunshine Coast University Hospital and health precinct
- Sunshine Coast Airport
- University of the Sunshine Coast

Economic benefits are also expected to be derived from private sector developments in the short to medium term. These include:

- the first stage of the Sippy Downs Town Centre
- the continued redevelopment of the Moreton Mill site in Nambour
- Kawana Town Centre and surrounds
- the Caloundra South urban development area (with development to occur over the next 25 years)
- reopening The Big Pineapple as a tourist attraction

The scheme outlines a key opportunity to strengthen the Sunshine Coast's role as a tourism destination through the retention and securing of major events. Such events are expected to provide significant stimulus to local business and industry, with conservative estimates of existing hallmark or signature events adding more than \$40 million per year to the Sunshine Coast economy and increasing room nights occupied by 225,000 annually.

4.2.2 Economic Development Strategy 2010-2014

The goal of the Sunshine Coast Economic Development Strategy 2010-2014 is to have a "*mature, diversified economy based on our unrivalled quality of life, our natural environment and our commitment to sustainability*".⁸ As with the draft planning scheme, the Economic Development Strategy aims for the Sunshine Coast economy to be more resilient to the peaks and troughs of the economic cycle. The strategy also reinforces the need for the Sunshine Coast economy to diversify into a wider range of sectors, with a target for 11 sectors. These 11 sectors include:

⁷ Sunshine Coast Planning Scheme 2014 – 3.4.1

⁸ Sunshine Coast Regional Council, Economic Development Strategy 2010-2014, p4

- aviation;
- creative industries;
- digital industries;
- education services;
- cleantech;
- food and beverages;
- health and wellbeing;
- light industries;
- professional services;
- sport and leisure; and
- tourism and events.

Key regional projects for economic growth have been identified in the plan as:

- Sunshine Coast Airport;
- Sippy Downs Town Centre and Business and Technology Precinct;
- Broadband provision in Cooroy, Sippy Downs and Maroochydore;
- Sunshine Coast University Hospital;
- Maroochydore Principal Activity Centre;
- Palmview;
- Caloundra South;
- Caloundra CBD;
- Kawana Town Centre; and
- Beerwah Town Centre.

In order to measure the success of the Economic Development Strategy, the following critical success factors have been identified as:

- experiencing a level of employment in the 11 sectors identified as higher than the baseline of December 2009;
- experiencing an increase in the percentage of adults with high skills;
- experiencing an increased transfer of research and development into business opportunities;
- experiencing an improved skills base (higher levels of degrees and level 4 qualifications);
- experiencing an increase in average earnings;
- experiencing better business survival rates;
- experiencing an increase in entrepreneurship measured by company start-ups; and
- experiencing a decrease in the rate of employment land that is vacant.

4.3 Major Projects

4.3.1 Sunshine Coast Regional Airport

Sunshine Coast Airport is proposed to undergo an expansion, which will include:

- A new 2,430 metre runway;
- A new terminal for passenger and baggage processing, including retail facilities;
- An expansion of the existing regular public transport (scheduled jet craft) apron; and
- An expansion of the aviation business precinct.

Sunshine Coast Airport is currently preparing an Environmental Impact Statement (EIS) for the Airport Expansion Project, with the draft EIS expected to be on public exhibition on 2014. The expansion project is expected to generate approximately 5,000 new jobs and inject approximately \$1.6 billion in regional economic benefit between 2015 and 2050. If approved, the expanded airport would provide the opportunity to cater to Fly-In, Fly-Out (FIFO) workers. Construction is expected to begin by 2015, with the new runway operational by 2020.

4.3.2 Caloundra South

The Caloundra South Urban Development Area (UDA) was declared on 22 October 2010 and covers 2,310 Ha. It is expected to comprise approximately 20,000 dwellings housing 50,000 people.

Stockland is developing Caloundra South and lodged a Master Plan Application with the Urban Land Development Authority (ULDA) in December 2011 that was approved by the ULDA in June 2012. The Public Environment Report has now been forwarded to the Federal Government for assessment.

The development of Caloundra South is expected to comprise the following:

- Town Centre
- 440 Ha Environmental Protection Zone
- 20 educational facilities such as child care centres, primary and secondary schools and TAFE facilities
- 9 sports parks
- 6 neighbourhood centres and 3 district centres
- Regional transport infrastructure and services
- Dedicated and high priority public transport routes
- Up to 650,000 Sq M GFA in two business and industrial precincts
- Regional cultural and community facilities

Development of Caloundra South is anticipated to generate over 20,000 jobs. As an UDA, Caloundra South will comprise affordable housing options for low income and first home buyers.

4.3.3 Sunshine Coast University Hospital

The \$1.8 billion Sunshine Coast University Hospital is a new public tertiary teaching hospital to be located on the corner of Lake Kawana Boulevard and Kawana Way at Kawana. Services to be provided include emergency services; a comprehensive cancer centre; specialised medical and surgical services including neurosurgery, maxillofacial surgery, a major trauma service and paediatrics; maternity services; rehabilitation service; mental health unit; renal service; interventional and diagnostic clinical support services; ambulatory care; and allied health services. The hospital is expected to open with approximately 450 beds in 2016, expanding to 738 beds by 2021. If needed, the hospital will have the capacity to expand to 900 beds beyond 2021. It is expected to generate 1,800 to 2,000 construction jobs at its peak, and 3,500 operational staff, increasing to 6,000 by 2021.

The Sunshine Coast University Hospital will form part of the 20 Ha Kawana Health Campus that is planned to comprise the hospital, the hospital's Skills, Academic and Research Centre, a co-located private hospital operated by Ramsay Health Care and the Kawana Health Innovation Park. The private hospital opened in December 2013, with the capacity for 200 patients and providing 600 jobs.

4.3.4 Maroochydore Principal Activity Centre

In order for Maroochydore to become the principal activity centre of the Sunshine Coast, the Maroochydore Principal Activity Centre (PAC) Structure Plan was created. The PAC Structure Plan provides an integrated land use, infrastructure and master planning framework for approximately 200 Ha of land in the central Maroochydore area. The Structure Plan was adopted by Council on 15 December 2010, with the documents taking effect on 17 December 2010.

Based on the Structure Plan:

- Employment opportunities will be created through the allocation of 150,000 Sq M of new commercial floorspace by 2031.
- 65,000 Sq M of new retail floorspace has been allocated by 2031.
- 4,000 new dwellings are proposed within the PAC.
- 40% of the golf course site will be retained as public open space.
- Significant community facilities are proposed, such as a regional arts and entertainment centre, a transit plaza, regional library, public amphitheatre and civic plaza and urban open space.
- A sub-tropical design will be mandated that embraces Maroochydore's unique sub-tropical, coastal and waterfront qualities.

As part of the development of the Maroochydore PAC, the Horton Park Golf Club will be relocated, with Council to gain full access to the existing site in May 2015. This will enable works to commence for the Maroochydore CBD.

4.3.5 Palmview

The Palmview Structure Plan was adopted by Council on 26 October 2010. The Palmview development is expected to comprise 16,000 to 17,000 people in 7,500 dwellings. The development is anticipated to take 15 years, create 4,700 full time jobs and inject \$2.6 billion into the economy. Schools are also planned to be provided for 3,000 students.

4.3.6 Sippy Downs Town Centre

Sippy Downs Town Centre is a planned Major Activity Centre and will comprise a number of individual developments hosting Woolworths, Coles, Big W and related specialty stores. The Town Centre will also residential and community uses.

4.3.7 Light Rail

Sunshine Coast Regional Council has given the green light for a business case to be developed for a light rail public transport service for the Sunshine Coast. The business case is expected to be delivered in late 2014 at a cost of \$4 million, which comprises \$500,000 of Commonwealth funding from the Living Cities Program. The business case process will involve public consultation on potential routes and options. If approved, the light rail is expected to generate approximately 9,000 construction and operational jobs, with the first stage between Caloundra and Maroochydore to be established as soon as 2020.

4.4 Implications

The Sunshine Coast and its economy has seen little development activity in recent years, however, if handled correctly, has the potential to diversify through projects such as the health precinct, light rail, residential development and Principal Activity Centres, as well as the implementation of the new Sunshine

Coast Planning Scheme. The development of the proposed 5 star hotel and associated facilities and apartments for the subject site will also provide the opportunity to stimulate the economy through enhancement of the tourism industry.

In order to strengthen the Sunshine Coast's role as a tourism destination, the Sunshine Coast planning scheme outlines the potential to secure major events. The subject site is proposed to comprise conference facilities as part of the hotel, which will provide an additional venue to attract such events to the region.

The apartments proposed for the subject site will also provide the opportunity to attract FIFO workers to reside. This type of worker is expected to increase with the expansion of the Sunshine Coast Airport and its subsequent capacity to cater for this industry. The scale of demand from FIFO workers will be dependent on the extent of new mining projects in central Queensland.

The proposed apartments will also provide additional choice for new staff associated with these major projects such as the Sunshine Coast University Hospital and Kawana Health Campus to reside.

5.0 Demographic Characteristics

5.1 Introduction

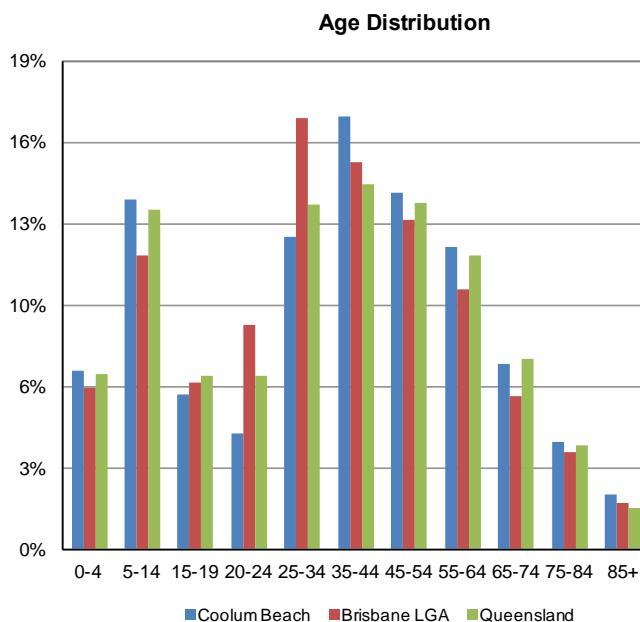
This section outlines the key demographic characteristics of residents of the Coolum Beach Statistical Area 2 (SA2) (in which the subject site is located), based on the 2011 Australian Bureau of Statistics (ABS) Census. The characteristics have been compared to the Brisbane Local Government Area (LGA) and Queensland for a point of reference.

5.2 Key Demographic Characteristics

The key demographic features of the Coolum Beach SA2 in comparison to the Brisbane Local Government Area (LGA) and Queensland include:

Age Distribution

- The proportion of residents aged less than 15 years in Coolum Beach (20.7%) is in line with Queensland (20.2%) and higher than the Brisbane LGA (17.8%).
- Coolum Beach comprises a significantly lower proportion of residents aged 20 to 34 years (16.8%) than the Brisbane LGA (25.7%) and Queensland (20.3%).
- There is a higher proportion of residents aged 35 to 64 years in Coolum Beach (42.9%) in comparison to the Brisbane LGA (38.3%) and Queensland (39.5%).
- The proportion of retirees (those aged 65 years and over) in Coolum Beach (13.6%) is in line with Queensland (13.1%) and higher than the Brisbane LGA (11.6%).

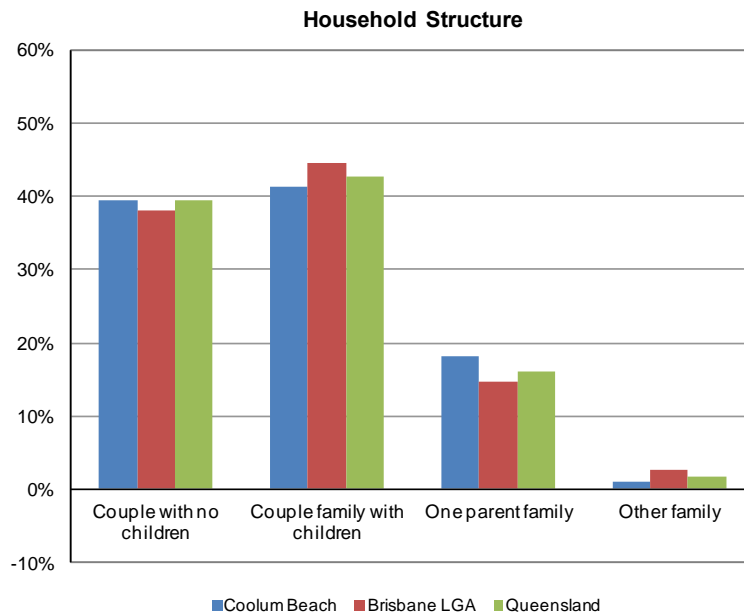


Household Structure

- There is a similar proportion of couple families with no children in Coolum Beach (39.4%), the Brisbane LGA (38.2%) and Queensland (39.5%).
- Coolum Beach comprises a lower proportion of couple families with children (41.3%) in comparison to the

Brisbane LGA and Queensland (44.6% and 42.8%, respectively).

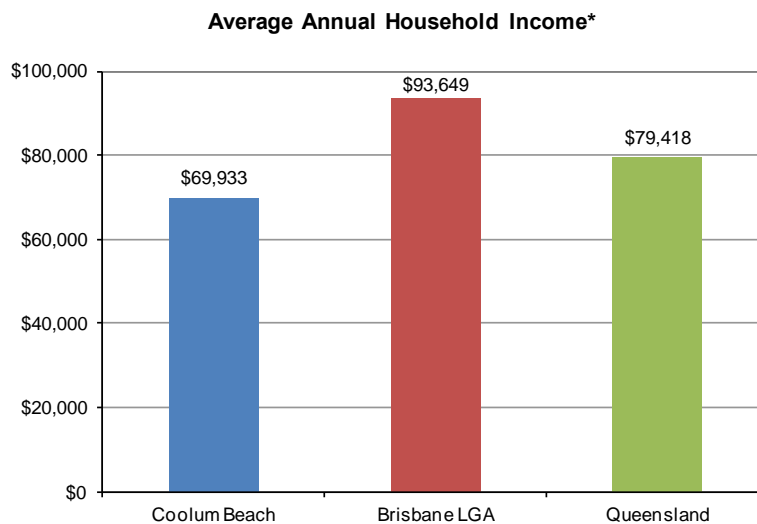
- The proportion of one parent families in Coolum Beach (18.2%) is significantly higher than the Brisbane LGA with 14.6% and Queensland with 16.1%.



Source: 2011 ABS Census

Income

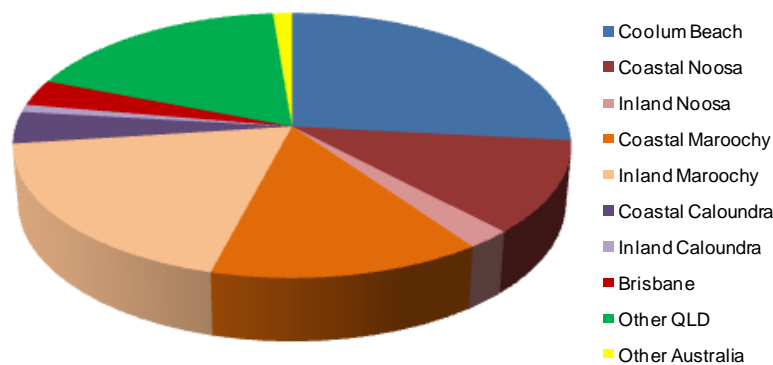
- The average annual household income in Coolum Beach is \$69,933 (in December 2012 dollars). This is significantly lower than the Brisbane LGA average of \$93,649 and the Queensland average of \$79,418.



*December 2012 Dollars
Source: 2011 ABS Census

5.3 Journey to Work

Based on the latest journey to work data from the 2011 ABS Census, approximately 26.7% of Coolum Beach residents also work within Coolum Beach. Approximately 18.9% travel to Inland Maroochy (comprising the SA2s of Buderim-North, Buderim-South, Mountain Creek, Sippy Downs, Bli Bli, Diddillibah-Rosemount, Eumundi-Yandina, Nambour, Maroochy Hinterland and Palmwoods) for work, while 13.9% travel to Coastal Maroochy (comprising the SA2s of Marcoola-Mudjimba, Maroochy-dore-Kuluin and Mooloolaba-Alexandra Headland) for work. Outside of the Sunshine Coast LGA, approximately 17.8% of Coolum Beach residents travel to other parts of Queensland, 3.2% travel to the Brisbane LGA and 1.3% travel to other parts of Australia for work.



Source: 2011 ABS Census

Figure 6 Coolum Beach Residents Journey to Work Patterns

5.4 Occupation

Based on the occupation profile of Coolum Beach, workers in this area are considered to have a lower overall skill base. Compared to the Brisbane LGA workforce, the Coolum Beach workforce consists of:

- Fewer upper white collar workers (27.9% vs. 39.7% in the Brisbane LGA);
- More upper white collar workers (41.7% vs. 36.1% in the Brisbane LGA);
- More upper blue collar workers (14.3% vs. 11.2% in the Brisbane LGA); and
- More lower blue collar workers (14.9% vs. 11.8% in the Brisbane LGA).

5.5 Industry

The major industries in Coolum Beach include:

- Accommodation and food services (30.5% of the workforce);
- Health care and social assistance (13.6% of the workforce); and
- Retail trade (11.2% of the workforce).

5.6 Implications

The demographic characteristics of Coolum Beach residents are indicative of older couples with and without children and retirees, earning below average incomes. The significantly lower proportion of residents aged 20 to 34 years in Coolum Beach in comparison to the Brisbane LGA and Queensland can be attributed to these residents moving out of the area for higher education or employment purposes, with predominantly

lower skilled jobs in the tourism industry available within the local area. These residents will benefit from the employment opportunities that would be associated with the proposed development of a 5 star hotel and associated facilities and apartments on the subject site. The proposed development will also provide the opportunity to increase the employment self containment rate of Coolum Beach, with more people working locally.

6.0 Social and Economic Evaluation

6.1 Social Impact Assessment

Effective social impact assessments involve an understanding of demographics, economic and social indicators, and the values of communities and cultures.

By “social impacts” we mean the consequences to human populations of development that alter the ways in which people live, work, play, relate to one another, organise to meet their needs and generally cope as members of society. The term also includes cultural impacts involving changes to the norms, values, and beliefs that guide and rationalise their cognition of themselves and their society. In this instance, however, we define social assessment in terms of efforts to assess or estimate, in advance, the social consequences and community impacts that are likely to follow from the proposed specific development.

The purpose of a social assessment is to provide an indication of the ability of a community or group to adapt to changing conditions; define the problems or clarify the issues involved in a proposed change; anticipate and assess impacts on the quality of life; illuminate the meaning and importance of anticipated change; identify mitigation opportunities or requirements; and advise communities and other stakeholders on how to comply with regulations and policies.

The social and economic impact of any development is the effect it has on people. Such effects include changes to people’s way of life (how they live, work, play and interact), their cultural traditions (shared beliefs, customs and values), economic issues (employment, financial and business impact) and their community (population structure, cohesion, stability and character).

The potential effects of the proposed development of the Beachside community within The Coolum Residences on elements forming the economic and social fabric of the Sunshine Coast are summarised in the following table:

Table 1 Economic and Social Impacts

		Effect				Comment
		+ VE	Neutral or Uncertain	- VE	Net Total	
Economic Impacts	Increases or decreases retail and other services within the local area	+			+	Retail uses and restaurants will complement the 5 star hotel and associated facilities.
	Increases or decreases facilities within the local area	+			+	New hotel and associated facilities, including conference facilities Establishment of new coastal public park and surf saving amenities
	Better uses or makes redundant existing infrastructure	+			+	The proposed development will enhance public access to the coastal dune and beach through the establishment of a new coastal public park and surf saving amenities.
	Impact on existing economic land uses (commercial, tourism, etc)	+			+	The proposed 5 star hotel is expected to generate an increase of total visitor nights to the Sunshine Coast of between 125,000 per year.
Employment	Improves or reduces access to employment	+			+	The development of the proposed uses for the Beachside community of The Coolum Residences will provide local jobs through the construction process as well as through operation and maintenance of the hotel and associated facilities.
	Increases or decreases long term jobs (temporary or permanent)	+			+	Provision of additional employment in the construction process, as well as through operation and maintenance of the hotel and associated facilities.
	Impact on skills / education		0		0	No change to current situation
	Safeguards or threatens existing jobs		0		0	No change to current situation
Investment	Jobs created directly from the development					
	- construction phase	+			+	The construction workforce is estimated to be the equivalent of 376 EFT jobs per annum over 12 years

		Effect				
		+ VE	Neutral or Uncertain	- VE	Net Total	Comment
	- ongoing operation	+			+	At completion, the development is anticipated to host 623 EFT direct jobs.
	Investment in the development	+			+	Investment will occur in the construction and operation of this privately held facility.
Community Networks	Provides or reduces facilities or opportunities for social interaction	+			+	Reinforces the Sunshine Coast as a tourist destination. Provides new public facilities (coastal public park and surf saving amenities).
	Improves or reduces community identity and cohesion	+			+	Provides new public facilities (coastal public park and surf saving amenities)
	Improves or reduces existing residential amenity	+			+	Provides increased access to the beach for residents and tourists.
	Creates or removes physical barriers between homes and community facilities	+			+	Provides increased access to the beach for residents and tourists.
	Impacts on disadvantaged social groups		0		0	No change to current situation
	Consolidates or dislocates existing social or cultural networks		0		0	No change to current situation
	Promotes anti-social behaviour		0		0	No change to current situation
Public Realm	Safeguards or threatens heritage sites or buildings, or archaeological sites		0		0	No archaeological sites found
	Makes available / enhances or detrimental to public places / open space	+			+	Provides new public facilities (coastal public park and surf saving amenities).
	Provides or displaces public facilities	+			+	Provides new public facilities (coastal public park and surf saving amenities).
	Avoids or exhibits overdevelopment / large scale buildings	+			+	The development of the Beachside community within The Coolum Residences will make a better use of the site through the addition of new public facilities such as the coastal public park and surf saving amenities.
Housing	Increases or decreases housing stock	+			+	Development of 1,350 to 1,550 dwellings (including 150 apartments within the hotel complex).
	Increases or decreases stock of low income, or its affordability		0		0	No change to current situation
	Increases or decreases housing rental averages		0		0	No change to current situation
	Increases or decreases choice in housing	+			+	Development of 1,350 to 1,550 dwellings. This provides additional choice in housing for the possible FIFO market and new employees expected to be attracted through the development of major projects such as the Sunshine Coast University Hospital and Kawana Health Campus.
	Increases or decreases provision of special needs housing		0		0	No change to current situation
	Increases or decreases the social mix of residents in the area		0		0	No change to current situation
Human Services Facilities	Increases or decreases supply of:					
	- community support / welfare services		0		0	No change to current situation
	- child care, health or educational services		0		0	No change to current situation
	- special services for high need / disadvantaged groups		0		0	No change to current situation
	Decreases or increases demand for					
	- community support / welfare services		0		0	No change to current situation
	- child care, health or educational services		0		0	No change to current situation
	- special services for high need / disadvantaged groups		0		0	No change to current situation

		Effect				
		+ VE	Neutral or Uncertain	- VE	Net Total	Comment
	Increases or decreases in the choice of local shopping facilities	+			+	Retail uses and restaurants will complement the 5 star hotel and associated facilities.
	Increases or decreases local recreation or leisure facilities	+			+	Provides new public facilities (coastal public park and surf saving amenities).
Access	Decreases or increases distance from homes to local community facilities and services		0		0	No change to current situation
	Improves or reduces public transport services or access to such services		0		0	No change to current situation
	Improves or reduces disabled access to local facilities		0		0	No change to current situation
	Improves or reduces access by cycle to local facilities		0		0	No change to current situation
	Improves or reduces pedestrian access to local facilities	+			+	Provides increased access to the coastal public park.
	Improves or reduces flood access.		0		0	No change to current situation
	Improves or reduces acoustic amenity.		0		0	No change to current situation

6.2 Economic and Employment Evaluation

Using a combination of models and other estimation techniques, RPS has undertaken the following analysis for the proposed development of the Beachside community within The Coolum Residences.

6.2.1 Employment

6.2.1.1 Construction Employment

The construction phase will create an estimated 4,512 construction jobs over the life of the project at an average of 376 EFT (equivalent full time jobs) per annum. Of this, 1,650 will be located on-site (137 per annum), with 2,863 off-site and upstream (239 per annum).

6.2.1.2 Operational (ongoing employment)

The operation phase will generate an estimated 623 EFT direct jobs. These jobs are expected to be sourced from within the Sunshine Coast. Likely occupation brake down is a follows:

- 524 retail and hospitality workers
- 9 qualified tradespeople
- 90 management, administration and professionals

The demands and needs generated by these employees are anticipated to support an additional 1,500 jobs throughout the community. Of these, 1,200 are estimated to be based on the Sunshine Coast.

6.2.2 Rates and Taxes

The proposed development of the Beachside community within The Coolum Residences will generate a series of revenue streams for all levels of government.

6.2.2.1 Taxes (Federal)

- Employees - \$3.7 million per annum
- Businesses - \$22.2 million per annum

6.2.2.2 Stamp Duty (State)⁹

- Years 1 to 12 - \$2.14 million
- Year 12 onwards - \$2.5 million

6.2.2.3 Rates (Local)

- Residential - \$2.1 million from year 12 onwards
- Commercial - \$3.3 million per annum when hotel is complete

6.2.3 Economic Multipliers

- \$765 million construction budget (average \$64 million per annum)
- Additional impacts (upstream benefits and off-site benefits attributed to the construction budget) - \$709 million
- Total benefits - \$1.47 billion
- Sunshine Coast capture - \$958 million

6.2.4 Contribution to GRP

The direct contribution by on-site businesses is estimated to be \$25 million.

The indirect contribution is likely to be far larger as this investment has the potential to reenergise the Sunshine Coast tourist economy.

6.2.5 Impact on Tourism

6.2.5.1 Expenditure

- Tourists (hotel facility) - \$73 million per annum (on and off-site expenditure)
- Residents (1,200 to 1,400 apartments) - \$23.5 million per annum in total retail expenditure (on and off-site expenditure)

6.2.5.2 Hotel

- 125,000 new visitor nights per year (new to the region)
- Guests will generate an increase of total regional expenditure of \$63 million

6.3 Conclusion

The proposed development of the Beachside community of The Coolum Residences has the potential to create a precinct of regional and state importance. The development of a 5 star hotel and associated facilities will expand the appeal of the Sunshine Coast as a tourist destination. These facilities will also provide the opportunity to cater for the expanding conferences industry and attract major events to the region. The community will also benefit in terms of the new public facilities of the coastal public park and surf saving amenities.

⁹ Assumes 12 year sale period for residential and 12% resales per year