

A.2 Economic & Social Impact Assessment

**SRAIP REQUEST FOR
INFORMAITON RESPONSE:
SOCIAL & ECONOMIC
IMPACT ASSESSMENT**

Client: Kalfresh Pty Ltd

Title: SRAIP REQUEST FOR INFORMAITON
RESPONSE: SOCIAL & ECONOMIC IMPACT
ASSESSMENT

Version: FINAL

Date: Tuesday, 19 September 2023

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VERSION CONTROL

VERSION	PURPOSE	AUTHOR	REVIEWER	APPROVER	APPROVAL DATE
DraftA	Draft for internal review	MW	TC	MW	14/08/2023
DraftB	Draft for client review	MW	EW	MW	15/08/2023
FINAL	Final including OCG comments	MW	EW	MW	19/09/2023

APPROVAL FOR ISSUE

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1 INTRODUCTION

This section provides an overview of the background, purpose and structure of the response.

1.1 RPS Social and Economic Impact Assessment

In 2019/20, RPS was engaged by Kalfresh Pty Ltd (Kalfresh) to prepare a Social and Economic Impact Assessment (SEIA) for the Scenic Rim Agricultural Industrial Precinct. The SEIA report included:

- A socio-economic and demographic profile of the Scenic Rim Region;
- Economic multiplier based employment and economic impact assessment;
- A Coordinator General compliant Social Impact Assessment;
- Opportunity to Capture Economic and Social Benefits.

The report formed critical social and economic justification and evidence for the SRAIP.

1.2 Report Purpose and Structure

On 27 July 2023, the Office of the Coordinator-General (OCG) requested further information from Kalfresh before finalising the Revised Impact Assessment Report (RDIAR) for the SRAIP.

Econisis was engaged by Kalfresh Pty Ltd to provide responses to the request for information. A series of comments have been collected from a range of State and Local Government agencies relating to issues of data and information currency, statistical analysis and key assumptions.

This response is comprised of the following sections:

- **Introduction** - This section provides an overview of the background, purpose and structure of the response.
- **Assessment Data Update** – this section provides updated socio-economic and demographic information relating to the statistical geographies of note of the SRAIP
- **Assessment Analysis Limitation** – this section provides confirmation of the suitability and appropriateness of the Employment and Economic Impact Assessment methodology and further acknowledgement of associated limitations and corresponding adjustments.
- **Response To Summary Of Matters** – this section provides a summary of responses to further matters and comments raised by agencies and stakeholders.

1.3 Statistical Geographies

Three broad statistical geographies of note and relevance to the SRAIP are referenced in this report:

- Kalbar Urban Centre/Locality – representing the township of Kalbar
- Boonah SA2
- Scenic Rim Regional Council Local Government Area

1.4 Glossary and Abbreviations

The following terms and abbreviations

Term/Abbreviation	Description
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ANZSCO	Australian and New Zealand Stand Classification of Occupations

Term/Abbreviation	Description
CAGR	Compound Annual Growth Rate
ERP	Estimated Residential Population
GRP	Gross Regional Product
GVA	Gross Value Added
IO-	Input/Output
LGA	Local Government Area
QGSO	Queensland Government Statistician's Office
QLD	Queensland
SALM	Small Area Labour Market
SA2	Statistical Area 2
SRRC	Scenic Rim Regional Council
SEQ	South East Queensland
SRAIP	Scenic Rim Agricultural Industrial Precinct
UCL	Urban Centre/Locality

1.5 About the Author

The primary author of this report is **Mark Wallace**, *Principal of Econisis*. Mark is a qualified, trusted and highly experienced property economist, strategic advisor and economic development expert. He works nationally to provide critical evidence to support investment decision making in some of Australia's fastest growing and most important economic regions, precincts and projects.

For over a decade, Mark was the Regional Technical Director (Australia Asia Pacific) for RPS. During this time, Mark was the lead analyst and author for the Social and Economic Impact Assessment for the Scenic Rim Agricultural Industrial Precinct. Mark has drawn on this applied experience in the preparation of this response.



2 ASSESSMENT DATA UPDATE

This section provides updated socio-economic and demographic information relating to the statistical geographies of note to the SRAIP project.

2.1 Socio-Economic Data Sets

The original SEIA report was prepared by RPS in 2019. Subsequent to this, further refinements and updates were made to the report prior to its finalisation in April 2020.

The continued request for further information by the Coordinator General’s office and relevant State Government agencies, means that some of the data and statistical information within the report is no longer regarded as current. This is particularly the case for population and socio-economic indicators associated with the release of the Census of Population and Housing 2021 by the ABS.

The following sections provide an updated profile of the socio-economic and demographics attributes of the Kalbar UCL, Boonah SA2 and SRRC regions.

2.1.1 Population

The population of the Shire of Scenic Rim in 2022 was 44,374¹. This is up from 34,983 in 2007, representing growth of 9,391 people or 26.8% over the 15 years at a rate of 1.6% per annum. Boonah SA2 has experienced similar population growth, rising at 23% over 15 years at a rate of 1.4% per annum.²

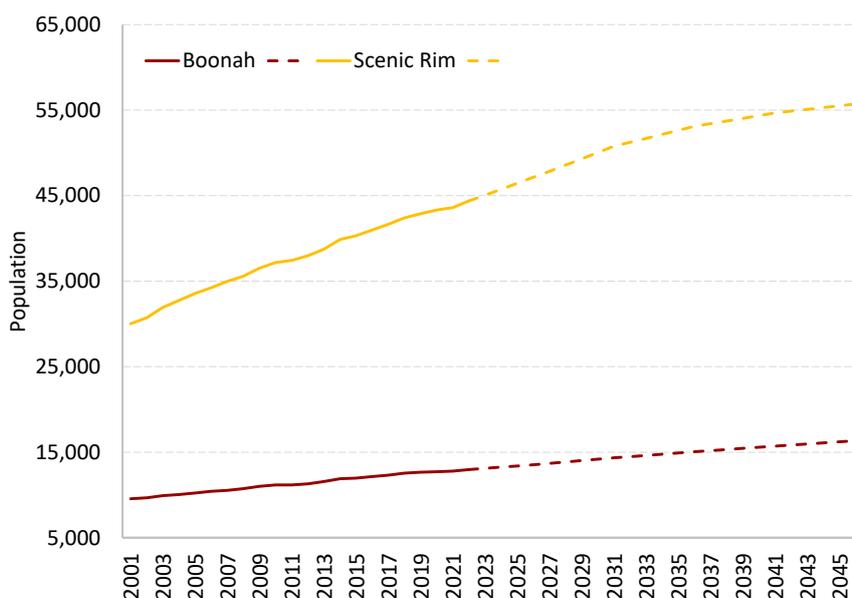


Figure 1 Population Projections, Scenic Rim LGA, Boonah SA2, 2001 - 2046³

This growth is expected to continue. Estimates by Econisis using growth rates in the medium series population projections from the QGSO (2023), indicate the populations will continue to grow at current rates. This will result in the population of Scenic Rim reaching 50,781 by 2031 55,721 by 2046⁴. The population of Boonah will reach 14,340 by 2031, and 16,346 by 2046⁵.

¹ ABS (2023) Regional Population by Age and Sex, accessed at abs.gov.au

² ABS (2022) Population by Age and Sex, accessed at https://abs.gov.au

³ Queensland Treasury (2023) Regional Population Projections, accessed at https://www.qgso.qld.gov.au/statistics/theme/population/population-projections/regions

⁴ Derived by Econisis applying QGSO medium series population projection growth rates to ABS ERP 2021.

⁵ As Above

2.1.2 Census Profile

Since the original report, the results of the 2021 Census of Population and Housing have been released. A summary of the key attributes and indicators are provided in the table below.

Table 1 Census Socioeconomic Profile, Kalbar, Boonah, Scenic Rim, QLD, 2021⁶

Indicators	Kalbar (Suburb)	Boonah SA2	Scenic Rim LGA	QLD
Headline				
Population	1,246	12,617	42,984	5,156,138
Median Age	41	47	46	38
Average Household Size	2.6	2.5	2.6	2.5
Share of Population 0-14 (%)	19.5%	16.9%	17.6%	18.7%
Share of Population 65+ (%)	21.4%	23.9%	22.8%	17.0%
Born in Australia	81.5%	83.1%	78.1%	71.4%
Share of People Attending Educational Institutions				
Pre-School	14	109	527	84,535
Primary	110	944	3,319	426,110
Primary - Government	27.0%	22.2%	21.4%	18.6%
Primary - Catholic	0.8%	4.3%	3.6%	5.1%
Primary - other non-Government	2.7%	1.9%	2.7%	3.4%
Secondary	90	879	3,006	352,608
Secondary - Government	17.5%	19.7%	18.1%	13.3%
Secondary - Catholic	0.8%	2.4%	2.7%	4.6%
Secondary - other non-Government	3.8%	4.6%	4.3%	4.4%
Tertiary	47	404	1,593	334,418
Tertiary - Vocational education (including TAFE and private training providers)	7.0%	5.2%	5.2%	7.0%
Tertiary - University of other higher education	7.0%	7.1%	8.1%	14.2%
Weekly Incomes				
Personal	\$631	\$657	\$661	\$787
Family	\$1,562	\$1,659	\$1,706	\$2,024
Household	\$1,275	\$1,375	\$1,410	\$1,675
Share of Household				
Couple family without children	34.4%	37.8%	35.0%	28.9%
Couple family with children	29.9%	28.6%	28.8%	29.5%
One parent family	11.5%	9.8%	11.3%	12.1%
Other family	0.9%	0.5%	0.8%	1.2%
Lone Person Households	21.1%	21.2%	21.7%	24.2%
Group Households	2.2%	2.1%	2.4%	4.2%
Dwelling Occupancy				
Occupied	94.9%	89.2%	89.0%	90.7%
Unoccupied	6.4%	10.7%	11.0%	9.3%

⁶ ABS (2023) Regional Population by Age and Sex, accessed at abs.gov.au

Indicators	Kalbar (Suburb)	Boonah SA2	Scenic Rim LGA	QLD
Dwelling Type				
Separate house	98.4%	96.1%	92.1%	74.8%
Semi-detached, row or terrace house, townhouse etc	0.0%	2.1%	6.1%	11.7%
Flat or apartment	0.0%	0.2%	0.3%	12.5%
Other dwelling	0.9%	1.5%	1.2%	0.7%
Tenure				
Owned outright	44.2%	44.8%	38.3%	29.1%
Owned with a mortgage	35.2%	34.2%	36.7%	34.4%
Rented	17.8%	15.8%	21.1%	33.1%
Other tenure type	0.7%	2.9%	2.1%	1.9%
Tenure type not stated	0.7%	2.1%	1.8%	1.6%

Kalbar, Boonah and Scenic Rim have an older median age than Queensland, with both Boonah and Scenic Rim substantially higher. This indicates an older age profile in the region, confirmed by the higher share of the population which is 65+.

Personal, Family and Household weekly incomes are relatively low compared to Queensland. Most households are Couple Family without children, considerably higher than the Queensland average. The most common dwelling type, across all subject areas, are separate houses, which are most likely to be owned outright.

Overall, the socio economic attributes of Boonah and the wider Scenic Rim remain broadly similar to their relationship with Queensland in 2016. The population of the area continues to age rapidly, while incomes are growing. Population growth, while positive, has likely been constrained in the past by access to employment opportunities, creating a negative incentive for further inward migration to the area by working aged people.

This is supported by data on unemployment and labour force during the post COVID-19 economic environment.

2.1.3 Unemployment

Data from the Australian Government's Small Area Labour Market series indicates that unemployment in the Boonah SA2 has consistently trended below the Scenic Rim average. Scenic Rim's unemployment rate is distorted to a great extent by significantly higher concentrations of unemployment in Beaudesert, particularly when compared to Boonah SA2, which is currently below 4%.

Unemployment rates in both areas decreased significantly in early 2021, reflecting the recovery of local labour markets after the impacts of the COVID-19 pandemic and associated border and economic restrictions. However, a review of the data indicates that the total number of people unemployed in the Boonah SA2 has remained broadly the same for the past 6 years. Instead, the labour force has grown rapidly to respond to new employment opportunities in a tightening labour market since 2021, increasing by 10% between September 2020 and March 2023.

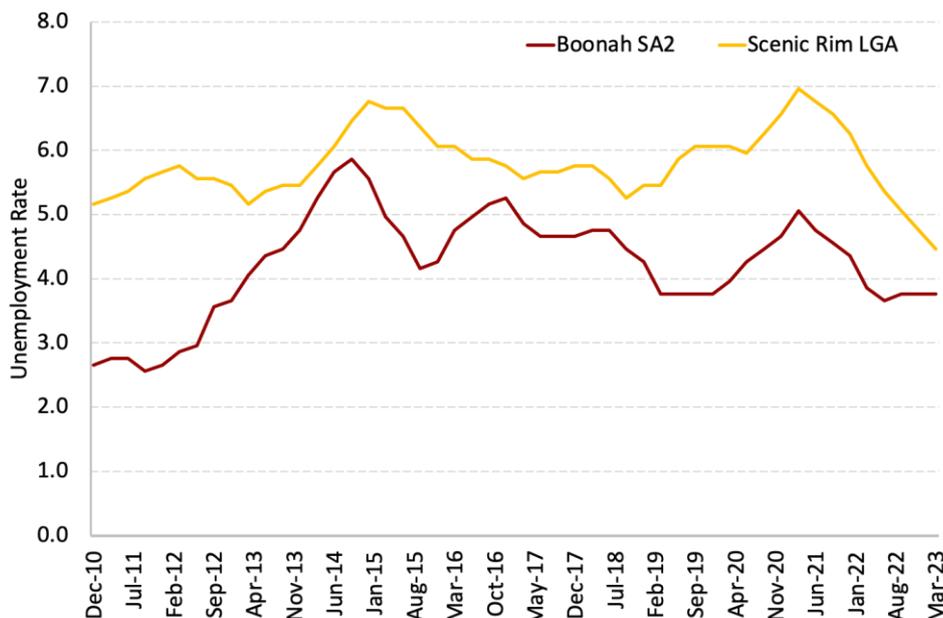


Figure 2 Unemployment Rate, Boonah SA2 and Scenic Rim, 2021⁷

2.1.4 Business Registrations

A major driver of increased employment opportunities has been the strong growth in local business registrations. Data from the above indicates there were 4,738 locally registered businesses in the Scenic Rim LGA in 2022 - a 5.9% increase from the previous year and a significant acceleration on previous growth rates⁸.

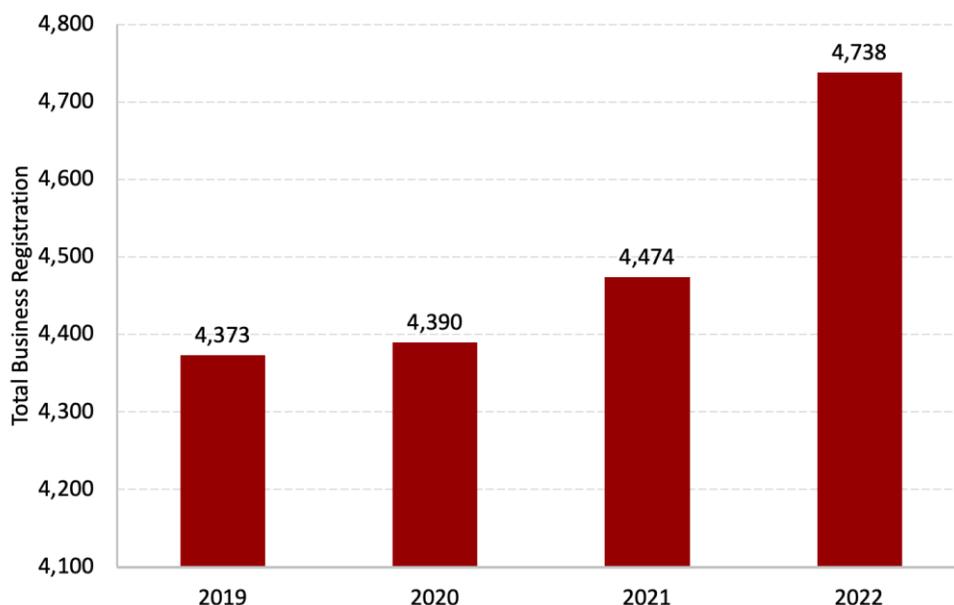


Figure 3 Business Registrations, Scenic Rim, 2019 to 2022

The business registrations by industry show that 1,148 of these businesses are Agriculture, Forestry or Fishing businesses. This reflects the predominant role of agriculture in the Scenic Rim economy

⁷ ABS (2023) Regional Unemployment, accessed at <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release>

⁸ ABS (2023) Count of Businesses accessed at [abs.gov.au](https://www.abs.gov.au)

which directly and indirectly supports other industries such as Real Estate, Construction, Professional Services and Transport.

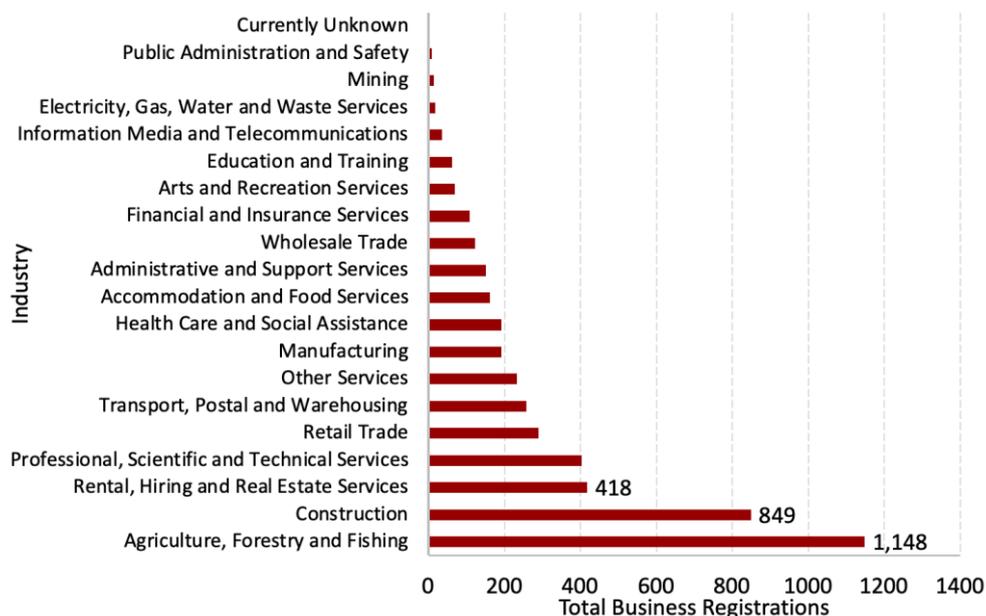


Figure 4 Business Registrations by Industry, Scenic Rim, 2022

2.1.5 Economic Growth

Data from the ABS Census of Agriculture conducted in 2021 shows continued positive growth in the value of agricultural production in the Scenic Rim, reaching a gross value of \$276.4m in 2021. This is up from \$258.3m in 2015/16, representing a growth of 7.0% or 1.3% per annum.

Table 2 Value of Total Agricultural Commodities, Scenic Rim, 2015-2016, 2020-2021⁹

Year	Gross value (\$)	Local value (\$)
2020-2021	\$276,379,575	\$248,209,885
2015-2016	\$258,272,218	\$237,503,645

Note that this is slower than the growth of the wider economy of the Scenic Rim over the same period, with Gross Regional product increasing by 1.6% per annum between 2016 and 2021. In fact, economic growth accelerated further in 2022, with GRP exceeding \$2b in the Scenic Rim for the first time.

⁹ ABS (2021) Value of Agricultural Commodities Produced, accessed at <https://www.abs.gov.au/statistics/industry/agriculture/value-agricultural-commodities-produced-australia/2020-21#data-downloads>

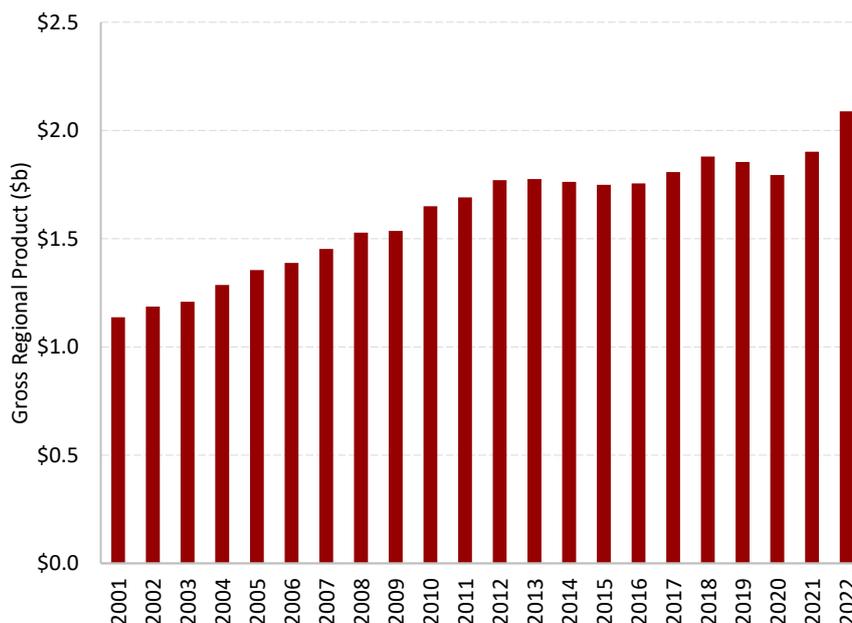


Figure 5 Sale Price and Number of Homes Sold, Boonah 2018-2023¹⁰

This means however, that despite its primacy in the local economy and central role in driving exports, the share of economic activity associated with the Agricultural sector in the Scenic Rim has been declining. This supports efforts for increased value adding and investment to improve sector critical mass and leverage one of the region’s principal competitive advantages.

2.2 Housing Market Attributes

The housing market in Queensland and in the Scenic Rim region has experienced a period of accelerated growth, after many years of flat or even declining prices. The comparative effectiveness of Queensland’s management of the COVID-19 pandemic has seen the state and SEQ in particular be the recipient of accelerated interstate migration. At the same time, the ageing of the Baby Boomer population and their exit from the workforce has seen the rate of housing transitions increase. These factors have, together, driven significant structural increases in house prices across Australia and the Scenic Rim region is no exception.

2.2.1 House Sales and Price Data

Data from Htag.com for Kalbar and Boonah confirm the strong growth in house prices in these two local markets from December 2022 to June 2022. However, prices have broadly been flat for the past year and have even declined marginally, as the impact of higher costs of living and borrowing costs provide marginal downward pressure.

These profiles are illustrated below.

¹⁰ HTAG (2023) Boonah Market Snapshot, accessed at <https://www.htag.com.au/qld/qld291-scenic-rim-regional/boonah-qld-4310/>

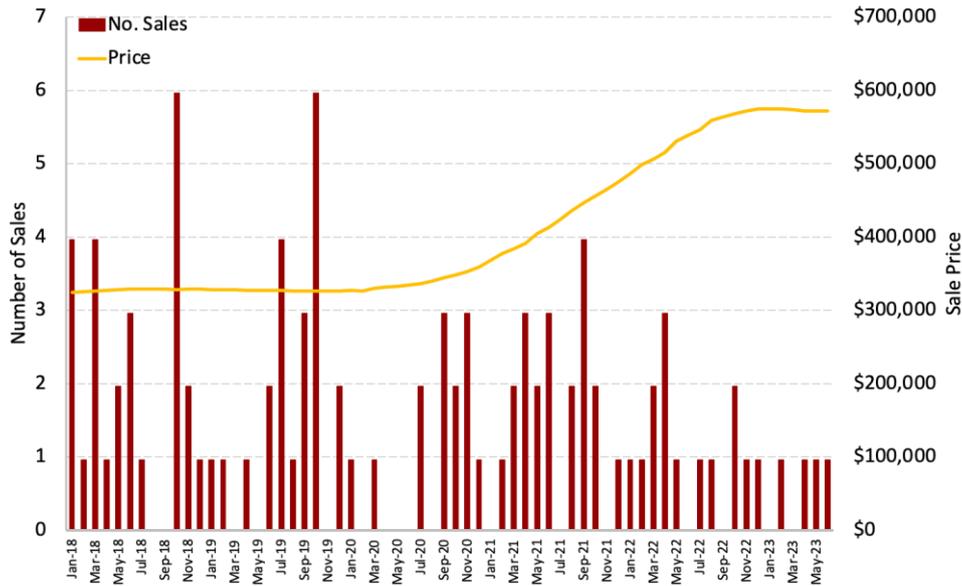


Figure 6 Sale Price and Number of Homes Sold, Kalbar 2018-2023¹¹

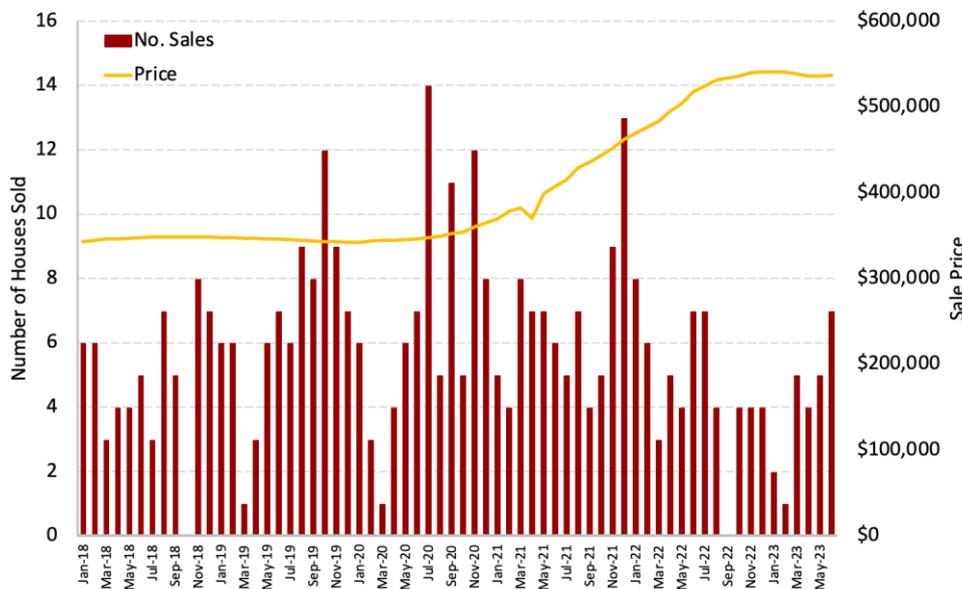


Figure 7 Sale Price and Number of Homes Sold, Boonah 2018-2023¹²

2.2.2 Housing Affordability Impact

Previously the proposed development was analysed as having only minor impacts on overall affordability in the region. This was due in part to the fact that the medium house prices in local housing markets were generally regarded as affordable when compared to the expected household incomes of local workers employed at the SRAIP. This offset the potential impact on housing demand from the development resulting from induced migration into the region.

Several factors however have changed in the housing and worker flow dynamic.

¹¹ HTAG (2023) Kalbar Market Snapshot, accessed at <https://www.htag.com.au/qld/qld291-scenic-rim-regional/kalbar-ql-4309/>

¹² HTAG (2023) Boonah Market Snapshot, accessed at <https://www.htag.com.au/qld/qld291-scenic-rim-regional/boonah-ql-4310/>

Firstly, higher housing prices and worsening affordability means that increased housing demand triggered by the project will likely provide support to current pricing levels in the medium term. It should be noted that this doesn't mean the project will necessarily worsen affordability from currently levels as the development and occupancy of the precinct across all sites is expected to take up to 10 years. As such, the impact of the project on housing demand is unlikely to trigger a demand-based price shock that would fundamentally worsen housing affordability over this period, compared to if the project was delivered and occupied wholly within 1-2 years.

Secondly, population and labour force growth in the Boonah SA2 in recent years means that while additional employment-induced migration is still expected to occur, the rate of growth of the local labour force has accelerated to a degree in recent years that it would likely be sufficient to support and accommodate the net additional labour requirements. Part of the challenge raised in the previous assessment was the lack of underlying labour force growth, meaning that any new employment would have potentially created periods of labour market pressure that would have required migration to the region. This pressure is now lessened because the labour market is now experiencing more normalised growth.

Continued monitoring of the labour market conditions over the implementation and delivery phase of the project is recommended.

2.2.3 Housing Needs Assessment

A review of the 2022 Scenic Rim Housing Needs Assessment prepared by Bear and Bull appears to be broadly sound in its methodology. The analysis confirmed that policy intervention is likely required to meet the housing needs of underlying population growth (based on the now outdated 2018 QGSO projections), to meet the housing needs (both in terms of quantum and more importantly mix) of new households in the Boonah SA2. Such policy interventions have the capacity to deliver an additional 1,700 dwellings in the Boonah SA2 by 2041 over the business as usual approach.

The challenge with assessing the housing need resulting from a major economic development project is that it can be difficult to determine the extent to which the project underpins expected future economic growth in the industry that is assumed as the basis of the population projections. While the agricultural sector growth has been slowing, it remains positive and the extent to which the continuation of this underlying growth rate is contingent on the SRAIP cannot be clearly determined.

This is important as it is expected that a reasonable portion of the net additional housing generated through the Policy Intervention approach would be linked to increased housing demand resulting from the project itself. This is reflected in the fact that Kalbar and Boonah are already identified as high growth areas.

Ultimately, while the data used to support the population projections are dated, the findings of the needs assessment remain sound, and nothing associated with the project and its 10 year delivery fundamental alter the recommendations of the need assessment at this time.

3 ASSESSMENT ANALYSIS LIMITATION

This section provides confirmation of the suitability and appropriateness of the Employment and Economic Impact Assessment methodology and further acknowledgement of associated limitations and corresponding adjustments.

3.1 Impact Analysis Methodology and Limitations

Section 3.2 of the SEIA report provides a detailed outline of the regionalised input output based methodology employed to estimate the employment and economic impacts of the SRAIP, particularly during construction and operational phases.

The methodology provided confirms the use location quotient data and national and state Transaction Table information from National Accounts data of the ABS to develop a set of economic multipliers that relate specific to the Scenic Rim economy.

This utilised at the time of the report the 2017/18 National Accounts Input Output Tables.

Several limitations were identified in the report in the use of economic multipliers, reflecting past criticisms. These include:

- Lack of supply-side constraints
- Fixed prices
- Fixed ratios for intermediate inputs and production
- No allowance for purchasers' marginal responses to change
- Absence of budget constraints
- Not applicable for small regions

To address these criticisms, adjustments were adopted by RPS to the impact analysis methodology including:

- Application of simple multipliers only, eliminating the potentially distorting impact of third round impacts to household consumption from the project.
- Development of region specific multipliers to address the lack of applicability to national multipliers to smaller areas.

3.2 Comments and Responses

It is raised in Office of Coordinator Generals request that *“while the acknowledgement of these assumptions does assist in providing context to the impact assessment, the limitations are general and do not include a current reflection of the regional economy and, as a result, where the impacts of these limitations may be amplified.”*

This however is not an accurate representation of the limitations, or the adjustments made. While the limitations flagged are general in nature, the adjustments made reflect a targeted response that is region specific and location sensitive. As such, claims that the results may be overstated are incorrect.

Instead, it is likely that at the time of this response, that the subsequent growth of the regional economy over the past 5 years as reflected in section 2.0 means the size and scale of the potential impacts of the project during construction and operational phases in the SEIA report are potentially conservative. This reflects the fact that as the real capacity of the Scenic Rim economy has continued to grow, there is further opportunity for project specific expenditure to be internalised within the local economy, where it is otherwise excluded as part of the analysis.

It is however acknowledged that labour related supply side constraints may impact the nature of the impact to the local economy of the project. However, again, this impact is unlikely to be in the form of lower economic impacts but instead an extension of the time period over which the impact is experienced. This is most telling in the construction phase, which both labour and material supply constraints may be impacted. However, the model itself already adjusts for this through the use of a 10 year construction phase and the presentation of annual average construction employment.

Similarly, the impact on the results of the analysis for the operational phase is limited. This is because the operational phase analysis is based on the first full year at which the economic capacity of the precinct is fully realised. Supply constraints are likely to have their greatest impact on the period of time by which this full economic capacity occurs rather than impacting the results themselves.

4 RESPONSE TO SUMMARY OF MATTERS

Table 3 Responses to Summary of Matters

Comment ID	Comment	Response
DSDILGP Comment ID 5.02	Recommend expanding the CBA to include a comparison to the alternative option of retaining the existing Kalfresh facility on site and locating each of the proposed new facilities separately.	The option of splitting new uses from that of the existing Kalfresh operations were already previously tested by RPS as part of the CBA modelling. Using Bromelton as the alternate location, the analysis showed that this scenario resulted in a suboptimal economic outcome for the Scenic Rim by undercutting critical agglomeration and collocation efficiencies and by imposing what is in effect a planning-induced “transport tax” on the project by increasing travel distances between different productive aspects of the project. This approach was regarded as inappropriate to pursue.
DSDILGP Comment IDs, 5.05	"A1 - SRAIP Planning and Location Assessment report. Results of MCA - p11 (17/157) Additional dot point comment: Environment and Carbon Emission - if the SRAIP was moved away from the farming activities the transport element would contribute to additional carbon emissions to the environment and increase the carbon footprint of the SRAIP. This also fits under Implications for Alternative Location - p12 (18/157) - as an additional dot point. Access to Transport Infrastructure Additional comment The benefit of being contained in the one precinct is the reduction of transport on roads, reducing the impact of heavy vehicles and damages to roads, as well as the carbon emission into the environment."	This is addressed above. Environmental and Carbon Emissions is confirmed as being a component cost within ATAP Parameter values on overall input freight costs.
DSDILGP Comment IDs, 5.06	"A2 - Economic and Social Impact Assessment Information and data contained in this report is outdated, and some no longer accurate as a representation of the region references to 2011-2016, some data is 2018 and 2019 Conclusions p4 (p10/60) Key preliminary social impact findings conclusions from the report include - examples Housing and Accommodation - negligible impact on housing affordability and will likely support house prices in the Boonah region which have been declining or flat over the past 5 years;"	Refer to section 2.2 of this response
DSDILGP Comment IDs, 5.07	"A2 - Economic and Social Impact Assessment Key preliminary social impact findings conclusions from the report include (p43/60) - example Workforce Management and Impacts Unemployment Scenic Rim has a broadly below average level of unemployment, which is common with regional and agricultural economies. However, unemployment in the Beaudesert SA2 is significantly higher, currently above 8% and peaking over 10% in 2015."	Refer to section 2.1 of this response for updated socio-economic and demographic attributes covering Scenic Rim as well as Boonah and Kalbar.
SRRC Comment ID 15.76	Where possible, updated figures based on 2021 Census would be ideal.	Refer to section 2.1 of this response for updated socio-economic and demographic

Comment ID	Comment	Response
		attributes covering Scenic Rim as well as Boonah and Kalbar.
SRRC Comment ID 15.77	Question whether the Demographic and socio-economic profile section would be more realistic if broken down via SA2? Hesitant to include Tamborine - Canungra SA2 figures due to distance, topography, different demographics (e.g. age). It may be skewing figures and assumptions.	This breakdown was actually already provided as part of the Social Impact Analysis and has been also updated again for more current data for Kalbar and Boonah SA2 where relevant in section 2.1 of this response.
SRRC Comment ID 15.78	Provision of providing 30% of jobs filled by residents in the region may not be realistic given the current housing affordability and supply issues in the area. The report needs to acknowledge that this figure may not be realised if the housing issues remain ongoing.	This remains a realistic figure. While housing affordability has worsened based on the income profile of an ageing population, this is not necessarily reflective of the housing affordability of younger working age employed workers. Current house prices, while higher for the region, remain comparatively affordable compared to other parts of SEQ.
SRRC Comment ID 15.79	Section 3.3.3 Operational Activity - more details on floor space estimates and types of uses used for the calculation are required.	The SEIA analysis did not use floor space to estimate Output and GVA impacts. Instead RPS used average manufacturing business turnover estimates for the Scenic Rim LGA and applied those to each of the lots. RPS didn't have floor space estimates at the time to derive a detailed employment estimate that could be used to calculate per capital Gross Value Added using worker productivity, so this was the best approach. RPS did adjust the turnover (which is economic output) to GVA using the Economic Input/Output tables to and the GVA to Output ratio for the region.
SRRC Comment ID 15.80	Section 5.2 Table 11 - States that for Induced Industrial Production (Non-Kalfresh):- ... Assumes 50% of sites occupied for food manufacturing and the remainder for other general food-related industry. Some of the proposed SRAIP uses are not for general food-related industry (e.g. Transport depot, service station etc.) and this may impact the calculations. Again, a list of uses and floor space included in the calculation would be helpful.	The mix of uses described applied only to industrial uses. Transport and service station uses were applied separately. Review of the multipliers estimated by RPS for general food related industries is broadly in line with non-food manufacturing sectors in terms of their economic significance. No changes required.
SRRC Comment ID 15.81	Figure 27 Nominal Present Value Benefits (pg. 50) - most of the share of benefits comes from Induced industrial production (non-Kalfresh) yet Kalfresh have an application in for around 50% of the industrial land (this is excluding composting on the rural land). Therefore, question whether the non-Kalfresh uses are overestimated. Again, a list of uses would be helpful for a complete picture.	No. The mix of benefits reflects the fact that Kalfresh operations that transfer from the site do not constitute net additional uses for the purpose of the CBA. As such, while the total economic output contribution from Kalfresh from the site when fully operational is expected to be close to 50%, this is discounted from the CBA. In other words, it is not that non-Kalfresh industrial uses are overstated, more that the conservative nature of the CBA means that Kalfresh uses are likely understated.

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SCENIC RIM AGRICULTURAL INDUSTRIAL PRECINCT

Social and Economic Impact Assessment

RPS Report - Scenic Rim
Agricultural Industrial
Precinct
FINAL E
20 February, 2023

REPORT

Document status

Version	Purpose of document	Authored by	Reviewed by	Approved by	Review date
Draft A	First draft for client review	MW			29/11/2019
Draft B	QA Draft for client review	MW	LB	MW	3/12/2019
FinalA	Final draft for submissions	MW	LB	MW	10/12/2019
FinalB	Final draft incorporating CG and Agency feedback and comments	MW	LB	MW	06/02/2020
FinalC	Final draft incorporating additional SIA content	MW	LB,CT,CH	MW	17/03/2020
FinalD	Final draft incorporating additional SIA content and updated plans	MW	CT	MW	09/04/2020
FinalE	Final draft removing museum reference and updating strategies to reflect proponent commitments	CF	JC	JC	20/02/2023

Approval for issue

Mark Wallace



9 April 2020

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EXECUTIVE SUMMARY

Introduction

- Kalfresh intends to create an integrated agricultural processing precinct, the Scenic Rim Agricultural Industrial Precinct (SRAIP), at their existing Kalbar operations which are 4km North of Kalbar, on the Cunningham Highway.
- RPS was engaged to prepare a Social and Economic Impact Assessment of the Precinct. The Impact Assessment has been undertaken for the Scenic Rim Regional Council Local Government Area as well as the Australian economy.

Scenic Rim Demographic and Socio-Economic Profile

- The Scenic Rim region has experienced strong population growth in recent years but is ageing rapidly. Like many parts of regional Australia, the Scenic Rim suffers from the loss of young adults and workers from the community and economy.
- Part of the challenge is that as a strong agriculture-based economy, the Scenic Rim lacks job opportunities to retain and attract young workers.
- Opportunity exists to leverage significant agricultural production to increase manufacturing and industry-based value adding. This will help to increase employment opportunities, attract new businesses and help to accelerate and diversify the local economy.
- Existing industrial land supply in the Scenic Rim is dominated by the Bromelton State Development Area which serves as both an inland port/multimodal freight hub and a location for heavy industry. Existing industrial land is not suitable for an integrated and purpose built agricultural and industrial land precinct with industrial ecology and waste-to-energy power generation attributes.

SRAIP Economic And Employment Impact Assessment

- At the core of an Employment and Economic Impact Assessment is Input–Output (IO) tables. IO tables are part of the national accounts by the ABS and provide detailed information about the supply and use of products in the Australian economy, and the structure of and inter–relationships between Australian industries.
- For the purpose of calculating appropriate regional multipliers, economic activity across both Scenic Rim and Lockyer Valley regions were considered. This has the effect of providing a critical mass of economic activity to enable reliable adjustments to national multipliers to be made to calculate the impacts on the Scenic Rim economy only, through the development of a regional transaction table.
- Direct and indirect employment impacts of the proposed project are summarised in the table below.

Table 1 Summary of Employment Impacts, Subject Project

Summary	Direct	First Round	Industrial Support	Simple Multiplier
Construction (Over 10 Years)	641	279	75	995
Construction (Annual Average)	64	28	8	100
Operational Jobs	475	414	158	1,047

- RPS has assessed the economic impact of the proposed project during construction and operational phases for both the Scenic Rim and national economies. The Simple Economic Multiplier impacts are summarised below.

Table 2 Summary of Economic Impacts and Contributions, Simple Economic Multiplier, Subject Project

CONSTRUCTION		
Total	Scenic Rim	Aust
Output	\$348.8	\$712.1
Income	\$46.8	\$127.7
Gross Value Added	\$89.5	\$238.9
Annual Average	Scenic Rim	Aust
Output	\$17.44	\$35.61
Income	\$2.34	\$6.39
Gross Value Added	\$4.47	\$11.94

OPERATIONAL		
Annual	Scenic Rim	Aust
Output	\$425.1	\$574.1
Income	\$80.0	\$118.3
Gross Value Added	\$140.5	\$211.9

- Approximately 37.5% of the construction impact and 66.3% of the operational impact will be captured by the local economy, with the remainder captured by State and National economies (excluding the Scenic Rim).
- Compared to the Gross Regional Product in 2018, the proposed project will contribute total Gross Value Added during the construction phase equivalent to 5.3% of the regional economy. Similarly, upon full completion and development, the operational phase of the project will contribute the equivalent of 8.3% of the current Scenic Rim economy.

Social Impact Assessment

- This preliminary Social Impact Assessment has been undertaken in line with the key matters and overarching structure required for an SIA as outlined in the Coordinator General Social Impact Assessment Guideline March 2018. This includes focus on:
 - Community and stakeholder engagement;
 - Workforce management;
 - Housing and accommodation;
 - Local businesses and industry procurement; and
 - Health and community wellbeing.
- It also includes consideration of a number of other social and community impacts identified by Kalfresh and RPS (as the author) as required for other State and Federal Government assessment programs, including:
 - Increases to regional amenity and local quality of living for residents;
 - Improving community connections and inclusion and providing opportunities for learning and knowledge creation.

- The degree to which the project fills a ‘gap’ within the community
- Improving community connections and social inclusion;
- supporting or protecting local heritage and culture; and
- addresses disadvantage within the community.
- The SRAIP will transform, diversify and value add to the Boonah and Scenic Rim communities. It will support a more sustainable and diversified economy which will be less volatile and provide local farmers with an expanded value adding opportunities in the region.
- Additionally, local businesses in construction and manufacturing support sectors will benefit from their involvement in the SRAIP supply chains, improving their sustainability and viability.
- Finally, new jobs will improve the socio-economic and demographic attributes of the region, make employment more accessible for workers currently travelling outside of the region and add much needed sustainability and dynamism to local communities.
- These social impacts are expected to primarily benefit the towns of the Scenic Rim, especially Kalbar and Boonah and is not expected to place pressure on current supplies of emergency, health and community services delivered across the towns and western sub-region of the LGA.

Opportunities to Capture Benefits

- RPS identified a series of potential financial, economic, social and environmental benefits from the establishment and operation of SRAIP. These include:
 - Gross Value Added of Additional Food Production (Kalfresh);
 - Construction Supply Chain (Stage 1 infrastructure only);
 - Value of Digestate;
 - Induced Industrial Production (Non-Kalfresh);
 - Anerobic Waste to Energy Power Production;
 - Expenditure by New Workers (Kalfresh);
 - Expenditure by New Workers (Non-Kalfresh);
 - Avoided Greenhouse Emissions (Waste);
 - Avoided Landfill Disposal Costs;
 - Avoided Landfill Externalities (Non-Greenhouse Gases);
 - Reduction in Unemployment; and
 - Reduced Travel Time for Repatriated Workers.

RPS estimates that the SRAIP will generate between \$229.5m and \$327.1m in benefits for the Scenic Rim and State economies and communities over the next 20 years (present value at 7% and 10% discount rates).

Conclusions

- The SRAIP has the potential to positively impact the socio-economic environment and structure of the Scenic Rim. It represents an opportunity to catalyse a shift in the Scenic Rim economy to one that is more sustainable, less volatile/seasonal and more dynamic and diverse. This shift will have the benefit of enhancing the attractiveness of the region to younger workers and families, a demographic needed to both address socio-economic and demographic challenges and gaps emerging in the region.
- Key employment and economic impact findings and conclusions from the report include:
 - **Construction jobs** – 641 direct and 354 indirect local jobs over 10 years;
 - **Additional Operational Jobs** – 475 direct and 572 indirect local jobs annually upon full development;
 - **Construction Gross Value Added** - \$89.5m contribution to the Scenic Rim economy (+5.3%) and \$238.9m to the Australian economy over the 10 years construction phase; and
 - **Operational Gross Value Added** - \$140.5m contribution to the Scenic Rim economy (+8.3%) and \$211.9m contribution to the Australian economy annually upon full development.
- Key preliminary social impact findings and conclusions from the report include:
 - **Workforce Management and Impacts** – more sustainable construction pipeline for construction workers and more diverse and accessible and less seasonal, permanent employment opportunities for local workers in the long-term;
 - **Housing and Accommodation** – negligible impact on housing affordability and will likely support house prices in the Boonah region which have been declining or flat over the past 5 years;
 - **Local Businesses and Industry Procurement** – opportunities for local businesses across the project life, particularly during the operational phase, by providing local agricultural producers with a reliable local value adding market for output. Also improved local energy security through the proposed investment in an onsite major anaerobic digester;
 - **Health and Community Wellbeing and Quality of Life** – project employment will generate increased local household incomes and reduce overall income and economic volatility through greater economic diversification;
 - **Regional Amenity** – provide a new and modern industrial environment for workers as well as convenient access to retail and fuel services for workers and visitors;
 - **Filling Gaps in the Community** – helping to incentivise local attraction and retention of younger workers and facilities to offset the emerging demographic imbalance in the region;
 - **Community Connections and Social Inclusions** – encourages and incentivises increased labour force and economic participation, which worsened in the 5 years to 2016.
 - **Address Social Disadvantage** – provide employment opportunities and diversified economic activity and value added to improve access of households in the region to key Economic Resources and reduce local unemployment.
- The present value of financial, economic, social and environmental benefits of the SRAIP are estimated at between \$229.5m and \$327.1m over the 20 years to 2040 (based on 7% and 10% discount rates).

1 INTRODUCTION

This section provides an overview of the structure and content of the Social and Economic Impact Assessment.

1.1 Background and Context

Kalfresh intends to create an integrated agricultural processing precinct, the Scenic Rim Agricultural Industrial Precinct (SRAIP), at their existing Kalbar operations which are 4km North of Kalbar, on the Cunningham Highway.

The vision of the Scenic Rim Agricultural Industrial Precinct is to create a place where primary rural activities and secondary rural industry activities are located within close proximity to each other to create opportunities not feasible in the typical food-to-retailer system. Currently food production starts with the removal of whole crops directly from farms and transported to the urban areas for washing, sorting, processing, and packaging for market. The Scenic Rim Agricultural Industrial Precinct will consolidate the spread of these activities to a smaller geographic region.

The SRAIP will draw food processing and manufacturing businesses to one site in a regional community, enabling the production of fresher food products, faster and at competitive value to enable access to more markets.

Future business activities envisioned for the SRAIP include, but are not limited to:

- Food and beverage production areas, will be allocated the bulk of the site, allowing for allotments with a minimal size of 1-5 ha, with the ability to go up to 20ha depending on individual end-user requirements;
- Rural Industrial Support Services, allowing for Rural and Industrial service industries requiring a smaller development parcel with a minimal allotment size of 4000m²;
- Research and Development -, laboratories, administration and distribution offices; ;
- Ancillary services and development infrastructure - all required services for the SRAIP will be provided as part of the proposed development. Infrastructure uses include:
 - Co-generation facility utilising anaerobic digestion to produce biogas to be utilised to power the proposed cold store units within the SRAIP and digestate to be fed back onto the farms as fertiliser;
 - All applicable connections, including power, water, sewerage, telecommunications and transport links.

Preliminary analysis identified a range of potential benefits and impact of the Precinct including:

- Diversification of rural industry and rural production activities in the region, through:
 - Creating continuous demand for food production in the local region;
 - Attract interest and investment to the region;
 - Creating downward pressure on production costs to enable a variety of crops and food production activities that are unable to be realised commercially under the current system e.g. Reduced transportation costs and reduction of “food miles”;
 - Enabling production of fresher food products, faster;
 - Provide certainty to landholders, industry and the community about the future planning intent for ongoing investment in agriculture.

- Food Waste Reduction, through;
 - Reuse of crop offcuts, which benefits the local and wider region by;
 - Creating a feed stock source, which would otherwise be financially unviable to send back to the region once in Brisbane City, thus reducing landfill;
 - Creating another food source for human or pet consumption i.e. juicing, ready-made meals and salads, pet food.
 - Production of energy through Anaerobic Digester/s
 - Reduction in transportation costs to transfer crops multiple times across the region to reach the retailers.
 - Diversion of organic (food and garden) waste from the surrounding area to produce a higher value compost product.
- Employment Opportunities through;
 - Creating direct year-round (not seasonal) demand from food production operations, in a rural area which typically has a low employment rate
 - Creation of indirect employment through the local economy spending from employees living and migrating to live with the local region i.e. trades, retailers.
- Social Opportunities through;
 - Increased opportunities for regular employment and an increase in the number of employees living and migrating to the local region.
 - Stabilisation of existing local and regional services, including the potential for higher numbers of enrolments in local schools and supporting community services such as the local lions and rotary groups.
- Better Utilisation of Local Infrastructure, particularly water
 - Land in the Fassifern Valley has access to the reliable Lake Moogerah. This reliable water source underpins the region's horticultural production and the ROI of this water infrastructure is high.

1.2 Report Purpose and Structure

RPS was engaged to prepare a Social and Economic Impact Assessment of the Precinct. This Assessment Report includes the following key sections:

- **Introduction** – overview of the project background, purpose, structure and study area;
- **Scenic Rim Demographic and Socio-Economic Profile** – profile of key attributes of the population and economy of the Scenic Rim to inform employment, economic and social impacts;
- **Employment and Economic Impact Assessment** – an input-output multiplier-based employment and economic impact assessment of construction and operational phases of the project;
- **Social Impact Assessment** – preliminary multi-criteria analysis (MCA) based social impact assessment of the project;
- **Opportunities to Capture Benefits** – summary of high level cost benefit analysis of the quadruple bottom line benefits from the project over a 20 years period at formal discount rates; and

- **Conclusion** – summary of key conclusions of the project.

1.3 Geography and Study Area

For the purposes of this assessment, RPS has defined the Study Area as the Scenic Rim Regional Council. This Local Government Area (LGA) is comprised of three separate Statistical Area 2 (SA2 statistical geography from the ABS):

- Beaudesert;
- Boonah; and
- Tamborine-Canungra.

Additionally, RPS has drawn on economic data for the Lockyer Valley to assist in the development of reasonable and reliable economic and employment multipliers for the Scenic Rim.

This Scenic Rim LGA is illustrated in Figure 1. A more localised map showing the SRAIP site is illustrated in Figure 2.

1.4 Glossary and Abbreviation

The following terms and abbreviations are used in this report.

Terms and Abbreviations	Description
ABS	Australian Bureau of Statistics
EIA	Economic Impact Assessment
GRP	Gross Regional Product
GVA	Gross Value Added
LGA	Local Government Area
MCA	Multi-Criteria Analysis
SA2	Statistical Area 2
SEIA	Social and Economic Impact Assessment
SEIFA	Socio-Economic Index for Advantage
SIA	Social Impact Assessment
SRAIP	Scenic Rim Agricultural Industrial Precinct

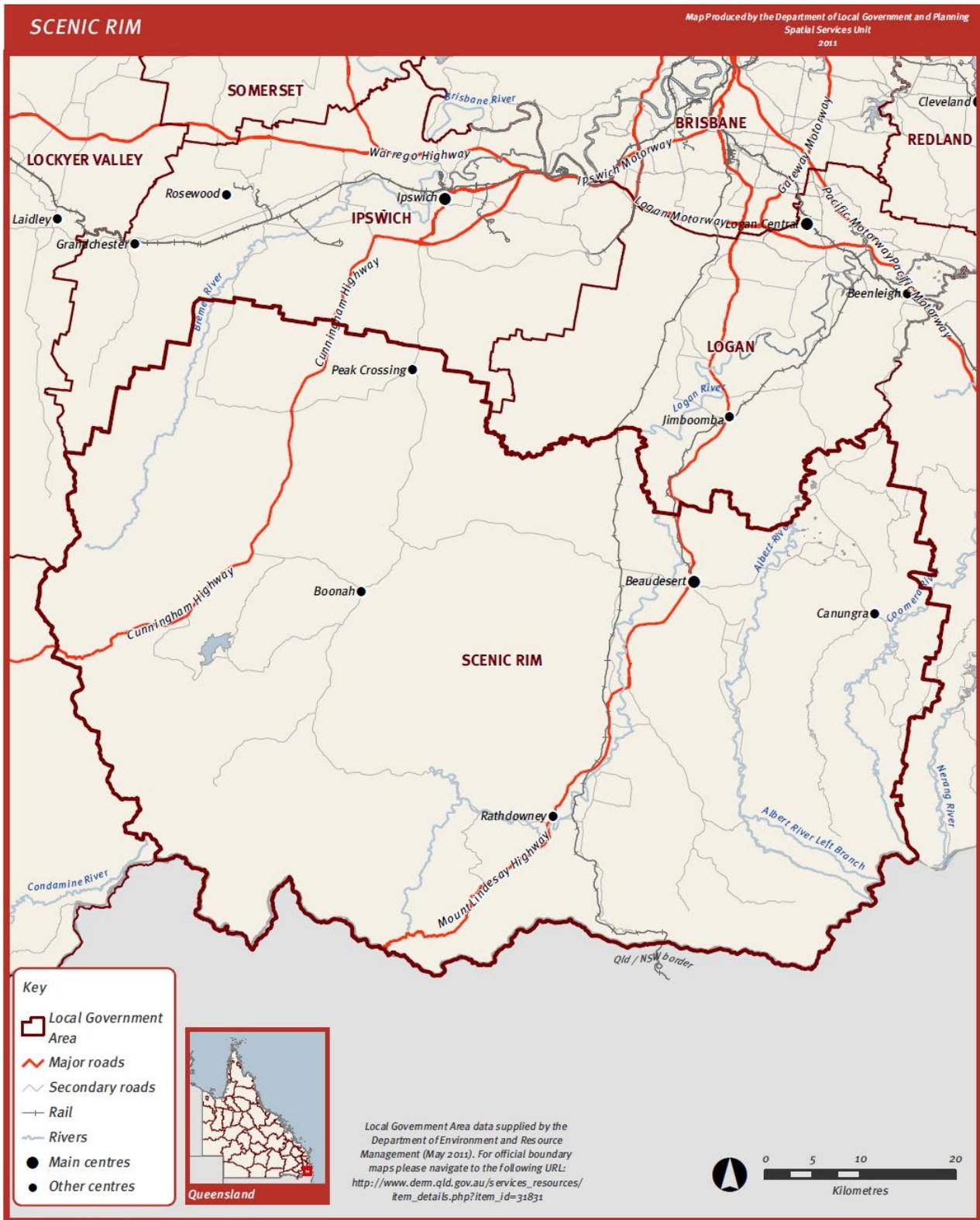


Figure 1 Scenic Rim Regional Council Local Government Area



Figure 2 Subject Site

2 SCENIC RIM DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

This section of the report profiles and summarises key population, demographic, socio-economic and industry attributes of the Scenic Rim, providing critical context and justification for the proposed project.

2.1 Key Findings

The Scenic Rim region has experience strong population growth in recent years but is ageing rapidly. Like many parts of regional Australia, the Scenic Rim suffers from the loss of young adults and workers from the community and economy. Part of the challenge is that as a strong agriculture-based economy, the Scenic Rim lacks jobs opportunities to retain and attract young workers. Opportunity exists to leverage significant agricultural production to increase manufacturing and industry-based value adding. This will help to increase employment opportunities, attract new businesses and help to accelerate and diversify the local economy.

2.2 Population and Age Profile

The Scenic Rim region has a critical mass of population with 42,583 residents and has historically experienced steady growth, increasing at an annual average growth rate of 1.8% over the past decade. Growth is projected to accelerate in the short-medium term, with an expected average annual growth rate of 22.4% between 2018 and 2031. Growth will continue over the following decade, albeit at a slightly slower pace, at 1.5% per year between 2031 and 2041. Total population within the Scenic Rim will surpass 50,000 people by 2025, with this figure increasing to beyond 67,000 by 2041, a 58.4% total increase from 2018's population.

Scenic Rim has a significant elderly population, relative to both the rest of the Scenic Rim population figures, as well as the Queensland benchmark of ageing residents. Accounting for more than 1 in 5 residents (20.5%), those aged 65 and over in Scenic Rim are the largest age cohort, followed by children aged 0 to 14 at 19.1%.

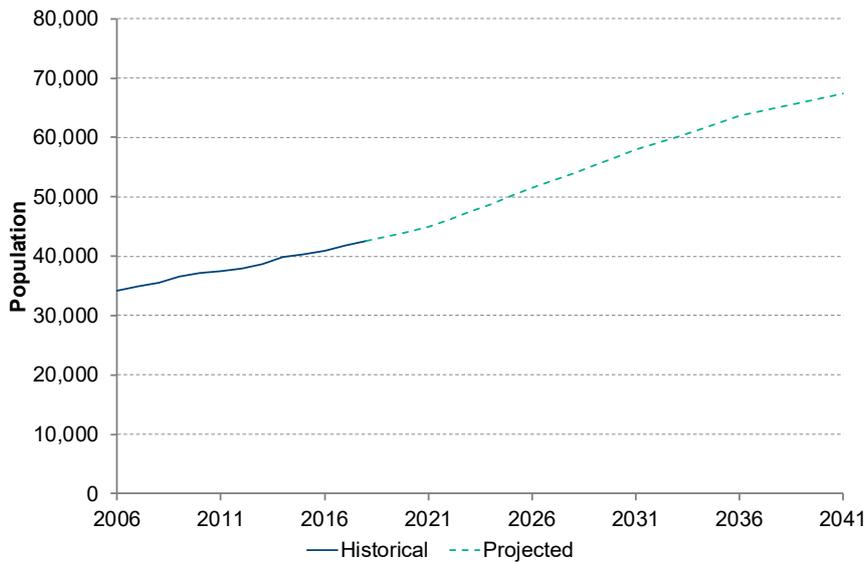


Figure 3 Historical and Projected Population, Scenic Rim LGA¹

There is an apparent gap in younger, working age people, with those aged 25 to 34 making up just 8.9% of the Scenic Rim population, compared with the Queensland standard of 14.2%. Scenic Rim’s share of those aged 15 to 24 and 35 to 44 are also below that of the Queensland benchmark, demonstrating the relative lack of working age people in the region.

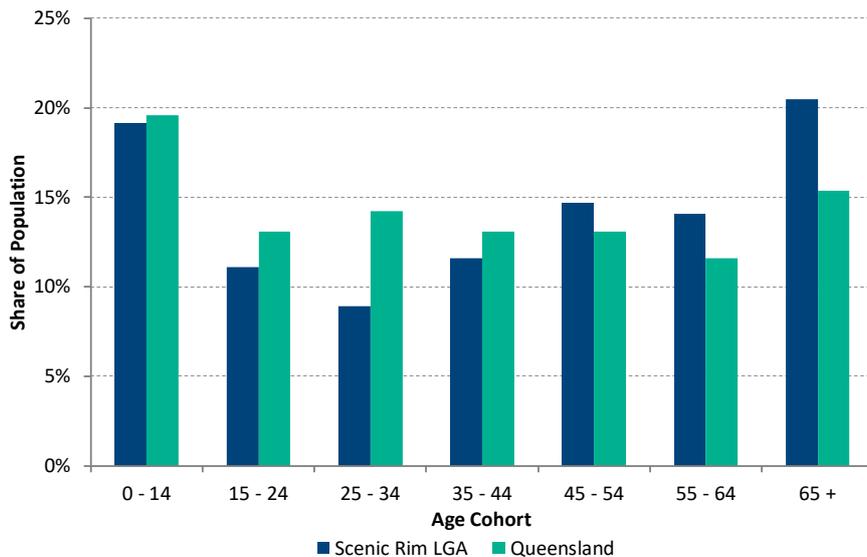


Figure 4 Age Profile, Scenic Rim LGA and Queensland²

In line with the ageing nature of Australia’s population, Scenic Rim’s elderly population is projected to grow, accounting for over 1 in 4 people by 2031 (26.4%), and almost 1 in 3 by 2041 (29.2%).

¹ QGSO (2019). Population Projections, Queensland Government Statistician’s Office, Queensland Treasury

² ABS (2019). Regional Population by Age and Sex, Cat. No. 3235.0, Australian Bureau of Statistics

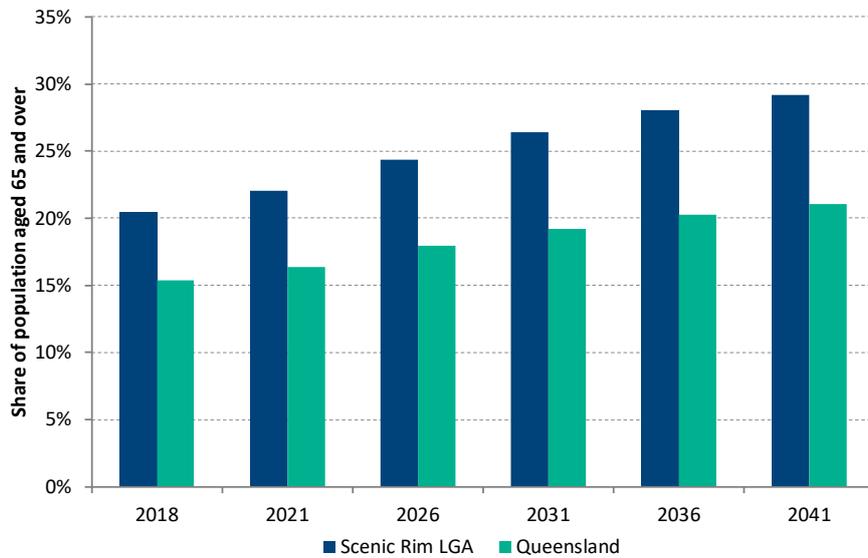


Figure 5 Elderly Share of Population, 2018 to 2041, Scenic Rim LGA and Queensland

2.3 Socio-Economic Characteristics

Socio-Economic Indexes for Areas (SEIFA) is a range of four indexes produced by the ABS to rank areas in Australia according to relative socio-economic advantages and disadvantages. The information is based off census data, with the Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD) one of the more commonly used outputs from the ABS’s output. The index is based around a score of 1000 – areas with a score below 1000 are more disadvantaged, and those with a score above 1000 are more advantaged.

The IRSAD presents a value of 968 for the Scenic Rim LGA, indicating a somewhat disadvantaged region. The SA2s within the region present a broad range of relative advantage and disadvantage, with the Tamborine-Canungra identified as an area of relative advantage (1025), while Boonah and Beaudesert SA2s are disadvantaged, scoring 963 and 913, respectively.

Table 3 SEIFA Scores, Index of Relative Socio-economic Advantage and Disadvantage³

Geography	Index
Boonah SA2	963
Beaudesert SA2	913
Tamborine – Canungra SA2	1025
Scenic Rim LGA	968

Median income in the Scenic Rim region has historically been below that of the state of Queensland, however from 2011 to 2016 income growth was greater in the Scenic Rim than the state benchmark. Median Weekly Household Income in Scenic Rim grew from \$1,013 in 2011 to \$1,222 in 2016, a total increase of 20.6%. This is in comparison to Queensland that grew from \$1,235 to \$1,402 in the same time frame, an increase of 13.5%.

³ ABS (2018). Socio-Economic Indexes for Areas (SEIFA), Cat. No. 2033.0.55.001, Australian Bureau of Statistics



Figure 6 Median Weekly Household Income, 2011 and 2016, Scenic Rim LGA and Queensland⁴

Unemployment figures in the region have broadly followed the trend of Queensland’s overall unemployment over the past decade. Over 2014 and 2015 Scenic Rim’s unemployment increased above the State standard, though since 2016 Scenic Rim’s unemployment has balanced between 5% and 6%, below Queensland’s rate of unemployment.

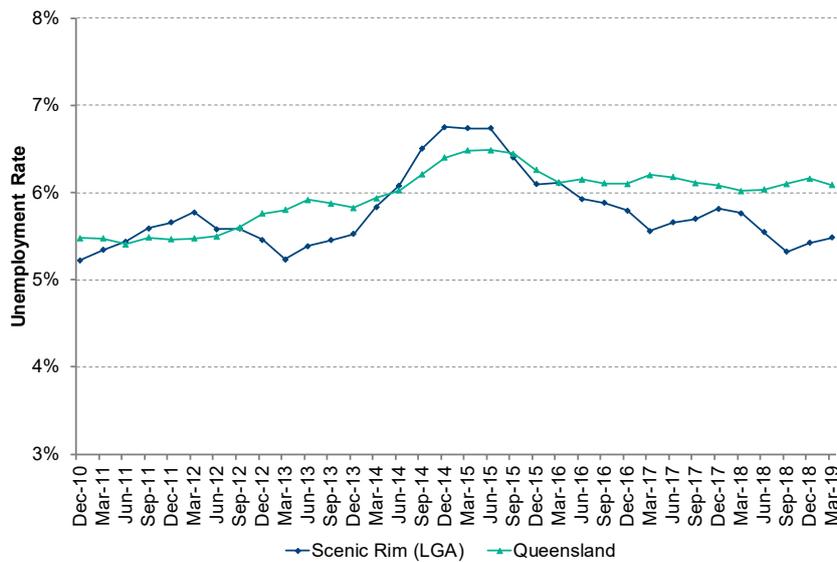


Figure 7 Unemployment Rate, Scenic Rim LGA and Queensland⁵

Further analysis into the region’s unemployment shows that both Boonah SA2 and Tamborine-Canungra SA2 have experienced low unemployment rates over the past decade. Since December 2010, Boonah’s unemployment rate has averaged 4.3%, with Tamborine-Canungra marginally higher at 4.7%. Beaudesert SA2 has had a structurally higher unemployment, with greater fluctuations and a higher average at 8.5% in the same time period.

⁴ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

⁵ DESSFB (2019). LGA Data Tables - Small Area Labour Markets, Department of Employment, Skills, Small and Family Business

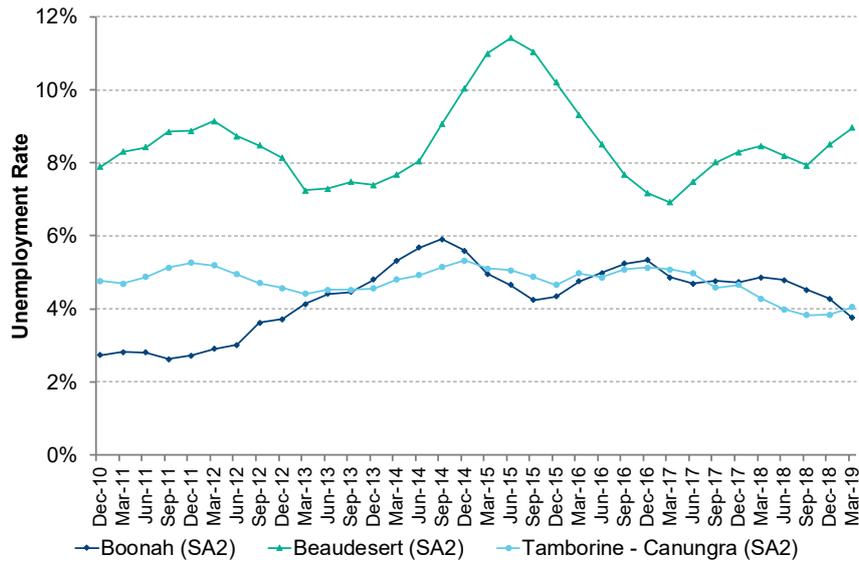


Figure 8 Unemployment Rate, Boonah, Beaudesert and Tamborine – Canungra SA2s⁶

2.4 Agriculture and Industry

Agriculture, Forestry and Fishing as an industry accounts for the largest share of employees in the Scenic Rim region, with nearly 1 in 7 people (13.3%) employed in the sector. Agriculture, Forestry and Fishing accounts for just 3% of employment in Queensland, indicating the strength of the industry in the Scenic Rim.

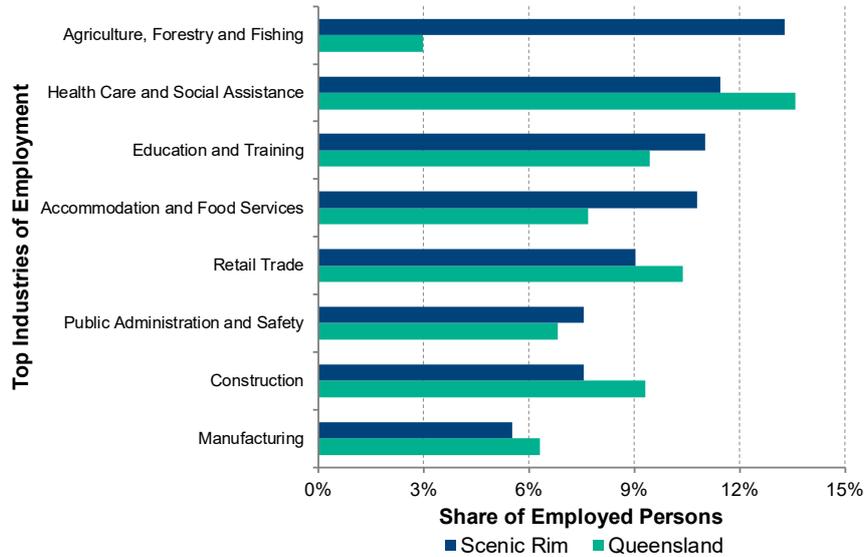


Figure 9 Top Industries of Employment, Scenic Rim LGA (Queensland Benchmark)⁷

Health Care and Social Assistance is another significant contributor to the local labour force (11.5%), with Education and Training and Accommodation and Food Services providing 11.0% and 10.8% of jobs, respectively. A deeper look at agricultural employment in Scenic Rim shows that sheep, beef cattle and grain farming accounts for 4.1% of employment, with dairy cattle farming and mushroom and vegetable growing also key employers in the region (1.9% and 1.8%, respectively).

⁶ DESSFB (2019). SA2 Data Tables – Small Area Labour Markets, Department of Employment, Skills, Small and Family Business

⁷ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

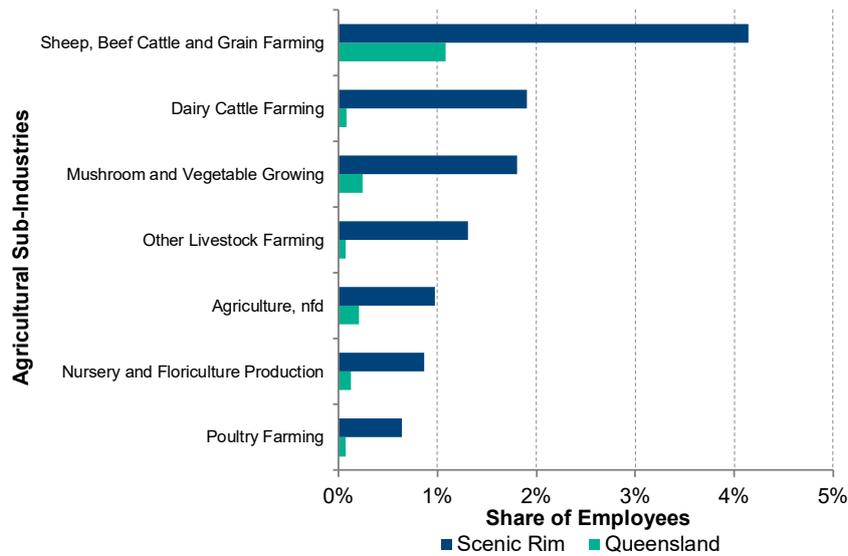


Figure 10 Agricultural Employment, 3 Digit Level, Scenic Rim LGA (Queensland Benchmark)

A majority of businesses in Scenic Rim are non-employing organisations, with two thirds (66.8%) of businesses operating without any employees, higher than the Queensland benchmark of 62.4% of non-employing businesses. 31.8% of Scenic Rim businesses have between 1 and 19 employees and 1.5% of businesses with between 20 and 199 employees. There is an absence of big businesses based in the region, with zero companies reporting more than 200 employees.

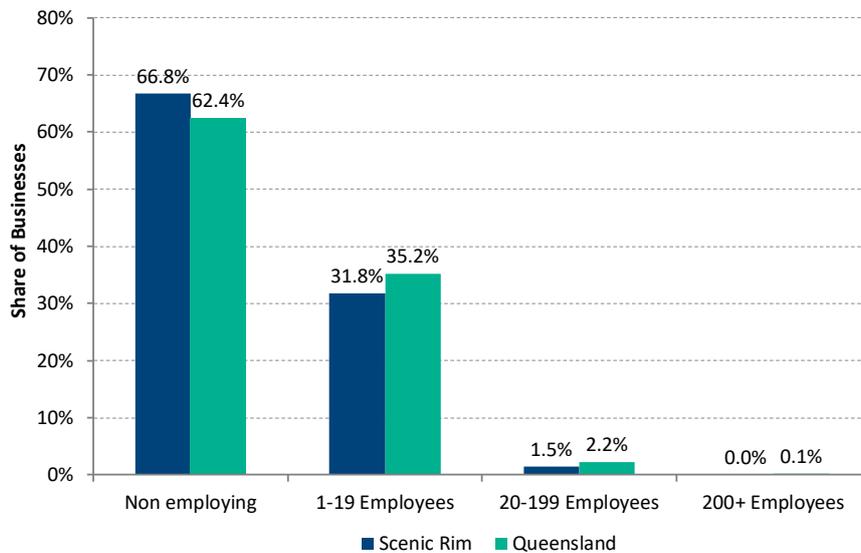


Figure 11 Business Registrations, Scenic Rim and LGA, 2018⁸

Non-residential building approvals have fluctuated significantly over the past 5 years, with no substantial trends or signs of stability in the region. After a productive 2016/17 financial year in which over \$92m in non-residential buildings were approved, 2017/18 saw just \$16m in value. 2018/19 recovered to over \$47m, though still much lower than the lofty standards set in 2016/17.

⁸ ABS (2019). Count of Australian Businesses, Cat. No. 8165.0, Australian Bureau of Statistics

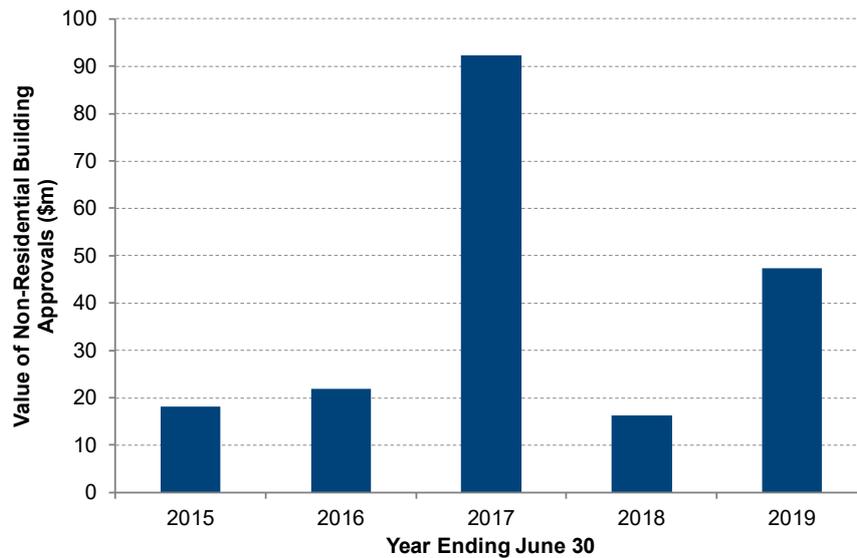


Figure 12 Value of Non-Residential Building Approvals, Scenic Rim LGA⁹

Given the lack of consistency in building approvals over the past half a decade in Scenic Rim, the past three years of developments were aggregated in order to establish which sectors have seen growth in buildings. 41% of non-residential building approvals have come from commercial buildings, with retail and wholesale trade buildings the most significant contributor. One third of approvals came from other non-residential buildings, such as aged care facilities, health buildings and short-term accommodation. Industrial buildings accounted for the smallest share in the past three years (26%), inclusive of agricultural buildings and warehouses.

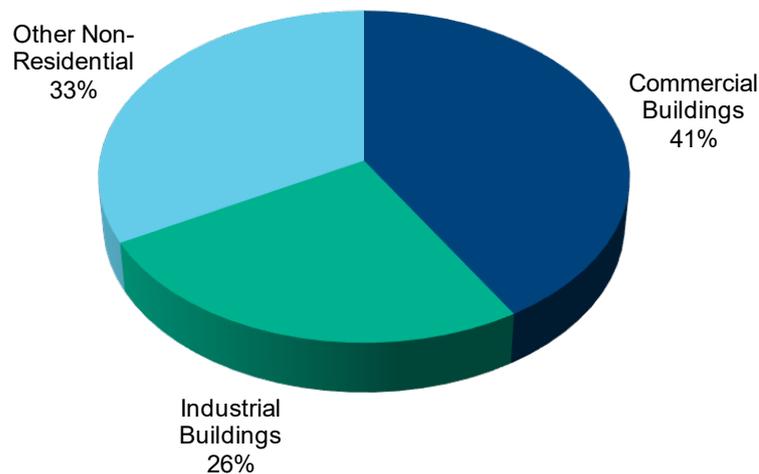


Figure 13 Non-Residential Building Approvals by Type, Past 3 Years, Scenic Rim

⁹ ABS (2019). Building Approvals, Cat. No. 8731.0, Australian Bureau of Statistics

2.5 Exports and Gross Regional Product

A majority of exports from the Scenic Rim region stay within Australia, with 94.2% of exports in 207/18 within the domestic market, leaving just 5.8% of exports heading to international markets. Exports have historically grown at a relatively consistent rate, though a peak in 2012 saw a drop and stagnant level of exports until 2016. Value of exports have since surpassed 2012 levels, with 2017/19 producing \$829m in domestic exports and \$51m in international exports.

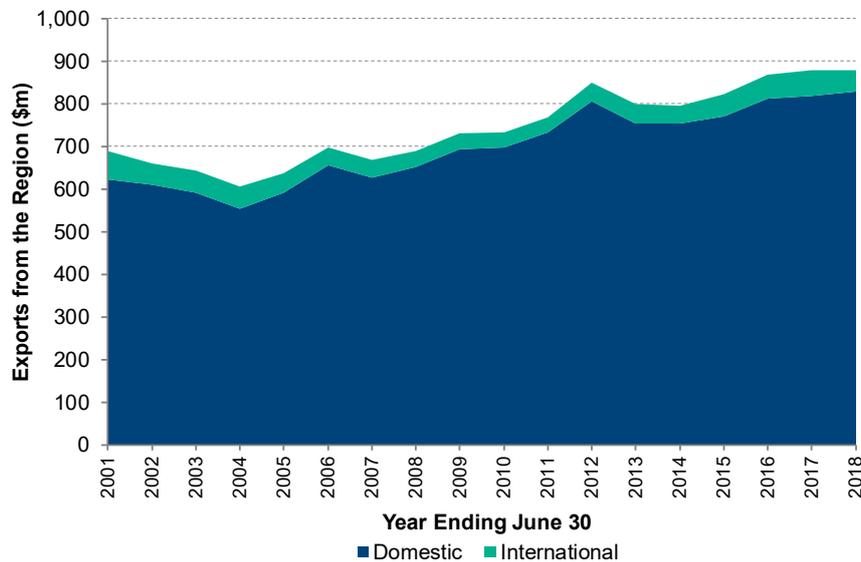


Figure 14 Exports from Scenic Rim LGA, Domestic and International¹⁰

Similar to that of employment, exports from the Scenic Rim are also dominated by the agriculture industry. 2017/18 saw \$380m of agricultural exports, accounting for 43.3% of all exports from the region. This was made up of \$363.5m in domestic exports and \$17.1m in international exports, indicative of the strength of the region as a domestic agriculture supplier. Food product manufacturing was the second most significant industry, with 10.4% of exports at a value of \$91.9m. This presents a clear picture of the strengths of the Scenic Rim local economy, with the infrastructure and geographic positioning of the area fostering a relationship between agricultural producers and food product manufacturers.

¹⁰ National Institute of Economic and Industry Research (2018). Scenic Rim Regional Council: Exports, economy.id

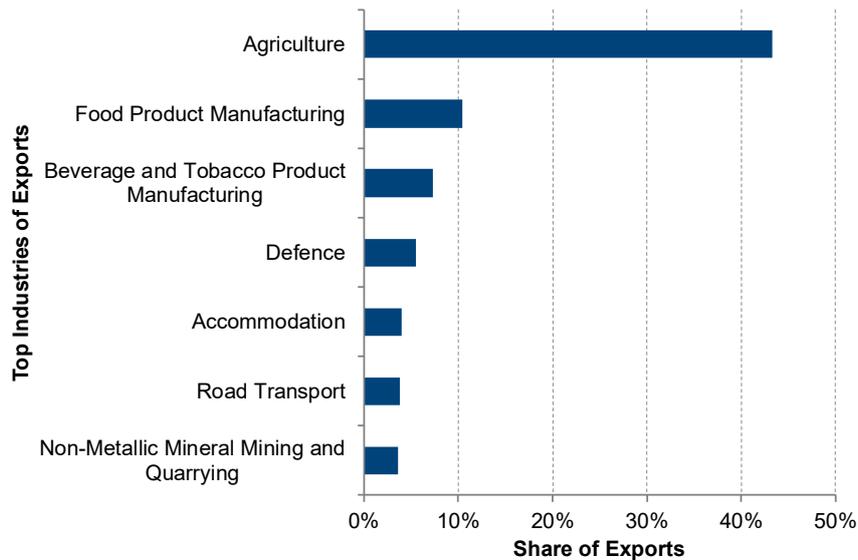


Figure 15 Top Industries of Total Exports, Scenic Rim LGA

A significant portion of agricultural value stems from livestock, which accounts for over half of the value of agricultural commodities in the region (55%). Vegetables are produced at a large scale in Scenic Rim, making up a fifth (20%) of the value of agricultural commodities, while dairy production is responsible for 12% of the regions agricultural output value.

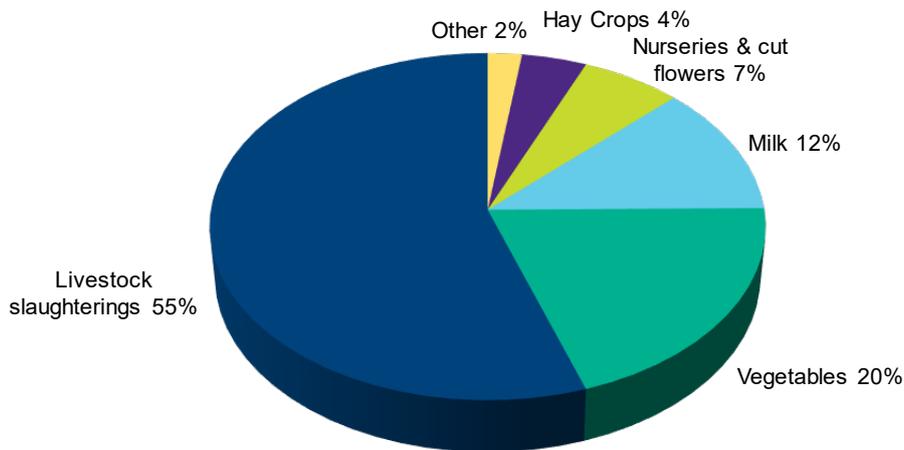


Figure 16 Value of Agricultural Commodities, Scenic Rim LGA¹¹

Gross Regional Product is closely correlated with the level of exports, with GRP following a similar trend to export volume in recent history. After a slight peak in 2012, GRP was stagnant for several years, though the past two years have seen annual growth return, continuing the upward trajectory set pre-2012. Headline GRP was \$1,768 in 2017/18 financial year, in real terms based off 2016/17 figures.

¹¹ ABS (2017), Value of Agricultural Commodities Produced, Cat. No. 7503.0, Australian Bureau of Statistics

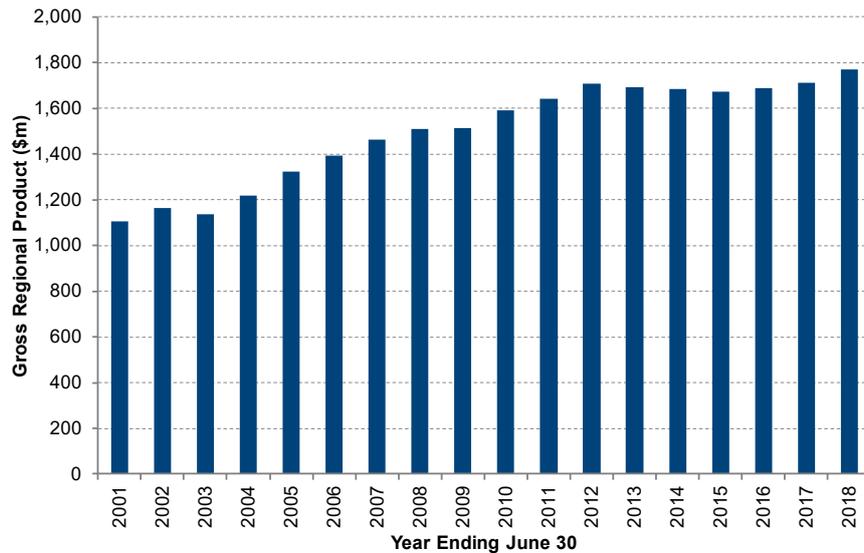


Figure 17 Historical Gross Regional Product, Scenic Rim LGA¹²

2.6 Industrial Land Profile and Impacts

According to the State Government Land Supply and Development Monitor¹³ From 2011 to 2018, approximately 215 hectares of developed industrial land in Scenic Rim was taken up from vacant land. The development mostly occurred on land intended for high impact and low impact industry land and represents a take up rate of approximately 25-30ha per year.

There is 923 hectares of planned industrial land in Scenic Rim as at 2018. This planned industrial land comprised land intended for low, medium and high impact¹⁴. Based on historical take up rates, this represents the equivalent of over 30 years of supply.

Similarly, the Land Supply and Development Monitor indicates that current planned and zoned industrial land supplies have the capacity to meet the Shaping SEQ industrial employment targets for the Scenic Rim by almost 4 fold.

¹² National Institute of Economic and Industry Research (2018). Scenic Rim Regional Council: Gross Regional Product, economy.id

¹³ DSDMIP (2019) Land Supply and Development Monitor 2019, Scenic Rim Industrial, accessed at <https://planning.dsdmip.qld.gov.au/planning/better-planning/state-planning/regional-plans/seqrp/l sdm?release=2018&page=moving-forward>

¹⁴ The 2019 planned industrial land estimate improves upon the estimate provided in the 2018 LSDM Report – it been derived by trialling the application of the developability rules for determining the impact of constraints from the Developable Area best practice research in 2019.

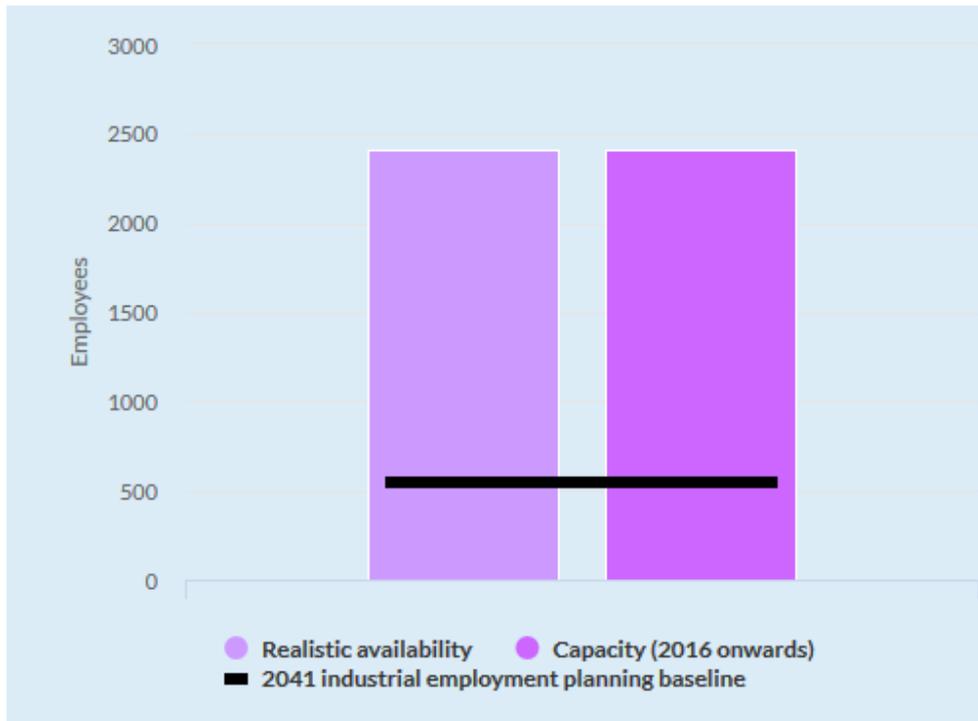


Figure 18 Industrial Land Employment Capacity and Targets, Scenic Rim, as of 2019¹⁵

While this overarching supply profile potentially indicates a surplus of industrial land in the region, this does not discount or impact from the need for the SRAIP. These issues are examined below.

2.6.1 Bromelton SDA

Firstly, the largest share of current industrial land supply is in High Impact Industries associated with Bromelton SDA. Declared in 2008 and totalling approximately 15,610 hectares, the Bromelton SDA is located near Beaudesert in the Scenic Rim Regional Council¹⁶.

The Bromelton State Development Area (SDA) is a massive greenfield industrial land development designed provide long-term land supplies in South East Queensland suitable for medium to large scale industrial activities. The SDA is characterised by access to the standard gauge rail network along the Sydney - Brisbane rail corridor and is positioned as an ideal location for freight and logistics operations to access intrastate and interstate markets. It is also positioned as the potential location for high impact, difficult-to-locate and rail dependent industries.

According to DSDMIP, Industries already established in the Bromelton SDA include:

- SCT Logistics - a \$30 million intermodal rail freight facility and warehouses on land situated adjacent to the Sydney-Brisbane rail line;
- GELITA Australia Pty Ltd. The Australian plant of the GELITA Group manufactures gelatine which is sold as edible gelatine for food industry uses;
- A.J. Bush and Son's (Manufactures) Pty Ltd. Established in 1993, A.J. Bush & Sons are recognised internationally as a leading rendering industry producing protein meal and tallow. The company

¹⁵ DSDMIP (2019) Land Supply and Development Monitor 2019, Scenic Rim Industrial, accessed at <https://planning.dsdmip.qld.gov.au/planning/better-planning/state-planning/regional-plans/seqrp/l sdm?release=2018&page=moving-forward>

¹⁶ DSDMIP (2019) Bromelton SDA Development Scheme, Queensland, Government, Brisbane

utilises on site clean energy practices by recycling methane content biogas captured from covered anaerobic lagoons to generate electricity for power and recycles wastewater for irrigation on their substantial landholdings;

- Beaudesert Central Waste Management Facility, a waste transfer station operated by the Scenic Rim Regional Council;
- Bromelton Quarry, a hard rock quarry established in 2000 which supplies blue rock to the regional area;
- The Neilsen Group quarry supplying general quarry and gravel products to the regional area;
- Quickcell Technology Products Pty Ltd, concrete manufacturers established in 1993 producing prestressed and precast concrete products.

Approximately 1800 hectares of the Bromelton SDA is anticipated to be developed for industrial uses. Industries considered suitable for the Bromelton SDA include:

- large-lot industrial uses requiring direct access to the national standard-gauge rail network;
- freight and logistics operations (major intermodal freight terminal)
- medium- and large-scale manufacturing and warehousing activities with road and/or rail requirements
- industry support services, freight and logistics/transport servicing depots
- high-impact and difficult-to-locate industries that require separation from non-industrial uses due to the potential for off-site impacts (in the Special Industry Precinct)¹⁷.

2.6.1.1 Delivery of Infrastructure at Bromelton SDA

Delivery of critical infrastructure within the Bromelton SDA will support future development and economic growth. This includes a trunk water main and the Beaudesert Town Centre Bypass. This infrastructure provides opportunities to build on the momentum of current development activities by major landowners in the SDA.

Key infrastructure issues for the Bromelton SDA include:

- **State Infrastructure Plan** - The State Infrastructure Plan (SIP), released in March 2016, contains two parts – with Part A (Strategy) updated every five years and Part B (Program) updated annually. The SIP outlines the Queensland Government’s approach to planning, investment and delivery of infrastructure in Queensland, particularly in areas of high growth, future economic development or strategic importance such as SDAs. The State Infrastructure Plan also references the Australian Infrastructure Plan (released on 17 February 2016) and the associated Infrastructure Priority List. Of relevance to the future development and economic growth for the Bromelton SDA is the Inland Rail (Melbourne to Brisbane via inland NSW) project, identified as a priority Queensland project to be coordinated by the Department of Infrastructure and Regional Development (Australian Government). The inland rail will connect on the northern extremity of the Bromelton SDA to provide a rail freight corridor connecting south east Queensland to Melbourne, Adelaide and Perth with competitive flow on benefits for freight and logistic operations situated in the Bromelton SDA.
- **Stage 1 trunk water main for Bromelton SDA** - Construction is complete on a \$6.5 million joint funded project between the state government, Scenic Rim Regional Council and Queensland Urban Utilities to supply and install a 6.1 kilometres trunk water main connecting the Beaudesert Water Treatment Plant to the Bromelton SDA. This has enabled the provision of reticulated water supply to industry precincts in the Bromelton SDA. Funding of close to \$3.3 million was approved through the Building our Regions

¹⁷ DSDMIP (2019) Land Supply and Development Monitor 2019, Scenic Rim Industrial, accessed at <https://planning.dsdmip.qld.gov.au/planning/better-planning/state-planning/regional-plans/seqrp/l sdm?release=2018&page=moving-forward>

Regional Infrastructure fund to contribute to Stage 1 of the trunk water main. This community infrastructure is critical to industry looking to establish within the Bromelton SDA.

- **Mount Lindsay Highway - Beaudesert Town Centre Bypass** - In April 2015, the Queensland Government announced funding for the design and construction of the Beaudesert Town Centre Bypass to divert heavy vehicles around the town centre. Construction is now complete on this bypass, providing a dedicated route to service the increasing freight demand in the Bromelton SDA through improved access to the Mount Lindsay Highway. The Department of Transport and Main Roads partnered with Scenic Rim Regional Council to deliver the \$27.5 million Beaudesert Town Centre Bypass.
- **\$30 million freight terminal for Bromelton SDA** - The first train to pull into the new SCT Logistics (Specialised Container Transport) intermodal rail freight facility in the Bromelton SDA made its arrival on 23 January 2017. The 46-carriage interstate train was laden with grocery lines, beverages and timber products heading for the shelves of major Queensland supermarkets and retail outlets. SCT Logistics is a national, multi-modal transport and logistics company operating rail and road haulage. It is strategically located on a 130-hectare site at Beaudesert – Boonah Road, Bromelton and adjoins the National standard gauge rail line between Brisbane and Sydney. The Coordinator-General approved SCT Logistics proposal for a material change of use for High Impact Industry (intermodal rail freight facility and warehouses). The approval for the intermodal rail freight facility includes a main transit warehouse, a supporting office, rail sidings and a hardstand area. The new facility provides up to 75 local jobs with further employment opportunities to be created as SCT Logistics moves into the next phase of operations. The \$30 million intermodal rail freight facility supports the strategic vision for the Bromelton SDA to maximise the utilisation of the rail network by providing for multi modal freight transport interchanges and facilities. Through the National Stronger Regions Fund, the Federal Government granted \$9.6 million to assist SCT Logistics to relocate from their current operations site at Acacia Ridge to the Bromelton SDA¹⁸.

2.6.2 Trends in Bespoke, Specialised and Integrated Industrial Precincts

Globally, industrial activity continues to evolve and change over time.

Industrial activity in SEQ is evolving and transforming in response to the implementation and adoption of new technologies and improvements gained from the rapid integration of ICT and advanced digital telecommunications.

This trend in maximising industrial activity and process efficiencies mean industrial uses are becoming cleaner, more centralised and more reliant on seamless access to global, national and local supply chains.

Industrial workforces are also changing with higher skilled employment being created to support increased adoption and integration of industrial technologies such as PLCs, robotics, 3D printing and other professional knowledge intensive and scientific capabilities. With this skilled workforce comes a change in the workspace demands for employees, with higher amenity locations, accessible facilities and urban environments increasingly regarded as the norm.

Industrial activity globally remains highly competitive and the rapid adoption of new technologies and business processes is critical to maintaining local competitiveness. Technology is decreasing the growth rate of employment in manufacturing and industrial sectors overall; floor space requirements are increasing as is the need for customised and purpose built facilities.

Technology is also aiding an increase in focus and adoption in waste and by-product management and use. This is being implemented in SRAIP through a combination of an anaerobic digester for waste to power production and the use of digestate by-products as an agricultural fertilizer.

¹⁸ DSDMIP (2019) Land Supply and Development Monitor 2019, Scenic Rim Industrial, accessed at <https://planning.dsdmip.qld.gov.au/planning/better-planning/state-planning/regional-plans/seqrp/l sdm?release=2018&page=moving-forward>

The innovative biomimicry, industrial symbiosis and technosphere principles being implemented with SRAIP draw inspiration from other purpose built industrial precincts from around the world. The prime example is the Kalundborg eco-industrial park¹⁹ is located in Denmark.

Kalundborg Eco-Industrial Park, Denmark

The history of Kalundborg really began in 1961 with a project to use surface water from Lake Tissø for a new oil refinery in order to save the limited supplies of groundwater. The city of Kalundborg took the responsibility for building the pipeline while the refinery financed it. Starting from this initial collaboration, a number of other collaborative projects were subsequently introduced and the number of partners gradually increased. By the end of the 1980's, the partners realised that they had effectively "self-organised" into what is probably the best-known example of a working industrial ecosystem, or to use their term – an industrial symbiosis.

In addition to several companies that participate as recipients of materials or energy, the ecosystem today consists of six main partners:

- **Asnæs power station** - part of SK Power Company and the largest coal-fired plant producing electricity in Denmark.
- **Statoil** - an oil refinery belonging to the Norwegian State oil company.
- **Novo Nordisk** - a multi-national biotechnology company that is the largest producer of insulin and industrial enzymes.
- **Gyproc** - a Swedish company producing plasterboard for the building industry.
- **The town of Kalundborg**, which receives excess heat from Asnaes for its residential district heating system.
- **Bioteknisk Jordrens** - a soil remediation company;
- **Local farms and market gardens** – which use biomass and yeast slurry as fertilizers and inputs;
- **Cement industry** – which uses fly ash produced by the power station;
- **Fish farms** – which use residual heat from the power station; and
- **Fertiliser producers** – which use sulphur outputs from oil refining.

Maximising the economic and productive efficiencies of industrial symbiosis and ecology processes in an industrial area requires a dedicated, tailored and purpose built precinct, while maintaining an element of self-organisation. Land fragmentation and uncertainty regarding ownership and production type mean that large scale industrial ecologies and by product use processes cannot be readily retrofitted into existing industrial estates.

2.6.3 Local Industrial Land Supplies

There are identified Industry Precincts in both Kalbar and Boonah under the Scenic Rim Regional Planning Scheme 2020 suitable for Low and Medium Impact industries.

¹⁹ Saikku, L (2006,2010), Eco-Industrial Parks, University of Tampere and Regional Council Of Etelä-Savo, Finland

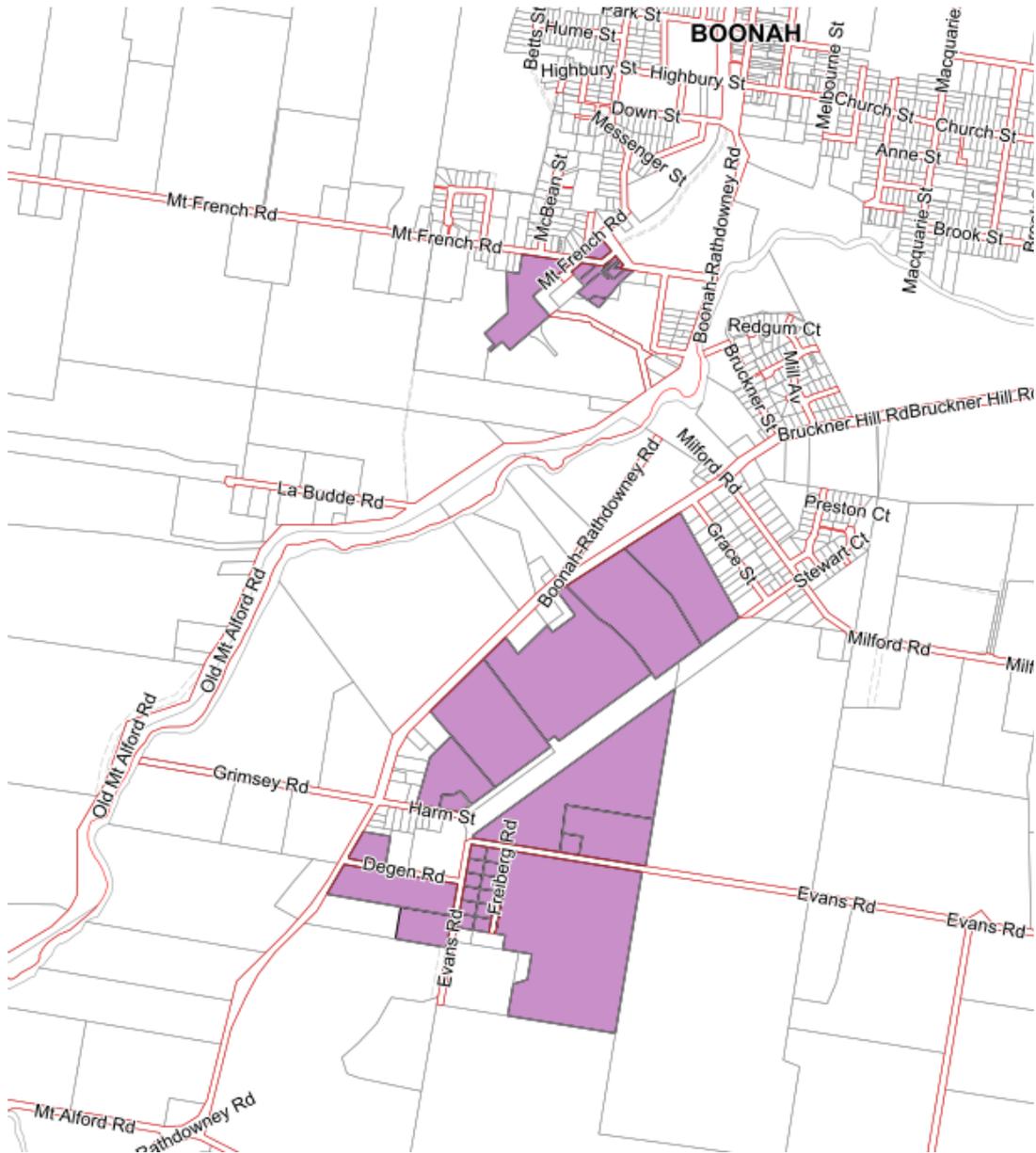


Figure 19 Boonah Industrial Land

Boonah’s industrial land supplies are concentrated to the south of the township and adjacent to the community of Dugandan on Boonah-Rathdowney Road. The main area zoned for industry accounts for approximately 84ha of Gross Area and straddles the Boonah Airstrip.

A secondary cluster of industrial sites is located on Mt French Road south of Boonah proper. This area is approximately 8ha in size and comprises existing small lots tenancies as well as potential industrial development sites accessible collocated with the Energex depot.

Industrial land supplies in Boonah are not designed to accommodate a purpose built, integrated agricultural manufacturing precinct such as SRAIP. Current and historical occupants have typically been characterised as local servicing industrial businesses supporting town and agricultural activity in transport, machinery and equipment distribution, motor vehicle repair, landscaping supplies and self-storage.

Additionally, While a number of larger parcels are either vacant or underutilised in the southern corridor, these parcels are separated from one another by the Boonah Airstrip or by clusters of existing smaller industrial tenancies or adjacent residential development. This land configuration is not suitable for an integrated industrial development such as SRAIP.

As such, the development of SRAIP at the preferred site does not represent an opportunity cost for either Boonah or Aratula industrial development.

2.7 Contributions to Strategic Priorities

The proposed SRAIP will represent the only dedicated agricultural manufacturing and industrial precinct in the Scenic Rim. Designed to leverage the region's productive agricultural land and history, SRAIP will contribute to a range of strategic priorities for Australian agricultural regions identified across Federal, State and Local Governments including:

- **Value adding to base agricultural production** – SRAIP will add value to base agricultural production in the region, increasing the value of food production and exports and capturing greater economic benefits from agricultural activity in the region;
- **Increasing regional economic sustainability** – SRAIP will provide a major source of demand for agricultural products in the local area, decreasing local farm dependence on volatile national and international markets while providing long-term certainty for further investment;
- **Improving the viability of regional towns** – the establishment of SRAIP will not only provide a more economically sustainable region, but will likely necessitate an increase in local workers and residents. This will help local towns to grow and establish a critical mass of population to support additional services and improve their overall economic and social viability.
- **Improving regional energy security** – the SRAIP will include local energy product in the form of an anaerobic digester. This will provide for the energy requirements for the precinct, removing the reliance of the industrial and manufacturing activity on base load power infrastructure and capacity; and
- **Managing agricultural fertilizer use and requirements** – the proposed use of digestate by-products from the anaerobic digester for fertilizer will not only provide local farms with a local sustainable source of fertilizer but will also decrease farming requirements for chemical fertilizers.

2.8 Implications for SRAIP

The Scenic Rim has a strong growing but rapidly ageing population. This combination is creating a demographic imbalance, with the region suffering from a deficit of young workers needed to ensure the local economy remains dynamic. Part of the challenge with retaining and attract young workers is a lack of diversity of employment opportunities.

The dominance of agriculture and local population services in the Scenic Rim economy provides limited opportunities for workers in trade and industrial sectors. Similarly, the comparatively small size of the regional economy means the area lacks a consistent pipeline of construction employment to maintain and sustain a local construction workforce.

The Scenic Rim economy has slowed over the past decade and is now starting to recover. Improving the sustainability and resilience of the Scenic Rim economy will require investment in value adding activities. Food manufacturing and processing is a logical value adding opportunity, leveraging the region's competitive advantage across a range of crops and food stuffs to potentially increase both domestic and international transfers.

The proposed project has the potential to catalyse the regional economy, by substantially increasing the capacity of the Scenic Rim agricultural industrial sector and generate new employment opportunities, attract new businesses and help to support the accelerated and sustainable growth of the Scenic Rim economy.

While there is a notional surplus of planned and zoned industrial land in the Scenic Rim in the long-term, the vast majority of this supply is associated with the Bromelton SDA. Agricultural manufacturing, with associated waste management and industrial ecology best practice, is not a suitable use for the SDA, which instead is focused on heavy industry and intermodal freight.

REPORT

Additionally, zoned industrial land supplies in Boonah and Aratula are either too small or not suitable to accommodate an integrated agricultural industrial precinct such as SRAIP and instead play an important long-term role accommodating businesses supporting town and agricultural activity across a range of local services.

3 SRAIP ECONOMIC AND EMPLOYMENT IMPACT ASSESSMENT

This section summarises the results of the employment impact assessment for the Scenic Rim Agricultural Industrial Precinct (SRAIP) project by Kalfresh. It includes consideration of both construction and operational phases of the project as well as direct and indirect employment

3.1 Key Findings

The SRAIP will support up to 100 direct and indirect construction jobs every year over the course of the 10 year construction phase through both civil and non-residential construction activity. Once fully operational, Kalfresh and other occupants of the Precinct will support over 1,000 direct and indirect jobs in the local economy. This will include adding \$140.5m in GVA (8.5%) to the Scenic Rim economy each year.

3.2 Methodology and Approach

At the core of an Employment and Economic Impact Assessments is Input–Output (IO) tables. IO tables are part of the national accounts by the ABS and provide detailed information about the supply and use of products in the Australian economy, and the structure of and inter–relationships between Australian industries.

IO tables are converted, through statistical analysis, into a series of Economic Multipliers. These Multipliers represent the relationship between the direct activity (expenditure or production) associated with a project and the wider economy.

The results of an EIA are generally presented as both direct effects, that is effects from the direct activity of the project or event and indirect effects, which are additional effects from further rounds of spending in the supply chain. A third or consumption effect, resulting from rounds of consumer spending generated by the additional income in the region can also be calculated.

There are two broad levels of Multipliers that can be utilised for Impact Assessments:

1. **Simple Multipliers** – including the Direct or Initial Effect, First Round and Industry Supply Chain effects;
2. **Total Multipliers** – including the Simple Multipliers plus subsequent Induced Production and Household Consumptions effects.

Impact Assessments can assess

- **Output** - the actual dollar amount spent on the project in the Region;
- **Income** - the amount of wages and salaries paid to labour;
- **Employment** - the full time equivalent per annum employment generated by the project;
- **Value Added** - the value added to materials and labour expended on the project; and

For the purpose of this analysis, only employment-related impacts have been assessed.

RPS has undertaken an Impact Assessment for the Scenic Rim and national economies. For the Scenic Rim regional economic impacts, this entailed the following tasks:

1. Transaction tables were developed from National IO tables for the Scenic Rim economy. The Australian transaction table was calculated directly from the latest IO tables from the ABS. For the Scenic Rim economy, the Regional Transaction Table was calculated by applying employment-based location quotients for the Region, based on the results of the 2016 Census of Population and Housing. This has the effect of excluding spending on imports to the Region since they generate no local economic activity.
2. Economic Multipliers were then generated for Scenic Rim economy across 119 industry categories defined by the ABS;
3. Construction and operational expenditure and production associated with the development were allocated across 119 industry categories; and
4. Employment impacts associated with the project are calculated.

3.2.1 Criticisms of Impact Assessments

Economic Impact Assessments based on IO-tables and Economic Multipliers have been criticised by Government and academia. RPS recognises Economic Multipliers are based on limited assumptions that can result in multipliers being a biased estimator of the benefits or costs of a project.

Shortcomings and limitations of Multipliers for economic impact analysis include:

- **Lack of supply-side constraints:** The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or if it is near capacity.
- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production:** Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount;
- **No allowance for purchasers' marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.
- **Not applicable for small regions:** Multipliers that have been calculated from the national I–O table are not appropriate for use in economic impact analysis of projects in small regions. For small regions multipliers tend to be smaller than national multipliers since their inter–industry linkages are normally relatively shallow. Inter–industry linkages tend to be shallow in small regions as they usually don't have the capacity to produce the wide range of goods used for inputs and consumption, instead importing a large proportion of these goods from other regions.

3.2.2 Adjustments to Improve EIA Reliability

Despite this, IO tables and Economic Multipliers remain popular due to their ease of use and communication of results. RPS has undertaken a number of steps and made appropriate adjustments to the EIA methodology to address and mitigate these concerns.

Firstly, **RPS has only used Simple Multipliers in the Assessment**. This has the effect of discounting Household Consumption impacts from the assessment. By doing so, only those industries with a first round or supply chain connection are considered. This has the effect of making the results of the EIA conservative and suitable to inform decision making.

Secondly, the Scenic Rim is a small economy. For the purpose of calculating appropriate regional multipliers, economic activity across both Scenic Rim and Lockyer Valley regions were considered. This has the effect of providing a critical mass of economic activity to enable reliable **adjustments to national multipliers to be made to calculate the impacts on the Scenic Rim economy only**, through the development of a regional transaction table.

RPS regards the use of Employment Multipliers as part of this Assessment as appropriate and measured and the results of the assessment as conservative, defensible and suitable for informing decision making.

3.3 Employment Impacts

3.3.1 Summary of Results

Direct and indirect employment impacts of the proposed project are summarised in the table below.

Table 4 Summary of Employment Impacts, Subject Project

Summary	Direct	First Round	Industrial Support	Simple Multiplier
Construction (Over 10 Years)	641	279	75	995
Construction (Annual Average)	64	28	8	100
Operational Jobs	475	414	158	1,047

3.3.2 Construction

RPS split the total capital expenditure proportionally across the Non-Residential Buildings (covering buildings and associated investments) and Heavy and Civil Engineering (covering civil earth works and infrastructure). Allowances was made for 5% of the capital costs being allocated to Construction Services.

A total of 641 jobs were estimated for the project over 10 years. The project nature of construction work means this figure must be divided by the number of years to get an average annual construction figure of 64 jobs.

First and second round construction multipliers on the Scenic Rim are more subject to regional imports than other sectors. The Scenic Rim lacks a significant internal construction and associated supply chain capacity meaning the First Round and Industrial Support benefits of the project to the local and regional economy are likely to be less significant.

The impact of these multipliers is that the project will support a total of 100 construction related jobs during the 10 year construction phase.

3.3.3 Operational Activity

RPS drew on data provided by Kalfresh on both expected and potential productive uses for the subject site. This includes activity from Kalfresh itself as well as agricultural and food manufacturing related production by other prospective tenants within the development.

Additionally, potential productive capacity was estimated based on floor space estimates from the proposed concept plan for lots not specifically identified by Kalfresh. The value of this productive capacity has generally been allocated to Food Manufacturing, in line with the overall strategic positioning of the development.

Finally, a number of ancillary supporting and complementary uses were identified for the development. These included (along with their relevant sector of activity):

- Equipment and palette sales and leasing;
- Lab testing facilities (i.e. Professional Scientific and Technical Services);
- A café (i.e. Food and Beverage Services);and
- Distribution and Storage (i.e. Road Transport and Transport Support Services and Storage).

Finally, RPS has estimated ongoing employment based on total annual employment at completion and full development of the subject site.

Based on this RPS estimates the development will support approximately 475 FTE jobs once fully developed, with a further 572 jobs from indirect First Round and Industrial Support.

3.4 Economic Impact and Contribution assessment

3.4.1 Summary of Results

Economic impact can be assessed based on Total Economic Output, Incomes and Gross Value Added. The latter is most closely aligned to Gross Regional and Domestic Product which is the main indicator of the size, composition and growth of the economy.

RPS has assessed the economic impact of the proposed project during construction and operational phases for both the Scenic Rim and national economies. The Simple Economic Multiplier impacts are summarised below.

Table 5 Summary of Economic Impacts and Contributions, Simple Economic Multiplier, Subject Project

CONSTRUCTION		
Total	Scenic Rim	Aust
Output	\$348.8	\$712.1
Income	\$46.8	\$127.7
Gross Value Added	\$89.5	\$238.9
Annual Average	Scenic Rim	Aust
Output	\$17.44	\$35.61
Income	\$2.34	\$6.39
Gross Value Added	\$4.47	\$11.94

OPERATIONAL		
Annual	Scenic Rim	Aust
Output	\$425.1	\$574.1
Income	\$80.0	\$118.3
Gross Value Added	\$140.5	\$211.9

3.4.2 Scenic Rim Share of National Economic Impacts

The Scenic Rim region is expected to account for varying shares of the economic impact to the Australian economy of the subject project. Specifically examining the Gross Value Added, 37.5% of the construction impact and 66.3% of the operational impact will be captured by the local economy, with the remainder captured by State and National economies (excluding the Scenic Rim).

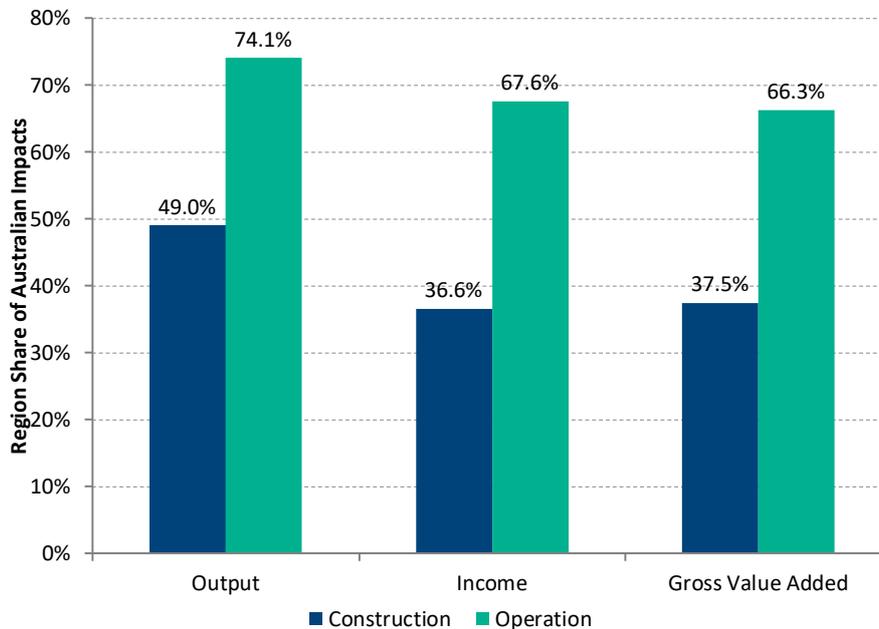


Figure 21 Scenic Rim Share of Australian Economic Impacts, Construction and Operational Phases, Subject Project

3.4.3 Contribution to Scenic Rim Economy

Gross Regional Product estimates for Scenic Rim are available from Council’s ID economic portal, which summarises annual estimates produced by the National Institute of Economic and Industry Research.

In 2018, the Scenic Rim Gross Regional Product was valued at a total of \$1.77b, up 3.3% from the previous year. This represents the third straight year of growth, following a general decline in the economy in the region between 2013 and 2015.

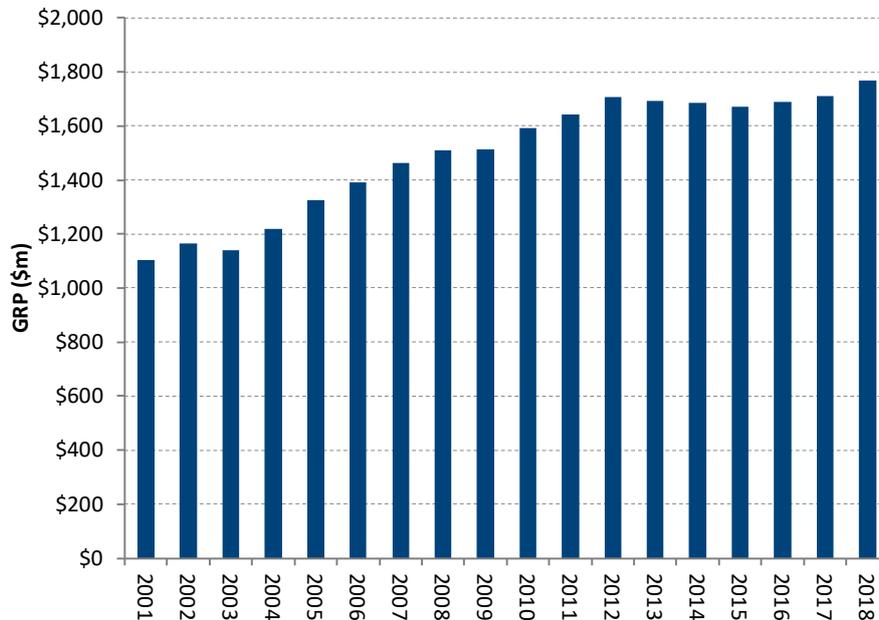


Figure 22 Scenic Rim Gross Regional Product, 2001 to 2018

Compared to the Gross Regional Product in 2018, the proposed project will contribute total Gross Value Added during the construction phase equivalent to 5.3% of the regional economy. Similarly, upon full completion and development, the operational phase of the project will contribute the equivalent of 8.3% of the current Scenic Rim economy.

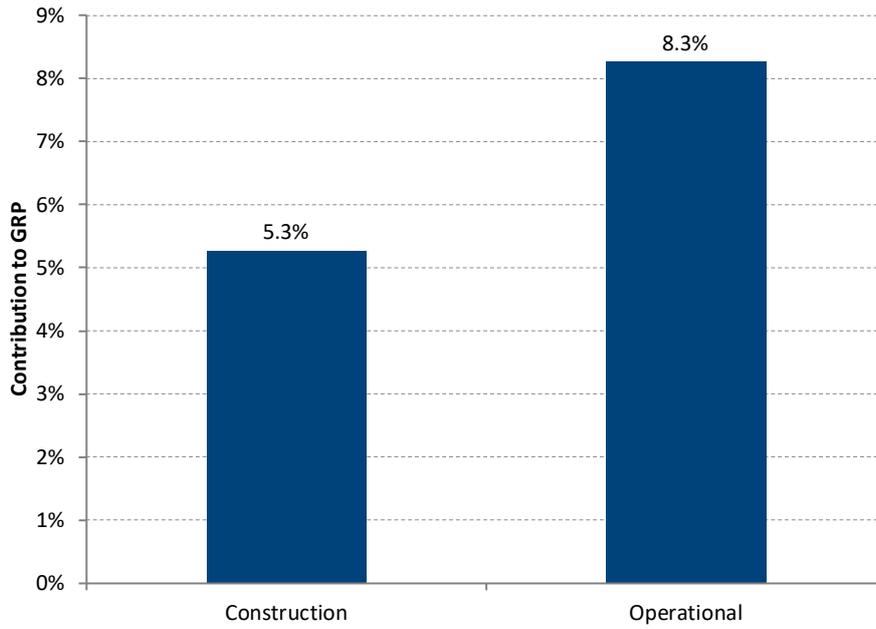


Figure 23 Contribution to Scenic Rim GRP (2019 Levels), Construction and Operational Phases, Subject Project

4 SOCIAL IMPACT ASSESSMENT

This section provides a high level assessment of the social impacts of the SRAIP.

4.1 Key Findings

The SRAIP will transform, diversify and value add to the Boonah and Scenic Rim communities. It will support a more sustainable and diversified economy which will be less volatile and provide local farmers with an expanded value adding opportunities in the region. Additionally, local businesses in construction and manufacturing support sectors will benefit from their involvement in the SRAIP supply chains, improving their sustainability and viability. Finally, new jobs will improve the socio-economic and demographic attributes of the region, make employment more accessible for workers currently travelling outside of the region and add much needed sustainability and dynamism to local communities.

4.2 SIA Scope and Structure

This preliminary Social Impact Assessment has been undertaken in line with the key matters and overarching structure required for an SIA as outlined in the Coordinator General Social Impact Assessment Guideline March 2018. This includes focus on:

- Community and stakeholder engagement;
- Workforce management;
- Housing and accommodation;
- Local businesses and industry procurement; and
- Health and community wellbeing.

It also includes consideration of a number of other social and community impacts identified by Kalfresh and RPS (as the author) as required for other State and Federal Government assessment programs, including:

- Increases to regional amenity and local quality of living for residents;
- Improving community connections and inclusion and providing opportunities for learning and knowledge creation.
- The degree to which the project fills a 'gap' within the community
- Improving community connections and social inclusion;
- supporting or protecting local heritage and culture;
- addresses disadvantage within the community.

This preliminary Social Impact Assessment builds upon analysis in section 3 of this SEIA Report and assessment of the demographic and socio-economic drivers of the Scenic Rim.

4.3 Methodology and Approach

Multi-criteria assessment (MCA) is a decision-making tool used to evaluate problems when one is faced with a number of different expectations and wants to find the best solutions with regard to different and often conflicting objectives.

The ability of MCA to deal with complex and unstructured decision problems in the sphere social and community impacts, which involve a number of conflicting population, work force, accommodation, amenity, connectivity, inclusion and disadvantage, is the core benefit of the technique

MCA has the potential to take into account conflicting, multidimensional, incommensurable and uncertain effects of decisions explicitly enabling it to focus more on the decision process itself, and not on a final result.

MCAs is an effective tool for assessing the social impacts in that it allows for qualitative and quantitative indicators and elements to be assessed within one objective and transparent framework. This framework is comprised of the following components:

- **Key Focus Areas** – headline areas of social impact;
- **Elements** – individual social impacts under each Key Focus Area;
- **Description** – identification and summary of the details of each element, including supporting evidence;
- **Role/Impact of SRAIP** – details on the attributes of the SRAIP that relate to this Key Focus Area and Elements and their impact.
- **Significance** – scoring of each impact in terms of its level of significance to the Key Focus Area ranging from Major Adverse (irreversible and significant negative impact) to High Beneficial (ongoing structural improvement in community cohesion, wellbeing and sustainability).
- **Benefits/Mitigations** – identification of how SRAIP delivers benefits under each Key Focus Area or mitigates against negative impacts; and
- **Measures and Monitoring** – key measures suitable for tracking impact and ongoing performance monitoring.

This Framework aligns with the information requirements in the Coordinator General Social Impact Assessment Guidelines as well as providing additional information and evaluations based on the requirements of other funding programs.

4.4 Multi-Criteria Analysis Framework

The following matrix summarises the results of the Social Impact Assessment using the MCA framework.

Key Focus Area	Element	Description	Role/Impact of SRAIP	Significance (Score)	Benefits and Mitigations	Measures and Monitoring
Workforce Management and Impacts	Local Construction Workforce	Scenic Rim is a peri-urban council with a small and volatile non-residential and infrastructure construction pipeline relative to other more metropolitan locations in SEQ. This means that local construction workers do not have access to a deep and consistent pipeline of construction jobs and may need to regularly leave the region for work.	SRAIP will support 100 direct and indirect construction jobs per year over 10 years in the Scenic Rim Region.	Moderate Beneficial (+1)	SRAIP will provide a more sustainable construction pipeline in the Scenic Rim, providing local construction workers with more consistent access to work over the next decade. Scenic Rim's construction workforce is underrepresented in the local industry mix meaning that some construction workforce is likely to be required from other locations in southern and western SEQ including Ipswich, Logan and Lockyer Valley.	Number of construction workers (average) per year during each phase of the construction stage.
	Operational Workforce Impacts	Scenic Rim has an established agriculture and food growing sector. However employment in this sector is characterised by a high degree of seasonality and can be impacted by adverse weather events. This creates economic insecurity and social uncertainty for workers and households linked to this sector.	SRAIP will create significant additional food manufacturing capacity in the region, generating manufacturing and service sector jobs that are non-seasonal, permanent.	High Beneficial (+2)	SRAIP will generate over 1,000 direct and indirect jobs in the Scenic Rim during the operational phase of the project. The majority of this employment will be in the food manufacturing (and manufacturing generally) sector with support services.	Number of operational workers per year.
	Unemployment Reduction	Scenic Rim has a broadly below average level of unemployment, which is common with regional and agricultural economies. However, unemployment in the Beaudesert SA2 is significantly higher, currently above 8% and peaking over 10% in 2015.	SRAIP will generate employment opportunities during both construction and operational phases which will contribute to the total stock of jobs in the region available to unemployed workers and residents.	Moderate Beneficial (+1)	Assuming 10% of operational jobs generated by the Precinct will be filled by currently unemployed workers, this will save the Government over \$500,000 a year in Newstart Allowance benefits and generate over \$4m in additional wages and salaries (after tax) per year for previously unemployed workers.	Unemployment rate for Boonah SA2, Beaudesert SA2 and Scenic Rim LGA
	Regional Worker Travel Patterns	In 2016, approximately 24 % of Scenic Rim residents that travel by car to their job travelled between 30 and 50 km to work, compared to 8.7% for Queensland. A further 20% of residents travel between 50 and 250 km to work, compared to 5.6% for the State. This confirms that Scenic Rim residents travel longer distances to access jobs within and outside of the region.	SRAIP will generate ongoing local employment opportunities during construction and operational phases which will allow workers which current travel outside of the LGA to seek local employment instead.	High Beneficial (+2)	Manufacturing workers which current live in and around Boonah and Beaudesert but travel to Ipswich for work travel over 40 minutes to access employment. If 10% of additional workers in SRAIP no longer have to travel to Ipswich for work, this will save those workers over 14,500 hours of travel time valued at over \$105,000 per year.	Share of workers which previously travelled outside of the LGA for work.
	Housing Affordability and Availability Impacts	Median House Prices in Boonah fell 8.7% in the year to March 2019 and were broadly flat over the past 5 years ²⁰ . Median house prices are now less than \$300,000 (at \$282,000 in March 2019), making them less than 60% that of the Queensland average, despite the median household incomes in the Scenic Rim being only 15% below the State. This makes Boonah generally a more affordable housing market in	SRAIP will generate both population and income growth pressures in the Boonah SA2. This will likely place upwards pressure on house prices. However, the area is a comparably affordable housing market and has been experience downward pressure on prices in recent years.	Negligible (0)	SRAIP will support increased job generation, economic diversification and reduced local economic volatility – all factors which contribute to more robust and sustainable housing markets.	Median house price in Boonah and surrounding areas.
Housing and Accommodation	Non-Resident Worker Accommodation	Scenic Rim has a comparatively small labour market meaning that some non-local workers can be required during peak construction phases of major infrastructure and non-residential construction projects.	SRAIP will generate up to 100 direct and indirect construction jobs, on average over the 10 years construction phases (across both Stages 1 and 2). During this time, it is expected that the vast majority of construction workers will be sourced locally, though peak and specialist construction phases may require workers from outside of the region.	Negligible (0)	Scenic Rim is well serviced by road transport infrastructure, particularly to Ipswich, Logan and Lockyer Valley. It is expected that if a temporary construction workforce is required from outside of the LGA, this will be serviced by workers travelling daily to the Precinct, rather than requiring non-residential worker accommodation in the region.	NA

²⁰ REIQ (2019) Queensland Market Monitor, March 2019 Issue 41 accessed at https://www.reiq.com/REIQ_Docs/Member_Resources/QMM/QMM_Issue41.pdf

Key Focus Area	Element	Description	Role/Impact of SRAIP	Significance (Score)	Benefits and Mitigations	Measures and Monitoring
Local Business and Industry Procurement	Construction Supply Chain Benefits	Local businesses and industries in the Scenic Rim support the local construction sector, both direct construction businesses as well as in the wider construction supply chains. Maximising the amount of construction supply chain expenditure and value add that can be retained in the region is a priority.	SRAIP will generate a direct construction economic impact of \$28.7m in Gross Value Added over 10 years. Additionally, local Scenic rim construction supply chains will benefit from an additional \$25.5m of Gross Value Added over this period.	Moderate Beneficial (+1)	This GVA represents approximately \$2.55m of additional benefits to the Scenic Rim construction supply chain sectors, above and beyond current levels.	Share of construction expenditure costs directed to Scenic Rim firms and companies.
	Operational Supply Chain Benefits	The Scenic Rim is a major agricultural production region. The additional of major food manufacturing capacity will generate local value added demand for food products within the local economy, providing greater market accessibility for farmers and growers in the region.	SRAIP will add significant food manufacturing capacity, producing \$68.4m of Gross Value Added and inducing an additional \$72.0 in operational supply chain Gross Value Added a year. It is envisaged that the SRAIP will include wholesale, transport/distribution, equipment rental/hire to support local manufacturing capacity.	High Beneficial (+2)	The supply chain benefits of the SRAIP are the most significant social impact, providing a consistent and reliable internal market for local farmers, which are the core of the Boonah and Scenic Rim communities and towns.	Share of operational expenditure directed to Scenic Rim firms and companies. Value and share of Scenic Rim produce processed through the SRAIP annually.
	Local Energy Production and Security	The Scenic Rim is connected to the Queensland grid of the National Electricity Market and so draws upon and is reliable to SEQ and Queensland electricity production. However, the Scenic Rim has limited local energy production, which impacts the energy and power security of the region, particularly energy intensive local businesses.	SRAIP will include an anaerobic digester that will initially support a 1-2 MW which will generate 7-14 Mwh per year of power. Kalfresh operations will utilised up to 4Mwh of this capacity, providing up to 10Mwh of locally.	Moderate Beneficial (+1)	The digester will result in a significant improvement in local energy security for current and emerging intensive power users, including expanded Kalfresh operations and	MWh production of the anerobic digester
Health and Community Wellbeing and Quality of Living	Improved Household Income Sustainability	Household incomes in the Scenic Rim are 15% lower than the Queensland average. Reduced unemployment and increased wages and salaries are the most effective means for increasing household income. Additionally, increasing the productive capacity of regional economies and diversifying economic activity helps to reduce the impact on household incomes seasonality and variability of agricultural production.	SRAIP will generate and support direct incomes of over \$50m per year for households and businesses, and a further \$29.1m in indirect incomes.	Moderate Beneficial (+1)	SRAIP will generate ongoing operational employment across a range of production, quality management, technician and management roles. These roles, in a permanent food manufacturing sector operating year round will not only generate direct income for local households but reduce the overall volatility in household incomes through increased revenue diversification.	Wage and salaries from SRAIP businesses. Median Household Incomes of Boonah SA2 and Scenic Rim LGA
Regional Amenity	New and Modern Work Environment	Worker amenity and safety is maximised when working in new, modern facilities and workplaces. This is particularly the case in manufacturing and industrial sectors, where new equipment and plant are more likely to incorporate workplace health and safety measures and protections.	SRAIP will be a modern industrial environment, providing workers with a high amenity and safe workplace.	Moderate Beneficial (+1)	Workers at SRAIP will work in new modern industrial facilities with integrated amenities and safety measures.	Number of worker safety incidents
	Convenient Worker Access to Retail and Fuel	Worker in industrial estates in Australia have historically suffered from a lack of local convenience retail and fuel facilities. This means that workers need to travel away from their place of work and home to access necessary food and fuel products. Modern industrial estates are incorporating local cafes and convenience retail to meeting worker needs, while providing for heavy and private motor-vehicle fuel needs in an integrated service station.	The latest SRAIP concept plan includes both café/retail and service station capacity to meet local business and worker needs.	Moderate Beneficial (+1)	By providing café/retail and service station capacity as part of the Precinct, SRAIP will provide a higher amenity and more sustainable environment for workers.	NA
Filling Gaps in the Community	Working Age Population Profile Gaps	Scenic Rim has a current and emerging demographic gap in young workers and families. Scenic Rim's population is already significantly older than the State averages with the share of residents aged 65+ growing rapidly. This creates an imbalance in the regional demographic profile, with fewer workers to generate the local economic vitality to support retirees and older households.	SRAIP will generate significant local and regional employment (direct and indirect) during both construction and operational phases. These employment opportunities will be filled by local workers as well as new workers to the region.	Moderate Beneficial (+1)	These employment opportunities will make the region more attractive for new and current workers, particularly younger workers and families.	Number of new workers by age
Community Connections and Social Inclusion	Economic Participation	Between 2001 and 2016, the labour force participation rate of the Scenic Rim fell from 59.2% to 55.4%. Over the same time, participation rates in Queensland fell from 62.8% to 61%. Not only did the participation rate in Scenic Rim remain	SRAIP will generate significant local employment opportunities. These opportunities will be available for people who are currently unemployed, who are working	Moderate Beneficial (+1)	Increasing the availability and diversity of employment opportunities is critical to driving increased participation in the regional economy, which helps to under community connections and social inclusion.	Participation rates in Boonah SA2 and Scenic Rim LGA

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Key Focus Area	Element	Description	Role/Impact of SRAIP	Significance (Score)	Benefits and Mitigations	Measures and Monitoring
		below the State average, it declined at a more rapid rate, making the gap with Queensland in 2016 even larger.	outside of the region and those people who are currently not in the workforce.			
	Indigenous Employment Opportunities	In 2016, 2.8% of the population aged 15-65 (working age population) identified as Indigenous and/or Torres Strait Islander. This is below the State average.	For the purpose of this assessment, RPS has assumed that new jobs generated will include a share of indigenous workers at a proportion similar to the 2016 share of the working age population of the region.	Negligible (0)	NA	Share of workers at SRAIP that identify as Indigenous and/or Torres Strait Islander
Address Social Disadvantage	SEIFA Improvement and Unemployment Reduction	Beaudesert and Boonah SA2s both had below average socio-economic indexes in 2016. This was principally due to low Economic Resources from a combination of the composition of the workforce and the high share of older residents (many of whom are on fixed incomes). Additionally, lower socio-economic attributes in Beaudesert reflected a significantly higher unemployment rate in that location.	SRAIP will generate significant local employment opportunities during both construction and operational phases. This will generate more sustainable, ongoing jobs for residents.	Moderate Beneficial (+1)	The addition of manufacturing jobs into the Scenic Rim economy will help address lower socio-economic attributes by providing jobs for unemployed residents and helping to incentivise the attraction and/or retention of younger household, helping to address socio-economic challenges caused by an older and rapidly ageing population.	SEIFA index results in 2021 and 2026 for Boonah and Beaudesert SA2s and the Scenic Rim, including headline and Economic Resources Indexes. Unemployment rate in Boonah and Beaudesert SA2. Population age profile including share of population aged 25-44.

4.5 Impacts on Towns within Scenic Rim

4.5.1 Local Towns

The SRAIP is strategically positioned to benefit a range of towns and communities on the western side of the Scenic Rim region. In particular, positive social and economic impacts of SRAIP will directly impact and benefit:

- **Kalbar** – the closest town with a strong and proud agricultural history. The town of Kalbar is home to 800 residents in 2016, up from 723 in 2011²¹. This positive population growth is somewhat unique for a rural agricultural town in Australia and reflects the strong connectivity of the town via the Cunningham Highway and Boonah Fassifern Road. This connectivity has helped to support the attraction of car-based tourist visitation, leveraging the town's German heritage, colonial buildings and green change lifestyle.
- **Boonah** – Boonah is the largest town in the western sub-region of the Scenic Rim. Home to over 2,500 people, the town is a service and business hub for a wider catchment of over 12,000 people in towns and communities including Kalbar, Aratula, Harrisvale and Peak Crossing. Boonah has a long history as the main street and centre of the wider agricultural district and maintains a rural lifestyle attractive the families, workers and retirees alike. Boonah is also home to a diverse range of local and regional services that meet the needs of the local population as well as servicing into surrounding communities.
- **Aratula** - The village of Aratula is located on the Cunningham Highway at the foot of Cunningham's Gap. Aratula is home to 541 residents in 2016, up from 515 in 2011²². Aratula offers commercial services, local produce, arts and crafts outlets, cafes, a bakery, service stations, a primary school, School of Arts hall, a hotel, motels, caravan park and camping grounds.

The towns of Kalbar and Boonah are expected to experience the greatest impacts from the development. The SRAIP will generate significant economic activity that will help to ensure the long-term sustainability of the towns at a time in Australia when regional and agricultural-based communities are declining. This includes through improved employment accessibility, unemployment reduction, local business supply chain benefits and improved working age population attraction and economic participation.

The position of the development and the integrated nature of the Precinct means that the transport impacts on the communities are likely to be minimal, while housing impacts are also expected to be minor, as a portion of the workforce is expected to already be locally based and take up the opportunities presents by the Precinct to repatriate to the Scenic Rim.

4.5.2 Social Profile of Local Towns

Key population, demographic, socio-economic and industry attributes of the three highlighted towns of Aratula, Boonah and Kalbar are compared to those of the greater Scenic Rim LGA. This provides more detailed context as to how the SRAIP will impact the towns within the LGA.

4.5.2.1 Population and Age Profile

Aratula is the smallest town of the three with a population of 453 people, with Kalbar (800) people and Boonah (the largest town in the western sub-region of the Scenic Rim LGA at 2,696 people) both larger again.

The median ages of Aratula, Kalbar and Boonah are 42, 39 and 46 years of age respectively, which shows a minor amount of localised age profile variation across the greater Scenic Rim LGA (median age of 44).

²¹ ABS (2017) Census of Population and Housing, 2011 and 2016, Australian Bureau of Statistics, Canberra

²² ABS (2017) Census of Population and Housing, 2011 and 2016, Australian Bureau of Statistics, Canberra

This is further illustrated in the comparable population age profiles. However, there is an exception of Boonah’s significantly higher proportion of people aged 65+ (28.5%) when compared to the Scenic Rim LGA average of 20.2%.

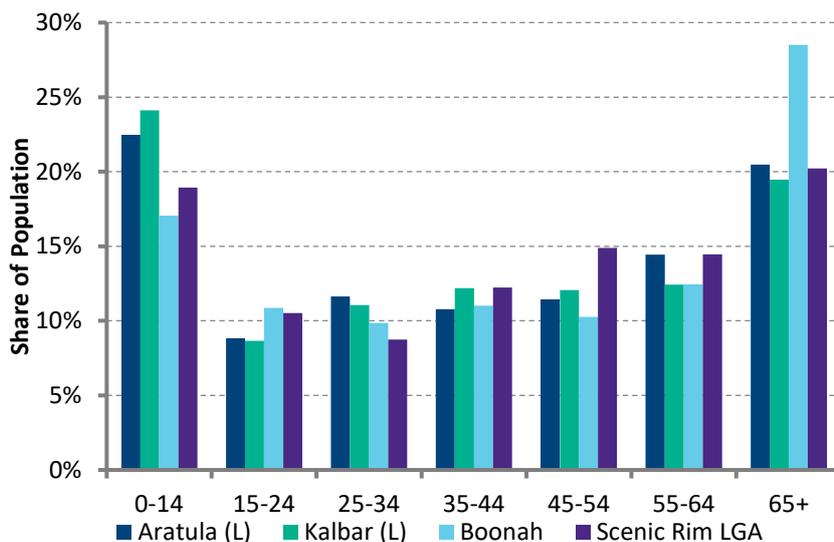


Figure 24 Population Age Profile - Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA²³

4.5.2.2 Socio-Economic Characteristics

Socio-Economic Indexes for Areas (SEIFA), as previously discussed in section 2.3, can be compared across the highlighted towns with the wider Scenic Rim LGA. The four indexes included are the:

- Index of Relative Socio-economic Advantage and Disadvantage (IRSAD),
- Index of Relative Socio-Economic Disadvantage (IRSD),
- Index of Economic Resources (IER) and
- Education and Occupation (IEO).

Due to the availability of ABS data, the indexes are only scored to the State Suburb areas (SSC) which all include a larger area than the UCL areas. The scores across the areas are similar for IRSAD, IRSD and IEO indicating a relative disadvantaged region. However in terms of Economic Resources, only Boonah SSC presents a score under 1000 (964) while the other towns and Scenic Rim LGA score above 1000 indicating that there is a gap in economic resources between the towns.

Table 6 SEIFA Scores - Aratula, Kalbar, Boonah (SSC) and Scenic Rim LGA²⁴

Geography	IRSAD	IRSD	IER	IEO
Aratula	923	949	1011	887
Kalbar	950	982	1019	923
Boonah	914	931	964	906
Scenic Rim LGA	968	983	1018	962

²³ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

²⁴ ABS (2018). Socio-Economic Indexes for Areas (SEIFA), Cat. No. 2033.0.55.001, Australian Bureau of Statistics

4.5.2.3 Income

The median weekly household incomes are relatively lower across Aratula, Kalbar and Boonah UCLs at \$1148, \$996 and \$950 respectively, in comparison to the Scenic Rim LGA median of \$1,270.

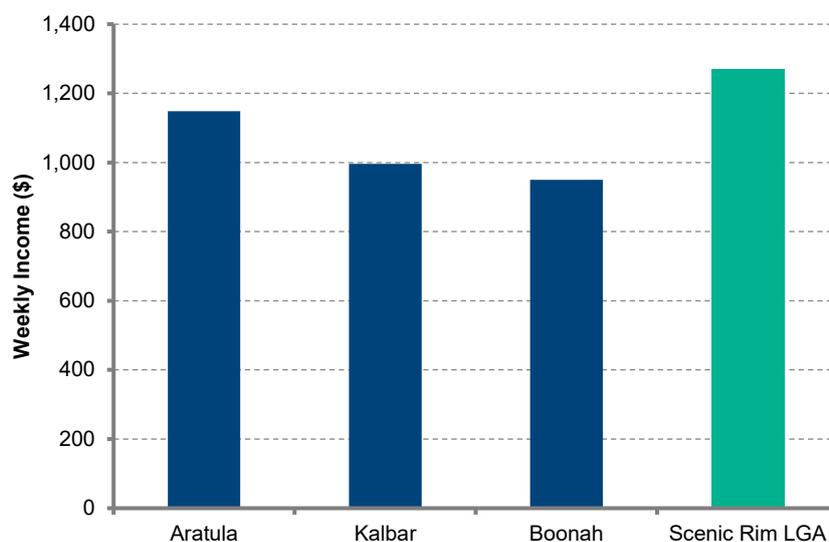


Figure 25 Median Weekly Household Income- Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA²⁵

4.5.2.4 Employment and Education

Education levels indicated by the percentage of the population over 15 years of age with post-secondary qualifications are lower across the highlighted towns in comparison to the Scenic Rim LGA. Boonah had the lowest rate with 32.2% compared to wider the Scenic Rim’s rate 40%.

Table 7 Population over 15 years of age with Post-Secondary Qualifications Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA²⁶

Aratula	Kalbar	Boonah	Scenic Rim LGA
33.1%	33.6%	32.2%	40.0%

The labour force in the three towns are somewhat weaker than the wider LGA as indicated by the lower participation rate. Boonah presents a participation rate of 49.9% which is significantly lower than the rate of 60.2% for the Scenic Rim LGA. This is reflected in the median weekly incomes above.

Table 8 Participation Rate - Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA²⁷

Aratula	Kalbar	Boonah	Scenic Rim LGA
56.3%	56.1%	49.9%	60.2%

However, unemployment rates are more varied across the towns ranging from 4.4% in Kalbar to 10.1% in Aratula. The Scenic Rim LGA unemployment rate is 6% which has trended below the State standard since 2016.

²⁵ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

²⁶ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

²⁷ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

Table 9 Unemployment Rate - Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA²⁸

Aratula	Kalbar	Boonah	Scenic Rim LGA
10.1%	4.4%	7.5%	6.0%

The top five industries by employment numbers are similar across the towns and Scenic Rim LGA, with Agriculture and Farming, Health Care and Social Assistance, Education and Training, Retail Trade and Construction industries being significant source of jobs for the region. Due to the significantly smaller labour forces in the towns relative to the wider LGA, manufacturing appears to be in Kalbar's top five industries however only employs one (22) more person than the construction industry (21).

Table 10 Top Five Industries of Employment - Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA²⁹

Rank	Aratula	Kalbar	Boonah	Scenic Rim LGA
1	Agriculture, Forestry and Fishing	Health Care and Social Assistance	Health Care and Social Assistance	Construction
2	Retail Trade	Retail Trade	Agriculture, Forestry and Fishing	Health Care and Social Assistance
3	Health Care and Social Assistance	Education and Training	Retail Trade	Education and Training
4	Construction	Agriculture, Forestry and Fishing	Education and Training	Agriculture, Forestry and Fishing
5	Education and Training	Manufacturing	Construction	Retail Trade

4.5.2.5 Indigenous Status

Kalbar has a higher share of population with indigenous status compared to the region average with approximately 6% of the population being Aboriginal and/or Torres Strait Islander. This is significantly higher compared to Aratula's share of 0.7% and the Scenic Rim LGA average of 3.0%.

²⁸ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

²⁹ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

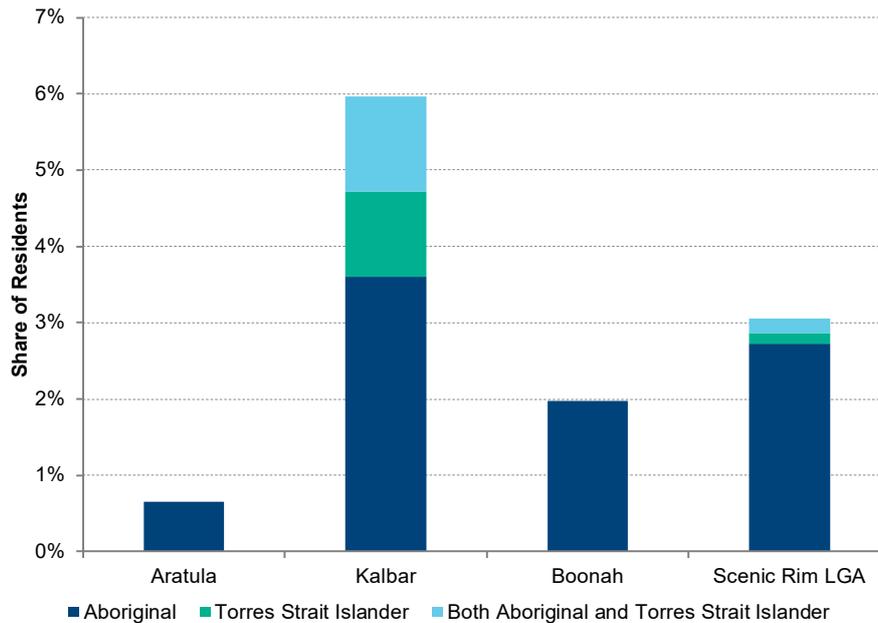


Figure 26 Share of Indigenous Population - Aratula, Kalbar, Boonah (UCL) and Scenic Rim LGA³⁰

4.5.3 Social and Community Facilities Need Impact

The development at full completion is expected to support upward of 475 FTEs. Many of these workers are expected to be drawn from local residents in towns like Kalbar, Aratula and Boonah and so the net additional requirement for community, emergency and other social services from these workers at the SRAIP is expected to be a zero (as they are already living in the area).

A review of EDQ’s Community Facilities Guidelines³¹ illustrates the population thresholds at which new community facilities and services are required. These include:

- Ambulance – 1 facility per 25,000 people;
- Community Health Centre – 1 facility per 20,000 to 30,000 people;
- Fire and Rescue – dedicated local facility when the service catchment has a population over 25,000 people;
- Police – 1 facility per 20,000 to 30,000 people

It is understood that these population thresholds were specifically referencing service rates required for new growth areas. Similarly, it is understood that more rural and regional areas, that are more spatially disconnected from the broader urban and metropolitan service network, require local facilities and services at a lower thresholds.

According the ABS, the Boonah SA2, which includes the towns of Boonah, Kalbar and Aratula, was home to a population of 12,150 in 2018³², Based on this population alone, the towns within the Boonah SA2 do not have a sufficient critical mass of residents to justify a range of health, emergency and community services.

³⁰ ABS (2016). 2016 Census of Population and Housing, Australian Bureau of Statistics

³¹ EDQ (2016) Community Facilities, PDA Guideline No 11 May 2015, accessed at <https://www.statedevelopment.qld.gov.au/resources/guideline/pda/guideline-11-community-facilities-may2015.pdf>

³² ABS (2019) Estimated Residential Population, Cat No 3218.0, Australian Bureau of Statistics, Canberra,

Despite this, and because of the more peri-urban and rural nature of the area, Boonah, Aratula and Kalbar are home to the following services:

- Aratula Community Sports Centre;
- Boonah Ambulance Station;
- Blue Care Fassifern Community Care and Boonah Hospital and Health Services;
- Boonah Police Station
- Boonah Fire Station
- Kalbar Fire Station; and
- Kalbar Police Station.

The lack of population critical mass in the Boonah SA2 supporting these facilities and services means the addition of non-resident workers at the SRAIP site is unlikely to require an uplift in current service provision. Instead, the net addition of demand for emergency, health and community services from non-resident workers will help to build a critical mass of need to support and justify a higher quality of community service offering in the region in the long-term.

4.5.4 Housing Impacts

There is expected to be approximately 450-475 FTE operational workers at the Precinct once fully developed. Based on the manufacturing full-time/part-time split this is equivalent to approximately 600 individual workers³³.

For the purposes of the CBA in section 5.0 of this report, RPS assumed that 10% of the future workers already live in the Scenic Rim and currently work elsewhere and will be “repatriated” to the region for their new job. These workers will not result in new housing demand as they already live in the area.

RPS also assumed that 10% of the workforce will be drawn from unemployed peoples across the region. For the purposes of housing, this may trigger a shift from public/community to private housing but it is recommended this group be excluded from housing demand as it is not verifiable at this time.

According to the 2016 Census journey to work data, 76.2% of current manufacturing jobs in Scenic Rim are filled by locally based workers (i.e. residents of the Scenic Rim³⁴). There is currently limited additional workers in the region that could fill the SRAIP wholly fill roles in the short-to-medium term. As such, it is more appropriate to assume that **50% of new jobs will be filled by workers that migrate to the area** with the remaining half accounted for by workers travelling into the Scenic Rim (from Logan for example). This would likely trend over time back to the 76.2% but that is a long-term shift and would be outside short-to-medium term housing demand timeframes.

RPS have already accounted for 20% of workers living in the Scenic Rim based on the repatriated and unemployed workers so that leave 30% of jobs filled by new residents to the region.

Approximately 9.8% of dwellings in the Boonah SA2 were vacant at the last Census period³⁵, which is below State and national averages. This rate is typically associated with normal vacancies of housing stock at any one time, and is not representative of a significant quantity of housing stock available for new people. This would mean that new houses would be required.

³³ Derived from ABS Cat No 6291.0 Labour Force Australia, Australian Bureau of Statistics, Canberra

³⁴ ABS (2017) Census of Population and Housing, 2016, Scenic Rim, Australian Bureau of Statistics, Canberra

³⁵ ABS (2017) Census of Population and Housing, 2016, Scenic Rim, Australian Bureau of Statistics, Canberra

Assuming 1.05 worker per house (based on one in 20 houses accommodating two SRAIP workers), then ***this would yield a total housing demand in the region of 171 new houses.***

This housing stock would likely be primarily (90%+) comprised of detached houses in line with the prevailing housing stock availability and the poorer feasibility of higher density stock in the region, though medium density approvals have improved in recent years.

A higher proportion of rentals would likely be needed in the short-term to facilitate in migration but would likely shift back to owner occupier households due to the prevailing affordability of local housing stock. It is also highly likely that this housing need will be principally captured by Boonah and Kalbar with secondary demand in Aratula.

Finally, a review of land supply estimates from DSDMIP suggest there is more than sufficient realistically developable land that could be brought to market in the short-to-medium term to accommodate this housing demand.

4.6 Other Impacts on Local Towns

The economic nature of SRAIP means that the social impacts of the Precinct on the town are likely limited to displaced economic and business activity or associated opportunity costs from the concentration of industrial activity on the subject site and away from existing towns. As highlighted in section 2.6, both the Bromelton SDA and zoned industrial land adjacent to the towns of Boonah and Aratula, are not appropriate locations for SRAIP or associated integrated food manufacturing activities and therefore the development of SRAIP does not represent an economic opportunity cost for town-based industrial development.

Similarly, the proximity of the towns of Boonah, Kalbar and Aratula to the proposed development means that businesses and residents of all 3 towns will continue to have access to supply chain expenditure and employment opportunities associated with the development SRAIP, despite not collocating with one of the towns.

The benefits of collocating with one of the towns (namely Boonah) is also likely be outweighed by the impacts the establishment of a large scale food manufacturing precinct with onsite digestate production and vehicle-based freight traffic would have on local town road access and operational interface impacts with local residents.

Interestingly, the social profile of the three closest major towns - Aratula, Kalbar and Boonah – reveals local socio-economic profiles that are generally lower than that of the Scenic Rim as a whole. This is particularly the case across issues such as education, socio-economic disadvantage, incomes and unemployment. The development of SRAIP has the potential to assist with these issues, by providing a local source of permanent employment opportunities in a region characterised by an above average share of seasonal and casual employment.

No negative impact issues were identified by Scenic Rim Regional Council during engagement.

4.7 Social Impact Conclusions

The SRAIP will transform, diversify and value add to the Boonah and Scenic Rim communities. It will support a more sustainable and diversified economy which will be less volatile and provide local farmers with an expanded value adding opportunities in the region. Additionally, local businesses in construction and manufacturing support sectors will benefit from their involvement in the SRAIP supply chains, improving their sustainability and viability.

Finally, the jobs generated in SRAIP will also help to:

- Increase the attractiveness of the region to younger workers and households addressing socio-economic and age profile challenges in the region
- Reduce unemployment by providing more sustainable ongoing permanent employment opportunities;

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- Improve the quality of life of workers by reducing travel times within and outside of the Scenic Rim for work and retail/service access;
- Reduce the volatility and improve the sustainability and dynamism of local communities through more permanent, non-seasonal employment and economic opportunities.

Overall, the MCA-based Social Impact Assessment identified no major negative impacts to the community with the overall Social Impact Score from the assessment being overwhelmingly positive.

Boonah, Kalbar and Aratula are likely to experience the most significant impacts among the towns of the Scenic Rim and these social and economic impacts are likely to be overwhelmingly positive, helping to improve the long-term sustainability of the town ships.

5 OPPORTUNITIES TO CAPTURE ECONOMIC AND SOCIAL BENEFITS

This section identifies and quantifies opportunities for Kalfresh and the SRAIP project to capture economic and social benefits. It includes consideration of both construction and operational phases of the project as well as direct and indirect employment

5.1 Key Findings

SRAIP are expected to yield a range of economic and social benefits, including direct economic and supply chain contributions, local accessible employment opportunities, local energy production and seasonal and structural benefits to the region's agriculture.

5.2 Quantified Economic and Social Benefits

RPS has identified a series of opportunities for the project to capture and yield economic and social benefits for the communities of the Scenic Rim. These benefits were identified and assessed as part of a Building Better Regions Fund application in 2019 and apply to the project as a whole as well as initial catalytic stages.

A summary of these benefits, and the approach taken to calculate their value are outlined in the table below.

Table 11 Quantified Economic and Social Benefits

Benefit	Description	Calculation Approach
Gross Value Added of Additional Food Production (Kalfresh)	The Gross Value Added of food manufacturing production from Kalfresh specific sites. Based on the net additional production output and the direct gross value added share captured by the local economy. Represents additional production in the Scenic Rim that otherwise would not occur.	Estimated using the Scenic Rim specific Economic Impact Assessment model, utilised by RPS in the SRAIP SEIA report for the Queensland Coordinator General. Economic impact Assessment model transaction table was adjusted to the Scenic Rim economy. Direct benefits only are captured.
Construction Supply Chain (Stage 1 infrastructure only)	The indirect gross value added generated by capital construction costs for the specific construction items (civil and digester supporting infrastructure). Represents the impact on the Scenic Rim construction supply chain from the new capital investment. Excludes the impact of subsequent construction in the Precinct.	Estimated using the Scenic Rim specific Economic Impact Assessment model, utilised by RPS in the SRAIP SEIA report for the Queensland Coordinator General. Economic impact Assessment model transaction table was adjusted to the Scenic Rim economy. Indirect Industry Production Induced Gross Value Added values only.
Value of Digestate	The market value of digestate by-product from the Digester's anaerobic energy production. Used as a fertiliser for agricultural production.	Based on daily production of 100 tonnes with an application of 30m3 of production per hectare and a net value savings of \$250 per hectare.
Induced Industrial Production (Non-Kalfresh)	The Gross Value Added of food and other manufacturing production from other non-Kalfresh industrial sites developed and occupied as part of the Precinct. Assumes 50% of sites occupied for food manufacturing and the remainder for other general food-related industry.	Turnover/output estimated by approximating employment for each site and deriving turnover values for manufacturing businesses based on Queensland Business Registrations data from the ABS.

Benefit	Description	Calculation Approach
		<p>Gross Value Added using the Scenic Rim specific Economic Impact Assessment model, utilised by RPS in the SRAIP SEIA report for the Queensland Coordinator General. Economic impact Assessment model transaction table was adjusted to the Scenic Rim economy.</p> <p>Assumed that all production is new and 100% induced into the economy.</p>
Energy Production	Value of energy produced from the anaerobic digester.	Assumes a 1MW plan with an annual production of 7,000 MWh per year. Valued based on annual volumed weighted average spot prices of \$66.00 per MWh.
Expenditure by New Workers (Kalfresh)	Value of non-housing and non-health-related expenditure by net additional workers associated with Kalfresh operations.	Based on MarketInfo expenditure data for the Scenic Rim from MarketDataSystems. Assumes approximately \$30,087 expenditure per net additional worker, excluding previously unemployment and repatriated workers (benefits quantified separately).
Expenditure by New Workers (Non-Kalfresh)	Value of non-housing and non-health retail-related expenditure by net additional workers associated with non-Kalfresh operations.	Based on MarketInfo expenditure data for the Scenic Rim from MarketDataSystems. Assumes approximately \$30,087 expenditure per net additional worker, excluding previously unemployment and repatriated workers (benefits quantified separately). Operational workers only.
Avoided Greenhouse Emissions (Waste)	CO2e value of emissions savings from the redirection to the anaerobic digester of food waster that would otherwise be disposed in landfill.	Approximately 48,190tonnes per annum of landfill diversion to the digester, saving 1.9t CO2e of emissions per tonne. Valued at \$45/tonne CO2e (fully market and environmental impact costing).
Avoided Landfill Disposal Costs	Avoided disposal costs from the redirection to the anaerobic digester of food waster that would otherwise be disposed in landfill.	Approximately 48,190tonnes per annum of landfill diversion to the digester, saving \$67.33 per tonne of direct landfill disposal costs
Avoided Landfill Externalities (Non-Greenhouse Gases)	Avoided externality costs from the redirection to the anaerobic digester of food waster that would otherwise be disposed in landfill.	Approximately 48,190tonnes per annum of landfill diversion to the digester, valued at \$1.70 per tonne of external costs.
Reduction in Unemployment	Reduced costs to the Federal Government of unemployment benefits to workers who will be employed at SRAIP.	Assumes 10% of net additional operational workers are currently unemployed and receiving Newstart allowance (valued at \$14,534 per year).
Reduced Travel Time for Repatriated Workers	Reduced travel time costs for workers who current live in the Scenic Rim but have to travel outside of the region for work due to a lack of local opportunities.	Assumes 10% of workers currently travel to Ipswich for employment. Saves 460 trips per worker per year involving of 40minute travel time (each direction). Valued at \$7.25 per person per hour timing savings (applying "rule of half").

Preliminary valuation of these benefits indicate that the project will between \$545.3m under a 3% discount rate to \$229.5m at a 10% discount rate over the 20 year assessment period. This represents the net benefits of the project, discounting existing productive capacity of Kalfresh .

Table 12 Present Value of Benefit Categories (\$ million), by Discount Rate, 2020 to 2040, Scenic Rim Agricultural Industrial Precinct

Benefit Category	3%	7%	10%
Financial	\$162.9	\$101.6	\$73.3
Economic	\$290.4	\$166.3	\$112.4
Environmental	\$84.4	\$54.5	\$40.4
Social	\$7.6	\$4.7	\$3.4
Total Benefits	\$545.3	\$327.1	\$229.5

The largest contributor to these benefits is Economic, accounting for between 45-55% of the present value of benefits d on the discount rate.

Specifically, induced industrial production from non-Kalfresh accounts for the largest share of nominal benefits, along with net additional production for Kalfresh operations specifically.

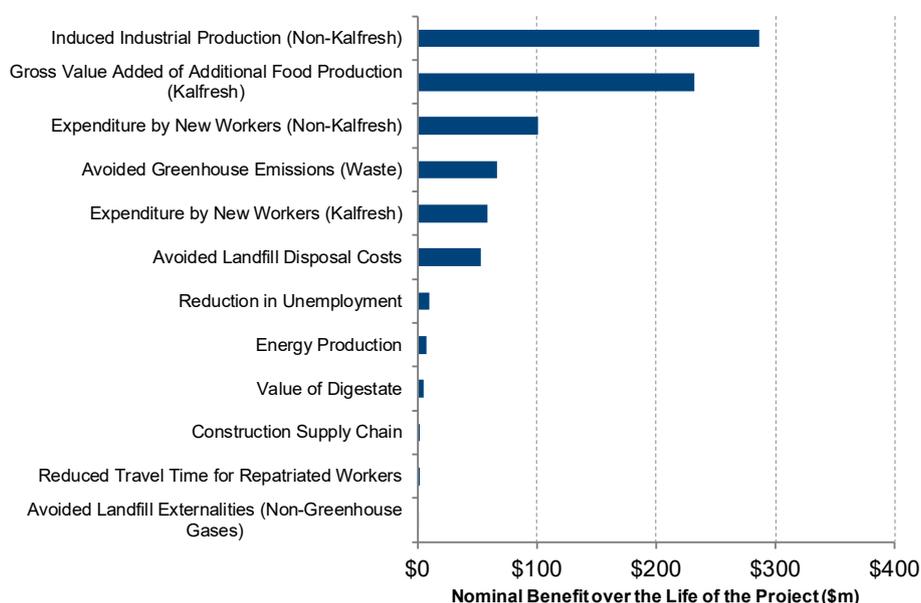


Figure 27 Nominal Present Value of Benefits, 7% Discount Rate, Scenic Rim Agricultural Industrial Precinct

Overall, RPS considers the present value of benefits at the discount rates of 7% and 10% to be the most relevant due to the economic and commercial nature of the benefits.

5.3 Realising Economic and Social Benefits

Realising these economic and social benefits will require a range of strategies and initiatives to be implemented by Kalfresh in partnership with Local and State Governments. Relevant strategies and initiatives proposed are outlined in the table below.

Table 13 Economic and Social Impact Realisation Strategies

Strategies and Initiatives	Description	Implementation
Local workforce strategy	SRAIP represents a critical opportunity to provide local employment opportunities to workers who currently travel from the region for their jobs. Providing local employment will provide	Kalfresh will establish a strategy to target agricultural, construction and manufacturing workers that currently travel to locations such as Ipswich, Lockyer Valley, Logan and Brisbane for employment. This will include

Strategies and Initiatives	Description	Implementation
	local workers with travel time and cost savings, while also maximising the benefits to the local economy from worker expenditure.	direct advertising of new positions and roles as well as the establishment of a SRAIP online jobs board.
Local construction supply chain procurement	The construction phase of SRAIP will generate significant local and regional construction employment as well as procurement supply chain opportunities for the local area.	Kalfresh will engage with Scenic Rim Regional Council to maximise local procurement during the construction phase, with a focus on ensuring local supply chain utilisation in the construction phase, both directly and through subcontractors.
Agricultural manufacturing investment attraction	SRAIP will be anchored by Kalfresh operations but will also provide opportunities to accommodate leading food manufacturing and processing tenants from across Australia and the world.	Kalfresh will work with DSDMIP, Scenic Rim Regional Council, TIQ and Austrade to position and promote SRAIP as an agricultural manufacturing destination of choice for inward investment.
Ongoing community engagement	Construction and operation of the SRAIP project will be a significant project in the local community generating a level of interest in terms of construction impacts, employment and job opportunities and broader procurement requirements.	Kalfresh will engage with the community throughout construction and operation of the SRAIP project. A precinct wide website will be established to advise of key project updates, milestones, works notices or events. In conjunction with project delivery partners, the website will enable community feedback and contact details. The website will also be a hub to advertise job opportunities within the precinct and provide details of upcoming job tenders.

6 CONCLUSIONS

The SRAIP has the potential to positively impact the socio-economic environment and structure of the Scenic Rim. It represents an opportunity to catalyse a shift in the Scenic Rim economy to one that is more sustainable, less volatile/seasonal and more dynamic and diverse. This shift will have the benefit of enhancing the attractiveness of the region to younger workers and families, a demographic needed to both address socio-economic and demographic challenges and gaps emerging in the region.

Key employment and economic impact findings and conclusions from the report include:

- **Construction jobs** – 641 direct and 354 indirect local jobs over 10 years;
- **Additional Operational Jobs** – 475 direct and 572 indirect local jobs annually upon full development;
- **Construction Gross Value Added** - \$89.5m contribution to the Scenic Rim economy (+5.3%) and \$238.9m to the Australian economy over the 10 years construction phase; and
- **Operational Gross Value Added** - \$140.5m contribution to the Scenic Rim economy (+8.3%) and \$211.9m contribution to the Australian economy annually upon full development.

Key preliminary social impact findings and conclusions from the report include:

- **Workforce Management and Impacts** – more sustainable construction pipeline for construction workers and more diverse and accessible and less seasonal, permanent employment opportunities for local workers in the long-term;
- **Housing and Accommodation** – negligible impact on housing affordability and will likely support house prices in the Boonah region which have been declining or flat over the past 5 years;
- **Local Businesses and Industry Procurement** – opportunities for local businesses across the project life, particularly during the operational phase, by providing local agricultural producers with a reliable local value adding market for output. Also improved local energy security through the proposed investment in an onsite major anaerobic digester;
- **Health and Community Wellbeing and Quality of Life** – project employment will generate increased local household incomes and reduce overall income and economic volatility through greater economic diversification;
- **Regional Amenity** – provide a new and modern industrial environment for workers as well as convenient access to retail and fuel services for workers and visitors;
- **Filling Gaps in the Community** – helping to incentivise local attraction and retention of younger workers and facilities to offset the emerging demographic imbalance in the region;
- **Community Connections and Social Inclusions** – encourages and incentivises increased labour force and economic participation, which worsened in the 5 years to 2016.
- **Address Social Disadvantage** – provide employment opportunities and diversified economic activity and value added to improve access of households in the region to key Economic Resources and reduce local unemployment.

Analysis of potential benefits of the project identified a range of economic, social, environmental and financial benefits for the project stakeholders, Council, the State Government and local businesses and residents. Overall, the project has the potential to yield present value benefits of between \$229.5m and \$327.1m over the next 20 years (at 7% and 10% discount rates).

Appendix A

Kalfresh Concept Plan/Layout



- Legend**
- Site Boundary
 - - - SRAIP Precinct Boundary
 - - - Existing Contours (1 metre)
 - - - Existing Boundaries
 - - - Existing Easement
 - Proposed Stormwater Infrastructure (Common Property)
 - Proposed Overland Flow (Easements, Part of Lot 18 and Lot 20)
 - Proposed Cunningham Highway Frontage Common Property (3 metres wide)
 - Proposed Utilities Common Property (4 metres wide)
 - Proposed Bio Basin
 - Proposed Water Storage Dam
 - Proposed Effluent Irrigation
 - Proposed Composting Lot
 - Lechate Pond
 - Proposed Composter Lot Access Track
 - Proposed Plant & Equipment
 - Proposed Windrow & Finished Product
 - Proposed Stormwater Basin
 - Proposed Wagner Quarry Access - (not part of the SRAIP proposal and subject to separate development approval)
 - Significant Vegetation Area
 - Access Track Connection to Composter Area
 - Access Easement for Wagners Road Alignment
 - Access Easement to Lot 19 (Composter) within Lot 11 (Digester)
 - Swale
 - Volumetric Lot - Lot 80 (1 metre below ground surface)

Note:
 All Lot Numbers, Dimensions and Areas are approximate only, and are subject to survey and Council approval.
 Dimensions have been rounded to the nearest 0.1 metres.
 Areas have been rounded down to the nearest 5m².
 The boundaries shown on this plan should not be used for final detailed engineers design.

Source Information:
 Site boundaries: DCDB
 Adjoining information: DCDB
 Contours: RPS Survey
 Aerial photography: RPS Survey
 Overland Flow Path: Aurecon
 KRA Boundary: Scenic Rim Planning Scheme 2020

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Yield Breakdown	
Industry Allotments	Overall
4000m ² -1HA	3
1HA- 2.99HA	10
3HA +	2
Digester and Energy Site	1
Total Industry Allotments	16
Infrastructure	
Private Infrastructure Lot	1
Total Infrastructure Allotments	1
Rural Allotments	
Lot 18	1
Lot 19	1
Lot 20	1
Total Rural Allotments	3
Total Allotments	20

Land Budget		
	Overall	
	Area	%
Overall Area	145.216 ha	100.0%
Saleable Area		
Industry Allotments	29.756 ha	20.5%
Rural Allotments	104.224 ha	71.8%
Digester and Energy Site	5.120 ha	3.5%
Road		
Private Road	3.849 ha	2.7%
Wagners Access Track (Part Lot 70)	0.820 ha	0.6%
Common Property		
Stormwater Infrastructure	0.382 ha	0.3%
Utilities	0.098 ha	0.1%
Cunningham Highway Frontage	0.267 ha	0.2%
Infrastructure		
Sewer Treatment Plant, Water Treatment and Fire Fighting	0.700 ha	0.5%
Overland Flow (Part of Rural Lot 18)	12.037 ha	
Overland Flow (Part of Rural Lot 20)	7.101 ha	