

ECONOMIC IMPACT ANALYSIS:

WONTHAGGI TO INVERLOCH TRAIL

DISCLAIMER

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RESOURCES

All modelling has been undertaken using REMPLAN™ software.

Prepared by Bass Coast Shire Council on August 2021.

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1.1 BACKGROUND

This report has been undertaken to identify the economic impact of Wonthaggi to Inverloch Trail project to the local economy. The project will see the connection of Inverloch and Wonthaggi by an off-road shared pathway by utilizing an overland alignment on unused road reserve.

1.2 PURPOSE & AIM

The aim of the report is to provide insights into the possible contributions to the broader Bass Coast Shire economy in terms of output, employment, wages and salaries and value-added.

2 REGION

The Bass Coast Shire region is defined by the Local Government Area of Bass Coast Shire Council.



3 SCENARIO

This report considers the economic impact of the proposed Wonthaggi to Inverloch Trail. The cost of the project will be \$7.7m which is considered a Heavy & Civil Engineering Construction. The economic impact of the Construction Phase would reflect a once off injection into the local economy.

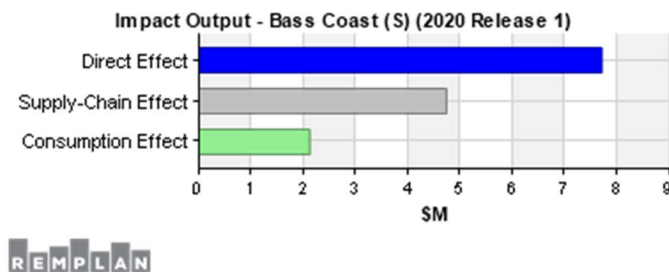
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IMPACT ON OUTPUT

From a direct increase in output of \$7.700 million it is estimated that the demand for intermediate goods and services would rise by \$4.730 million. This represents a Type 1 Output multiplier of 1.614. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$2.118 million.

Total output, including all direct, supply-chain and consumption effects is estimated to increase by up to \$14.549 million. This represents a Type 2 Output multiplier of 1.889

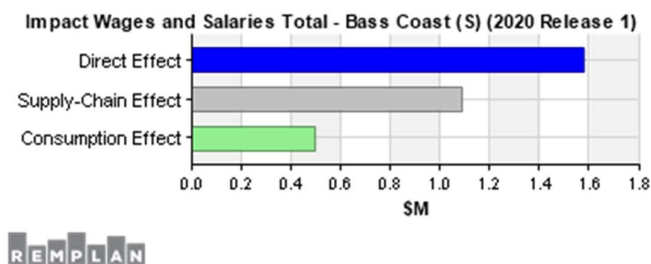


IMPACT ON EMPLOYMENT

From a direct increase in output of \$7.700 million the corresponding creation of direct jobs is estimated at 10 jobs. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 13 jobs. This represents a Type 1 Employment multiplier of 2.300.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 8 jobs.

Total employment, including all direct, supply-chain and consumption effects is estimated to increase by up to 31 jobs. This represents a Type 2 Employment multiplier of 3.100.



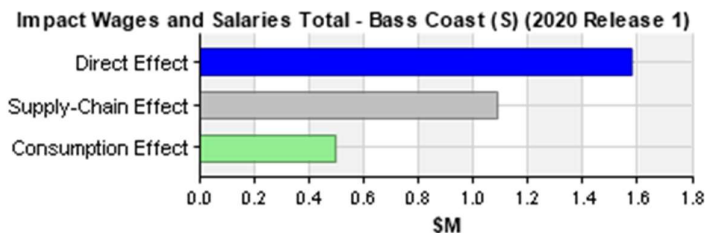
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IMPACT ON WAGES AND SALARIES

From a direct increase in output of \$7.700 million it is estimated that direct wages and salaries would increase by \$1.576 million. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 13 jobs and a further increase in wages and salaries of \$1.086 million. This represents a Type 1 Wages and Salaries multiplier of 1.689.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment in sectors such as retail therefore further increasing wages and salaries by \$0.495 million.

Total wages and salaries, including all direct, supply-chain and consumption effects is estimated to increase by up to \$3.157 million. This represents a Type 2 Wages and Salaries multiplier of 2.003.



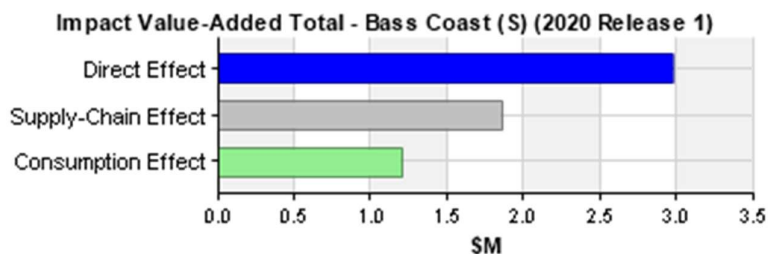
REMPPLAN

IMPACT ON VALUE-ADDED

From a direct increase in output of \$7.700 million the corresponding increase in direct value-added is estimated at \$2.972 million. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$1.856 million. This represents a Type 1 Value-added multiplier of 1.624.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$1.202 million.

Total value-added, including all direct, supply-chain and consumption effects is estimated to increase by up to \$6.030 million. This represents a Type 2 Value-added multiplier of 2.029.



REMPPLAN

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IMPACT SUMMARY						
Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$7.700	\$4.730	\$2.118	\$14.549	1.614	1.889
Employment (Jobs)	10	13	8	31	2.300	3.100
Wages and Salaries (\$M)	\$1.576	\$1.086	\$0.495	\$3.157	1.689	2.003
Value-added (\$M)	\$2.972	\$1.856	\$1.202	\$6.030	1.624	2.029