

CULBURRA BEACH 600 – an indicative analysis of the impacts of developing a residential subdivision of 600 lots in a scenic location at Culburra Beach.

This analysis was undertaken by the Economic Development Office of Shoalhaven City Council at the request of the Strategic Planning staff of Council following a request for such an indicative document by the NSW Independent Planning Assessment Commission.

This analysis does not attempt to evaluate all aspects of a development such as the one proposed. In a full analysis the aspects of other social infrastructure would need to be assessed – commercial, industrial, community.

A set of assumptions that were used in the analysis is attached at the end of this document.

The findings from the work undertaken were to give an indicative economic impact that a development of 600 residential lots at Culburra Beach would bring to the Culburra/Orient Pt area and the Shoalhaven City.

Summary of outcomes

Modelled over 20 years the development will generate:

- A total development expenditure, including both the direct and indirect aspects, will generate an expenditure of \$241,200,000 over 20 years
- An increase in population of 1,399 after 20 years
- An increase in the labour force of 509 after 20 years with an expected income in wages & salaries of \$38m at year 20.

It is acknowledged that not all jobs for the increase in the workforce will be generated in the Culburra Beach area and many will need to travel to Nowra and other places to gain work as is the case now. An unemployment rate of 8% has been allowed.

The scale of the benefits is relative and the numbers by themselves lack perspective unless considered against a number of scenarios within the Shoalhaven context.

The Culburra Beach 600 project has been ranked against plausible Shoalhaven project scenarios to provide a comparative reference.

Scenario	Income/year *	Scenario	Expenditure/year **
100 new employees in Manufacturing	\$37.1m	Princes Highway Gerringong - Berry upgrade	\$221.3m
100 new employees in Public Admin & Safety	\$33.5m	New Shoalhaven River Bridge	\$132.8m
100 new employees in Public Admin	\$24.9m	Culburra Beach 600	\$12.1m
100 new employees in Agriculture	\$24.6m	New High School	\$5.5m
Culburra Beach 600	\$21.8m	New Commercial (\$1.5m)	\$3.3m
100 new employees in Accommodation & Food	\$11.8m		

*These are annual impacts

** These scenarios show total construction impact divided by years to deliver project and are limited to duration of construction period.

Culburra Beach 600 is primarily a construction project. The benefits are generated from the construction effort as are the other scenarios given. It is appreciated that the expenditure scenario projects have ongoing benefits but these have not been evaluated here in the overall benefit for the scenario.

Rather the use of comparable employment growth scenarios does give the relative comparison of having the resultant labour force created by the increase in population through Culburra Beach 600. The Shoalhaven economy is continually growing and the Culburra Beach labour force is engaged in providing labour to enable that productive effort to be achieved.

Conclusion:

The economic impact of the construction effort from Culburra Beach 600 is significant in the Shoalhaven context and would be responsible for lifting the Shoalhaven Gross Regional Product by 0.17%.

The resultant population and labour force increases are in line with what is expected within Shoalhaven over the next 20 years. The increase in economic activity can accommodate the labour supply expected to be created.

Note: Given the general nature of this modelling, it should be used with caution.

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Assumptions for Culburra Beach 600 economic analysis.

Overall

- All expenditure \$ are based on 2018 costs unless otherwise stated

Land subdivision

- Lots to be developed and released = 600
- Cost of development for each lot (including contributions) = \$100,000
- Rate of release to market = 60 lots in year 2, 40 lots thereafter
- Sale cost/lot = \$2,000

Housing construction & fitout

- Dwelling completions per year = 40 from year 3
- Average cost per dwelling = \$250,000
- Furnishing cost/dwelling = \$50,000 from year 4

Occupancy, Population & Labour Force

- Occupants/dwelling as per Culburra Beach /Orient Pt at 2016 for occupied dwellings
- Dwelling occupancy was assumed at 100%
- New residential population calculated as per completed dwelling
- Labour Force calculated as per Culburra Beach /Orient Pt at 2016 for occupied dwellings
- Wages & salaries used were for Shoalhaven as at 2016
- Unemployment rate was assumed at 8%

Period of impact

- The modelling was undertaken for a period of 20 years
 - Note: subdivision completed in year 15, All dwelling completed in year 17

Other notes

- Modelling only considered:
 - On the development expenditure side:
 - Subdivision construction works
 - Land sale costs
 - Housing construction costs
 - Initial furnishing costs
 - On the Income side:
 - Wages and salaries generated by new residents within the subdivision

The economic outcomes have been generated utilising the REMPLAN Economic Development module with Census material extracted from the REMPLAN Community Development module.

Data tables to support the Culburra Beach 600 analysis

Culburra Beach - Orient Point			
	Culburra Beach	Orient Point	
Pop - 2016	2878	602	3480
Families	773	161	934
Dwelling	2141	363	2504
Unoccupied Dwelling	903	109	1012
Unoccupied Dwelling	42.2%	30.0%	40.4%
Labour Force	1074	192	1266
Employed	986	172	1158
LF/Pop	37.3%	31.9%	36.4%
Person/Dwelling			1.39
Person/Occupied Dwelling			2.33
Peron/Family			3.73
SEIFA Index	966	877	964 Shoalhaven
Wages & Salaries	Shoalhaven		
Total W&S	\$ 2,902,007,000		
Total Employment	35,751		
Av W&S/Worker	\$ 81,172.75		

Source: REMPLAN Community

REMPAN Community provides compelling insights into the demography of your regions and builds an understanding of the unique characteristics of the people in your communities. These insights provide a powerful evidence base to guide the provision of services and infrastructure, to attract investment and to plan for the future. The demographic data in REMPLAN Community is sourced from the Australian Bureau of Statistics (ABS) 1991, 1996, 2001, 2006, 2011 and 2016 Census years. This demographic data also provides one of the key pillars upon which REMPLAN's forecasts of population, households and dwellings to 2041 are generated.