

HADRON
GROUP

Economic Impact Assessment

TRINITY POINT MIXED-USE DEVELOPMENT





Contents

Executive Summary	2
1 Introduction, project description and context	5
1.1 subject site	5
1.1.1 Location	5
1.1.2 Accessibility	5
1.1.3 Development proposal.....	6
1.2 Policy context	6
1.2.1 Hunter Regional Plan 2036	6
1.2.2 Greater Newcastle Metropolitan Plan 2036	7
1.2.3 Lake Macquarie Local Strategic Planning Statement.....	7
1.2.4 Lake Macquarie Destination Management Plan.....	7
1.2.5 NSW Public Spaces Charter	8
2 Demographics	9
2.1 Population trends	9
2.2 Household characteristics	10
2.3 Population projections	11
2.4 Labour force characteristics	12
2.5 Summary of Key demographic trends	15
3 Residential overview	16
3.1 Population density	16
3.2 Housing supply and affordability	17
3.3 Summary of Key residential trends	18
4 Tourism overview	19
4.1 Tourism in the Hunter Region	19
5 Economic benefits	22
5.1 Economic impacts during construction	22
5.2 Post construction economic benefits	24
5.2.1 Employment generation.....	24
5.2.2 Total salaries	24
5.2.3 Gross value added	25
5.3 Other economic benefits	25
5.3.1 Training opportunities	25
5.3.2 Working from home	26
5.3.3 Investment Stimulus	26

Executive Summary

Hadron Group was commissioned by Johnson Property Group (the Proponent) to undertake this Economic Assessment of a Concept Development Application (Concept DA) at Trinity Point, Morisset Park as part of an Environmental Impact Statement (EIS).

The Concept DA

Concept approval is sought for:

- Building envelopes for a mixed-use tourist, hospitality and residential development including six buildings incorporating sculptural rolling roofs and facades covered in greenery
- Maximum gross floor area of 42,675 sqm
- 611 basement parking spaces
- Staging of the development

The Concept DA includes a hotel with 218 rooms and 6 serviced apartment units, 180 residential apartments, a 300-seat function centre, two 300-seat restaurants, a wellness centre, business centre and retail provision.

The Concept DA at Trinity Point is considered a State Significant Development (SSD) under Clause 13(2)(b) of the State Environmental Planning Policy State and Regional Development (SEPP SRD) 2011 because it contains a tourism component that has a capital investment value in excess of \$10 million and is on a site located in an environmentally sensitive area.

Government strategies and targets

The State and Local Government strategies and policies give impetus to the need to create housing and employment opportunities. The concept DA is in accordance with these strategies in providing significant additional housing and an increase in the choice of dwellings within 30 minutes of a strategic centre – Morisset. Morisset station is located around 6 km from the site (an 8-minute drive) and is accessible by bus.

The concept DA is also aligned with strategies to encourage tourism. The Trinity Point site is identified as a significant tourist asset in the Lake Macquarie Local Strategic Planning Statement, while growing tourism and attracting events to the region is consistent with directions in the Greater Newcastle Metropolitan Plan 2036, the Hunter Regional Plan 2036 and the Lake Macquarie Destination Management Plan.

Residential justification

Between 2021 and 2041, the population of Morisset – Cooranbong SA2 is projected to increase by 64 per cent, from 16,954 persons to 27,828 persons. The Concept DA is in the suburb of Morisset Park, part of the neighbouring Bonnells Bay – Silverwater SA2. The suburbs of Bonnells Bay – Silverwater SA2 form a peninsula with attractive views of Lake Macquarie. Median attached dwelling prices in the Bonnells Bay – Silverwater SA2 have historically achieved a premium on those in the neighbouring Morisset – Cooranbong SA2. However, only five per cent of dwellings in Morisset Park and two per cent of dwellings in the Bonnells Bay - Silverwater SA2 were classified as attached dwellings as at Census 2016, compared to 14 per cent for both the Morisset – Cooranbong SA2 and Lake Macquarie LGA.

The Concept DA is located in an area with a sizeable older population which translates into a larger share of households classified as 'couple family with no children' and 'lone person household'. This composition is projected to remain broadly unchanged over the next 20 years and is a feature not only of the local Bonnells Bay – Silverwater SA2, but of the fast-growing Morisset – Cooranbong SA2 and the overall Lake Macquarie LGA.

As at Census 2016, 87 per cent of dwelling stock in the Bonnells Bay – Silverwater SA2 comprised of three or more bedrooms. The Concept DA will provide a significant boost to dwelling choice. The mix of two- (52 per cent), three- (36 per cent) and four- (12 per cent) bedroom units will be suitable for families but will also provide attractive resort

style living for households without children, thereby freeing up detached housing stock for larger households with children.

Assessment of non-residential uses

The tourism leisure market, and particularly the family holiday segment which dominate visitation in Lake Macquarie, is focused on three peak periods each year: Easter, October and Christmas school holidays. The sustainability of the proposed facilities at Trinity Point demands a broad spread of activity across the calendar year.

The hotel function centre provides the opportunity to attract business and event visitors throughout the year. The Hunter Region has an established MICE¹ market, largely focused on Newcastle and the Hunter Valley. Lake Macquarie does not have a strong representation in this market, but local and regional planning directions are supportive of increasing the area's share.

The permanent population on site (estimated at 328 persons) will play a key role in sustaining the site's vibrancy and attractiveness outside of the peak holiday season, while the two restaurants, day spa and public domain plus the 188 berth marina (subject to a separate development application) will have a year-round appeal for local visitors and day-trippers.

Economic impact of the Concept DA

The Concept DA will provide significant economic stimulus to the region during both its construction and operational phases. Compared to the approved DAs for the site, the Concept DA would lead to a net increase in jobs (+159 jobs), salaries generated (+\$6.4 million) and value added contributed (+\$10.8 million).

Moreover, the Concept DA would generate additional economic activity (+\$3,128 million) and jobs (+3,128 jobs) during the projected 4-year construction phase, providing significant stimulus to the Morisset area.

Comparison of economic benefits – approved DAs vs new Concept DA

	Previous (approved) DAs	New Concept DA	Net Benefit
Total jobs generated	238	398	159
Total salaries generated	\$9.4m	\$15.8m	\$6.4m
Industry value added (to GDP)	\$16.1m	\$26.8m	\$10.8m
Construction costs	\$150m	\$550m	\$400m
Economic activity from construction	\$1173m	\$4301m	\$3128m
Job years in construction*	1,173	4,301	3,128

Source: ABS Input-Output Tables 2016-17, Johnson Property Group, Hadron Group analysis

*Direct jobs years, where a job year refers to a single individual who is employed for one year.

Other economic benefits

Local and state regional planning recognises the need boost the non-mining economy of the Hunter region as Australia transitions away from the use of fossil fuels. A key focus of this diversification is tourism. The Concept DA, together with the recently approved Cedar Mills tourism and recreation development and Myuna Bay Sport and Recreation Centre will significantly increase the appeal of the Morisset area for visitors and encourage further investment in the area.

A key focus of the development is to prioritise local employment and training. The Proponent has a strong record of hiring and training local workers on its developments and is associated with education and training facilities such as

¹ acronym for meeting, incentive, conference, and exhibition

nearby Avondale University. For Trinity Point, the proponent intends to include a local employment commitment as part of the procurement process.

1 Introduction, project description and context

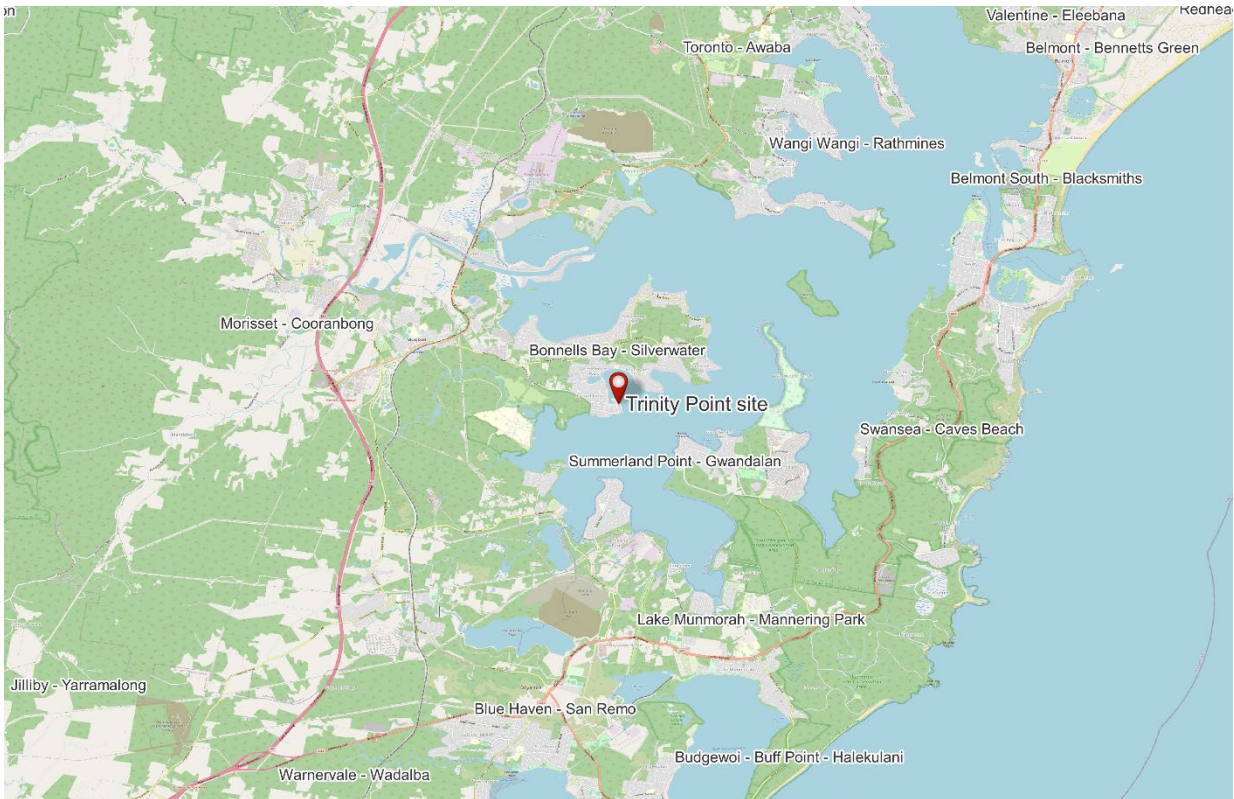
1.1 SUBJECT SITE

This report identifies and assesses the economic impacts of a proposed new mixed-use tourism, commercial and residential development at Trinity Point, NSW. The site area is currently zoned SP2 – Tourism.

1.1.1 Location

The site of the Concept DA is at Trinity Point, within the suburb of Morisset Park and the Lake Macquarie Local Government Area (Figure 1: Trinity Point site location). Trinity Point is around 30 km south-west of Newcastle and 88 km north-east of Sydney. The site address is 49, 81 and 85 Trinity Point Drive, Morisset Park NSW 2264 and is comprised of Lots 101 and 102 DP 1256630 and Lot 32 DP 1117408.

Figure 1: Trinity Point site location



Source: Trinity Point Scoping Report; Hadron analysis

The Trinity Point site is located at the end of a peninsula and at the edge of the waters of Lake Macquarie. It is surrounded by mostly low-density housing (detached dwellings) with some medium-density housing (townhouses) developed by the proponent adjacent to the site. The site is largely undeveloped, apart from the existing marina facilities and a temporary restaurant.

1.1.2 Accessibility

The Trinity Point site is well-connected to the surrounding areas via the existing road network. The site is also served by public transport; Morisset station is located around 6 km from the site (an 8-minute drive) and is accessible by bus.

1.1.3 Development proposal

The concept DA includes a hotel with 218 rooms and 6 serviced apartment units, 180 residential apartments, a 300-seat function centre and two 300-seat restaurants. These facilities are to be spread across 6 buildings, with 4 buildings for the residential apartments and 2 buildings for the hotel, restaurants and function centre. The tourism facilities will be in the northern end of the site adjacent to the existing marina. The residential buildings will extend down towards Bluff Point. The buildings will be 8 storeys, except for the residential building closest to Bluff Point which will be 6 storeys.

The Concept DA for the site represents an expansion in scope over previously approved DAs.² The main difference is in the tourism facilities, with a larger hotel and restaurant capacity proposed – see Table 1.

Table 1: Scope of the Concept DA compared to previous applications

Component	Previous (approved) DAs	Concept DA	Change
Hotel (rooms)	65	218	153
Hotel (serviced apartments)	93	6	-87
Function room (seats)	300	300	0
Restaurant (seats)	340	600	260
Residential (no. of apartments)	157	180	23

Source: Trinity Point Scoping Report

1.2 POLICY CONTEXT

The Concept DA at Trinity Point is considered a State Significant Development (SSD) under Clause 13(2)(b) of the State Environmental Planning Policy State and Regional Development (SEPP SRD) 2011 because it contains a tourism component that has a capital investment value in excess of \$10 million and is on a site located in an environmentally sensitive area. The Environmental Planning and Assessment Act 1979 (EP&A Act) outlines the assessment framework for SSDs. Section 4.39 of the Act requires that a DA for an SSD be accompanied by an EIS.

A Planning Proposal is also being prepared for submission to Lake Macquarie City Council to accommodate the increase in height and scale of development on the site.

The development is closely aligned with state and local strategic plans:

1.2.1 Hunter Regional Plan 2036

The Hunter Regional Plan 2036³ is the NSW Government's strategy to guide land-use planning decisions in the wider Hunter Region, which includes the Lake Macquarie Local Government Area. The Plan sets out four overarching goals for the region:

- Goal 1 – The Leading regional economy in Australia
- Goal 2 – A biodiversity-rich natural environment
- Goal 3 – Thriving communities
- Goal 4 – Greater housing choice and jobs

The Trinity Point development is closely aligned with these goals and will directly support progress towards their achievement by increasing housing choice and supply (Direction 22), showcasing sustainable architecture

² The previously submitted DAs for the tourism and hospitality component (DA/1731/2014) and residential component (DA496/2015/) were approved by the Hunter and Central Coast Joint Regional Planning Panel on 5 May 2016. These DAs were determined consistent with a Part 3A Concept Plan that was approved for the site.

³ Department of Planning, Industry and Environment (2016, *Hunter Regional Plan 2036*)

(Direction 17), enhancing access to the lake and connections to existing open space (Direction 18), protecting Bluff Point (Direction 19), providing homes and jobs within 30 minutes of a strategic centre (Direction 1) and growing tourism in the region (Direction 9).

1.2.2 Greater Newcastle Metropolitan Plan 2036

The Greater Newcastle Metropolitan Plan 2036⁴ sets out the vision and strategies that will guide sustainable growth across the five LGAs that comprise Greater Newcastle. The plan aims to assist the region in achieving the vision outlined in the Hunter Regional Plan 2036 and guide the five councils in their planning. The Trinity Point development is closely aligned with the plan's outcome 'Deliver housing close to jobs and services', by providing high quality residential apartments close to the strategic centre of Morisset and within commuting distance of Newcastle's city centre.

Furthermore, the tourism and hospitality components of the Trinity Point development will directly support Strategy 6 of the plan 'Promote tourism, major events and sporting teams on the national and international stage'. Lake Macquarie is specifically identified as one of the opportunities to improve recreational amenities for the region and the Trinity Point hotel and tourism facilities will directly support these ambitions.

1.2.3 Lake Macquarie Local Strategic Planning Statement

The Lake Macquarie Local Strategic Planning Statement⁵ sets out how the City will achieve its vision and will guide the City's growth over the coming years. The statement's planning goal is for Lake Macquarie to be 'one of the most productive, adaptable, sustainable and liveable places in Australia'. The Trinity Point development will directly support the following identified planning priorities:

- **Planning Priority 2: A city to call home – where diverse housing options cater to everyone's needs.** This will be achieved through substantial growth in the stock and choice of housing close to jobs, services and recreational spaces to accommodate future population growth. The residential apartments delivered by the Trinity Point development will directly contribute towards achieving this priority by increasing the supply and variety of housing within a short commute of Morisset.
- **Planning Priority 3: A city of prosperity – that attracts investment, creates jobs, and fosters innovation.** One of the key principles identified for this priority is to facilitate development which brings investment and economic and employment growth close to where people live. The tourism and hospitality components of the Trinity Point development closely align with this principle by creating a significant number of ongoing jobs onsite and also supporting broader economic activity through the additional resident and visitor populations.

The project site is also situated within the South West Growth Area, which is identified for significant population and employment growth. The statement specifically identifies how the development of Trinity Point into a significant tourist asset will 'support the growing visitor economy including conference facilities, restaurants and a marina'.

1.2.4 Lake Macquarie Destination Management Plan

The Lake Macquarie Destination Management Plan⁶ provides a framework to better understand the visitor economy, including features, challenges and opportunities. The Plan sets the vision to 'transform Lake Macquarie into a recognised visitor destination both nationally and internationally'. The Plan's Key Strategic Priority 1 is to 'Deliver unique visitor experiences to enable growth in tourism' – the hotel and tourism facilities being delivered at Trinity Point will directly contribute towards this priority by providing the amenities to attract visitors to the region. Action 1.1 underpinning this Strategic Priority specifically mentions attracting more events and festivals to the Lake, and the amenities provided by the Trinity Point development such as the conference centre and restaurants will support this action.

⁴ Department of Planning, Industry and Environment (2018), *Greater Newcastle Metropolitan Plan (2036)*

⁵ Lake Macquarie City Council (2020), *Local Strategic Planning Statement*

⁶ Lake Macquarie City Council (2018), *Destination Management Plan 2018-2022*

1.2.5 NSW Public Spaces Charter

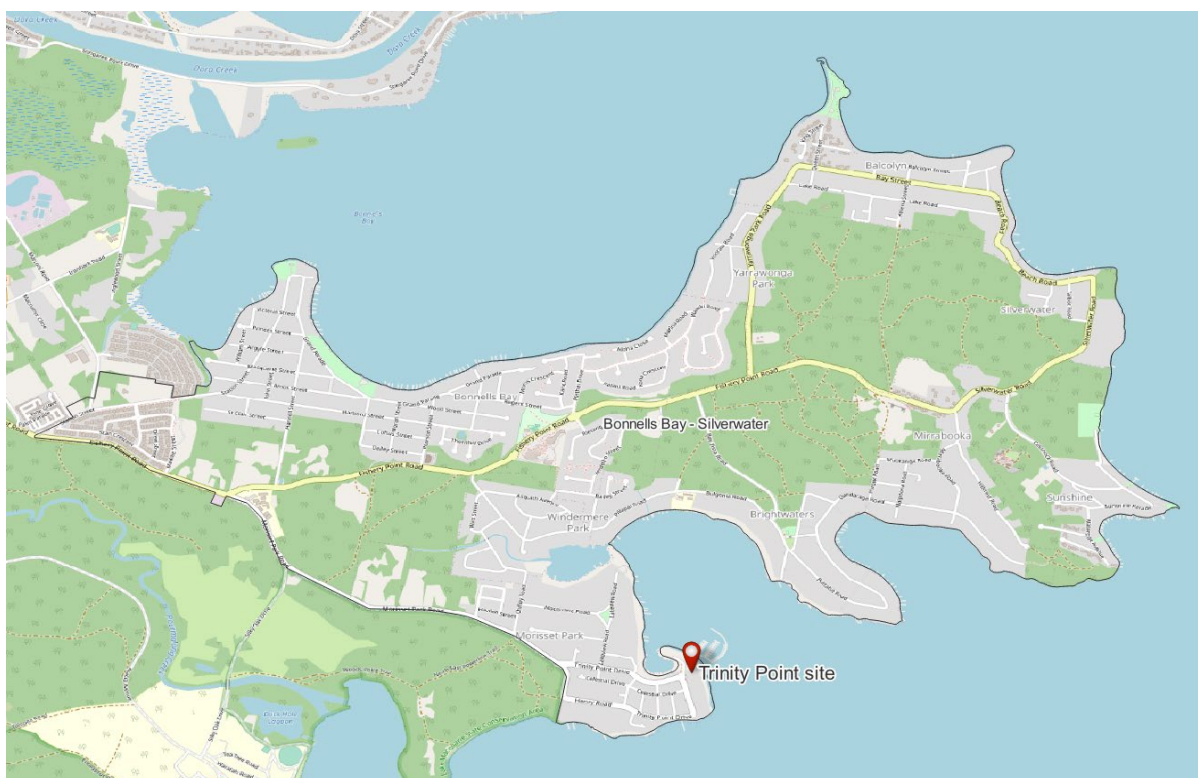
The development is consistent with the 10 principles of the charter:

1. **Open and welcoming** – The development will provide improved access to the foreshore and to Bluff Point for the community. A boardwalk will traverse the site providing easy wayfaring for all ages and abilities. The site will include interactive play elements for the younger population to enjoy.
2. **Community focused** – The development provides additional open space for the community to access as well as opportunities for the community to socialise in the restaurants/cafes and in the meeting rooms for hire at the conference centre.
3. **Culture and creativity** – The development will improve access to Bluff Point, an important Aboriginal site. Interactive signage will be provided at Bluff Point and throughout the site highlighting the area's heritage.
4. **Local character and identity** – Interactive signage throughout the site will allow the public to connect to the heritage of the land and the landscaping will soften the impact of the development and provide additional canopy cover. The development has been sensitively designed to maintain view lines through to the lake.
5. **Designed for place** – The ground level plan for the development has been designed so that it provides access to the foreshore and Bluff Point for the local community and to the site's amenities, while also providing privacy for residents and guests.
6. **Safe and secure** – The boardwalk traversing the site will be well-lit and easy to navigate. The site will have a sizeable permanent and temporary population and will be patrolled by security.
7. **Local business and economies** – The development will include two restaurants with takeaway facilities, as well as a conference centre which will host both community and business events. The site's waterfront location makes it ideal for tourism events to showcase the region.
8. **Well-managed** – The public space will be maintained for the continued enjoyment of residents, visitors and the local community.
9. **Green and resilient** – The Concept DA is a high-quality design of six hill shaped buildings which reflect the natural surroundings. The development is designed to be highly sustainable, carbon neutral and self-sufficient. The sloping design of the buildings will help reduce the impact on views through to the lake and the green roofs are designed both for heat island effect mitigation and to help reduce the visual impact of the buildings.
10. **Healthy and active** – The site has excellent access for cyclists, being on the Morisset Peninsula to Corrانبong cycle route. The site provides opportunities for both passive and active recreation and will include interactive play elements for the younger population to enjoy.

2 Demographics

The site is in the suburb of Morisset Park, which forms part of Bonnells Bay – Silverwater SA2. This section of the report provides an overview of the trends in the demographic profile of both Morisset Park and the broader Bonnells Bay – Silverwater SA2.

Figure 2: Subject Site



Source: Google Maps

2.1 POPULATION TRENDS

The estimated total population of Bonnells Bay – Silverwater SA2 was 9,590 people in 2020. The population is estimated to have increased by 649 persons between 2016 and 2020, a change of 7.3 per cent. Growth was driven predominantly by the 65+ years cohort.

Table 2: Population – Bonnells Bay – Silverwater SA2

Age Group	2016	2020	Change (2016-2020)	% Change (2016-2020)
0-14 years	1,704	1,742	38	2.2%
15-64 years	5,330	5,572	242	4.5%
65+ years	1,907	2,276	369	19.3%
Total	8,941	9,590	649	7.3%

Source: ABS Data by Region

Morisset Park is a suburb within the Bonnells Bay – Silverwater SA2. As at Census 2016, the population of Morisset Park was 748 persons or 8.5 per cent of the Bonnells Bay – Silverwater SA2 population. Morisset Park’s population in 2016 was 21 per cent higher than in 2011, with persons aged 65+ years accounting for just under half of that growth.

As at Census 2016, Morisset Park had a slightly higher share of persons aged 0-14 years and slightly lower shares of persons aged 15-64 years and 65+ years than the Bonnells Bay – Silverwater SA2.

Table 3: Population – Morisset Park

Age Group	2011	2016	Change (2011 – 2016)	% Change (2011-2016)
0-14 years	124	161	37	30%
15-64 years	396	427	31	8%
65+ years	97	160	63	65%
Total	617	748	131	21%

Source: ABS Census 2016

As at 2020, the Bonnells Bay – Silverwater SA2 and the neighbouring Morisset – Cooranbong SA2 were estimated to have slightly higher shares of both younger (0-14 years) and older populations (65+ years) than the Lake Macquarie LGA.

Table 4: Regional population composition, 2020

Age Group	Bonnells Bay – Silverwater SA2	Morisset – Cooranbong SA2	Lake Macquarie LGA
Population (no.)			
0-14 years	1,742	2,896	29,245
15-64 years	5,572	9,750	125,196
65+ years	2,276	3,935	43,334
Total	9,590	16,581	207,775
% of total			
0-14 years	18.2%	17.5%	14.1%
15-64 years	58.1%	58.8%	60.3%
65+ years	23.7%	23.7%	20.9%

Source: ABS Data by Region

2.2 HOUSEHOLD CHARACTERISTICS

There were 3,894 households in the Bonnells Bay – Silverwater SA2 in 2016. Of these, 63 per cent were family households and 17 per cent were lone households. The average family size was 2.9 persons. The household type that saw the greatest growth between 2011 and 2016 was couple families with children, increasing from 829 households to 928 households – an increase of 12 per cent.

Table 5: Bonnells Bay – Silverwater SA2 – Number of households

Household type	2011	2016	Change (2011-2016)	% change (2011-2016)
Family households	2,256	2,434	178	8%
<i>Couple Family with Children</i>	829	928	99	12%
<i>Couple Family without Children</i>	1,008	1,066	58	6%
<i>One parent family</i>	419	440	21	5%
<i>Other family</i>	20	20	0	0%
Lone person household	658	663	5	1%
Group household	85	91	6	7%
Visitors only household	26	27	1	4%
Other/Not applicable	612	659	47	8%
Total	3,657	3,894	237	6%

Source: ABS Census 2016

The number of households in Morisset Park suburb increased from 266 to 300 between 2011 and 2016. The household type that experienced the strongest growth in Morisset Park between 2011 and 2016 was couples without children, which increased its share from 27 per cent to 36 per cent. The increase in couples without children was offset by a decrease in the share of lone person households.

Table 6: Morisset Park – Number of households

Household type	2011	2016	Change (2011-2016)	% change (2011-2016)
Family households	173	215	42	24%
<i>Couple Family with Children</i>	78	83	5	6%
<i>Couple Family without Children</i>	73	109	36	49%
<i>One parent family</i>	22	23	1	5%
<i>Other family</i>	0	0	0	-
Lone person household	39	28	-11	-28%
Group household	12	8	-4	-33%
Visitors only household	0	5	5	-
Other/Not applicable	42	44	2	5%
Total	266	300	34	13%

Source: ABS Census 2016

Overall, the demographic composition of Morisset Park is similar to that of Bonnells Bay – Silverwater SA2, the neighbouring Morisset – Cooranbong SA2 and Lake Macquarie LGA. The significant share of couple family without children and lone person households at as 2016 suggest that there would be demand for smaller dwellings.

2.3 POPULATION PROJECTIONS

The population of Bonnells Bay – Silverwater SA2 is forecast to reach 9,846 by 2041 – an increase of 402 persons or 4 per cent above 2021 levels. This rate of growth is significantly lower than the 64 per cent and 15 per cent projected for Morisset – Cooranbong SA2 and Lake Macquarie LGA.

Table 7: Regional population projections, 2021 and 2041

	Bonnells Bay – Silverwater SA2		Morisset – Cooranbong SA2		Lake Macquarie LGA	
	2021	2041	2021	2041	2021	2041
Population	9,444	9,846	16,964	27,828	208,813	239,194
Change in population	-	402	-	10,864	-	30,381
% Change in population	-	4%	-	64%	-	15%
Population composition						
0-14 Years	19%	18%	18%	19%	18%	17%
15-64 Years	58%	57%	58%	58%	60%	59%
65+ Years	24%	25%	24%	23%	21%	24%

Source: Remplan (2022), Lake Macquarie City Population Projections

The age and household composition of the three regions are expected to be broadly similar in 2041 and broadly unchanged from their current profiles. There is projected to be a slight decrease in household size within Bonnells Bay – Silverwater SA2 and Lake Macquarie LGA, whereas the average household size in the Morisset-Cooranbong SA2 is projected to increase.

Table 8: Regional household and dwellings projections, 2021 and 2041

	Bonnells Bay – Silverwater SA2		Morisset Cooranbong SA2		Lake Macquarie LGA	
	2021	2041	2021	2041	2021	2041
Households						
Households	3,788	4,044	6,266	10,178	81,914	96,362
Change in households 2021-2041	-	256	-	3,912	-	14,448
% change in households 2021-2041	-	7%	-	62%	-	18%
Household composition						
Couple family with children	27%	27%	27%	28%	29%	29%
Couple family with no children	33%	32%	30%	29%	29%	28%
One parent family	13%	13%	10%	10%	12%	12%
Other family	1%	1%	1%	1%	1%	1%
Lone person household	20%	21%	24%	25%	23%	25%
Group household	3%	2%	2%	3%	2%	2%
Multiple family	4%	4%	5%	4%	3%	3%

Source: Remplan (2022), Lake Macquarie City Population Projections

2.4 LABOUR FORCE CHARACTERISTICS

As at Census 2016, the most common occupations of residents of Bonnells Bay – Silverwater SA2 were Professionals, and Technicians and Trades Workers, comprising 18.1 per cent and 17.8 per cent of employed persons respectively. Technicians and Trades Workers is the occupation that saw the strongest intercensal growth, increasing its share from 15.5 per cent to 17.8 per cent between 2011 and 2016.

Table 9: Distribution of occupations of employed persons (% of total) – Bonnells Bay – Silverwater SA2, 2011 and 2016

Occupation	2011	2016	Change (ppts, 2011-2016)
Clerical and Administrative Workers	14.7	13.7	-1
Community and Personal Service Workers	10.1	11.8	1.7
Labourers	12.1	10.8	-1.3
Machinery Operators and Drivers	8.4	7.8	-0.6
Managers	8.9	9.1	0.2
Professionals	19.4	18.1	-1.3
Sales Workers	9.1	9.2	0.1
Technicians and Trades Workers	15.5	17.8	2.3

Source: ABS Census 2016

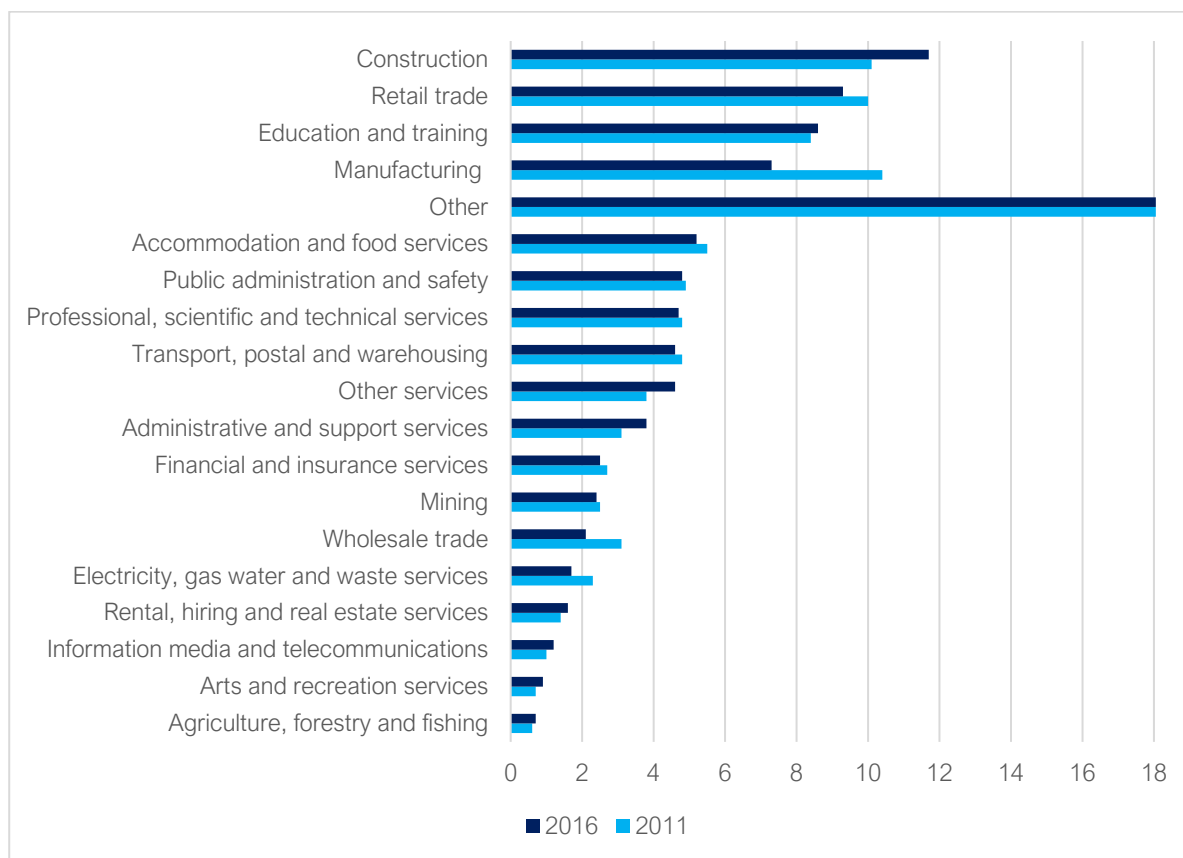
By industry of employment, Health Care and Social Assistance (17.2 per cent), Construction (11.7 per cent) and Retail Trade (9.3 per cent) comprised the largest shares of employed residents in the Bonnells Bay – Silverwater SA2. Notable shifts in industries of employment between 2011 and 2016 included a decline in the proportion of employed persons in Manufacturing from 10.4 per cent to 7.3 per cent and an increase in the proportion of employed persons in Construction from 10.1 per cent to 11.7 per cent.

Morriset Park had a slightly higher proportion of Professionals and Managers than the broader Bonnells Bay – Silverwater SA2 as at Census 2016. The strongest intercensal growth in occupations in Morisset Park was seen for Community and Personal Service Workers. Employment within this occupation is concentrated in the Health Care and Social Assistance and Accommodation and Food Services industries.

The unemployment rate averaged 5.8 per cent for the Bonnells Bay – Silverwater SA2 over the five years to September 2021⁷, compared to 5.5 per cent for the Lake Macquarie LGA and 6.7 per cent for the Morisset – Cooranbong SA2.

⁷ Labour Market Information Portal (September 2021 data)

Figure 3: Distribution by industry of employment (% of total) – Bonnells Bay – Silverwater SA2, 2016



Source: ABS Census 2016

Table 10: Distribution of occupations of employed persons (% of total) – Morisset Park, 2011 and 2016

Occupation	2011	2016	Change (ppts, 2011-2016)
Clerical and Administrative Workers	17.2	17.2	0.0
Community and Personal Service Workers	5.4	10.7	5.3
Labourers	9.8	12.0	2.2
Machinery Operators and Drivers	6.8	8.7	1.9
Managers	12.8	10.4	-2.4
Professionals	23.6	20.1	-3.5
Sales Workers	9.8	6.1	-3.7
Technicians and Trades Workers	13.5	14.9	1.4

Source: ABS Census 2016

2.5 SUMMARY OF KEY DEMOGRAPHIC TRENDS

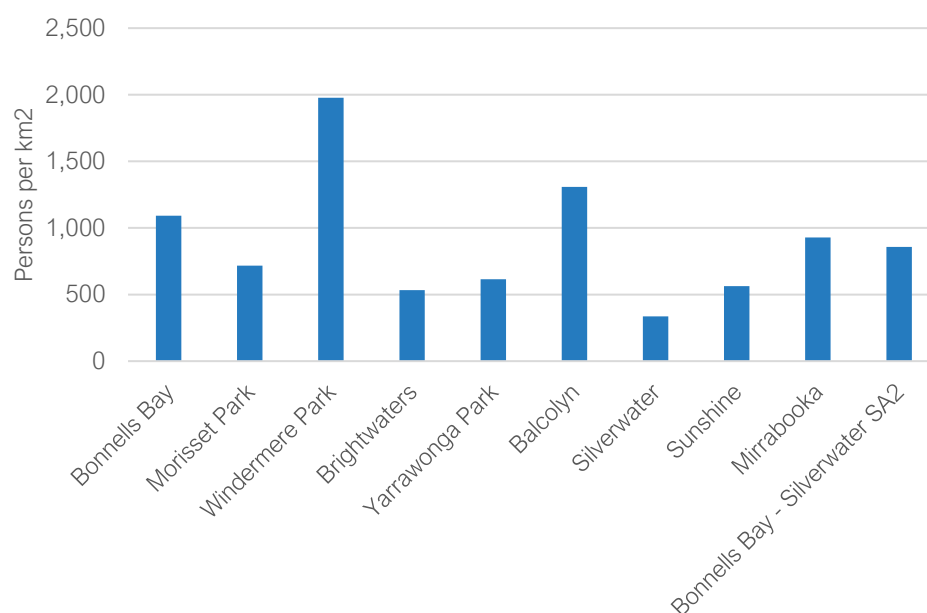
- Morisset Park suburb had a higher share of couple family with no children and couple family with children households in 2016 than the Bonnells Bay – Silverwater SA2. It also had a slightly younger population.
- The employment, occupation and education profile of Morisset Park suburb in 2016 was similar to the Bonnells Bay – Silverwater SA2.
- As at 2016, Morisset Park suburb housing predominantly comprised detached dwellings. Demand for a lakeside location supported a significantly higher population density in Morisset Park and other Bonnells Bay – Silverwater SA2 suburbs than for Morisset – Cooranbong SA2 and the overall Lake Macquarie LGA.
- The Bonnells Bay – Silverwater SA2 and Morisset – Cooranbong SA2 both saw strong demand for attached dwellings over the five years to 2020 which saw the population densities in both regions increase by over 9 per cent.
- The projected age and household composition of Bonnells Bay – Silverwater SA2 in 2041 is similar to its 2016 composition and the projected 2041 composition for both Morisset – Cooranbong SA2 and Lake Macquarie LGA. An ageing of Lake Macquarie LGA's population is expected to see its age profile shift to be in line with the other two regions, while strong planned employment and population growth around the strategic centre of Morisset is expected to preclude a further ageing in the other two regions by attracting strong growth in working age populations.
- Population growth in the Morisset – Cooranbong SA2 is expected to significantly outstrip that of the neighbouring Bonnells Bay – Silverwater SA2. This reflects a preference for detached housing in the Lake Macquarie region and the availability of developable land in the large Morisset – Cooranbong SA2 compared to the significantly smaller Bonnells Bay – Silverwater SA2.
- Dwelling and household growth in Bonnells Bay – Silverwater SA2 is expected to outstrip population growth over the 20 years to 2041 resulting in a fall in average household size
- The large share of smaller households (couples without children and lone person households), high amenity value of lakeside living and proximity to the strategic centre of Morisset suggests that there will be strong demand for attractive attached dwellings at available sites within Bonnells Bay – Silverwater SA2.

3 Residential overview

3.1 POPULATION DENSITY

The Bonnells Bay – Silverwater SA2 covers an area of just under 10.2km². The SA2 comprises nine suburbs including Morisset Park. Bonnells Bay, the largest suburb by area, had a density of over 1,000 persons per km² in 2016, as did Balcolyn and Windermere Park (the smallest suburb by area). Morisset Park’s population density, at just over 700 persons per km², was 16 per cent below the average for the Bonnells Bay – Silverwater SA2 in 2016.

Figure 4: Population density of Bonnells Bay – Silverwater SA2 and suburbs, 2016



Source: ABS Census 2016, Remplan (2022), Lake Macquarie City Community Profile

This density variation largely reflected differences in the share of reserves in each suburb as opposed to differences in the composition of dwellings, with only 74 dwellings not classified as a ‘separate house’ recorded for the whole Bonnells Bay – Silverwater SA2 as at Census 2016.

Table 11 illustrates that the share of dwellings not classified as ‘separate house’ in Morisset Park and Bonnells – Bay Silverwater SA2 was lower than in the Morisset – Cooranbong SA2 and Lake Macquarie LGA as at Census 2016. Attached dwellings made up only 5 per cent of stock in Morisset Park and 2 per cent in Bonnells Bay – Silverwater SA2, compared to 15 per cent in both Morisset – Cooranbong SA2 and Lake Macquarie LGA.

Table 12 illustrates that 62.8 per cent of dwellings in Morisset Park had four or more bedrooms, even though the average household size (as at Census 2016) was just 2.8 persons.

Table 11: Regional comparison of dwelling composition, as at Census 2016

	Morisset Park	Bonnells Bay - Silverwater SA2	Morisset - Cooranbong SA2	Lake Macquarie LGA
Numbers				
Separate house	228	3,139	4,471	62,390
Semi-detached etc	12	42	669	7,106
Flat or apartment	-	32	92	2,785

	Morriset Park	Bonnells Bay - Silverwater SA2	Morriset - Cooranbong SA2	Lake Macquarie LGA
Other dwelling	-	-	149	632
Composition				
Separate house	95%	98%	83%	86%
Semi-detached etc	5%	1%	12%	10%
Flat or apartment	0%	1%	2%	4%
Other dwelling	0%	0%	3%	1%

Source: ABS Census 2016

Table 12: Regional comparison of number of bedrooms, as at Census 2016

	Morriset Park	Bonnells Bay - Silverwater SA2	Morriset - Cooranbong SA2	Lake Macquarie LGA
Number of bedrooms				
None (includes bedsitters)	0	4	22	152
1 bedroom	7	69	250	2563
2 bedrooms	19	334	1169	12,163
3 bedrooms	63	1334	1859	32,148
4 or more bedrooms	150	1432	1943	24,565
Composition				
None (includes bedsitters)	0%	0.1%	0.4%	0.2%
1 bedroom	2.9%	2.1%	4.6%	3.5%
2 bedrooms	7.9%	10.3%	21.6%	16.6%
3 bedrooms	26.4%	41.3%	34.4%	44.0%
4 or more bedrooms	62.8%	44.3%	35.9%	33.6%

Source: ABS Census 2016

3.2 HOUSING SUPPLY AND AFFORDABILITY

Median house price movements for Bonnells Bay – Silverwater SA2, Morisset – Cooranbong SA2, and Lake Macquarie LGA tracked together between 2015 and 2020, with the median house price in all three regions reaching around \$590,000 in 2020.

The median sales price for an attached dwelling in the Bonnells Bay – Silverwater SA2 was \$540,000 in 2020, which was 15 per cent higher than the median sales price in the Lake Macquarie LGA and 44 per cent higher than the median sales price in the Morisset – Cooranbong SA2. The low levels of attached dwelling stock in the Bonnells Bay – Silverwater SA2 makes it difficult to compare its year-to-year sales performance against these other regions. However, the lakeside location of suburbs within the Bonnells Bay – Silverwater SA2 would be expected to support higher median prices.

Attached dwellings in Bonnells Bay – Silverwater SA2 and Morisset – Cooranbong SA2 accounted for over 50 per cent of total dwelling approvals over the five years to 2020. However, there have been no significant attached dwelling developments approved in the Bonnells Bay – Silverwater SA2 since late 2017. In the first eleven months of 2021 there were only two new 'other residential' units approved. Over the same period there were 70 units approved in the Morisset – Cooranbong SA2.

As a result of strong demand, the population densities of Bonnells Bay – Silverwater SA2 and Morisset – Cooranbong SA2 both increased over the five years to 2020, by 9.3 per cent and 9.8 per cent respectively.⁸ The small Bonnells Bay – Silverwater SA2 had an estimated 2020 population density of 944 persons per sqkm, while Morisset – Cooranbong SA2 had an estimated population density of 50 persons per sqkm. (Lake Macquarie LGA had a population density of 320 persons per sqkm as at 2020, an increase of 3.3 per cent on the 2015 rate).

As at Census 2016, the share of households where mortgage payments were greater than or equal to 30 per cent of household income was similar for Bonnells Bay – Silverwater SA2 (6.3 per cent), Morisset – Cooranbong SA2 (6.4 per cent) and Lake Macquarie LGA (6.5 per cent). However, rental affordability was slightly lower in Bonnells Bay – Silverwater SA2 with 10.5 per cent of households with rent payments greater than or equal to 30 per cent of household income, compared to 9.1 per cent of households in Morisset – Cooranbong SA2 and 9.6 per cent of households in Lake Macquarie LGA.

Table 13: Regional housing indicators

Housing Indicators	Bonnells Bay - Silverwater SA2	Morisset - Cooranbong SA2	Lake Macquarie LGA
Median total income – 2018	\$45,715	\$44,576	\$49,559
Household Monthly Mortgage Payments – Average – 2016	\$1,759	\$1,845	\$1,855
Household Monthly Rental Payments – Average – 2016	\$1,499	\$1,320	\$1,360
Houses – median sale price (\$), 2020	\$590,000	\$587,750	\$599,000
Attached dwellings – median sale price (\$), 2020	\$540,000	\$375,000	\$470,000
Building approvals – private sector houses (no.), average 2016-2020	55	160	820*
Building approvals – private sector dwellings excluding houses (no.), average 2016-2020	30	90	483*

Source: ABS Data by Region

3.3 SUMMARY OF KEY RESIDENTIAL TRENDS

- The comparatively high density of the Bonnells Bay – Silverwater SA2 compared to the Morisset – Cooranbong SA2 and the Lake Macquarie LGA demonstrates that it is a sought after area to live.
- The very high share of four-bedroom dwellings in Morisset Park compared to an average household size of 2.8 persons suggest that there is underutilisation of dwellings in the area.
- The large share of attached dwelling approvals in the Bonnells Bay – Silverwater SA2 over the five years to 2020 suggests that people are willing to trade space for amenity.
- A significant premium is attached to dwellings in the Morisset peninsula compared to the neighbouring Morisset – Cooranbong SA2.

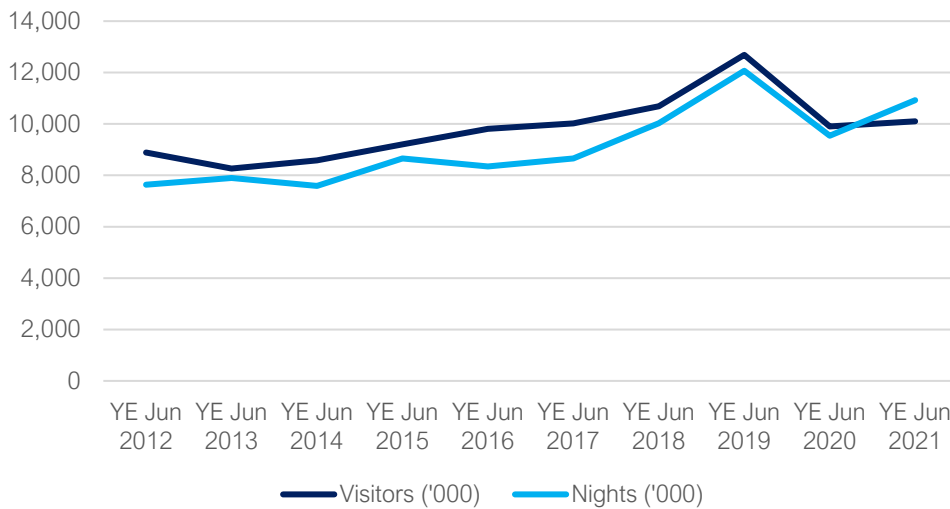
⁸ ABS 2022, Data by Region (Population and People)

4 Tourism overview

4.1 TOURISM IN THE HUNTER REGION

Prior to the onset of the Covid-19 pandemic, tourism in the Hunter Region experienced a strong run of growth with occupancy rates for hotels and serviced apartment at 71.6 per cent in the March quarter 2019. Domestic overnight visitor numbers grew at an average annual rate of 9.5 per cent over the five years to June 2019, while visitor nights grew at 9.7 per cent.

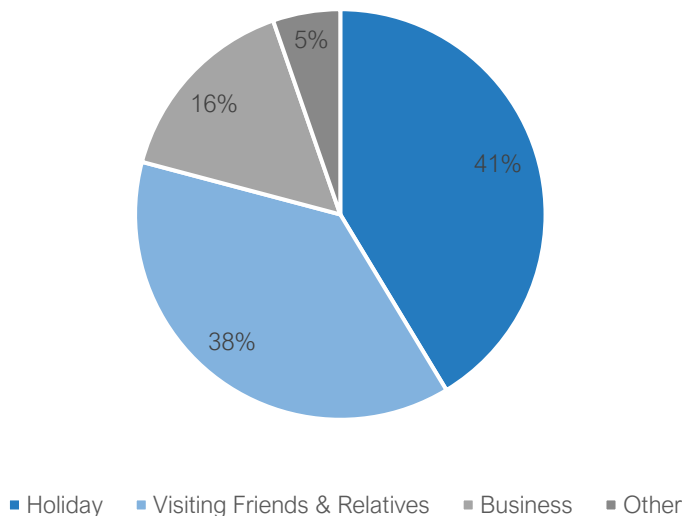
Figure 5: Hunter Tourism Region – domestic visitor numbers and nights



Source: Tourism Research Australia

The main purpose for overnight trips to the Hunter Region are for holiday (40 per cent) and for visiting friends and relatives (40 per cent). Business travel typically accounts for 15 per cent of visitors.

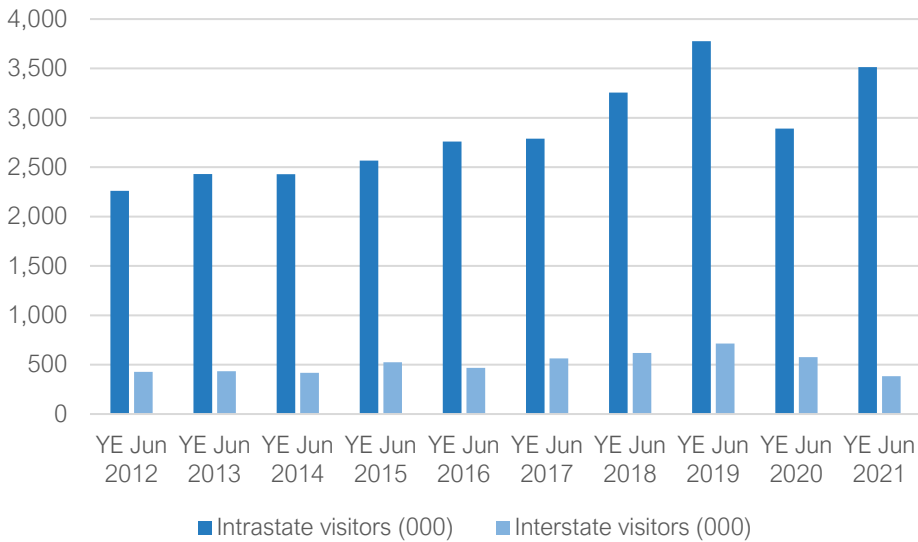
Figure 6: Hunter Tourism Region – share of domestic overnight visitors by purpose, average over 2015-2019



Source: Tourism Research Australia

The number of interstate overnight visitors to the Hunter Region grew at a rate of 11.3 per cent annually in the five years to June 2019, while the number of intrastate overnight visitors grew at a rate of 9.2 per cent annually. Intrastate visitor numbers regained momentum in the year to June 2021, but interstate visitor numbers remained constrained by border closures.

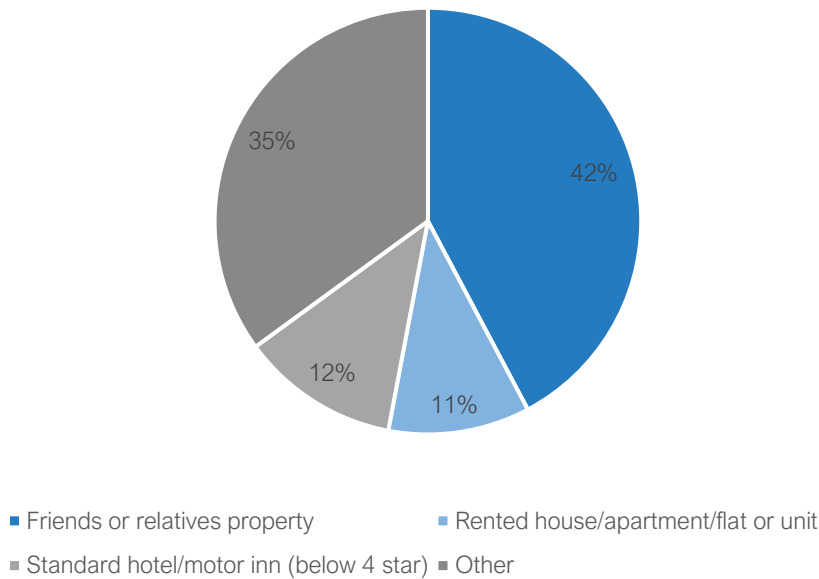
Figure 7: Hunter Tourism Region – share of intrastate vs interstate overnight visitor numbers



Source: Tourism Research Australia

Over the five years to June 2019, an average of 42 per cent of domestic visitor nights to the Hunter Region were spent at friends or relatives' properties, while 12 per cent were spent in a standard hotel / motel inn (below 4 star) and 11 per cent were spent in a rented house / apartment / flat or unit.

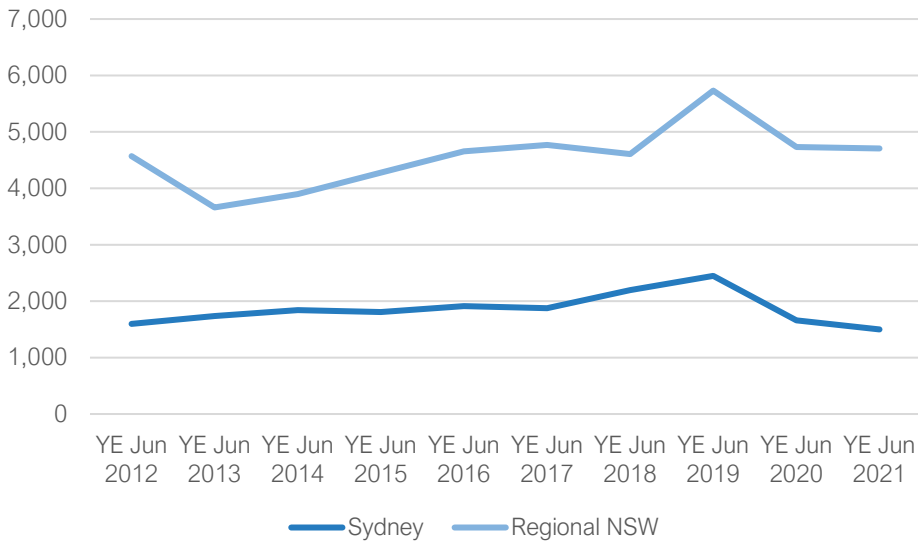
Figure 8: Hunter Tourism Region – share of domestic visitor nights by accommodation type, average 2015-2019



Source: Tourism Research Australia

The Hunter Region also saw strong growth in day-tripper numbers prior to the onset of pandemic, with growth of 8.0 per cent annually for visitors from regional NSW over the five years to June 2019 and growth of 5.9 per cent annually for visitors from Sydney.

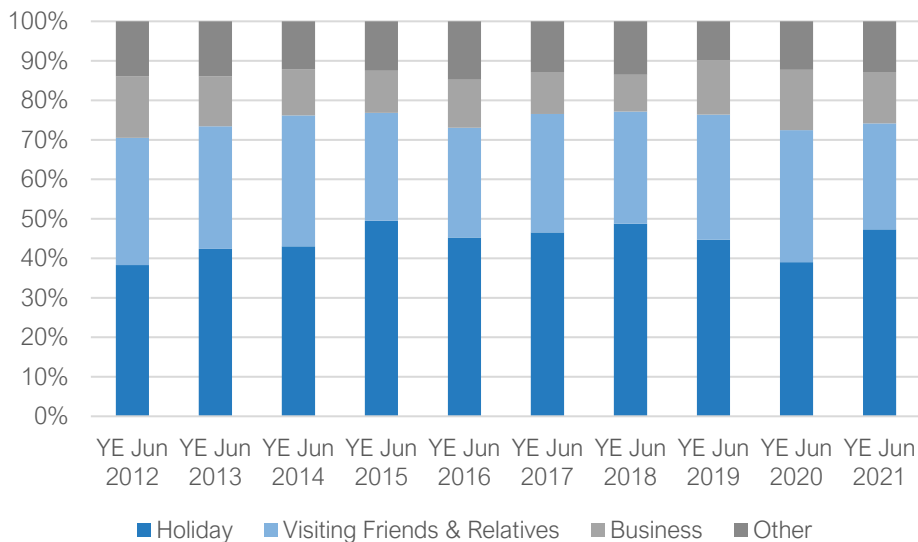
Figure 9: Hunter Tourism Region – day trip visitors by origin



Source: Tourism Research Australia

Most day-trippers to the Hunter Region were on holiday or visiting friends and relatives, with business trips generally accounting for between 10 per cent and 15 per cent of visits. The year ending June 2019 was a particularly strong year for business-related day trips with 1,128 visitors, a 63 per cent increase on the average annual business-related day trips over the previous five years.

Figure 10: Hunter Tourism Region – day trip visitors by purpose of visit



Source: Tourism Research Australia

5 Economic benefits

This section considers and where possible quantifies economic impacts associated with the construction and post-construction phases of the Concept DA.

5.1 ECONOMIC IMPACTS DURING CONSTRUCTION

A Draft Indicative Cost Plan was prepared for the development in January 2022 with a suggested budget for Main Building Construction Works of \$516.6 million, or \$550 million including furniture, fittings and equipment for the hotel.

The costs were prepared based on the following indicative development yields:

- 218 hotel rooms
- 6 serviced suites
- 180 residential apartments and associated landscaping and parking
- A 300 seat function centre
- Two 300 seat restaurants
- A 300 sqm wellness centre
- A 215 sqm business centre
- A 535 sqm retail centre

Table 13 provides a breakdown of the Draft Indicative Cost Plan.

Table 14: Indicative costs of Concept DA

Cost Component	Value
Mine subsidence	\$5,000,000
Preparatory works	\$2,300,000
Residential buildings	\$207,675,700
Hotel	\$115,800,000
Apartment carpark	\$26,825,000
Hotel carpark	\$27,935,000
Podium deck	\$7,000,000
Foundation piling	\$5,000,000
External works	\$31,124,000
Roads and parking	\$2,590,000
Sundry (includes sustainability initiatives)	\$11,500,000
Civil services	\$8,700,000
Total construction	\$451,449,700
Design fee (2%)	\$31,601,479
Project management (2%)	\$9,028,994
Design contingency (5%)	\$24,604,009
Hotel furniture, fittings and equipment	\$33,341,880
Total CIV	\$550,026,062

Source: Johnson Property Group (January 2022)

The construction industry is a significant component of the economy accounting for 7.4 per cent of Gross Domestic Product (GDP) and employing around 1.1 million workers across Australia. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction.

Multipliers refer to the level of additional economic activity generated by a source industry and there are two types: production induced, and consumption induced. Production induced multipliers comprise the outputs and employment required to produce the inputs for construction (first-round effects) and the induced extra output and employment from all industries required to support the production of these first-round effects (industrial support effects). Consumption induced multipliers relate to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

The source of the multipliers adopted in this report is ABS Australian National Accounts: Input-Output Tables 2016-17 (ABS cat. no. 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.62, \$0.66 and \$0.67 respectively for every dollar of construction.

The table below quantifies associated economic output multipliers resulting from the construction process.

Table 15: Construction output multipliers (\$2022)

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1.0	0.6	0.7	0.7	2.9
Output (\$million)	550	341	364	367	1,621

Source: ABS cat. no. 5290.0 (2016-17 Input-Output Tables), Hadron Group analysis

An estimated construction value of \$550 million would generate a further \$705 million of activity in production induced effects and \$367 million in consumption induced effects. Total economic activity generated by construction of the Concept DA is estimated at \$1.6 billion.

Multiplier effects tend to overstate employment and output effects. However, they are widely used for the purpose of Economic Impact Assessments due to their ease of use. The ABS notes that the most significant limitation of impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints – that the extra output can be produced without taking resources from other activities.

It should also be recognised that these are national multipliers and that inter-industry linkages tend to be shallower in small regions, therefore only a portion of the benefits would be expected to flow to the regional economy.

Every million dollars of construction work undertaken generates 2.34 job years directly in construction. Based on the estimated construction cost, 1,287 job years would be directly generated by the Concept DA.

Table 16: Construction employment multipliers

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Employment No. per \$million	2.3	1.6	1.7	2.1	7.8
Total job years created	1,287	881	960	1,173	4,301

Source: ABS cat. no. 5290.0 (2016-17 Input-Output Tables), Hadron Group analysis

The ABS Australian National Accounts: Input-Output Tables 2016-17 identifies employment multipliers for first round, industrial support and consumption induced effects of 0.68, 0.75 and 0.91 respectively for every job year in direct construction.

Total employment generated by construction of the Concept DA is estimated at 4,301 job years.

5.2 POST CONSTRUCTION ECONOMIC BENEFITS

5.2.1 Employment generation

The Concept DA would support permanent employment post-construction through the tourism and hospitality uses.

The table below provides an estimate of the jobs that would be supported on site.

Table 17: Employment on site post-construction

Land use	Scale	Worker per sqm / seat / room	Employment
Function Centre	300 seats	17	18
Restaurant / Café	600 seats	4	150
Business Centre	215 sqm	12	18
Wellness Centre	300 sqm	50	6
Speciality Retail	535 sqm	20	27
Hotel	224 rooms	0.8	179
Total			398

Source: Johnson Property Group, benchmarking data, Hadron Group analysis

**Based on the current employment density at the temporary restaurant on the site 'Trinity 8'.*

The Concept DA is estimated to support 398 jobs on site, comprising 150 restaurant workers, 18 office workers at the business centre, 6 at the wellness centre, 27 in speciality retail, 179 at the hotel and 18 at the function centre.

5.2.2 Total salaries

Based on ABS Average Weekly Earnings data by 1-digit ANZSIC code, total remuneration of workers is estimated at \$15.8 million per annum (2019-20 prices). A breakdown by land use is shown in the table below.

Table 18: Total salaries on site post-construction

Industry	Employment	Average Annual Wage (\$)	Total Wages (\$m)
Function Centre	18	43,599	0.8
Restaurant / Café	150	30,870	4.6
Business Centre	18	67,239	1.2
Wellness Centre	6	52,956	0.3
Speciality Retail	27	40,375	1.1
Hotel	179	43,599	7.8
Total	398	39,785	15.8

Source: ABS cat no.6302.1, Hadron Group analysis

5.2.3 Gross value added

Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP).

We forecast the GVA associated with the development to be approximately \$26.8 million every year (measured in 2019-20 dollars) including \$13.8 million from hotel operations and \$7.2 million from the two restaurants.

Table 19: Gross value added post-construction

Industry	Employment	IVA / Worker (\$)	Industry Value Added (\$m)
Function Centre	18	77,060	1.4
Restaurant / Café	150	47,865	7.2
Business Centre	18	131,281	2.4
Wellness Centre	6	66,671	0.4
Speciality Retail	27	65,194	1.7
Hotel	179	77,060	13.8
Total	398	67,532	26.8

Source: ABS cat no. 5204.5, Hadron Group analysis

There is an existing temporary restaurant on the site, 'Trinity 8'. which will be replaced by one of the two permanent restaurants. The net benefits of the Concept DA (excluding half of the restaurant benefits) are therefore estimated as 323 jobs, \$13.5 million in salaries and \$23.3 million in value added.

The above analysis is based on the Concept DA. There are however already approved DAs for the site. The following table illustrates the economic impacts of the new Concept DA compared to the approved DAs.

Table 20: Comparison of economic impacts of Concept DA vs previous approved DAs

	Previous (approved) DAs	New Concept DA	Net Benefit
Total jobs generated	238	398	159
Total salaries generated	\$9.4m	\$15.8m	\$6.4m
Industry value added (to GDP)	\$16.1m	\$26.8m	\$10.8m
Construction costs	\$150m	\$550m	\$400m
Economic activity from construction	\$1173m	\$4301m	\$3128m
Job years in construction*	1,173	4,301	3,128

Source ABS data, Johnson Property Group, Hadron Group analysis

The Concept DA will provide significant economic stimulus to the region during both its construction and operational phases. Compared to the approved DAs for the site, the Concept DA would lead to a net increase in jobs (+159 jobs), salaries generated (+\$6.4 million) and value added contributed (+\$10.8 million).

Moreover, the Concept DA would generate additional economic activity (+\$3,128 million) and jobs (+3,128 jobs) during the projected 4-year construction phase, providing significant stimulus to the Morisset area.

5.3 OTHER ECONOMIC BENEFITS

5.3.1 Training opportunities

The development will provide a significant number of jobs in hospitality and construction which will support training and employment opportunities for locals, particularly school leavers. Many of the workers at the existing temporary

restaurant have completed hospitality training and both the construction and operational phases will provide opportunities for entry-level workers to acquire on the job training.

The development's employment generation post-construction is equivalent to 46 per cent of estimated 2020 employment in the Bonnells Bay – Silverwater SA2 and 7.7 per cent of estimated employment in 2020 in the Morisset – Cooranbong SA2⁹. The development will therefore be a significant contributor to meeting the strategic direction of providing employment and housing within 30 minutes of a strategic centre.

5.3.2 Working from home

The development will offer resort-style living for its residents, providing high quality accommodation in an attractive lakeside setting with amenities on site. It is therefore expected that it would appeal to remote workers.

There are many benefits associated with providing jobs closer to home, most notably a reduced need to travel and the knock-on benefits associated with this in terms of reduced pressure on infrastructure. There are also environmental benefits and lifestyle benefits related to increased free time, reduced travel related stress and a reduced likelihood of road related accidents.

5.3.3 Investment Stimulus

Where a significant property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such an investment can in turn stimulate and attract further investment, which is consistent with strategic planning for investment in the Morisset area.

⁹ REMPLAN (2022)