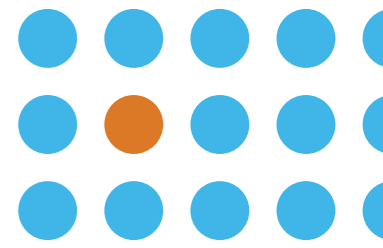


The Mill

Social and Economic Impact Assessment

Summary report June 2023





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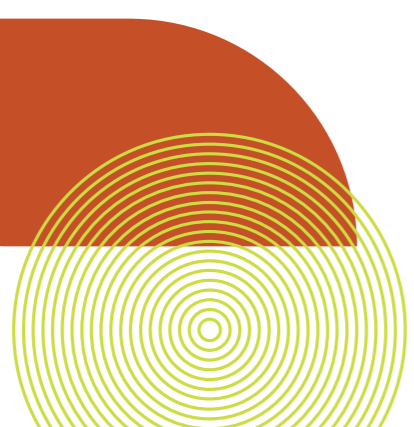
Acknowledgement

We acknowledge the Jinibara, Kabi Kabi, and Turrbal Peoples as the Traditional Custodians of the lands and waterways of the Moreton Bay region and beyond, and pay our respects to their Elders, past, present and emerging. We recognise that the Moreton Bay region has always been a place of cultural, spiritual, social and economic significance to Aboriginal and Torres Strait Islander peoples.

We are committed to working in partnership with Traditional Custodians and other Aboriginal and Torres Strait Islander communities to shape a shared future that celebrates Aboriginal and Torres Strait Islander histories, cultures and contributions as an irreplaceable foundation of our region’s collective identity.

Disclaimer

Council and its officers accept no liability for decisions made based on information, expressed or implied, provided in this document. Nothing in this document should be taken as legal advice.



Introduction

Since 2015, City of Moreton Bay has been working with key government and industry partners to create catalytic infrastructure for the region at the former Petrie Paper Mill site, which included securing Priority Development Area (PDA) status for 460 hectares of land. Within the PDA area, Council has 65 hectares of land zoned for urban mixed-use development known as The Mill and 110 hectares for green space. Millovate, a beneficial enterprise established by Council in 2020 oversees the successful development and activation of the land owned by Council.

As the purchase and infrastructure costs associated with The Mill site represent a significant investment of public funds, in 2022 Council commissioned a Social and Economic Impact Assessment (SEIA) of the benefits that have or are being realised for the Moreton Bay community at this point in the development timeline.

The SEIA, undertaken by Lucid Economics shows that development projects at The Mill, completed or in the pipeline have or will deliver a series of economic and social benefits to the Moreton Bay community, including:

- Increased employment opportunities in construction and knowledge industries.
- Increased economic activity in the immediate area and in supply chain businesses located across the region.
- Increased educational access across the region.
- Increased access to healthcare for residents in Narangba, Strathpine, Murrumba Downs, Warner and Dayboro.
- Increased access to entertainment, recreation and high-performance sports that will also attract visitors from across South East Queensland.
- Increased community pride and confidence in the region as a location for business expansion and relocation.

This report provides an overview of the development activities that have already been completed or are in the immediate pipeline for The Mill site and the qualitative and quantitative impacts that will benefit Moreton Bay residents in the short and medium-term.



Developments considered

Social and Economic benefits assessed under the SEIA have been identified as they directly relate to or flow from at least one of three possible development project types, as follows:



The snapshot on the next page provides an overview of development projects that fell within each of these categories at the time of the SEIA.

Category 1: Projects completed



UniSC Foundation Building Opened March 2020		
2020	2022	2023
976 enrolments	2,886 enrolments	4,090 enrolments (42%)
74 staff	154 FTE* staff	

*Full-time equivalent.

Category 2: Projects underway or committed



Underway: UniSC Stage 2 development (Opening 2024)	
+ 12,500 sq metres of floorspace	Expanded campus - 5,000 additional students

[^] Jobs and GRP uplift relate to combined category one and two UniSC investments.

Committed: Development type	Expected year of completion	Investment value
An indoor sporting, entertainment and high-performance sports venue.	2028	\$85M *

* Initial estimate as at bid phase (July 2021).

Category 3: Projects with validated market interest



Development type	Expected year of completion	Investment value
A specialist technical school providing an expanded education offering in the region.	2025	\$149M
A data centre and 6,000 sqm of commercial office accommodation.	2025	\$50M
A private hospital providing 160 beds by 2026, expanding to 400 beds by 2031.	2026	\$161M
An advanced manufacturing operation and centre of excellence.	2026	\$190M



Background

The Mill at Moreton Bay comprises 65ha of Council owned land and 110ha of green space.

The precinct has been established to deliver sustainable, mixed-use development in a medium-density urban community, including a bustling hub of lakeside festivals, markets, restaurants, shops and gyms.

The Mill is located within the 460ha Priority Development Area that includes Petrie, Kallangur and Lawnton.

The Mill at Moreton Bay supports Council's bigger, bolder and brighter goals and is being developed as a landmark destination for the region to enhance its economic and social prosperity.

millatmoretonbay.com.au

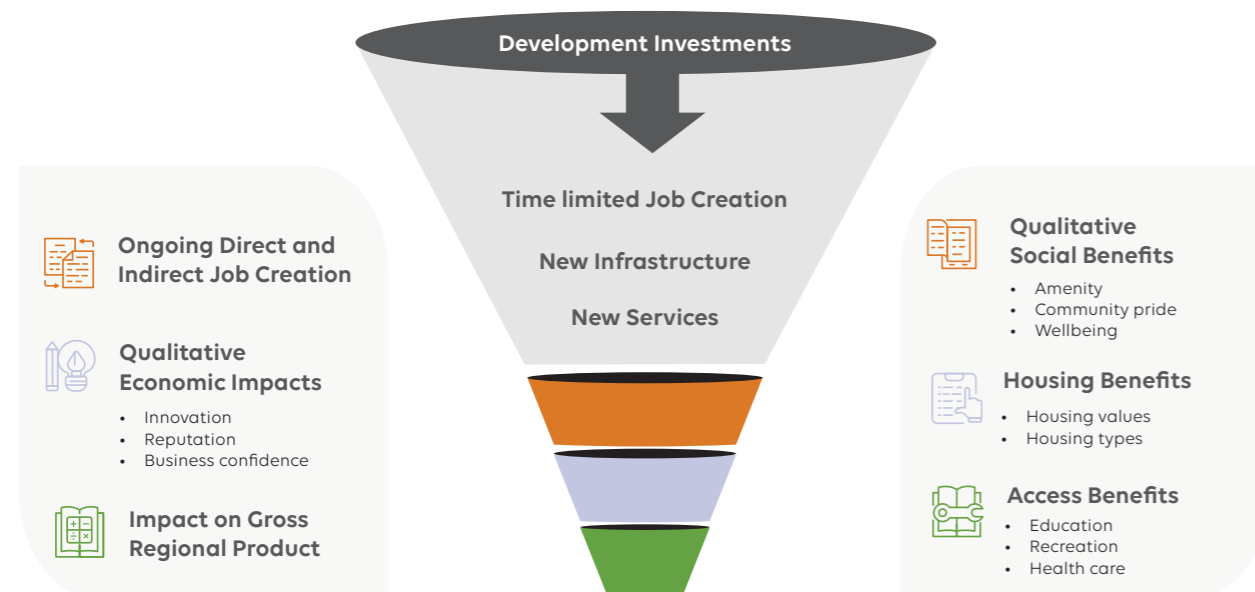


Assessment scope

In 2022, Council engaged Lucid Economics to conduct a Social and Economic Impact Assessment (SEIA) of The Mill at Petrie.

The benefits assessment included interviews with Council, UniSC and Millovate, and a review of economic analysis materials across two impact areas:

- **Economic impact assessment:** Identified and quantified The Mill's economic benefits through direct and indirect contributions to Gross Regional Product and employment. The assessment focused on the outcomes that would not be possible without The Mill.
- **Social impact assessment:** Identified and quantified community benefits across education, healthcare, recreation and housing.

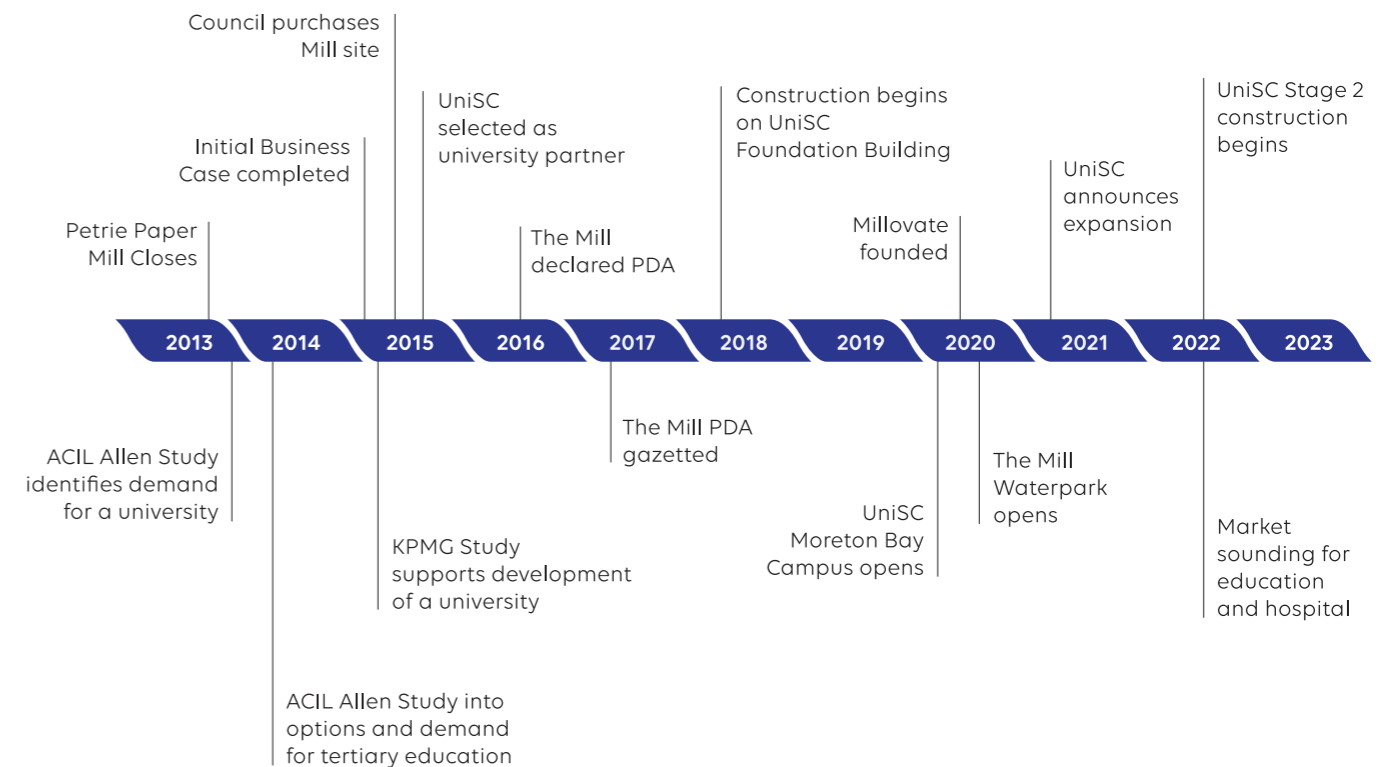


While housing impacts were in scope of the SEIA, it is too early in the project timeline for any substantial housing benefits to be realised.

History

The Petrie Paper Mill opened in 1957 and became a dominant figure in the area's development. The paper mill was shut down in 2013 and Council acquired the 200ha site in 2015 to create a major job-creating educational hub in the region.

Development progress



Source: Lucid Economics from public documents.

Delivered investment

Prior to commencement of the Lucid Economics assessment, Council and the Queensland Government had already invested \$155.5 million into the following infrastructure for the precinct, including support for the UniSC development, The Mill Parklands and future tenants. This service infrastructure increased the precinct's attractiveness for the investments listed in this report and will continue to do so for future private sector investment.



Council has invested **\$125.5M** into the precinct (including \$50.5M for initial land purchase) and the Queensland Government \$30M, totalling \$155.5M public investment.



Private investment of \$125M: UniSC Foundation Building
Opened in March 2020, was the first built form to be delivered in the precinct.

Current and future investment*

The economic and social impacts reported by Lucid Economics take into consideration completed investments, as well as investments underway and likely to occur in the near future. Collectively, all developments listed on page five (5) of this report, will consume about 37% of the developable area owned by Council. These developments are expected to deliver economic benefits at a higher level of intensity than the outputs modelled at the time of purchase of The Mill site.

In addition to the \$155.5 million investment already delivered, the total investment and economic impacts associated with developments underway or likely to occur are:



\$630M private investment represents almost \$5 private investment for every \$1 public money invested (\$715M - \$85M for government funded sports venue)

*Started process of purchasing land, is in advanced planning discussions with Council, or market sounding identified strong evidence of immediate demand.

**Includes Council and private investment over next 1-5 years.



High-level findings

Through the assessment process, Lucid Economics determined that the UniSC's Foundation Building, The Mill Waterpark, Playground and Park, service infrastructure and six projects in the pipeline in scope for impact assessments will collectively deliver the following job and Gross Regional Product outputs:

Economic impacts to date from category 1 and 2 development projects:



Economic impacts to be realised by 2031 from category 1, 2 and 3 development projects:



Lucid Economics also determined that The Mill is already delivering a range of additional economic benefits to the region, as well as increased social and community impacts across the following areas:

Economic	Social	Community
↑ Innovation	↑ Education	↑ Local amenity
↑ Reputational impact	↑ Health	↑ Cohesion
↑ Business confidence	↑ Recreational	↑ Pride
↑ High value jobs	∅ Housing	

The Mill has been, and will continue to be, a catalyst to attract investment into the region:

- The potential demand for a university has been discussed for at least two decades, however no university had invested into the region until the creation of The Mill PDA.
- Large sites (with required zoning and transport access) strengthen the business case for developments that can leverage the university or will lift the overall value of land in the precinct.
- An advanced manufacturing centre of excellence, data centre, commercial office building and the Moreton Bay Indoor Sports Centre have been attracted to the area because of the precinct's current or future features and will leverage The Mill's broader development.

Economic Benefits

The Lucid Economics assessment showed that the completed and pipeline projects set to occur at The Mill will support the Regional Economic Development Strategy's bigger goal to build a \$40 billion economy by 2041.

In 2022, The Mill represented 154 ongoing direct jobs and 174 ongoing indirect jobs as well as \$25.9 million in Gross Regional Product (GRP) directly and \$25.8 million indirectly. By 2031, the development projects covered by the SEIA are projected to generate almost \$965 million in ongoing Gross Regional Product (GRP).

Collectively the projects will also generate 6,277 jobs during the construction phases and \$820 million in time limited uplift in GRP. To date, developments at The Mill have generated \$334.3 million in time limited economic impact.

Project	Initial Investment (\$M)	Total Construction Jobs (No.)	Construction Economic Impacts (\$M)	Direct Operational Employment (FTE)	Total GRP Uplift (\$M) Community
Delivered Projects					
Category 1					
UniSC foundation building	\$125.0	936	\$85.3	154	\$260.1
The Mill waterpark, playground and park	\$9.8	72	\$120.3	NA	\$120.3
Site preparation and core infrastructure	\$95.3	558	\$9.3	NA	\$9.3
Category 2					
UniSC expansion (2031 impacts cover both projects)	\$80.0	527	\$67.7	553	\$68 **\$185.8
Indoor sporting centre	*\$85.0	560	\$72.0	13	**\$6.8
Future Investment Pipeline and GRP Impact				Direct Employment 2031 (FTE)	Annual GRP Uplift in 2031 (\$M)
Category 1 and 2, GRP impact 2031	\$395.1	2,653	\$354.6	566	\$192.8
Category 3					
Private hospital	\$161.2	1,061	\$136.4	1,300	\$234.0
Advanced manufacturing	\$190.0	1,251	\$160.8	700	\$324.0
Specialist Technical School	\$149.2	983	\$126.3	167	\$28.0
Data centre and office	\$50.0	329	\$42.3	300	\$186.1
TOTALS by 2031	\$945.5	6,277	\$820.4	3,033	\$964.9

* Initial estimate as at bid phase (July 2021).

** Estimated economic impact by 2031.

Additionally, The Mill is delivering economic benefits across four key areas: innovation, reputation, business confidence and high value jobs.



Innovation

UniSC's location in the precinct and its vision for the future has cemented innovation as a core activity across The Mill. Existing project proponents have identified that UniSC's location was a key decision factor for their interest in developing facilities at The Mill.

UniSC intends to be heavily involved and interlinked with other aspects of the precinct, including the private hospital, commercial precincts and advanced manufacturing. UniSC will partner with businesses to drive innovation and develop new workers.

In 2023, Council and UniSC committed to establishing an incubator space to support business start-ups, entrepreneurs and innovators. As such, The Mill will become a centre of innovation that delivers a valuable, productive precinct and adds a greater number of high-value jobs.

Reputational impact

The Mill's ongoing development has increased the region's profile and reputation as a business destination and assists investment attraction efforts.

A data centre, private hospital and other commercial and advanced manufacturing businesses will further boost Moreton Bay's profile and reputation.



Knowledge, innovation and entrepreneurship is one of the four pillars identified in the Moreton Bay Regional Economic Development Strategy 2020-2041.

Business confidence

The Mill has already experienced considerable investment through UniSC and significant public infrastructure development. The short-term projects included in the SEIA report represent hundreds of millions in investment for the region. This level of investment and activation will lift business confidence in the region.

The Mill is anticipated to attract other investors to the precinct and region, which would further enhance business confidence and lead to additional economic benefits. The UniSC Moreton Bay Campus has also attracted numerous business events including being the venue for Pine Rivers Chamber of Commerce.



High-value jobs

The Mill has already had an impact on the local economy in Petrie. Census data shows the changing make up of employment:

- Decrease in manufacturing employment since 2011 with Petrie Paper Mill closure in 2013.
- Since UniSC Moreton Bay campus opened in 2020, there were 89 staff by 2021, representing 62% of the 144 additional jobs in the education and training sector in Petrie from 2016-2021.
- Of the 19 industry sectors, education and training outperformed all others in Petrie and accounted for more than half of employment growth.

These changes in employment have a flow on impact on wages and household income levels across Moreton Bay.

Based upon the development projects covered by the SEIA, The Mill will deliver a variety of employment opportunities in the future, which will aid in the region's economic development and diversification. Many of these jobs will make a valuable and above average economic contribution, given their high skill and value adding nature.



The announcement that The Mill will be a host venue for the 2032 Olympic and Paralympic Games further contributes and builds a strong reputation for the precinct. Its strategic proximity to the Brisbane International Airport and Brisbane CBD, and two existing train stations were cited as the key reasons for being selected as a venue.

Social Benefits

Education

Higher education provides many benefits for a local community, including increased skills, workforce productivity and increased wealth (through increased wages for higher skill levels).

In 2022

41.2% of UniSC students from the region were first in their family to attend university
\$42.3M productivity benefit to local economy

UniSC's full-service campus in Petrie delivers increased access to high quality tertiary education across the region, particularly for residents around Caboolture and Redcliffe where the previous long commute to Brisbane had put high quality tertiary education out of reach for many young people.

In 2035*

Est. 5,300+ UniSC students from the region will be the first in the family to attend university
\$258M local workforce productivity benefit

* original 2031 target updated under DA2.

The Moreton Bay region has consistently had a lower proportion of tertiary educated residents compared to Brisbane and the rest of South East Queensland. Many young people also left the region to undertake education. For many years, a local university was identified as a missing link to address these shortages.

18% increase in number of Moreton Bay residents participating in tertiary education (from 2016 to 2021) outperforming national growth (2%) and state growth (5%)

Source: 2016 and 2021 Census.

Health

An Expression of Interest program identified strong market interest in the development of a private hospital at The Mill. A new private hospital will deliver increased access to healthcare infrastructure for many residents, and particularly for those in Narangba, Strathpine, Murrumba Downs, Warner and Dayboro.

Increased access to healthcare infrastructure will deliver **\$6.4M** of productivity increases by 2031

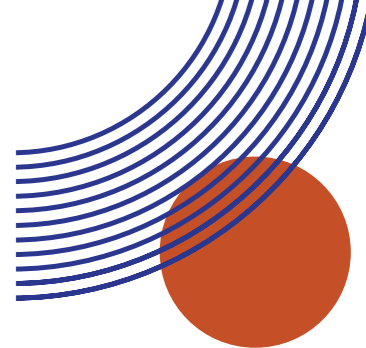
Increasing access to healthcare infrastructure and services can:

- Increase life expectancy.
- Decrease the prevalence of poor health outcomes (such as high blood pressure, diabetes and numerous other health conditions).
- Increase residents' productivity.
- Increase community wellbeing.



Moreton Bay region has higher rates of long-term health conditions compared to state and national averages. Investment attraction of a new private hospital to The Mill will provide a positive outcome for improving the health of the region's residents.

Source: Lucid Economics.



The playground and waterplay provide recreational benefits by helping to decrease childhood obesity in Moreton Bay region.

A 13% reduction in childhood obesity will generate \$2.2 million savings over the next 10 years.

The selection of The Mill as a venue for the 2032 Olympic and Paralympic Games will further encourage participation in sporting activities and provide a potential legacy for high performance sport.

Recreational

The Mill waterpark, playground and park are popular with the community, providing recreational infrastructure for residents around Petrie, Warner, Strathpine, Murrumba Downs, Kallangur, Mango Hill, North Lakes, Deception Bay and Rothwell.

Council's Moreton Says community surveys show that residents greatly value recreational spaces.

2/3

use playgrounds

88%

use picnic areas

92%

enjoy natural open spaces

Lucid Economics report a positive relationship between residents increasing their activity levels and a decrease in obesity, which can lead to a healthier community. Additionally, increased physical activity increases positive mental health outcomes.



Housing

The SEIA considered The Mill's impact on the local housing market in terms of affordability, mix of housing product as well as any impact on land or other asset values for property surrounding the precinct. No notable change in housing diversity or rate of development was identified through the SEIA. This was however anticipated as The Mill is still at early stages of development and housing benefits are limited. Preliminary observations included:

- Petrie's median house price increased to \$650,000 - the fourth fastest of the region's 35 statistical areas.
- Future off-campus purpose-built student accommodation is being planned for and may form part of the housing choices for the local area over the medium term.

Local amenity, community cohesion and pride

The Moreton Says community survey indicated residents are heavy users of playgrounds, picnic areas and natural open spaces.

Community infrastructure such as parks, playgrounds, waterplay features and public open spaces increases an area's amenity for locals and future prospective residents.

20% of residents visit a picnic area or playground at least once a week

Almost 40% of residents visit a natural open space at least once a week

Community infrastructure increases opportunities for individuals and families to pursue recreational activities and increases interaction with other members of the community, leading to increased community cohesion.

Community infrastructure can also increase resident's pride in their community. There is anecdotal evidence that having a local university has been a source of pride for many residents. At the same time having access to new playground and park facilities can be a source of community pride for many residents.



Proposed development works around The Mill site in Petrie

Conclusion

The conclusion drawn by Lucid Economics in the SEIA is that significant and diverse benefits have already been realised from The Mill for the Moreton Bay Community in the short to medium term.

The assessment indicated that The Mill has started to generate significant economic and social benefits for the region and will continue to do so as the precinct continues to develop and evolve.

The precinct has become a catalyst for positive change and optimism. Its development has actively contributed to the diversification of the local economy that supports high-value industries and provides more opportunities for more residents.

Education and health facilities in the precinct will also increase educational attainment, increase residents' health and wellbeing, and improve residents' lives.

A region building legacy

- The Regional Economic Development Strategy (REDS) identifies The Mill as a region building project, demonstrating its significant positive impact on the Moreton Bay region now and into the future.
- The region's reclassification to a city recognises its important contribution to the South East Queensland economy and The Mill site supports Council's polycentric city vision to capitalise on the unique character of our existing centres and townships. The Mill forms a strong part of the REDS brighter goal to be one of the top 10 regional knowledge and innovation hubs in Australia.
- Planning and development over the next few years is being influenced by the Brisbane 2032 Olympic and Paralympic Games, and will continue to shape The Mill into a landmark destination for economic and social activities attracting people from across South East Queensland.

