HillPDA CONSULTING

TANGARATTA FEED MILL

Economic Impact Assessment

Prepared for Baiada Tangaratta

May 2024

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EXECUTIVE SUMMARY

HillPDA was commissioned by Tangaratta Stockfeeds Pty Limited, part of Baiada Group (Baiada), to prepare this economic impact assessment pertaining to the State Significant Development Application (the SSDA) for the construction of a new feed mill (the project) at 771 Wallamore Road, Wallamore NSW (the subject site). Upon commissioning and operation of both lines of the new feed mill, the existing feed mill will be decommissioned and retained as a ready redundancy in case of a failure at the new mill.

This report is among one of the technical documents within the Environmental Impact Statement (EIS) for the project. Prepared to meet the Planning Secretary's Environmental Assessment Requirements (SEARs) set by the NSW Department of Planning and Environment, it specifically focuses on assessing the economic impacts associated with the construction and operation of the project.

Legislation and policy

The project aligns with regional and local policies through supporting significant growth in agriculture, agribusiness, and livestock meat production. It supports the vision of the New England North West Regional Plan 2041, positioning the region as a leading agricultural hub, and meets the expected demand for poultry feed and supporting related industries as outlined in this plan. The project generates additional jobs in the agriculture sector, maintains rural land viability, strategically promotes livestock industry growth, optimises site capabilities, maximises potential, and addresses future needs. As such, it contributes to objectives relating to coordinating land use planning for economic development and expanding agribusiness and food processing sectors.

The project also aligns with the Tamworth Regional Blueprint 100, supporting the vision of a prosperous region where primary industries (including poultry production) thrive. It supports job creation, enhances economic foundations, and contributes to the growth of the meat and food processing industry, aligning with the plan's strategic priorities.

The project is also permissible with consent under the Tamworth Regional Local Environmental Plan 2010 and is consistent with the objectives of the applicable zone.

Economic benefits

The economic benefits of the project as compared to the base case are shown in the table below.

During construction*	Base case	Project	Difference from base case
Gross output directly generated and supported through multiplier impacts ($m)	-	$240.7	-
Total FTE** jobs	-	114	-
Gross Value Added directly generated and supported through multiplier impacts ($m)	-	$97.0	-

Post construction benefits	Base case	Stage 1		Stage 2	
		Total	Difference from base case	Total	Difference from base case
Job creation (direct)	15	22	7	22	7
Job creation (direct and indirect)	36	61	25	76	40
Staff remuneration $m (direct)	$1.3	$1.9	$0.6	$1.9	$0.6
Staff remuneration $m (direct and indirect)	$4.9	$8.5	$3.6	$11.1	$6.2
Gross Value Added $m (direct)	$27.2	$34.0	$6.8	$47.6	$20.4
Gross Value Added $m (direct and indirect)	$111.7	$139.6	$27.9	$195.5	$83.8

* Based on an estimated construction cost of $83.4 million.

** FTE – full time equivalent job

As such, it is anticipated that the project would create new local job opportunities, lead to increased economic activity on the site and an overall stronger economic outcome.

The project is also essential for sustaining the projected growth in poultry production in the New England region, particularly in supporting increased production at Baiada's Oakburn Processing Plant (SSD-9394). This aligns with the vision for the region, as outlined in the regional strategies, which aim to foster significant growth in agriculture, agribusiness, and livestock meat production.

INTRODUCTION

1.0 INTRODUCTION

HillPDA has been commissioned by Tangaratta Stockfeeds Pty Limited (the Applicant), part of Baiada Group (Baiada), to prepare this economic impact assessment pertaining to the State Significant Development Application (the SSDA) for the construction of a new feed mill (the project) at 771 Wallamore Road, Wallamore, NSW (the subject site). Upon commissioning and operation of both lines of the new feed mill, the existing feed mill will be decommissioned and retained as an available redundancy in case of a failure at the new mill.

1.1 Purpose and structure of this report

This report is among one of the technical documents within the Environmental Impact Statement (EIS) for the project. Prepared to meet the Planning Secretary's Environmental Assessment Requirements (SEARs) set by the NSW Department of Planning and Environment, it specifically focuses on assessing the economic impacts associated with the construction and operation of the project.

The structure and content of this report is as follows:

- Chapter 1 – Introduction (this Chapter): Provides an overview of the project's background, necessity, and the purpose of this report.
- Chapter 2 – Legislation and policy context: Reviews pertinent state and local strategies, planning instruments, and policy documents. It assesses the project against applicable statutory requirements and strategic objectives. The review will consider matters relevant to the local and regional economy such as economic impacts, job creation and economic development.
- Chapter 3 – Economic benefits of the project: Describes the economic benefits of the project during the construction and operational phase.

1.2 Project overview

The Applicant aims to submit an SSDA for a new feed mill (i.e. the project) to replace the existing one. The existing mill, which provides specialised feed blends for regional poultry farming, has been operating since 1975 and is capped by the Environmental Protection License (EPL) restrictions at 10,000 tonnes per week of production.

To support the anticipated growth in regional poultry farming and the associated increased demand for feed, the project involves constructing an advanced poultry feed mill capable of producing 17,500 tonnes of specialised poultry feed per week. It will be executed in two stages, being:

- Stage 1 reaching 12,500 tonnes per week through a new mill line and the existing mill (daytime production only), and
- Stage 2 which will use the new mill lines to achieve 17,500 tonnes per week.

Upon full operation of the new mill, the existing one will be decommissioned but retained on-site as a backup in case of any failures with the new mill. The project's key goals include establishing a modern, high-capacity feed mill, ensuring a secure poultry feed supply in the New England Region and Baiada's broader network, and supporting the predicted poultry production growth in the region for Baiada's Oakburn Processing Plant (SSD-9394).

Previous assessments had explored various alternative options, all of which were deemed unviable. The alternatives are summarised below:

- Increase production at the current feed mill: This option is not feasible due to existing EPL restrictions, aging equipment, noise limitations, and proximity to rural dwellings. Upgrading the current feed mill would cause operational downtime and a shortage of poultry feed for the region.

- Outsource feed production to third-party suppliers: This option is also unviable due to inefficiencies, lack of local suppliers with sufficient capacity, and risk control issues impacting animal health and biosecurity. As such, reliance on third-party agreements poses a significant risk.
- Construction of a feed mill on an alternate site: To maintain access to supplies and end users, finding a suitable alternate location in Tamworth is challenging due to property identification, statutory approvals, and replicating existing site advantages such as infrastructure, supply chains, and zoning support. As such construction on an alternative site was also deemed unviable.

In evaluating the above alternatives, constructing the new feed mill (i.e. the project) on the subject site emerged as the most optimal and secure option and formed the basis for this SSDA.

1.3 State Significant Development Application

When operating at full capacity, the proposed feed mill will produce a weekly output of up to 17,500 tonnes of poultry feed. Its primary purpose is to supply feed for Baiada's operations in the Tamworth region and along with some third-party entities.

In line with the existing mill, the proposed feed mill will involve the importation of ingredients to the site where they will be blended and mixed to create poultry feed products according to Baiada's nutritional specifications. The feed components include cereal grains (such as wheat, oats, barley, and sorghum), protein meals (from animal and vegetable sources), along with selected vitamins and minerals. Approximately 80% of these ingredients are sourced from company-owned and contract suppliers, with the majority originating from the New England region. The feed produced on-site will be utilised by the Baiada Group for poultry farming in the region.

Key features of the new poultry feed mill include weighbridges for both incoming and outgoing products, an intake building for transferring ingredients, storage silos, a mill tower with processing equipment, out-loading bins, a boiler house, maintenance workshop, storage bunkers, an administration building, and supporting infrastructure, including driveways, parking, manoeuvring areas, and a truck wash.

The milling process involves storing grains on-site, hammer milling them into a meal consistency, adding protein meals, mixing the ingredients, pelletising, coating the pellets with enzymes to aid digestion, and finally transferring the finished pellets to out-loading bins for transportation to farms.

The proposed feed mill is designed to be a modern, best-practice facility specifically built for poultry feed production with a weekly capacity of 17,500 tonnes. The facility is estimated to have a Gross Floor Area (GFA) of approximately 3,700 square metres and a maximum height of around 36.5 metres above ground level.

The feed mill will need to be able to run continuously, up to 24 hours a day, 7 days a week, to promptly address fluctuations in demand.

An office will be established next to the incoming weigh station to accommodate on-site employees. Staff parking will be provided near the proposed office, with a separate access point distinct from the primary heavy vehicle movement areas.

As efficient heavy vehicle access is crucial for ingredient delivery and end-user distribution, access to the site will solely use the existing driveway connected to Wallamore Road, an approved route for heavy vehicles including 26 metre B-Doubles.

1.4 Local context

The subject site, formally known as Lot 4 on DP578865, spans an area of 40.62 hectares. Historically, the land has been cleared and utilised for agricultural activities, with re-vegetation efforts concentrated in the central portion, where the proponent has planted native species.

The SSDA also involves Lot 1 on DP1077646 due to the presence of the existing access driveway, which crosses the Main Northern Rail Line Corridor. This corridor, owned by the NSW State Rail Authority and managed by UGL Regional Linx, runs along Wallamore Road in a North/South direction and remains unconstructed.

RU1 Primary Production and RU4 Primary Production Small Lots zoned land surround the subject site. These areas primarily accomodate agricultural and rural industrial activities, including cropping, poultry farms, dairy, and rural supply businesses. The nearest residential dwellings are approximately 310m to the North, 530m to the West, 690m to the Northeast, and 710m to the East of the subject site. As such, the SSDA is consistent and compatible with the current on-site activities and surrounding area.

The figures below display current images of the facilities and property.

Figure 1: Images of facilities and subject site

Source: Photos taken by HillPDA site visit undertaken 23/01/24

LEGISLATION AND POLICY CONTEXT

2.0 LEGISLATION AND POLICY CONTEXT

This Chapter reviews the pertinent state and local strategies, planning instruments, and policy documents. It evaluates how the SSDA aligns with the objectives outlined in these documents, particularly focusing on economic impacts, job creation, and economic development.

2.1 Regional plans and policies

2.1.1 The New England North West Regional Plan 2041

The *New England North West Regional Plan 2041* (Regional Plan) outlines a strategic framework for land use planning over the next 20 years, aiming to safeguard and enhance regional assets while ensuring sustainability. The plan envisions the region as a leading Australian agricultural hub, capitalising on the projected global demand for food and resources. Key economic opportunities identified include intensive agriculture, food, and fibre processing.

The key objectives of the Regional Plan which are of relevance from an economic perspective to this SSDA include:

- Objective 1: Coordinating land use planning for future growth, community need and regional economic development: This objective stresses identifying growth opportunities and initiatives to elevate the region's profile, and foster employment and business prospects.
- Objective 2: Protect the viability and integrity of rural land: This objective focuses on safeguarding rural land viability. It recognises agriculture as a key economic pillar, that employs over 13,000 people (14% of the region's workforce) and contributes significantly to the NSW economy. It promotes implementing strategies that aim to preserve agricultural land productivity while ensuring land use planning considers land quality and scarcity for agriculture.
- Objective 3: Expanding agribusiness and food processing sectors: This objective acknowledges the existing food processing clusters and their contributions to the region's economy, especially in chicken meat production and processing which are centred around the Baiada processing plant in Tamworth. It encourages growing these sectors to meet future demand.

The project strongly aligns with the above objectives and regional vision by contributing to and supporting significant growth in agriculture, agribusiness, and livestock meat production. It addresses the anticipated rise in demand for poultry feed within the cluster, supporting poultry farming and associated industries. This project brings added economic advantages by creating employment opportunities during both the construction and operation phase and boosting local spending.

Moreover, the project will, directly and indirectly, generate additional jobs in the agriculture sector, maintain the viability of rural land, strategically promote livestock industry growth, optimise site capabilities, maximise the site's potential and respond to growing needs.

2.2 Local plans and policies

2.2.1 Tamworth Regional Blueprint 100 – Local Strategic Planning Statement 2020

The *Tamworth Regional Blueprint 100 – Local Strategic Planning Statement 2020* (LSPS) has been developed in compliance with Section 3.9 of the *Environmental Planning and Assessment Act 1979* (EP&A Act 1979). It translates the Regional Plan into actionable measures and serves to guide the government on infrastructure service delivery concerning transportation, education, health/emergency services, police and social housing,

among others. The vision in the LSPS emphasises fostering a prosperous region, where “primary industries continue to be the backbone of the region”. Consistent with this vision, the project plays a pivotal role in increasing poultry feed production commensurate to the projected rise in livestock numbers. By doing so, the project contributes significantly to the growth and sustainability of a vital primary industry within the region.

2.2.2 Tamworth Regional Blueprint 100

In 2020, the Council released the *Tamworth Regional Blueprint 100*, a comprehensive strategy aimed at steering the Tamworth Region toward its vision of a thriving economy, with improved living standards and a target population of 100,000 people. A key aspect of this plan focuses on job creation, particularly by primary employers. Priority 3 in the strategy emphasises the aspiration to foster a prosperous region by leveraging Tamworth's strong economic foundation, attracting new businesses, enhancing skill levels, and reducing business operation costs.

Action 3.4 of the strategy acknowledges Tamworth as a hub for beef, lamb, and poultry production and processing, that serves the entire New South Wales region. It recognises the competitive advantage offered by existing grain, livestock, feedlots, sale yards, and processing facilities for producers in this sector. Moreover, it identifies significant potential within the meat and food processing industry to expand meat processing capabilities and enhance expertise in advanced agribusiness solutions, while contributing to cost reduction in the process. The project aligns with this strategy by: creating additional job opportunities; supporting the growth of the food processing industry; and contributing to cost-reduction efforts.

2.2.3 Tamworth Regional Local Environmental Plan 2010

The subject site falls within the RU1 Primary Production zone under the *Tamworth Regional Local Environmental Plan 2010* (LEP). The project, which is an agricultural produce industry, is a permissible use with consent under this zone.

The zone’s objectives aim to encourage sustainable primary industry production, promote diversity in enterprises, prevent land fragmentation, manage conflicts between land uses, restrict certain uses along main roads, and ensure appropriate land management. The project aligns with these objectives and supports local agricultural producers by sourcing and processing ingredients to supply poultry feed to the New England poultry cluster. Through replacing the existing mill, the project is also expected to enhance environmental performance and increase feed production. As such the project is also consistent with the applicable LEP.

ECONOMIC IMPACTS

3.0 ECONOMIC IMPACTS OF THE STATE SIGNIFICANT DEVELOPMENT APPLICATION

This Chapter examines the economic impacts that would likely eventuate from proceeding with the SSDA. Economic impacts are assessed during the construction and operation phases and include employment generation, gross output, wages and Gross Value Added (GVA).

The SSDA comprises two stages, these being:

Stage 1: 12,500 Tonnes per week

- Retention of the existing feed mill with day time milling only (2,500 Tonnes).
- Construction of the new feed mill including:
  - Four 1,500 Tonne Grain Storage Silos
  - Milling Line 1.
  - Warehouse.
  - Weighbridge.
  - Workshop.
  - Office.
  - Intake and load out areas
- Car park, driveways and manoeuvring areas.
- Construction of Stage 1 of the proposed feed mill is expected to span 12-15 months.

Stage 2: 17,500 Tonnes per week

- Decommissioning of the existing mill.
- Additions to the new mill including:
  - Milling Line 2.
  - Four additional 1,500 Tonne Grain Storage silos.
- Construction of Stage 2 is expected to take an additional 12 months.

3.1 Economic impact assessment approach

3.1.1 Economic multipliers and impact indicators

Economic multipliers refer to the level of additional economic activity generated or supported by a source industry. There are two types of effects captured by multipliers:

Production induced effects, which are made up of:

- *First round effects:* which are all outputs and employment required to produce the inputs for the source industry, and:
- *Industrial support effects:* which is the induced extra output and employment from all industries to support the increased production by suppliers in response to increased sales.

Consumption induced effects, which 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.

Modelling sources, scenarios and economic metrics assessed

The modelling for this report is based on the Australian National Accounts Input Output tables 2020-21. Input-Output modelling estimates economic activity through the examination of four types of impacts described in the table below.

Table 1: Economic impact metrics assessed

Metric	Description
Output	Output is a gross measure of the total sales generated by the types of land uses present on the site or in the proposal
Employment	Employment generated by the types of land uses present on the site or in the proposal (either full time or part time)
Wages	The wages and salaries paid to employees on the site or in the proposal
Gross Value Added	Gross Value Added (GVA) of an industry refers to the value of outputs less the costs of inputs. It measures the contribution that the industry makes to the country's wealth or gross state product (GSP).

The economic impacts have been assessed at NSW State level.

Two scenarios are assessed in this study to gauge the total net benefit (if any) of the SSDA, described as follows:

- **Base case:** refers to the 'do nothing' or 'business as usual' scenario. In the base case scenario, the existing feed mill continues to operate at its current production levels.
- **Development of the project:** The project is developed in accordance with the SSDA.

3.1.2 Economic impact phases

Economic impacts are further assessed and discussed regarding the specific phases of construction and operation.

- **Design and construction phase:** the economic activity supported through the design and construction phase of the SSDA. These impacts are foreseen as short-term, ceasing upon the completion of development activity. The base case assumes no redevelopment of the existing mill, and therefore construction impacts are not assessed for this scenario.
- **Operational phase (post-construction):** the economic activity supported by the SSDA once completed will be compared to the base case. Economic activity for both Stage 1 and Stage 2 is assessed.

3.1.3 Limitations with multipliers

Both the ABS and the NSW Treasury Employment Calculator describe several limitations with input-output multipliers, or at least shortcomings with typical interpretations of the multipliers, which may result in an over-estimation of impacts. The main shortcomings or limitations are as follows:

- Production induced impacts can leave the impression that extra output can be produced without taking resources away from other activities.
- Multipliers assumed fixed input ratios and hence measure impacts based on average effects rather than marginal effects.
- The impacts are nationwide and are not regional or local impacts, which would be smaller.

Other limitations are described in both the NSW Treasury Guide and on the ABS website.[1]

[1] https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-input-output-tables/latest-release
https://www.treasury.nsw.gov.au/information-public-entities/nsw-treasury-employment-calculator

3.2 Proposal design and construction phase economic impacts

3.2.1 Estimated construction cost

The Estimated Development Cost (EDC) is in the order of $83.4 million, excluding GST[2]. This includes $82.2 million in construction costs, with the balance non-construction works.

3.2.2 Construction – gross output

The project will have a direct impact on construction output as well as indirectly stimulating other industries that assist in production and cater to increased consumption.

The table below details the output multipliers and shows the impact of the change in demand supported by the project during construction and its impact on NSW's economy. The forecast increase in total output supported across NSW is estimated at approximately $240.7 million (directly and indirectly).

Table 2: Design and construction impact on gross output ($m)

	Direct effects	Production induced effects		Consumption induced effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1.00	0.60	0.54	0.75	2.89
Gross Output ($million)	83.4	50.3	46.0	61.1	240.7

Source: HillPDA estimate using data from ABS Australian National Accounts: Input-Output Tables 2020-21 – NSW State multipliers

3.2.3 Construction – job creation

Throughout construction, Wilde and Woollard[3] estimate that the project will create up to 114 full-time equivalent jobs in construction with a large portion of this being around the manufacture and installation of the plant and equipment, civil works, building construction and so forth.

3.2.4 Construction – Gross Value Added

The 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 economy or gross regional product (GRP). The major components of GVA are workers' remuneration, company profits and government taxes from production.

Design and construction of the project would directly contribute around $24.4 million of GVA statewide, including multiplier impacts total GVA increases to around $97.0 million (directly and indirectly).

Table 3: Construction – impact on gross value added (GVA)

	Direct effects	Production induced effects		Consumption induced effects	Total
		First Round Effects	Industrial Support Effects		
GVA multipliers	0.29	0.23	0.25	0.39	1.16
Total GVA ($million)	24.4	19.6	20.5	32.6	97.0

Source: HillPDA estimate using data from ABS Australian National Accounts: Input-Output Tables 2020-21 – NSW State multipliers

3.3 Operational economic benefits

The following assesses the statewide economic contribution of the SSDA on completion and operation of Stage 1 works, followed by Stage 2 as compared to the base case.

[2] Source: Wilde and Woollard EDC 2024
[3] Source: Wilde and Woollard EDC 2024

3.3.1 Base case

The existing Feed mill currently employees 15 full-time equivalent (FTE) workers on-site[7]. These workers are estimated to earn $1.3 million[8] in combined salaries and generate $241.8 million in output[9] and $27.2 million in gross value added[10]. Accounting for multiplier impacts[11], the total number of FTE jobs directly generated and indirectly supported statewide from the existing feed mill is 36, total remuneration of those workers is $4.9 million, gross output is $677.1 million and GVA is $111.7 million.

3.3.2 Gross output

Upon operation, it is estimated that Stage 1 of the project would directly generate $302.3 million in gross output each year, while Stage 2 would directly generate $423.2 million. Stage 1 results in an $60.5 million increase each year over the base case and Stage 2 results in an increase of $181.4 million over the base case. Accounting for multiplier effects, total gross output directly generated and indirectly supported by the project would be $846.4 million per annum once Stage 1 is operational and $1.2 billion per annum once Stage 2 is operational.

Table 4: Operational phase - staff remuneration ($m)

Stage	Direct output	Production Induced	Consumption Induced	Total
Stage 1	302.3	333.2	211.0	846.4
Stage 2	423.2	466.5	295.4	1,185.0

Source: Australian National Accounts Input Output tables 2020-21, IBIS World Reports 2023, Profile.id, HillPDA
Totals may not total exactly due to rounding

3.3.3 Employment generation

The Tangaratta Feed mill scoping report indicates that the project will generate 22 FTE jobs at full operation, which represents a net increase of 7 jobs over the base case. The breakdown of these is provided in the table below.

Table 5: SSDA employment generation

Stage	Jobs
Stage 1	The existing mill will require 10 FTE's and the new mill will require 12 FTEs
Stage 2	On completion of Stage 2 the new mill will require a total of 22 FTE's and the old mill will cease operation.

Source: PSA Consulting (2023) Tangaratta Feed mill scoping report

Accounting for multiplier effects, the total number of direct and indirect jobs will increase to 61 jobs on completion of Stage 1 and 76 jobs on completion of Stage 2. This represents an increase of 25 jobs over base case for Stage 1 and 40 jobs for Stage 2. The table below provides an estimate of the number of direct and indirect jobs that could be supported statewide across both stages.

Table 6: Operational phase - employment generation

Stage	Direct Jobs	Production Induced Jobs	Consumption Induced Jobs	Total
Stage 1	22	24	15	61
Stage 2	22	33	21	76

Source: Australian National Accounts Input Output tables 2020-21, IBIS World Reports 2023, industry reports, HillPDA
Totals may not total exactly due to rounding

[7] Source: PSA Consulting (2023) Tangaratta Feed mill scoping report
[8] Source: IBIS World Report
[9] Source: https://www.mla.com.au; PSA Consulting (2023) Tangaratta Feed mill scoping report; HillPDA Research
[10] Source: IBIS World Report, HillPDA Research
[11] HillPDA estimate using data from ABS Australian National Accounts: Input-Output Tables 2020-21 – NSW State multipliers

3.3.4

3.3.4 Staff remuneration

We have estimated the direct remuneration of workers onsite during the operational phase at approximately $1.9 million per annum for both Stages 1 and 2. Accounting for multiplier effects, total remuneration directly generated and indirectly supported by Stage 1 is estimated at $8.5 million per annum for Stage 1 and $11.1 million for Stage 2. This represents $3.6 million of additional annual wages over the base case for Stage 1 and $6.2 million per annum for Stage 2.

The table below provides an estimate of the total combined remuneration that additional workers from the project would earn across the two stages per annum.

Table 7: Operational phase - staff remuneration ($m)

Stage	Direct wages	Production Induced	Consumption Induced	Total
Stage 1	$1.9	$3.8	$2.7	$8.5
Stage 2	$1.9	$5.4	$3.8	$11.1

Source: Australian National Accounts Input Output tables 2020-21, IBIS World Reports 2023, Profile.id, HillPDA
Totals may not total exactly due to rounding

3.3.5 Gross value added

The 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 region's wealth or GRP.

On operation, it is estimated that Stage 1 of the project would directly generate $34 million GVA per annum statewide. Stage 2 would generate $47.6 million each year. Accounting for multiplier effects total GVA directly and indirectly supported by Stage 1 is estimated at $139.6 million per annum, whilst Stage 2 is $195.5 million. This represents a net increase of total GVA (direct and indirect) of $27.9 million from Stage 1 and $83.8 million from Stage 2 as compared to the base case.

Table 8: Operational phase - gross value added ($m)

Stage	Direct GVA	Production Induced	Consumption Induced	Total
Stage 1	$34.0	$61.2	$44.5	$139.6
Stage 2	$47.6	$85.6	$62.2	$195.5

Source: Australian National Accounts Input Output tables 2020-21, IBIS World Reports 2023, Profile.id, HillPDA
Totals may not total exactly due to rounding

3.4 Other economic impacts

3.4.1 Supports growth in poultry production

The new feed mill is a crucial element in the projected growth of poultry production in the New England region and is essential to support the anticipated increase in production at Baiada's Oakburn Processing Plant (SSD-9394). Regarding economic impacts, the proposed feed mill, within the broader context of poultry expansion plans, is anticipated to have a positive effect.

To accommodate the heightened poultry processing in the region, a substantial increase in the supply of birds is necessary. It is anticipated that approximately 300 additional poultry sheds will be needed to meet the ultimate capacity of the Oakburn processing plant. This growth is expected to occur through the expansion of existing farms and the establishment of new farms in suitable locations within a 2-hour drive of the Oakburn processing plant, adhering to animal welfare considerations. All of these farms will rely on the feed produced at the proposed feed mill. Consequently, the project is crucial for facilitating this growth, and will contribute to job creation in poultry production and stimulating the regional economy.

3.5 Impact conclusion

On completion and full operation, the project would directly and indirectly support 76 jobs, $1.2 billion per annum in output, $11.1 million per annum in wages and $195.5 million GVA per annum statewide.

There would also be benefits during construction, including contributing an additional $240.7 million (direct and indirect) in gross output Statewide and $97.0 million in GVA statewide. The project would also create up to 114 FTE jobs in construction.

The SSDA would have additional economic benefits of supporting the projected growth of poultry production in the New England region.

The evaluation above has examined the economic merits of the SSDA. Based on this assessment, it is concluded that the SSDA is substantiated from an economic perspective.

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