



A Settlement and Investment Strategy for Burnie to 2026: Appendix Report

Final Report

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Project Director: Simon Smith
Project Manager: Anthony Cavanough
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1. Introduction

The Burnie Settlement & Investment Strategy is an important planning initiative of Burnie Council and represents an integrated approach to future land use planning, urban development and investment across the Burnie Local Government Area (LGA).

The Burnie Settlement & Investment Strategy is intended to guide development and investment decisions in Burnie in a manner that will provide a pattern of settlement and infrastructure provision that is achievable, orderly, economic and sustainable, and that will be relevant to future needs, capabilities and potentials.

In summary, the key objectives of the Burnie Settlement & Investment Strategy are to:

1. Analyse trends, predictions, drivers and forces influencing the future of Burnie;
2. Assess local capacity versus potential for change, growth and development; and
3. Develop a settlement and investment strategy to guide planning policy.

This report provides the Appendices to the main strategy document.

2. Regional Overview

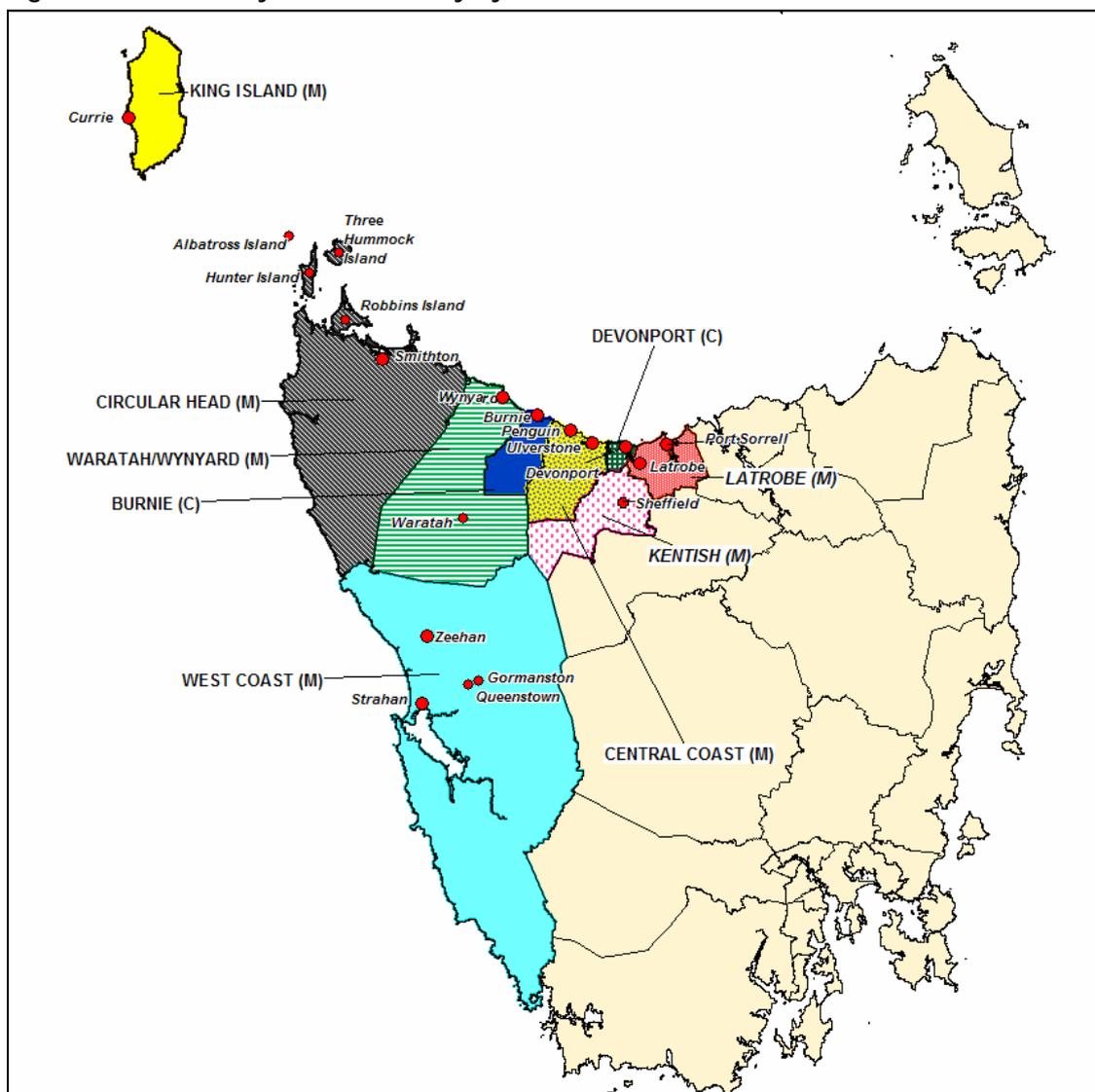
This chapter introduces Burnie City and its region by describing the local geography, history and climate.

2.1 Geography

Burnie City is located on the North-West Coast of Tasmania in the Mersey-Lyell Statistical Division (SD) (see **Figure 2.1**). The Mersey-Lyell region, also referred to as the Cradle Coast region, is situated on the North West and West Coast of Tasmania, and comprises nine Local Government Areas (LGAs): Burnie City; Latrobe; Devonport City; Kentish; Central Coast; Waratah-Wynyard; West Coast; Circular Head; and King Island Councils.

Burnie City, along with nearby Devonport City, are the two major population centres on the North-West Coast. Both fulfil a regional role for the broader Mersey-Lyell region in terms of administrative, commercial, entertainment and community services. More than 75% of the region’s population lives along a narrow coastal strip on the North Coast between Smithton (in the west) and Port Sorrell (in the east).

Figure 2.1: Burnie City LGA and Mersey-Lyell SD in Tasmania

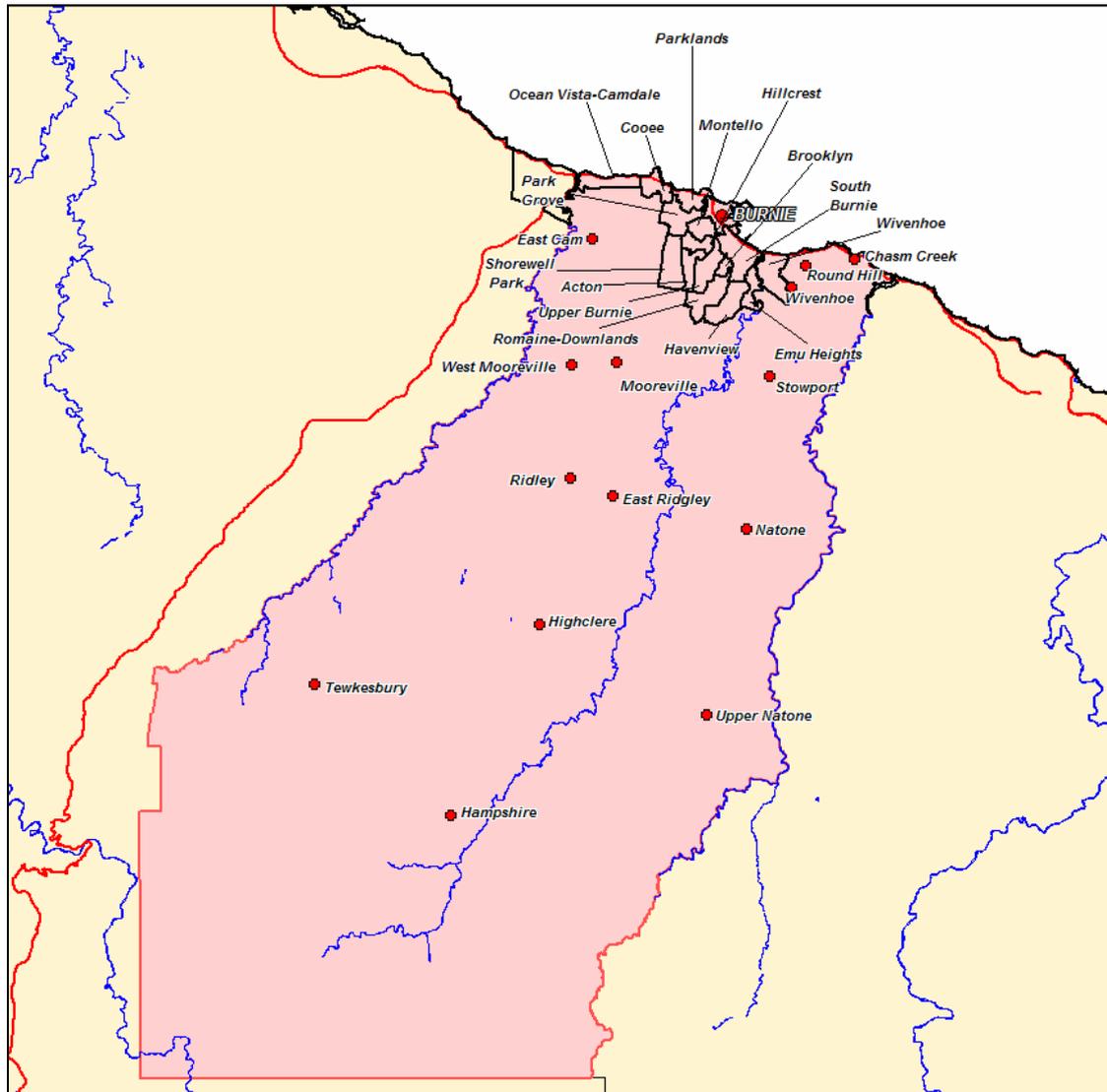


Source: CData 2001, AECgroup

According to the Australian Bureau of Statistics (ABS), Burnie City covers a geographical area of 610.1 km². The majority of the settlement and 90% of the population is contained in the City of Burnie itself which contains 16 suburb areas (see **Figure 2.2**). This area is approximately described as the Burnie City Part A Statistical Local Area (SLA), which covers an area of 79.6 km². The outlying rural areas, including Ridgley, are approximately described as Burnie City Part B SLA, which covers 530.5 km².

The topography of Burnie City is a feature of the local area, with the City developed around Round Hill. This has provided for a range of attractive waterfront property with views to Bass Strait. However, it has also constrained the City's development to some extent with a lack of flat land available for commercial and industrial development and more expensive infrastructure service provision.

Figure 2.2: Burnie City LGA and Suburbs



Source: CDATE 2001, AECgroup

Burnie City's location on the North-West Coast has been an advantage in terms of trade and servicing major industry. It has also provided a number of attractive residential coastal alternatives and a sense of community. However, its relative isolation from the major regional and capital cities of Launceston, Hobart and Melbourne, and its relatively small size, has also detracted from growth and its ability to attract and retain skilled labour. Maintaining and enhancing transport systems and connectivity to other major centres will be important to the future development of Burnie City and its region.

2.2 History

Burnie was established by the Van Diemen's Land (VDL) Company in 1827 primarily as a port to serve the company's inland pastoral holdings on the North-West Coast of Tasmania. The sub-alpine climate and long winters of the area meant Burnie recorded little growth and progress for around 100 years relative to the neighbouring and younger centres to the east and was largely considered an isolated port.

Burnie was first known as Emu Bay (the town was renamed Burnie after VDL Company Director William Burnie in the early 1840s). The first permanent settlers arrived from England in February 1828 and for their lifetime Burnie was mainly a VDL Company owned town. After the first 50 years of settlement, Burnie's population still did not exceed 200.

Burnie's future changed dramatically in the 1880s with the discovery of the west coast mineral deposits. In 1878, the VDL Company built a wooden horse-drawn tramway through its lands to serve Mt. Bischoff, then the richest mine in the world. Burnie became the port for the mine and its town of Waratah and Burnie's population increased to more than 1,000 by 1891. Further mineral deposits were then located at Zeehan, Mt Lyell, Dundas, Renison Bell and Rosebery. The railway was taken over by the Emu Bay Railway Company and extended to Zeehan in 1900. This ultimately resulted in the development and growth of Burnie's business district and the establishment of outlying farms. By 1900, Burnie's population exceeded 1,500.

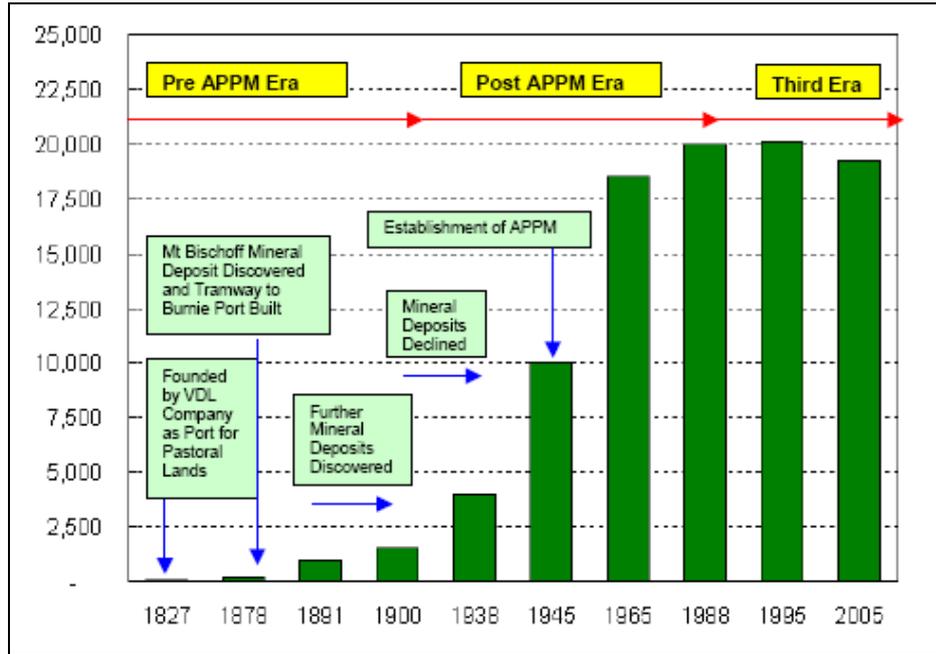
Bischoff and the mines at Zeehan were on the decline by about 1915 and Burnie, although its population had grown and its port facilities substantially developed, again almost wholly relied on its outlying farms and forests for economic activity. In the years between the two World Wars, the need was identified for a secondary industry to adequately employ Burnie's existing workforce and to expand the town beyond its role as the centre of export and commerce for the local rural area.

The development in 1938 that boosted Burnie towards City status was the Associated Pulp and Paper Mills Ltd (APPM). The project's economic and social impact for Burnie was substantial. As an example, 262 houses were built in 1938 alone and the population increased from around 4,000 to 10,000 in 1945, 18,500 by 1965 and 20,000 in 1988 when it was granted City status. While APPM was not the sole industry responsible for Burnie's post war development and others established since have contributed substantially to the town's economy and growth, APPM was the industry that began the City's industrial development. Indeed, Burnie's development history can be clearly and sharply divided into the eras before and after APPM.

Burnie is now entering its third era in its development history. The APPM mills, now owned and operated by Australian Paper, have scaled back in both production and workforce and Burnie is seeking to diversify its economic base to provide employment and economic growth. Burnie is now a City in transition with a focus on renewing its economic base, increasing tourism, attracting new investment and building local capacity.

In summary, Burnie's development has been strongly linked to the establishment and experiences of major industry, particularly pulp and mining (see **Figure 2.3**). The future challenge for the region will be to diversify its economic base sufficiently to create a broader range of employment opportunities to appeal to people from other regions of Tasmania, and interstate and overseas. This will have the effect of making the economy more sustainable in the long-term and improving the risk/return on investment.

Figure 2.3: Summary of the Development and Population History of Burnie

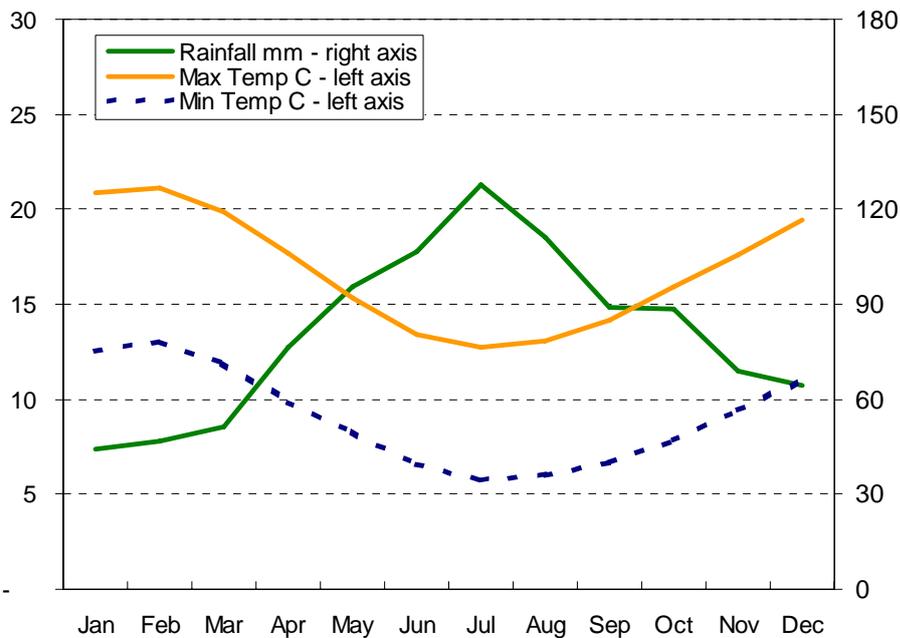


Source: Burnie City Council, AECgroup

2.3 Climate

The climate of Burnie City has played a role in its historical growth and development, and most importantly, its suitability for certain types of agriculture. Burnie records a relatively cooler but wetter climate than the rest of Australia and other Tasmanian regions. Minimum daily temperatures average as low as 5 degrees Celsius in winter with maximums at just above 20 degrees Celsius in summer (see **Figure 2.4**). On average, the area records 970.8mm of rainfall each year, with the majority recorded in winter.

Figure 2.4: Long Term Average Minimum and Maximum Temperatures and Rainfall, Burnie City



Source: Bureau of Meteorology

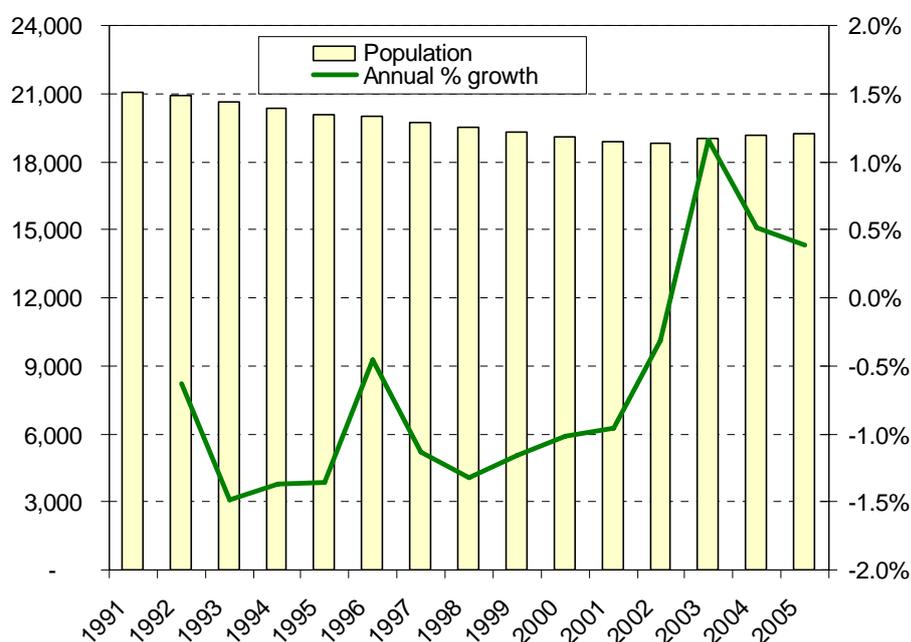
3. Economic and Social Trends

The chapter analyses the economic and social performance trends of Burnie, including population, employment and investment. The profile includes benchmarking to regional, state and national trends, along with discussions of associated planning implications.

3.1 Population

The population of Burnie City has actually declined over the past 15 years from 21,071 persons in 1991 to 19,217 persons in 2005 (see **Figure 3.1**), equating to an average growth rate of -0.7% per annum over this period. However, short-term trends have been more positive, with positive population growth recorded in Burnie City in each of the past three years. In the two most recent years, growth has stabilised at around 0.5% per annum, or around 75-100 new persons each year.

Figure 3.1: Recent Population Growth Trends, Burnie City

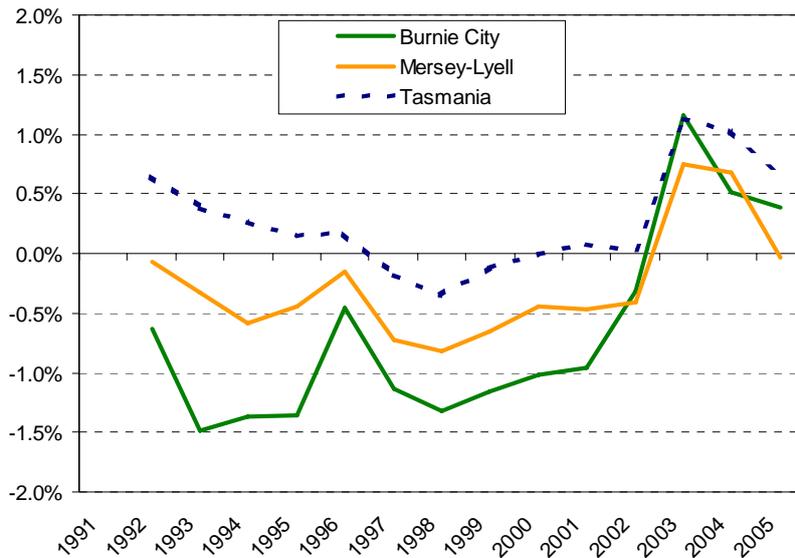


Source: ABS 3218.0, AECgroup

Devonport is the largest population centre in the Mersey-Lyell region, recording an estimated resident population of 25,266 persons in 2005. Around 73% of Mersey-Lyell's population (or 79,254 persons) is concentrated in the Burnie-Devonport sub-region, which incorporates the coastal corridor of Wynyard, Burnie, Devonport, Ulverstone, Latrobe and Port Sorrell. The remaining 27% of the region's population is distributed inland in more rural areas and along with the West Coast. Overall, Mersey-Lyell is the third largest statistical division in Tasmania in terms of population following the Greater Hobart SD (203,638 persons) and the Northern SD (137,936 persons).

Like Burnie City, Mersey-Lyell as a whole has recorded negative population growth for much of the past 15 years, with the past three years representing a resurgence in growth (see **Figure 3.2**). By comparison, Tasmania has also recorded a resurgence in growth in the past 3-4 years after a lengthy period of marginal population change. Overall, the regional areas of Tasmania such as Burnie City and Mersey-Lyell have benefited from Tasmania's stronger recent growth, although it is clear that growth was strongest during 2003 but has since slowed, possibly stabilising at around 0.5% per annum.

Figure 3.2: Comparison of Recent Population Growth Trends

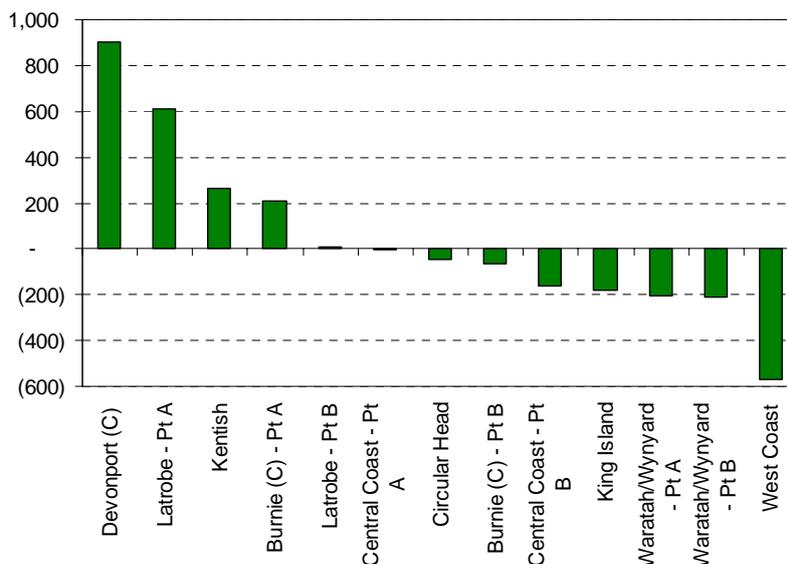


Source: ABS 3218.0, AECgroup

Examining population trends within Burnie City, the Burnie City – Part A has recorded positive average growth of 0.2% in the past 5 years, whereas Burnie City – Part B has recorded negative average growth of -0.6% (see **Table 3.5**). Over the past 15 years, the population of the Part Part B SLA has actually reduced by around 200 persons. Population growth has quickened in the Burnie City – Part A, with growth of 0.5% recorded in 2004-05 compared with average growth of 0.2% between 2000 and 2005.

Devonport City, the largest population centre in Mersey-Lyell, has recorded positive population growth of 0.7% per annum over the past 5 years, with growth quickening to 1.1% in 2004-05. This makes it the fastest growing area of the region in absolute terms (see **Figure 3.3**), followed by Latrobe – Part A (Latrobe and Port Sorrell), Kentish (Sheffield) and Burnie City – Part A. West Coast has recorded the most significant population decline over the past 5 years, followed by Waratah-Wynyard and King Island. Kentish (1.9%), Devonport (1.1%) and Latrobe – Part A (0.9%) recorded the strongest growth rates in the region in 2004-05.

Figure 3.3: Absolute Increase in Estimated Resident Population, 2000-2005



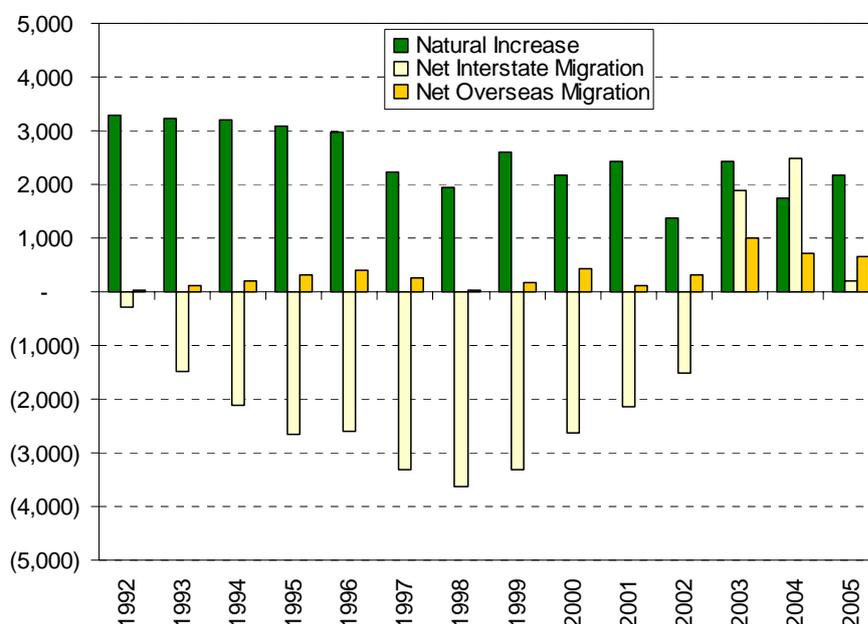
Source: ABS 3218.0, AECgroup

Changes in population are driven by three components:

- **Natural increase** – the difference between births and deaths;
- **Net interstate migration** – the difference between interstate arrivals and interstate departures; and
- **Net overseas migration** – the difference between permanent and long term overseas arrivals and permanent and long term overseas departures.

Net interstate migration, and to a lesser extent net overseas migration, has been the primary driver of the resurgence in population growth in Tasmania in the past few years (see **Figure 3.4**). Increasing employment opportunities and comparatively more affordable residential property have been two of the key drivers of this growth. Prior to the recent positive growth, Burnie City and the North-West Coast had recorded significant out-migration both interstate and intrastate. Forward projections of population made by the ABS (1999 and 2003) have underestimated population growth in Burnie City and across Tasmania due to weaker net migration assumptions.

Figure 3.4: Components of Population Change, Tasmania



Source: ABS 3412.0, AECgroup

The other component of regional population change (i.e. Burnie City) is internal migration within Tasmania. Before the recent turnaround in growth, the North-West region as a whole recorded both intrastate and interstate losses of 11,000 persons in the 1991-2001 period (see **Table 3.1**). The most significant factors affecting population growth in this period were net interstate migration and net intrastate migration to other Tasmanian regions. There was a large increase in the net negative interstate migration from the area in the 1996-2001 period. Recent population data suggests a reversal since 2001.

Table 3.1: The Impact of Migration Flows for North-West Subdivision, Tasmania

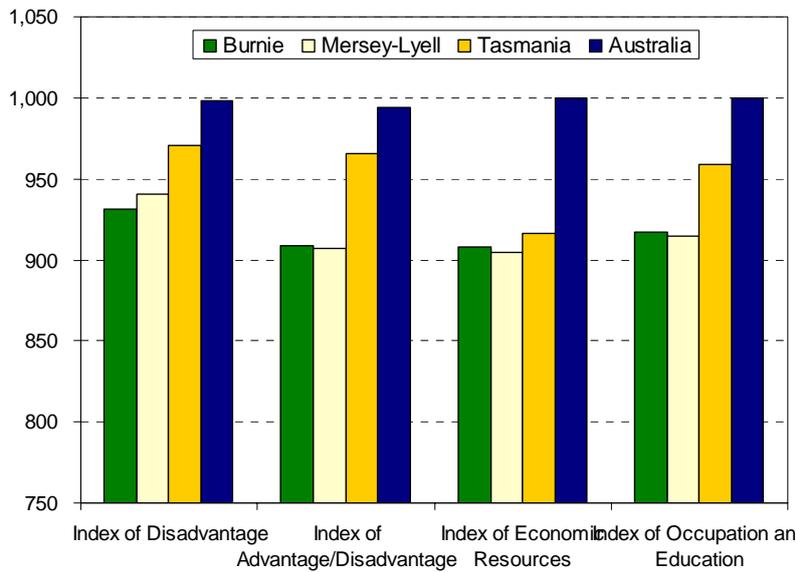
Statistical Subdivision	1991-1996			1996-2001		
	Intrastate	Interstate	Net Change*	Intrastate	Interstate	Net Change*
Burnie-Devonport	-1,162	-1,979	-3,141	-1,140	-2,818	-3,958
North Western Regional	-361	-274	-635	-713	-441	-1,154
Lyell	-1,400	-36	-1,436	-592	-315	-907
North-West Total	-2,923	-2,289	-5,212	-2,445	-3,574	-6,019

Source: ABS 1991, 1996 and 2001 Census, Department of Treasury & Finance

3.2 Demographics

Burnie City and the broader Mersey-Lyell region are classified as a relatively low socio-economic areas, evidenced by low ratings across a number of socio-economic indexes (see **Figure 3.5**), a relatively older population, low labour force participation, higher rates of part-time employment, higher unemployment, lower household income, low attainment of post-school qualifications, and a high ratio of blue-collar workers.

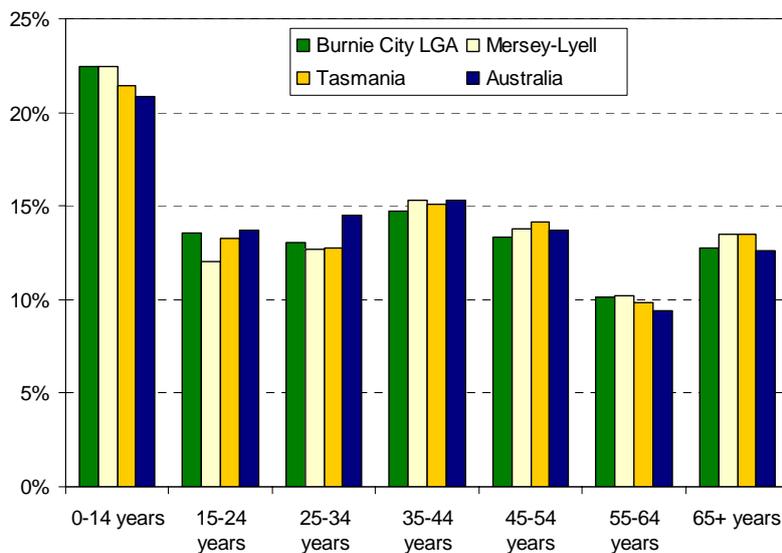
Figure 3.5: Comparison of Socio-Economic Indices for Areas (SEIFAs), 2001 Census



Source: ABS 2039.0, AECgroup

Looking at age trends more specifically, there is a slightly higher proportion of persons in Burnie aged 0-14 years in 2001 compared with Tasmania, Australia’s second oldest population (see **Figure 3.6**). Burnie also records a slightly higher proportion of people in the 15-34 years age brackets, with a lower proportion in the 35-54 years and over 65 years age brackets, when compared with Tasmania. Between 1991 and 2001, there was a clear increase in the proportion of persons aged above 34 years, reflecting broader social trends such as lower fertility and mortality rates and increasing life expectancy.

Figure 3.6: Comparison of Age Profiles, 2001 Census



Source: CDATA 2001

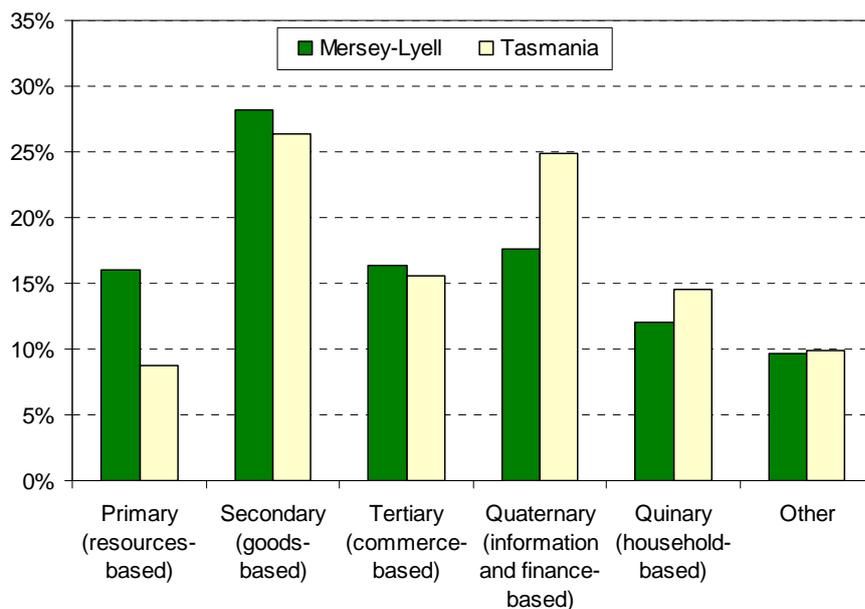
3.3 Economy

The size of the Mersey-Lyell regional economy, as measured by Gross Regional Product (GRP)¹, was estimated at \$3.50 billion in 2004-05 by the AECgroup, accounting for 21.7% of the Tasmanian Gross State Product (GSP) of \$16.11 billion.

Reflecting its origins, the significance of major industry and vast natural resources, the Mersey-Lyell regional economy records a significantly higher proportion of its economy, relative to Tasmania as a whole, in the primary and secondary sectors, particularly the areas of agriculture, mining and manufacturing (see **Figure 3.7**). The tertiary sector is also slightly larger, mainly in the area of transport and storage, reflecting the region's well-developed transport infrastructure and major ports. The secondary sector is the largest sector in the regional economy, contributing an estimated 28.2% to factor income. The region records less economic activity in the quaternary and quinary sectors compared with Tasmanian averages, particularly in the areas of government and finance.

While Burnie City only records 22.2% of the Mersey-Lyell's region's population, it records a much higher share of the region's workforce due to the transient nature of the region's population. In particular, Burnie City's regional role is significant in the tertiary, quaternary and quinary sectors, particularly in the areas of government, finance, health, retail, property, communications and transport. Burnie City also plays a central role in the secondary goods sector through major manufacturers like Australian Paper.

Figure 3.7: % Contribution to Total Factor Income By Industry Grouping, 2004-05

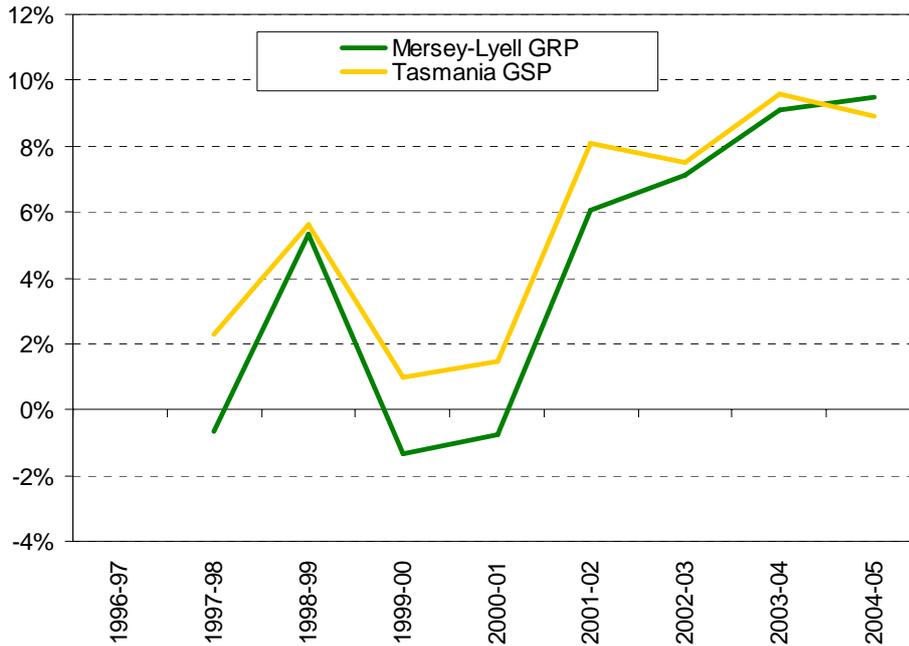


Source: AECgroup

Economic growth in the Mersey-Lyell region has historically been below State growth, with the exception of the last year on record (see **Figure 3.8**). The AECgroup estimates the Mersey-Lyell economy has recorded average economic growth of between 8% and 10% for the past three years following a more volatile period back to 1996-97 which saw a clear cycle in growth. This demonstrates the buoyant economic conditions presently being experienced in the region and Burnie City. There is some evidence to suggest growth may be stabilising.

¹ The total market value of goods and services produced in Burnie City within a given period after deducting the cost of goods and services used up in the process of production but before deducting allowances for the consumption of fixed capital. Thus gross regional product, as defined here, is 'at market prices'. It is equivalent to gross national expenditure plus exports of goods and services less imports of goods and services.

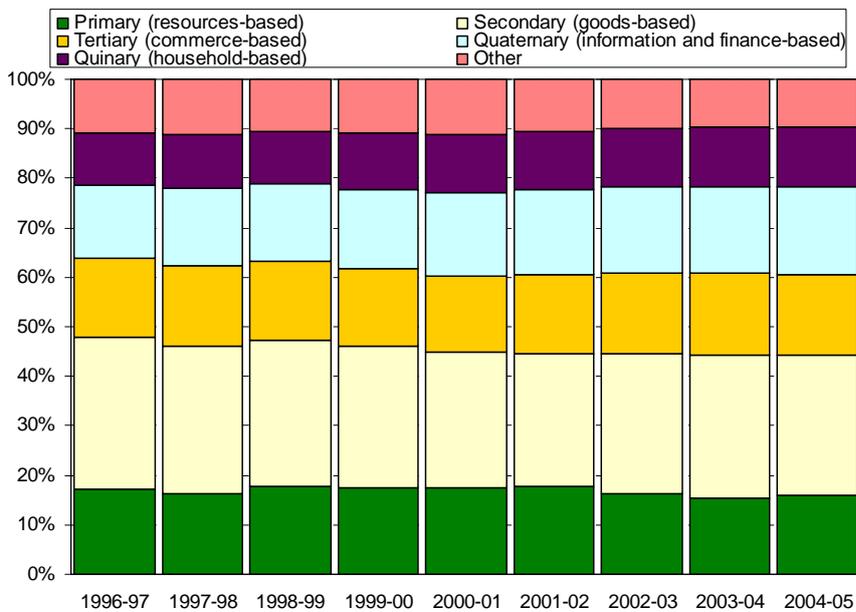
Figure 3.8: Estimated Annual % Growth in GRP/GSP (Current Prices)



Source: ABS 5220.0, ABS Labour Force Survey, AECgroup

Mining, manufacturing, construction, retail trade, health and transport are identified as the key industry sectors that have driven the region’s recent economic and commercial growth. The graph below indicates there have been decreases to the size of the primary (resource-based) sector and the secondary (goods-based sectors) over the past 10 years, mainly at the expense of the quaternary (information and finance-based) and quinary (household-based) sectors (see **Figure 3.9**). The graph indicates the regional economy has diversified slightly over the past 10 years, with a more even spread of economic contribution and reducing reliance on the primary and secondary groupings.

Figure 3.9: Changing Industry Structure of Mersey Lyell Region (% of Factor Income)



Source: AECgroup

3.4 Employment

Employment growth is a central focus of this Strategy. As noted earlier, Burnie City due to its regional nature records a significantly higher proportion of the region’s labour force compared with population. Burnie City currently records a high unemployment rate amongst its residential population. At the same time there are also a number of reported skills shortages across the local economy. This suggests the take-up of education and training is low and the skills base of the local workforce is not at the level it needs to be and is constraining the region’s growth. This situation is compounded by the out-migration of young people and an inability to competitively attract and retain skilled labour, resulting in a net export of skills. The trend unemployment rate in Burnie City in the June Quarter 2006 was estimated at 9.8%, well above the regional Tasmanian (7.0%), the Tasmanian (6.5%) and Australian (5.1%) averages (see **Table 3.2**).

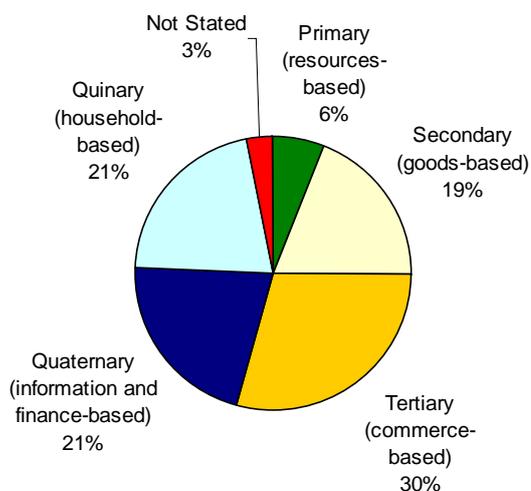
Table 3.2: Recent Trends in Unemployed Persons and the Unemployment Rate (Smoothed Series)

Region	Unemployed Persons					Unemployment Rate (%)				
	June 2005	Sep 2005	Dec 2005	Mar 2006	Jun 2006	June 2005	Sep 2005	Dec 2005	Mar 2006	Jun 2006
Burnie City	691	691	733	819	924	7.9%	7.7%	8.0%	8.8%	9.8%
Tasmania	13,900	13,700	14,400	15,100	15,400	6.1%	5.9%	6.1%	6.4%	6.5%
Australia	545,600	535,600	536,700	540,700	539,500	5.3%	5.1%	5.1%	5.1%	5.1%

Source: DEWRBS *Small Area Labour Markets, June Quarter 2006*

According to the 2001 Census, Burnie City recorded a lower proportion of employees in full-time employment relative to part-time employment, when compared with regional, state and national benchmarks. Burnie City’s resident population recorded a relatively larger share of employment in the trades, production and transport workers and elementary/intermediate clerical, sales & service workers in 2001 with a smaller share of residents employed as managers & administrators and professionals. Between 1991 and 2001 Burnie City recorded an increasing share of employment in the professionals, associate professionals and intermediate clerical, sales & service worker categories. Burnie City recorded the largest share of its employment in the tertiary (commerce-based) sector in 2001 (28.7%), a ratio above regional, state and national benchmarks and an increase from the previous two Censuses (see **Figure 3.10**). Burnie City also records a relatively high share of employment in the quinary (household-based) sector at 19.2% in 2001, a ratio that has also increased marginally over the past 10 years.

Figure 3.10: Distribution of Employment by Industry, Burnie City, 2001 Census



Source: CDATA 2001, AECgroup

Much of regional Australia is currently experiencing skills shortages and Burnie is no exception. This situation has been brought about by a consistently strong economic performance nationally, a tight labour market with unemployment at its lowest level for 30 years, the resources boom and the attraction of young trades people to remote areas, and the ongoing construction and property boom. In Burnie, the pressure is being felt most in the trades. In addition to this, Burnie City's development as a services centre (and the diversification of its economic base) is being threatened by its ability to attract professionals and white-collar workers.

A skills shortage relates to two distinct concepts: (1) the availability of labour; and (2) the skill levels of employees. Tasmania has historically recorded net out-migration of its youth and has not managed to retain a significantly high proportion of its schooling and post-schooling graduates in the State. The in-migration has not managed to offset this shortage, which has ultimately meant a net export of skills from the region. Therefore, Tasmania has traditionally struggled with the availability of labour.

The availability of labour is a particularly important issue for Burnie City given its significant industry base and growth potential. Labour shortages, and the inability to attract new people to the region associated with employment opportunities, could be a primary constraint to future growth and economic development in the region. There are a number of local businesses commenting that a current shortage of labour is constraining their strategic expansion and development plans.

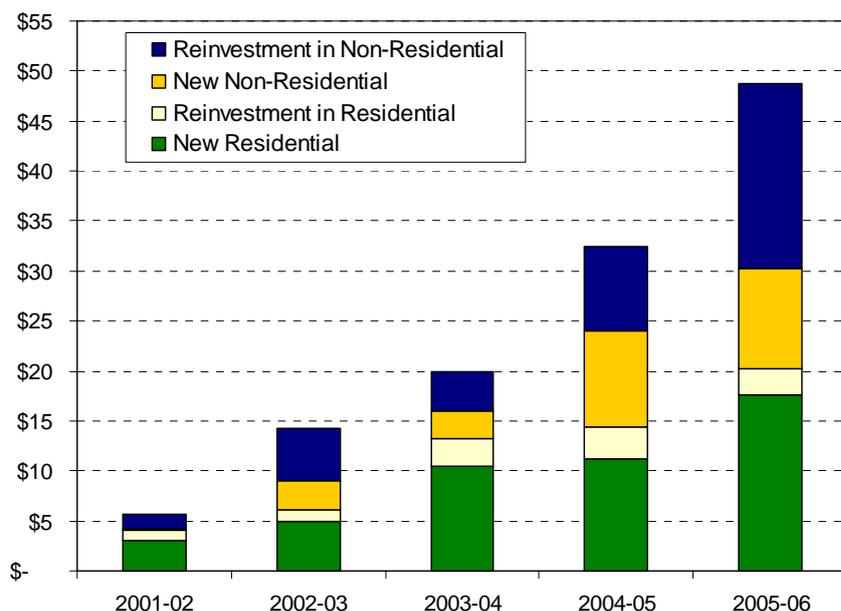
In terms of skill levels, there are a number of local education and training bodies in the region committed to improving the local skills base. However, they have highlighted a lack of take-up from school leavers and a continuation of youth out-migration. This ultimately means many of the region's students post-school are mature age.

The new Australian Technical College will provide a boost to trades personnel in the region and improve the skills base. The local Cradle Coast Campus of the University of Tasmania is also proposing to double its student numbers over the next 5 years which will provide further boosts to the local skills base.

3.5 Investment

Consistent with the recent buoyant economic conditions, investment trends have been strong in Burnie City in recent times, with almost \$50 million recorded in 2005-06, a significant jump from \$32 million in 2004-05 (see **Figure 3.11**).

Figure 3.11: Total Value of Residential and Non-Residential Building Approvals (\$m)



Source: ABS 8731.0

Residential building investment consists of investment in the construction of new dwellings, including flats, units and apartments, along with investment in the alterations and additions to existing dwellings. There has been a steady increase in the total number of dwellings approved in Burnie City over the past five years. This overall increase has been recorded despite a fall in the number of new house approvals over the past three years from a peak of 57 in 2003-04 down to 47 in 2005-06. The increase in dwelling approvals has been led by new unit approvals, with 31 recorded in 2005-06 and 11 recorded in 2004-05, which followed a period of no approvals of this type.

The total value of new residential building approvals has increased sharply in Burnie to \$17.5 million in 2004-05, a significant increase from \$11.2 million in 2004-05. The approved unit development at \$8.9 million has been the major driver of the increase, with the value of new house approvals actually declining marginally to \$8.7 million. Overall, for the first time in Burnie City's history, the value of unit approvals was larger than the value of new house approvals. There have been increases to the average value of dwelling approvals over the past year, mainly in unit development.

In addition to new residential dwelling investment, there has been increasing investment in alterations and additions to dwellings. This is believed to be the result of the increasing equity in people's homes in the region following the recent property price boom and continued price growth. There was \$2.7 million in investment in alterations and additions to residential property in 2005-06, down from the peak of \$3.2 million in 2004-05.

Non-residential building investment consists of investment in the construction of all non-residential development, which commonly includes:

- Retail (e.g. shopping centres);
- Commercial (e.g. office buildings);
- Tourism (e.g. hotels);
- Community (e.g. community facilities);
- Industrial (e.g. manufacturing plants);
- Engineering (e.g. roads, public works); and
- Other non-residential infrastructure.

There was a record high \$28.6 million in non-residential building approvals in Burnie in 2005-06, a significant increase from 2004-05 and earlier years, and above the \$20.2 million in residential building investment recorded. Alterations and additions accounted for the majority of the value (\$18.6 million) in 2005-06. There has been a general upward trend in both indicators in the past five years, although the past two years, in particular, have seen significant growth. One of the most significant non-residential building projects approved in the past few years has been the Harvey Norman and Supa Cheap Retail Centre in South Burnie. Overall, the trends in non-residential building investment suggest strong investor sentiment in the region and positive economic growth expectations moving forward.

It is considered increased household equity has resulted in significant reinvestment in residential property. The population and economic growth in Burnie City has also attracted new investment in residential, commercial, retail and industrial property and public works projects. The trends in this investment would suggest strong forward expectations for future economic growth and development in the region.

Attracting private and public investment to regional areas like Burnie City has generally been a constraint to regional economic growth around Australia. The availability of capital and financing, and the ability for investment return to be commensurate with investment risk, have generally been the main factors contributing to this situation. The strong inflows of investment to Burnie City suggest the risk/return criteria is now being met, perhaps best reflected by the reinvestment by residents and businesses in their assets.

3.6 Property

According to Council approvals data, there have been a total of 373 lots approved in Burnie City between 1999 and 2006 (to September 2006). The majority (more than 225) were approved in 2004. The 2003-2004 years actually accounted for 82% of lot approvals over the past 8 years. Only 38% (or 142 lots) of the residential lot approvals have actually been created under sealed plans, with the majority of these occurring mainly in 2004 and 2005. The main residential subdivisions over the past few years in Burnie have included Brickport Road, Malonga Heights, Byworth, Sebastian Court, Loongana Avenue and the Singline Estate. The majority of residential property in Burnie City can be described as detached dwellings on 400-600sqm lots. The topography of the area presents both opportunities and challenges for developers. The average lot price presently is around \$70,000-\$80,000, with maximums at \$120,000-\$160,000 and minimums at \$40,000-\$50,000. There has been significant price growth in vacant land prices in Burnie over the past 5 years, with investors driving the recent boom.

The Real Estate Institute of Tasmania (REIT) and Roberts Real Estate collect data on the number and median value of house sales across Tasmania. According to data supplied by Roberts Real Estate, the number of house sales in Burnie City peaked in 2003 when the property boom was in full swing and mainland investors were extremely active in the market as they searched for lower house prices and capital growth. Since 2003, the number of house sales has declined to around 20-30 per month in 2005 from the peak of 100-150 per month in 2003. Recent data from the REIT for the June Quarter 2006 suggests activity has declined further to 15-20 sales per month.

Burnie City recorded a median house sales price of \$180,000 in the June Quarter 2006, which represented quarterly price growth of 6.2%, annual price growth of 30.9% and two-year price growth of 31.9% (see **Table 3.2**). It is clear house price growth has been most significant, on average, in the North-West centres over the past year compared with other parts of the State. Actual house price levels suggest Burnie remains more affordable than most other Tasmanian regions. There has been relatively little activity recorded in the unit market in the North-West and prices remain more affordable, including Devonport. The new Bay Renaissance unit development in Burnie City will add new waterfront, and higher quality, units to the existing market offering in the area. The strong activity in the residential property market in recent times has been attributed to investor interest from interstate investors seeking comparatively cheaper residential property and anticipated capital growth. The market has slowed recently and rents have not yet caught up to price growth, resulting in lower gross rental yields.

Table 3.2: Comparison of House Sales and Median Prices, June Quarter 2006

Region	No. of Sales	Median Price	% Chg from Mar Qtr 2006	% Chg from June Qtr 2005
Houses				
Burnie	49	\$180,000	6.2%	30.9%
Devonport	42	\$213,250	3.0%	18.5%
Hobart	649	\$277,000	-1.9%	6.5%
- Inner	149	\$381,000	-1.9%	12.7%
- Middle	349	\$249,000	-0.4%	8.3%
- Outer	151	\$265,000	1.9%	1.9%
Launceston	305	\$230,000	4.5%	12.2%
North-West Centres	189	\$212,000	6.0%	18.4%
Units				
Hobart	180	\$227,500	3.4%	1.1%
- Inner	65	\$300,000	13.2%	15.8%
- Middle	85	\$200,000	5.8%	5.3%
- Outer	30	\$229,250	1.9%	9.2%
Launceston	71	\$180,000	-6.5%	0.0%
North-West Centres	26	\$187,500	31.1%	3.9%

Source: REIT Property Focus Tasmania, June 2006 Quarter

3.7 Tourism

According to Tourism Tasmania's Visitor Survey data, there were an estimated 2.18 million visitors either passing through, looking around or staying overnight in Burnie City in the year to March 2006, which was a fall from 2.54 million visitors in the year to March 2005 (see **Table 3.3**). Prior to this there had been positive growth for two years. Tasmania and most regions recorded a drop in visitor numbers in the most recent year. Devonport recorded more visitor numbers than Burnie throughout the period, although the differential between the two cities has declined. A comparison of the number of visitors to the North-West region in total indicates around 60% visit Burnie at some stage during their stay in the North West. This ratio has increased to 60% over the past four years. The ratio of all State visitors coming to Burnie City was 35% in the year to March 2006, which represents a decline from 38% in the previous year.

Table 3.3: Total Visitors Passing Through, Looking Around or Staying Overnight

	Year to Mar 2003	Year to Mar 2004	Year to Mar 2005	Year to Mar 2006
Burnie	2,158,092	2,350,942	2,535,591	2,181,247
Devonport	3,225,700	3,209,303	3,430,988	2,983,177
North-West	3,825,791	3,945,665	4,229,638	3,686,258
Tasmania	5,825,273	6,218,969	6,678,511	6,211,576
% of North-West visitors in Burnie	56%	60%	60%	59%
% of Tasmanian visitors in Burnie	37%	38%	38%	35%

Source: Tourism Tasmania Visitor Survey

Accommodation demand increased moderately in Burnie City in the year to March 2006, with room occupancy improving to 50% and room nights increasing to 35,210, up by 10.7% from a year earlier (see **Table 3.4**). Overall, tourism accommodation revenue increased by 11.4% to \$3.22 million.

Table 3.4: Tourism Accommodation Supply and Demand Trends, Burnie City

Indicator	Year to Mar 2004	Year to Mar 2005	Year to Mar 2006
Supply			
Establishments	6	6	6
Guest rooms	207	194	193
Bed spaces	540	502	476
Employment	114	92	106
Demand			
Room Nights	33,264	31,814	35,210
Guest Nights	47,890	46,382	49,043
Guest Arrivals	28,643	28,175	27,584
Takings From Accommodation (\$'000)	\$2,858.0	\$2,891.9	\$3,222.5
Room Occupancy Rate (%)	44.0%	44.9%	50.0%
Avg Length of Stay (nights)	1.7	1.6	1.8
Avg Daily Takings (\$/night)	\$38	\$41	\$46
Avg Room Rate (\$/night)	\$86	\$91	\$92

Note: Only for hotels, motels and serviced apartments with 15 or more rooms

Source: ABS Survey of Tourism Accommodation, AECgroup

In summary, analysis of the tourism market suggests that while visitor numbers have declined, there was an increase in demand at the larger tourism accommodation establishments in Burnie in the past year, with growth more than double the state average. However, this did not translate into significant room rate growth or new investment in supply, and the market is still considered to have gaps at the upper end of the market. It is likely improved economic growth and business conditions, along with increased air movements, may have contributed to increased corporate guests, which have historically underwritten demand.

4. Future Growth Scenarios

This chapter provides an analysis and discussion of future growth scenarios for Burnie City based on key economic and social drivers and influences. This chapter provides a summary analysis of the key drivers of, and inhibitors to, economic and population growth and prosperity in Burnie City and the broader region in which it plays a regional role. The analysis then considers the importance of population trends in planning and economic development, the historical factors that have affected population growth in Tasmania, the competition position of Burnie City to record growth. The chapter concludes with the development of future possible population growth scenarios.

4.1 Economic Growth, Drivers and Influences

Economic growth can be defined as the increase over time in the capacity of an economy to produce goods and services. Traditionally economic development has relied on the development of infrastructure, population and services around the use or exploitation of specific resources and natural assets. In the context of Burnie City this included pulp, land for primary agricultural production and extraction industries. Where these resources are, or are close to full exploitation or development, without a specific development impetus, additional economic development can only be achieved through organic growth and expansion. This has been a situation frequently faced by Burnie City throughout its history and is currently of significance with the decline of traditional industry sectors.

Economic growth is generally a function of the following factors:

- Population growth and skill base (relationship discussed in next section);
- Utilisation of natural resources;
- Capital availability;
- Infrastructure development;
- Technical innovation;
- Attitudinal trends; and
- External factors such as market forces, government policy and legislation.

Each of these factors is then again interrelated.

An analysis of the economic drivers, inhibitors and influences of the Burnie City economy is summarised in **Table 4.1**.

The central factor to sustained economic growth in Burnie and region will be the attraction and retention of skilled labour. Much of regional Australia is currently experiencing skills shortages. This situation has been brought about by a consistently strong economic performance nationally, a tight labour market with unemployment at its lowest level for 30 years, the resources boom and the attraction of young trades people to remote areas, and the ongoing construction and property boom. In Burnie, the pressure is being felt most in the trades. In addition to this, Burnie City's development as a services centre (and the diversification of its economic base) is being threatened by its ability to attract professionals and white-collar workers.

Table 4.1: Summary of Economic Drivers and Inhibitors

Factor	Current and Recent Trends	Future Trends
Natural population growth	Natural increases to the population have been the major driver of the region's population long-term growth. While fertility rates have declined, reduced mortality and longer life expectancies have offset this, resulting in an expanded but older population.	Recent data suggests fertility rates have increased in the past year, while mortality rates will continue to decrease. Overall, there will remain organic growth in the population but inter-state migration may be the largest contributor to growth.
Net migration	The past three years have seen Tasmania record positive net migration after an extended period of negative outflows. This in-migration has driven the resurgence in population growth, combined with lower out-migration. Lower housing costs and expanded employment opportunities are key drivers. Housing affordability will remain important to future growth.	Net interstate and overseas migration are expected to stabilise but be sustained over the longer-term as employment opportunities expand in Tasmania in response to improved economic conditions. Burnie City's attractiveness as a place to live, work and invest will be a catalyst for its growth.
Out-migration	Tasmania and Burnie City have traditionally recorded significant out-migration, particularly young people. This has constrained the ability to increase skilled labour, attract new investment and grow the economic base of the region.	Improved employment opportunities in Burnie City, an expanded education and training sector, initiatives to boost post-school study and improved services are expected to reduce out-migration into the future.
Declining household size	Lower fertility rates, fewer marriages and higher divorce rates have resulted in decreases to household sizes, which has played a part in the demand for dwellings and property.	The broader social trends driving this indicator are expected to continue, with further reductions in the average household size and further increases in dwelling demand as a result.
Age profile	The broader social trends outlined above have resulted in a significant "ageing" of the population, evidenced by an increasing skew toward older persons. Out-migration of young people has also affected this, as has in-migration of retirees.	The age profile will continue to increase, with the proportion of persons aged over 65 years expected to increase to 25% over the next 20 years. This will have implications for government finances and planning, and community infrastructure.
Population size	Increased population growth has positively impacted the property sector, consumer spending and outside investor interest in Burnie City. The resurgence in population growth has been linked to comparatively cheaper property prices and expanding employment opportunities.	Continued population growth from the region will in turn be driven by a number of trends, including housing affordability and employment prospects. Future population growth will increase the critical size of the region and further attract outside investment interest in Burnie City.
Skilled labour	Burnie City has traditionally struggled to attract and retain skilled labour in the region. This situation has been exacerbated in the current tight labour market conditions and the resources booms in Queensland and Western Australia. The region has generally experienced a net export of skills, including low take-up of training and out migration of younger workers.	Skills shortages represent the primary constraint to future economic growth. Efforts to expand the range of occupations, education and training opportunities, introducing wage parity with the mainland and the retention of youth will be central to addressing this issue. There is likely to be residual construction employees post the Bell Bay Pulp Mill construction phase.
Education and training	The education and training sector has been a key economic driver for the region, with local university, TAFE and Technical Trade campuses. However, the take-up of education and	There are planned improvements to the delivery of education and training, including the new Australian Technical College and the expansion of the Cradle Coast Campus of the University of

Factor	Current and Recent Trends	Future Trends
	training in the region has been low, impacting the skills base.	Tasmania. These developments will improve the skills base.
Natural resources	Burnie City has traditionally relied on the exploitation of the region's natural resources, including mining, fishing and timber. Burnie City's role has been mainly in the processing, export and downstream industry parts of the supply-chain. The resources sector continues to record strong growth, although the processing industry has stalled somewhat in Burnie City.	The resources boom is expected to be sustained for another 2-3 years with new investment in North West mines and this would provide opportunities for Burnie to value add and export. Increased plantations and pulp manufacturing could also benefit the region. However, Burnie City will need to expand and diversify its economic base to ensure long-term sustainability.
Commodity markets	The booming commodity markets have positively impacted Australia as a whole, particularly resource rich areas, which include the North-West Coast and Burnie as the regional centre.	Further development of these resources in response to strong market conditions will drive further employment and associated residential/population growth in Burnie City.
Transport infrastructure	Transport infrastructure has traditionally been a competitive advantage of Burnie City, with a deepwater port able to export the region's major outputs. Road and rail freight networks are also well developed. Air services have increased from the Wynyard Airport in response to increasing consumer demand.	Tasmanian Ports recently took over the operation of the Port of Burnie and its future is unclear with less major industry located in the region and potential consolidation of the ports on the North-West Coast. Qantas has also recently exited the Wynyard Airport, which is considered a negative for growth and access.
Utilities infrastructure	A secure water supply and a reliable energy supply are key economic drivers and competitive advantages for the region, particularly relative to mainland metropolitan areas.	There are expansions to the gas network, a new connection to the Victorian electricity grid and new investment in wind farms to ensure future energy supply meets future needs.
Health and education services	Health and education infrastructure have become centrepieces of Burnie City's regional infrastructure and economic framework, given their linkages to other economic sectors. Burnie City has the regional base hospital and a local university and TAFE.	The university campus is proposing to double in size to increase education and training take-up and the local skills base. Future growth and the ageing population will place pressure on the region's health system and aged care accommodation.
Wealth and consumer spending	The Burnie City property market has recorded significant price growth, which has positively impacted the wealth of the region and the equity positions of households. This has driven new investment in property, reinvestment in property and increased consumer spending. There has also been increasing wages growth to drive household consumption increases.	There continues to be strong investment and reinvestment in the region by households, which has flowed through to increased spending and reinvestment by existing businesses. Consumer spending is expected to slow if there are further interest rate increases and if fuel costs do not subside.
Capital investment	There have been significant increases in investment in the region on the back of increased investment returns. However, in the private property market, rents have not yet caught up to prices, reducing gross rental yields.	There does not appear to be a shortage of capital available to the region, although investment risks are still apparent, including labour and skills shortages. Business confidence is slowly improving in Tasmania, although still remains negative.
Macro economic trends	Lower interest rates have fuelled increased residential and commercial property investment. Increased global oil prices have however placed pressure on household budgets through	There may be some more interest rate hikes by the RBA over the next year and there may be an ongoing impact of rising oil prices.

Factor	Current and Recent Trends	Future Trends
	CPI increases.	
Regional centre role	Burnie City has generally competed with Devonport City for regional centre status in the North-West Coast region. This has resulted in the duplication of many services. Expanding settlement patterns have meant many people now live outside Burnie City but still work in the City.	Burnie City has the potential to establish as the regional centre in the commerce, information and finance and household-based goods sectors. The amount of investment interest in Burnie City reflects this possibility, however the strategy still requires careful assessment of market position and opportunities.
Diversification of the economy	Burnie City and the region have traditionally relied on the resource and goods based sectors, but to achieve long-term economic sustainability, will require a diversified economic base.	Burnie City must continue to expand its economic base, with particular attention on the commerce, information and finance and household-based goods sectors and its regional centre role. At the same time, it should look to consolidate its major industries where possible and provide value adding and processing capabilities for nearby resource industries.
Value adding/technical competence	There are examples of a number of local Burnie City firms that have forged a national and international reputation in particular niche markets based on innovation.	Burnie City will need to foster its businesses to continue developing new and innovative techniques for doing things, possibly through collaboration with the university.
Environmental policy	There have been changes to environmental policies affecting timber and plantations, and coastal management areas. There is also a growing emphasis on renewable energies. The environmental check lists for major projects have increased and will remain highly relevant to Tasmania's sensitive environment.	There is likely to be an increasing focus on environmental issues for major projects such as the Bell Bay Pulp Mill and overall consideration for environmental degradation. Water saving and recycling initiatives are likely to increase into the future.
Technology	Technology has changed rapidly throughout Australia and Burnie has been quick to take-up the new technology to ensure access for its community and businesses.	There will be further technology changes over the coming period that will require more investment by government and the private sector to keep pace.
Government policy	Burnie City Council has been a pro-development Council in recent times, a position generally supported by the Tasmanian State Government which has aimed at achieving comparable economic growth with the mainland.	Government policy is likely to continue impacting the provision of public utilities and infrastructure, environmental policy such as timber and logging, the rationalisation of State assets such as the Port of Burnie, education and health.

Source: AECgroup

4.2 Relationship Between Economic and Population Growth

The economic and population growth of Burnie City's are intrinsically linked. For example, all other things being equal, population growth contributes to increases in GRP (i.e. economic growth). In particular, a growing population promotes housing construction and sustained consumption expenditure, two key drivers of economic activity. The age structure of the region's population can also have a significant impact on the demand for, and the costs of, government services. More generally, an ageing population results in a smaller proportion of people of working age supporting a growing number of people of non-working age. A larger population can lead to improved economies of scale, reducing the per unit costs of government services. It is also noted population growth is often used as an indicator of economic performance and the relative attractiveness of an area as a place to live and work. Additionally, in developed countries, a larger population generally leads to a more diverse society, containing a mixture of several cultures and a wider range of employment opportunities.

The relationship between economic and population growth is perhaps best demonstrated by the historical analysis of population growth and economic impacts for Burnie. Throughout Burnie's and Tasmania's histories (and that of comparable regions), periods of economic underperformance have led to a declining rate of population growth as people left in search for better employment opportunities. However, as economic performance improved, so too did population growth.

It is important to maintain employment in industries which have traditionally employed young people, along with offering a range of opportunities in other industries where young employees may currently be under-represented. Maintaining and expanding the range of industries in Burnie City will also promote the likelihood of new people finding suitable employment. A narrow range of occupations may result in people departing the region due to a lack of employment opportunities.

From earlier analysis it is clear that net interstate migration is the most volatile component of population growth, particularly in Tasmania. Over the past four years the downturn in net interstate migration has reversed, due to an increase in arrivals and stable departures. The Tasmanian Department of Treasury and Finance prepared a detailed analysis of population growth in Tasmania and its relationship with economic and employment growth², including the indicators of employment, participation rates, unemployment rates, private investment, average weekly earnings, job vacancies and housing affordability. The analysis led to the following key findings:

- Increases in interstate arrivals in 1990 were associated with relatively strong employment growth in Tasmania. Over the following decade, employment growth was below that of mainland Australia and there was net out-migration. The growth and subsequent decline in net interstate out-migration was associated with a decline and subsequent recovery in Tasmania's relative employment growth;
- Relative housing affordability was the only other variable that appeared strongly correlated with interstate arrivals. Statistical regression modelling indicated the change in the relative affordability of housing explained 76 percent of the change in the interstate arrivals series, with Granger causality tests confirming relatively cheaper housing "causes" interstate arrivals. The implication of this is that if Tasmania's relative housing affordability were to decrease, then this would be expected to lead to a decline in interstate arrivals;
- Since Tasmanian housing became relatively cheaper in 1995, interstate arrivals of all age groups, except young adults and children, increased, suggesting housing affordability is more of an issue for interstate arrivals aged over 30, than for younger adults; and
- The only variable found to be correlated with interstate departures was the relative percentage of the population employed in Tasmania versus Australia as a whole.

² Department of Treasury and Finance, *Tasmania's Population 2003*

Statistical regression modelling indicated the change in the relative percentage of people employed explained 84 percent of the change in the interstate departure series, with Granger causality tests indicating causality in both directions i.e. changes in the percentage employed “caused” changes in the interstate departures and vice-versa. The explanation of this link was possibly linked to:

- Relatively fewer and narrower employment opportunities in Tasmania;
- Relocation of employment with positions are transferred to the mainland;
- The interstate departure of an employer; and
- The multiplier effect whereby interstate out-migration results in a lower demand for goods and services in an area and hence a flow-on effect to lower employment opportunities as discussed above.

4.3 Economic Growth Scenarios

Burnie has recorded significant increases in residential and non-residential investment in each of the past 5 years. In fact, almost \$50 million of approved building activity was recorded in 2005-06, a large jump from \$32 million in 2004-05 and a significant increase from just four years earlier of around \$5 million. New investment and reinvestment in non-residential buildings, and new residential investment, have each contributed significantly to the increases. While the increasing rate of investment cannot continue exponentially, Burnie City Council forecasts average building investment of between \$50 and \$70 million in each of the next 4-5 years during the region’s current economic boom.

Assuming a definite supply of skilled labour, this rate of investment would generate demand for a significant number of new full- and part-time jobs. Based on an average multiplier of approximately 10 employees for every \$1 million in construction activity in the region, there would be future demand for 500-700 new employees in the region over the next 4-5 years. Based on an average household size of around 2.4 persons, this could represent **1,200 and 1,700** new persons to the Burnie region in the next 5 years alone.

4.4 Population Growth Scenarios

A key consideration for the future is the widening settlement pattern of residents in the North West region, many of which are choosing to live outside the Burnie City Council area but still travel to work in Burnie. It is unclear the extent to which rising fuel prices may impact this trend. This trend means that even if Burnie City records strong economic and employment growth, as described above for example due to new investment, there is no guarantee it will actually record comparable population growth.

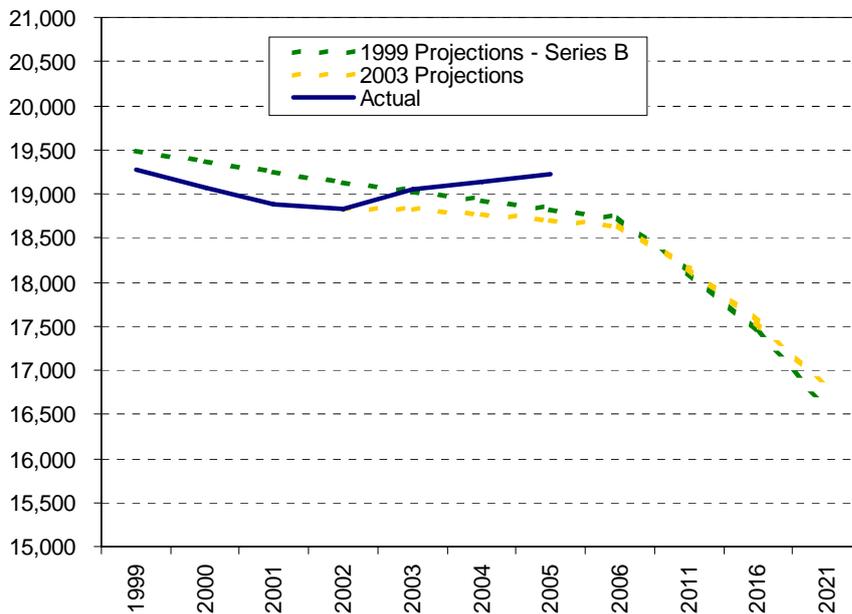
Therefore, once Burnie City and the region have attracted new people, the next issue will be Burnie City’s attractiveness as a place to live relative to other areas in the coastal strip, including Devonport and Latrobe, which are recording stronger population growth. Burnie City is positioning itself as an attractive place to live, work and invest. Its economic influences have played a role in this position. In general, the following are the key reasons for choosing to live in Burnie City ahead of other regions:

- Lower house prices;
- Employment opportunities;
- Investment opportunities;
- A sense of community;
- Easy access to recreational opportunities;
- Lack of major social and environmental problems;
- High quality education system; and
- Mild climate.

The ABS’ existing population projections prepared for Burnie City, and Tasmania as a whole, are significantly negative, with the average growth rate declining to –0.9% per annum over the next 15 years (see **Figure 4.1**). The projections anticipate a decline in the population to between 16,600 and 16,800 persons. The 2003 ABS projections, made from the 2001 resident profile and using 1996-2001 net migration figures, are considered

unsuitable for estimating future population growth given they understate recent population growth due to historically weak net migration assumptions.

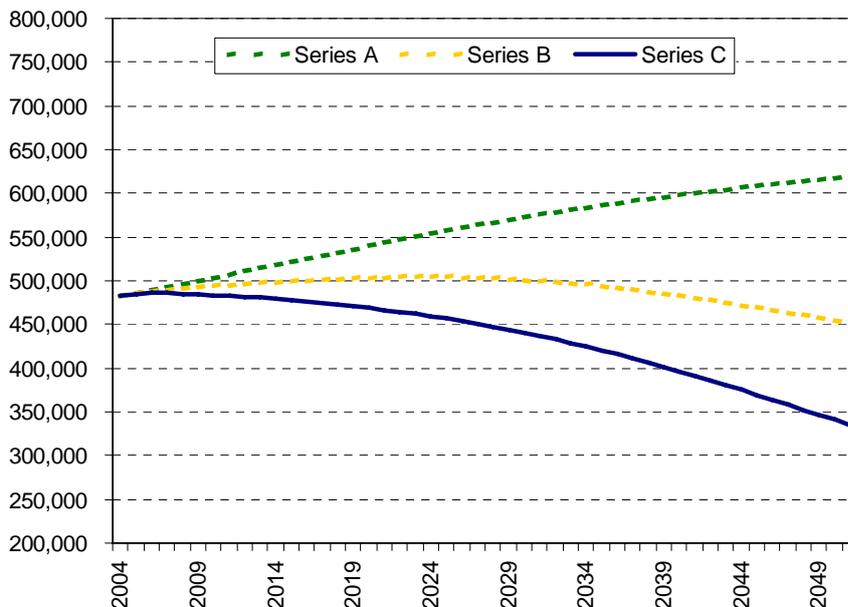
Figure 4.1: Comparison of Past Population Projections with Actual Population, Burnie City



Source: ABS 1999 and 2003 Population Projections, ABS 3218.0, AECgroup

The slowdown in total population growth over time is not unique to the ABS' projections for Burnie City. It is also common to each series of its projections (2004) for Tasmania (see **Figure 4.2**), and reflects the ageing profile of the State over time, with less women of childbirth age. The projections are quite diverse for Tasmania, with a variance of between 454,000 and 561,000 in 2026 and 335,000 and 620,000 in 2051.

Figure 4.2: ABS 2004 Population Projections, Tasmania



Source: ABS 3222.0 Population Projections (2004)

The volatility of historic population growth trends in Burnie over both the last 15 years and last 150 years suggests the need for caution when projecting future population growth. It is clear that structural changes to the economy, such as the entrance of a major new business like APPM, generally drives the economy, while organic growth is generally much slower. However, at the same time, it is acknowledged there have been fundamental changes to the demographic and settlement patterns across Australia which have seen Tasmania record stronger recent growth from increased inter-state migration, particularly people searching for employment and retirees part of the green, sea and tree changes. This has seen Burnie City record positive growth without the entrance of major new industry. Taking into consideration all of these factors, the most responsible approach is to develop a range of population growth scenarios that consider past trends (long- and short-term) and current and future economic factors.

The AECgroup has defined three future growth scenarios for Burnie City (which exclude the possible impact of a major economic shock to the region such as APPM):

- **Low:** Population growth averages 0.2% for the next 5 years, consistent with the last 5 years, before declining in line with that projected for Tasmania in Series C;
- **Medium:** Population growth is maintained at 0.5% for the next 5 years in line with growth recorded in the past 2 years, before declining over time in line with that projected for Tasmania in Series B; and
- **High:** Population growth increases to 1.0% for the next 5 years in line with growth recorded in the past 2 years, before declining over time in line with that projected for Tasmania in Series A. **This scenario aligns with the forecasts for new investment and around 70% of the residents living in Burnie.**

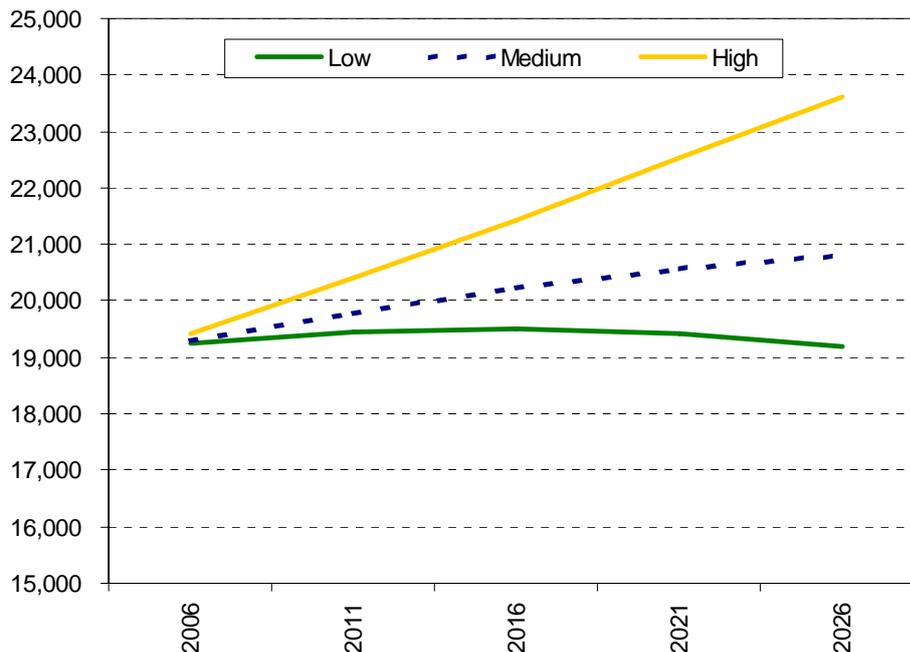
The population growth projections associated with each scenario are presented in **Table 4.2** and **Figure 4.3** and indicate a population in 2026 of between 18,410 and 21,270 persons, equating to average growth of between +0.2% and +1.0% per annum. By comparison, the average projected growth rate for Tasmania ranges between -0.3% and +0.7%. Overall, the population change in Burnie City under these scenarios would range between a decrease of 20 persons to an increase of 4,380 persons by 2026 when compared with the estimated resident population in 2005. The medium scenario projects an increase of 1,600 persons, or 0.4% growth per annum.

Table 4.2: Future Population Growth Scenarios, Burnie City

Scenario	5-Year Average Projected Population Growth per annum				Projected Population Level				
	2011	2016	2021	2026	2006	2011	2016	2021	2026
Low	0.2%	0.1%	-0.1%	-0.2%	19,260	19,450	19,510	19,430	19,200
Medium	0.5%	0.4%	0.3%	0.2%	19,310	19,800	20,230	20,580	20,820
High	1.0%	1.0%	1.0%	0.9%	19,410	20,400	21,440	22,530	23,600

Source: ABS 3222.0, ABS 3218.0, AECgroup

Figure 4.3: Future Population Growth Scenarios, Burnie City (Number of Persons)



Source: ABS 3222.0, ABS 3218.0, AECgroup

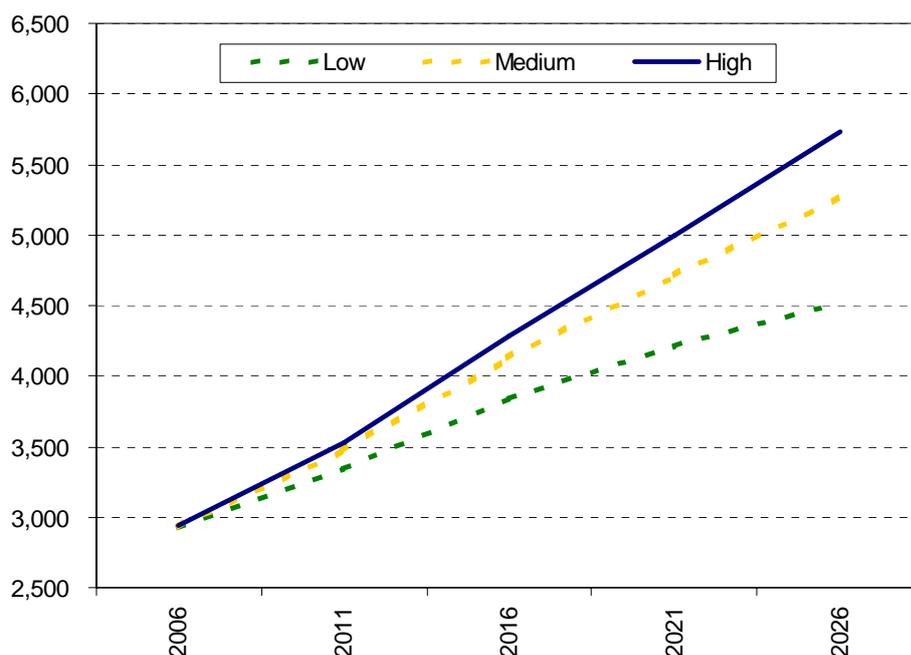
4.5 Demographic Changes and Impacts

Looking ahead, the age profile of Burnie City and the rest of the country is projected to become even more heavily distributed toward the older age groups. This situation is referred to as the “ageing phenomenon” and reflects a number of broader social trends relative to Burnie City and Australia’s regional areas in particular, including:

- Lower fertility rates;
- Lower mortality rates;
- Increased life expectancy;
- Lower marriage rates;
- People marrying later in life;
- Higher divorce rates;
- People staying in education longer; and
- Migrants generally older in age.

The changing age distribution of the region’s population will mean increases to the number of people aged 65 years and over regardless of the future growth scenario eventuating (see **Figure 4.4**). Under a high scenario, there could be approximately 6,440 persons in this age category. Under a low scenario, this number would be lower at 5,240. These projections represent a significant increase from 2,310 persons in 2001.

Figure 4.4: Future Population Growth Scenarios, Burnie City (Persons Aged 65 Years and Over)



Source: ABS 3222.0, ABS 3218.0, AECgroup

The anticipated changes to the demographics of Burnie City and the Mersey-Lyell region will present a number of planning challenges. The undertaking of this study by Burnie City Council represents a proactive move to consider the future demographics and future infrastructure needs. Local governments across Australia are grappling with these same issues and much of the progress made to date centres on responding to the ageing population and investing in improved aged care services, often in partnership with the private sector. As an example, this has generally included the following services:

- Senior citizen centres;
- Community transport;
- Food services and Meals and Wheels;
- Respite care and aged care facilities;
- Home maintenance;
- Ageing policies and programs; and
- Assistance to the aged through Home And Community Care.

The following is a description of some of the key opportunities and challenges from an ageing population in Burnie City that will require a local government response:

- **Attitudes:** positive attitudes to ageing and older people are essential in promoting inclusiveness and integration within the community;
- **Aged care services:** the provision of high quality, affordable and accessible aged care services will be critical in caring for the growing number of older people;
- **Cultural diversity:** the proportion of older people from non-English speaking backgrounds is expected to rise and needs to be considered in planning;
- **Disabilities:** the ageing population will include a high proportion of people with disabilities who, due to skilled care and improved technologies, will live much longer than previous generations;
- **Economic development:** the changing needs of older people and the changing locations of ageing will have a major effect, not only on investment but also on local economies and the consumer demand for services;

- **Finance:** an ageing population is expected to have a major impact on local government revenue and expenditure, creating increased fiscal pressure;
- **Housing:** the availability of affordable, accessible and suitable housing options is particularly important for older people and will be a priority as the population ages;
- **Health promotion:** health promotion is vital to encouraging health ageing, and not only improves the health and wellbeing of the community, but also has the potential to reduce the health and care costs of older people;
- **Indigenous:** Indigenous Australians, which are growing in number in Burnie City, are considerably younger than the non-Indigenous population;
- **Information and communication technology:** developments in information and communication technology will provide the opportunity for increased participation by older people in the community;
- **Lifelong learning:** lifelong learning is a key enabler for increased participation in the community;
- **Participation:** older people embody valuable skills, knowledge, experience and wisdom that can benefit the community by adding value to local services;
- **Planning and development:** planning and development of a wide range of facilities can have a significant impact on the quality of life of older people and influence the way older people enjoy and participate in their local community;
- **Regional diversity:** Australia's population is not evenly distributed and the projected growth rates are different between regions, with population ageing occurring more strongly in regional areas, as many regions attract retirees and experience an out-migration of young adults;
- **Tourism, recreation and leisure:** Recreation and leisure activities are an important way for older people to remain active, mix socially, and engage in the community;
- **Transport:** Access to public, private and community-based transport is essential for older people; and
- **Women:** women have differing lifestyle circumstances to men which impact upon them in older age.

5. Land Capability Profile

5.1 Residential

There are currently almost 600 residential lots in the development pipeline in Burnie, with around 500 contributed by Brickport Road and Malonga Heights and around 80 lots in the final stages of the planning scheme amendment process. Other recent and current residential subdivisions include Byworth, Sebastian Court, Loongana Avenue and the Singline Estate, which provides one additional parcel, currently zoned industrial, that could be rezoned for residential uses. Beyond this current development supply, the future residential land development capability can be divided into three categories:

- Undeveloped (or vacant) residential and rural residential zoned land;
- Reserved residential/deferred urban zoned land;
- Developed residential/other land redevelopment potential with increased density; and
- Conversion of mixed activity areas to single use residential precincts.

There is an additional 329.00 hectares of residential land capable of catering for future housing development (see **Table 5.1**). Freers Farm (231 hectares of which 100 is zoned for residential) dominates this land supply. The figures also include the 10.78 hectares at the Singline Estate which is currently zoned industrial but represents a logical extension to the urban footprint. The analysis does not include existing small lot subdivision area along East Cam Road which could be developed more intensively for residential development although an extension to infrastructure services is required. There are also a further 90 rural-residential lots proposed at Heybridge.

Table 5.1: Remaining Residential Development Potential in Burnie City, 2006

Land Parcel	Zoning	Ha
Freers Farm	Residential, Open Space, Rural Residential	231.00
Camdale	Rural Residential	28.00
Shepton Park	Residential	24.37
Bolland's Estate	Residential	9.50
Mooreville and Three Mile Line Rds	Residential, Reserved Residential	25.35
Singline Estate	Industrial Zone	10.78
Total		329.00

Source: Burnie City Council, AECgroup

In addition to the 329 hectares above, there is also the potential for increased residential density in established residential areas. This could be achieved through coordinated redevelopment, possibly in response to increasing demand trends toward units. Opportunities also exist in the CBD to increase residential living, possibly as part of the redevelopment of the Burnie Waterfront. There are also a number of smaller areas which each have the potential for small-scale residential development.

In summary, the above figures indicate the following:

- 63.5 hectares of vacant land allowing low to medium density development;
- 28 hectares of zoned rural residential land allowing 28 lots at Camdale;
- 15.35 hectares of reserved residential land at Mooreville and Three Mile Line Roads;
- 10.8 hectares of zoned industrial land (but logical extension to Singline Estate);
- 100 hectares of zoned residential land east at Freers Farm; and
- 130 hectares of balance land at Freers Farm with residential development potential.

The analysis does not include existing small lot subdivision area along East Cam Road which could be developed more intensively for residential development although an extension to infrastructure services is required. Additionally, the Cooee area provides further residential development opportunity via the conversion of industrial areas into residential. This strategy could also eventuate at other mixed activity precincts such as Camdale and South Burnie, although would need to be preceded by the provision of new and appropriate industrial land elsewhere.

5.2 Retail and Commercial

The CBD is the focus of retail, commercial, administrative and entertainment functions in Burnie. The CBD presently contains approximately 53,500sqm of retail floorspace and 63,500sqm of commercial office space. The CBD has the capability to accommodate significant expansions in retail and commercial floorspace without needing to physically expand. A competitive advantage of the Burnie CBD over time has been its ability to remain compact and develop specialised precincts for retail, office, government, light industrial etc. These characteristics need to be strengthened moving forward. The AECgroup's floorspace survey in August 2006 estimated total retail floorspace of 67,710sqm in Burnie City, with the majority (53,480sqm or 78.9%) located in the CBD (see **Table 5.2**). The main retail locations outside of the CBD include Bathurst Street in Upper Burnie, the Hilltop Shopping Centre near Shorewell, South Burnie, West Park, Cooe and strip retail along the Bass Highway. In terms of further development capacity, there is currently around 1,500sqm of vacant retail floorspace in the CBD.

Table 5.2: Overview of Current the Retail Market Supply in Burnie City

Retail Type	CBD		Non-CBD		Total	
	Businesses	Sqm	Businesses	Sqm	Businesses	Sqm
Groceries & Specialty Food	9	6,390	7	5,310	16	11,700
Food & Liquor Catering	36	6,925	5	380	41	7,305
Clothing & Accessories	31	11,580	0	0	31	11,580
Furniture, Houseware & Appliances	14	10,700	7	5,250	21	15,950
Recreation & Entertainment Equipment	36	10,030	2	1,580	38	11,610
Garden & Hardware Goods	3	3,200	1	1,000	4	4,200
Other Goods & Personal Services	26	4,655	7	710	33	5,365
Total	155	53,480	29	14,230	184	67,710

Source: AECgroup

Burnie City's office floorspace is almost wholly contained in the commercial zone in the CBD. Most office premises in the CBD are contained in multi-storey buildings, with an estimated 55% of office space on the ground floor and 45% on upper levels. The Harris Building and the Reece Office Building are two of the most prominent commercial office buildings in the CBD. Council's administration building and the regional office locations for State and Commonwealth Government agencies and businesses (such as Centrelink, Telstra and Police) are also significant office premises in the CBD. There are some small, home-based offices in other parts of Burnie. There is a small cluster of professional services office space in South Burnie. Overall, the AECgroup's floorspace survey in August 2006 estimated a total of 63,480sqm of office space in Burnie City across approximately 118 commercial and professional services tenants (see **Table 5.3**). This equates to around 3.30sqm of space per capita, which is particularly high for a regional centre but reflects government decentralisation and the regional role played by Burnie. It is presently estimated around 15%-20% of the existing stock of office space in the Burnie City CBD is currently underutilised or vacant on upper levels, equating to 9,500-13,500sqm of space. This space provides the capability for more intensive use over time.

Table 5.3: Overview of Current the Commercial Market Supply in Burnie City

Tenant Type	Businesses	Floorspace (sqm)
Business services	3	100
Computing services	1	120
Property services	9	2,225
Financial services	23	7,060
Legal services	5	2,150
Government	21	35,200
Health and medical services	15	5,950
Employment and education services	7	5,200
Other	17	5,475
Total	118	63,480

Source: AECgroup

In terms of future commercial development opportunities and potential, the Waterfront represents a clear opportunity and is already the focus of detailed planning. Council is currently seeking expressions of interest and planning for the redevelopment of a triangle parcel of land at the southern end of the CBD to incorporate new retail development. The Civic Centre Precinct provides redevelopment potential over time. There are also a number of specific CBD sites that could be redeveloped, including the Woolworths supermarket site, car parks, warehousing and light industrial areas, old commercial buildings near the Port, and the service station sites on the waterfront. The current West Park area of the CBD also provides future tourism development potential.

5.3 Industrial

Industrial land use categories have been central to the economic development of Burnie. The total estimated designated industrial land area in Burnie City was estimated at 352.12 hectares (ha), of which an estimated 153.51 ha has been developed (see **Table 5.4**). Of the 176.34 ha of undeveloped industrial land, only 75.82 ha (or 43%) is considered suitable for future development. Few existing industrial precincts are fully developed, with many of the sites either underutilised or vacant. The current supply of industrial land in Burnie City has been described as fragmented and dispersed across 13 separate precincts formally designated as being for industrial land use and development under the provisions of the Burnie Planning Scheme 1989. The major land allocations are located within the narrow coastal plain between Heybridge and Camdale. The balance of industrial use areas is located over several sites in the urban uplands of Burnie City.

Table 5.4: Existing Designated Industrial Land Sites in Burnie City (Hectares)

Location	Total Area	Developed Area	Undeveloped Area	Undeveloped Area Suitable for Development
Camdale	39.60	21.00	19.60	15.00
West Mooreville Road	13.50	0.04	13.10	3.00
Coose	18.11	12.80	5.02	2.50
Burnie Port	63.40	21.90	N/a	N/a
Wilson Street South Burnie	4.45	3.56	0.90	0.90
South Burnie	11.03	8.48	2.55	2.55
South Burnie (Paper Mill site)	76.00	45.50	30.50	14.00
Wivenhoe	10.45	8.83	1.62	1.62
Wivenhoe-Round Hill	19.33	N/a	17.80	N/a
Heybridge	76.00	6.00	70.00	22.00
Romaine	12.30	21.90	10.50	10.50
Old Surrey Road	7.20	3.50	4.00	3.00
Ridgley	0.75	0.00	0.75	0.75
Total	352.12	153.51	176.34	75.82

Source: AECgroup

Burnie outwardly appears to have a large component of designated industrial land, with a level of vacancy sufficient to satisfy evidenced demand beyond 2050. However, while there is around 176.34 hectares of undeveloped area, there are several areas zoned for industrial purposes that should be considered unsuitable for future industrial use due to factors such as slope, access, exposure, isolation or relativity to other land uses. It is estimated 75.82 ha of the undeveloped designated may be unsuitable for development due to one or more of these constraints. The main industrial estates have been developed on the coastal plain to maximise proximity to transportation routes and nodes positioned along the Bass Highway, western railway and the Port of Burnie.

To date, the supply of vacant land, redevelopment of existing sites, or co-existing within larger industrial complexes appears to have enabled a workable solution for development and change within the local service, manufacturing and transport and storage sectors in Burnie City. However, it is recognised land choice is limited and the characteristics of available land can create difficulty for site selection. This presents problems for attracting certain categories of industry, and for accommodating growth and expansion of existing activity. There is presently limited evidence to suggest an absence of suitable industrial

land is constraining new investor interest, or that internal industrial development is being stifled or driven elsewhere due to a shortfall in supply.

The physical and topographical features of Burnie mitigate a natural capacity to meet industrial land selection criteria. The pattern of location, distribution and scale of industrial land use within Burnie's is not efficient or effective. It has been identified that many sites feature a range of limitations or shortcomings. These problems are especially evident at Round Hill, Wivenhoe, Havenview, South Burnie, Cooee and Camdale.

During the period 1996-2005, there were a number of operational and policy decisions that affected the availability and use of industrial land. The Tioxide plant at Heybridge was removed and the now vacant site remains inaccessible for new industrial use. There is uncertainty around the future of the paper mill site at South Burnie. Land on the Camdale foreshore is under consideration for conversion to residential use, with implications for the balance of industrial lands in the proximity. Industrial lands at Cooee are proposed for longer-term conversion to residential use. The collective implication is a retraction in available industrial land.

Overall, there is the clear absence of a large-scale dedicated industrial estate (Greenfield or brownfield) in Burnie City with contemporary infrastructure and servicing arrangements, and capacity for continued growth and development. However, there is no ready or apparent opportunity to create a new industrial estate within the Council boundary. Such a site is necessary to enable the relocation of industrial uses from mixed activity precincts and to facilitate land supply in, and fewer conflicts with, the residential, retail and commercial sectors. The need for a dedicated site has been a key driver of the regional planning study across the Burnie City, Central Coast and Waratah-Wynyard Councils. The study has attempted to take a more regional planning approach to the industrial land supply issue through the study of ten development opportunities.

The following sites provide some potential for future industrial development:

- **Port of Burnie:** Total site of 50 ha but just 2 ha available for industrial use. This could be increased through future reclamation. The site is considered suitable for transport and storage activities. This would respond to the general trend toward centralised storage and transport operations.
- **South Burnie Paper Mill:** The site is 10 ha in size and is considered suitable for service and support industries combined with manufacturing processing. The limited availability of suitable sites at Industrial Drive means it is anticipated demand for small-scale industry will continue if appropriate land is available.
- **Heybridge:** This site is the old Tioxide site and provides around 7.2 ha for industrial development with direct transport infrastructure access. The site is considered suitable for transport and storage, manufacturing processes and service and support industries.
- **Hampshire:** This site previously contained the pulp mill and is considered suitable for service and support industries combined with manufacturing processing.

Outside of the Burnie City Council area, the Burnie-Wynyard Airport provides significant future industrial development potential. Overall, it is considered the industrial sector land use strategy represents the key trigger for the planning of most other land uses in Burnie City. Burnie City records a relatively significant industrial sector which has created many conflicting land use issues in traditional mixed residential areas. The problems are evidenced in the CBD with some light and serviced based industrial uses, in South Burnie, Wivenhoe and Cooee. Being able to identify and develop a new, suitably sized, dedicated and contemporary industrial estate would provide the planning environment necessary to encourage the relocation of industrial uses and the attraction of new investment in industrial categories previously unable to locate suitable land. Otherwise, the current shortcomings of industrial land will continue to negatively impact long-term investment decisions which will frustrate ability for existing industry to expand and for potential new industry to locate.

6. Infrastructure Capability

This chapter provides an audit of existing infrastructure and services in Burnie City and its immediate region. The audit covers utilities, transport, telecommunications, education, health, community, and cultural facilities and services.

6.1 Utilities

- **Electricity**

Aurora Energy is the primary supplier of electricity to Burnie City and the entire State of Tasmania. Aurora is a State-owned electricity distribution and retail company. Aurora currently has three major power substations in Tasmania: Moonah in Hobart's northern suburbs; Rocherlea on the outskirts of Launceston; and at Burnie, providing a reliable source of energy to the local region. Power generation and capacity has always been a significant infrastructure component to the Burnie region given the amount of major industry that has traditionally been located in the region.

The Tasmanian State Government has initiated a focus on renewable energy sources and is facilitating the construction of a number of wind farms, including a major farm at nearby Wynyard. The development of a direct electricity connection to the Victorian electricity grid through the Basslink cable is likely to provide the impetus for further wind power developments in Tasmania, enabling Tasmania to export renewable wind-generated electricity to other states. Overall, the electricity infrastructure and supply to the region is considered capable of handling future demand.

- **Gas**

In early 2004, gas distribution company Powerco and Burnie City Council signed a heads of agreement to install gas pipes and other infrastructure to supply natural gas to the region. The increased infrastructure has widened the residential areas capable of connecting to natural gas. Stage 1 involved the installation of a gas distribution network in the Old Surrey Area, extending from Mount Road to the Lactos Cheese Factory. Stage 2, to be completed in mid 2007, will extend the pipeline to the areas of Burnie, Romaine, Brooklyn and Hillcrest. The added infrastructure will provide an alternative energy source for Burnie's residential and commercial communities.

- **Water**

Burnie City Council maintains its own bulk water supply and water reticulation systems. The water supply is provided to the urban areas of Burnie and Ridgley. The water is secured from two catchments that are currently at around 70% capacity. There is the possibility to increase the capacity of these water catchments if required by raising the dam walls. Burnie receives above-average rainfall, and combined with the current capacity and infrastructure, the region is considered to have a secure water supply, providing a competitive advantage relative to many mainland regions of Australia.

- **Sewerage**

Sewerage reticulation systems extend throughout the urban areas of Burnie and Ridgley providing for domestic sewerage and certain licensed trade waste. The wastewater is treated at three treatment plants, one of which has been newly constructed at \$16 million providing the City with extra capacity to accommodate future growth.

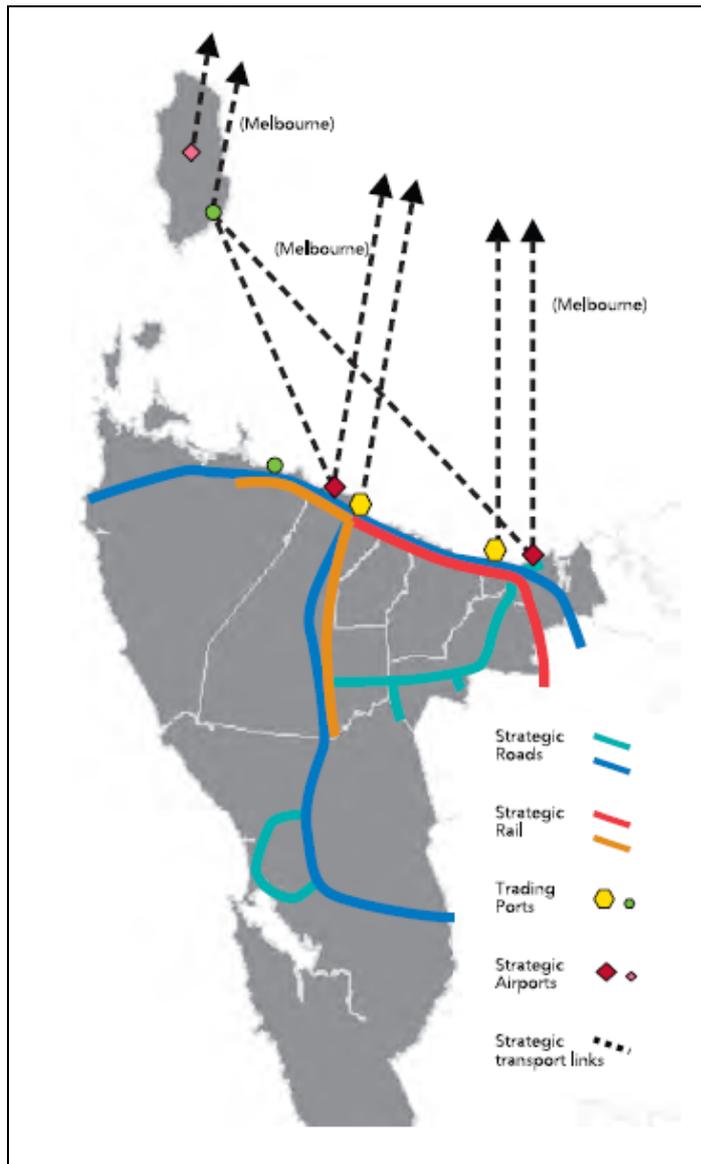
- **Waste**

Burnie City Council provides rubbish collection services throughout the urban areas of Burnie and Ridgley, with available land fill area to meet short-term demand. Council operates a single major refuse site and has developed a regional waste strategy, including the initiation of a major recycling initiative.

6.2 Transport

Burnie is developing as a transport hub for the North-West Coast of Tasmania. The capacity of the region’s strategic transport infrastructure and services (see **Figure 6.1**) has been adequate in handling the region’s demand over the past 20 years. The region’s transport network is considered a key competitive advantage of the region, providing a key driver for the location of major industry in the region and the impetus for the spread settlement pattern along the northern coastline. All areas and industries have access to commercially provided land, sea and air freight services. However, the region is still somewhat isolated from capital cities, requiring a 3 ½ hours drive from Hobart and a 1 hour flight across Bass Strait to reach Melbourne.

Figure 6.1: Strategic Transport Network, Burnie and the Cradle Coast



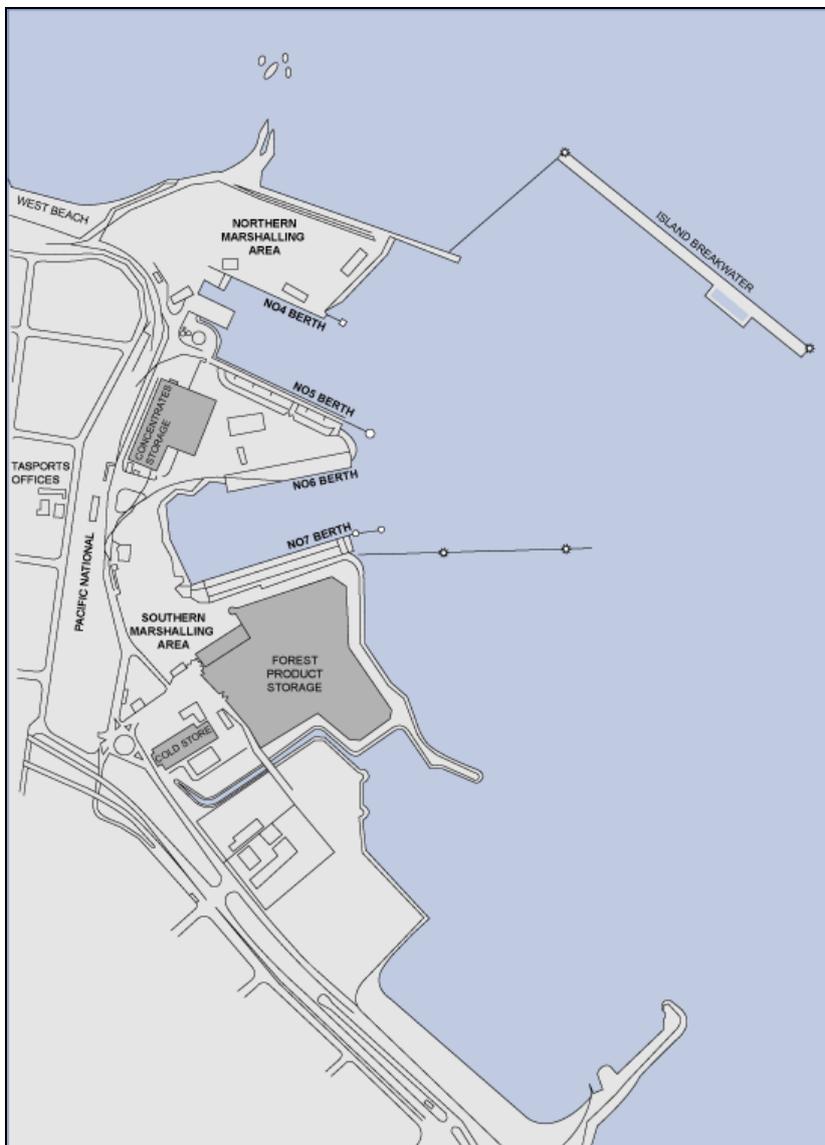
Source: Cradle Coast Integrated Transport Strategy

The following key transport infrastructure exists in the region:

- **Ports**

The Port of Burnie is Tasmania's largest general cargo port and Australia's fifth largest container port and has been an integral component of the region's economic growth and development. The Port is currently operated by Tasmanian Ports and includes four berths up to 219m in length with berth depths of 10.0-11.5m. The Port of Burnie services Tasmania's major West Coast mines and handles most types of bulk shipping including minerals, fuels, woodchips and logs, as well as containerised consumables. In particular, the export of forest products is an important operation of the Port. Container handling forklifts have a 30 tonne capacity. An 80-tonne capacity Post Panamax single lift portainer crane is situated on the No. 6 Berth and a 65-tonne capacity twin lift portainer is situated on the No. 7 Berth (see **Figure 6.2**). There is another trading port at Devonport, a specialised industrial port at Port Latta and three other minor trading ports in the Cradle Coast region. The Port of Burnie is considered to have the capacity to cater for increased demand into the future.

Figure 6.2: Port of Burnie



Source: Tasmanian Ports

- **Rail**

Rail has been a traditional form of freight transport from Burnie's very early days when mineral deposits were first discovered in the North-West. A railway line currently connects Burnie City to eastern and southern centres of Tasmania. TasRail Pty Ltd operates the rail line, which is a major carrier of heavy freight in Tasmania across Tasmania's 784km freight-only network. TasRail presently transports around 2 million tonnes a year around Tasmania, which accounts for around 20% of the land-based freight transport haul in the state each year. Major haulage includes cement, wood chips and other logs, containers, coal, sulphuric acid, minerals and fertiliser. Each of these commodity groups is relevant to Burnie's industry structure. The railway connects to the Port of Burnie. Upgrades to the rail infrastructure across the entire network are underway to allow 72 tonne gross loaded wagons to travel at 80km/h.

There is potential for further infrastructure improvements to better align the rail network with the broader transport system and industry. The *Regional Integrated Transport Strategy* reported that there has been significant under-investment in the alignment and strength of the main rail line connecting ports and major industrial areas. This includes the possible upgrading of rail to the Port of Burnie. The nature of the resources industries in the region and the potential value adding opportunities in resource-processing into the future provides opportunity to expand the rail network.

- **Road**

The settlement across the North-West Coast is linked by the four lane Bass Highway, part of the AusLink National Network. Private cars are the predominant form of transport for the region and the highway infrastructure has meant a diverse settlement pattern and significant cross-movements between sub-regions in terms of journey to work. The regular public bus services operated in Burnie City are considered to have spare capacity. The highway connecting Burnie City with Launceston and Hobart has improved, with the introduction of 110km/h speed limits and four lanes in certain segments.

To maintain service levels, an increasing amount of investment will be required for road expenditure. Whilst the alignment of the State road network is substantially mature, freight, tourist and general road use continues to grow fastest on major arterial roads. Consequently, there is significant scope to improve design standards to meet the targeted measures under the road hierarchy.

- **Air**

Burnie Airport is owned and operated by Burnie City Council. It is situated in the nearby town of Wynyard. The Airport is serviced by Regional Express, providing direct flights to Melbourne. Qantas Link formerly provided services to the Airport, but since their exit, Regional Express is increasing the number of flights to Melbourne, Hobart and King Island. Devonport Airport also provides interstate air services. Future investment in air capacity will be determined by passenger demand. Around 2,000 passengers per week use the Airport.

The exit of Qantas from the market is seen as negative for the region in terms of growth and access. The lack of a second operator reduces competition, potentially increasing prices and reducing demand and usage. It also can constrain the expansion of services into new markets and line transfers for connecting airports.

- **Sea**

Sea passenger and car services to and from the mainland are provided through the Devonport Port. Burnie City is also rapidly becoming a preferred destination for cruise ships. Burnie recorded 9 cruise ship visits in 2005-06, an increase from 2004-05, and forward projections are strong. The deepwater port is seen as an advantage to attracting larger cruise ships.

6.3 Telecommunications

Burnie City has fibre optic cable (100Mb/sec) throughout the urban area of Burnie and its educational institutions. It offers the same range of telecommunications amenities as any major metropolitan centre in Australia. Communications to the capital cities and into the national fibre optic trunks are provided via high-capacity transmission systems. The main supplier of these services is eBurnie Connect, a Council operated company, which offers high-speed Internet connections using wireless or fibre optic cabling technology. The initiative is supported by funding by the Commonwealth Government. Council also owns wireless cable for areas outside the Council boundary. Telstra provides ADSL connection capabilities through most areas of the region.

6.4 Education, Training and Research

The education sector is identified as a key component of the regional economy, reflecting Burnie's regional centre status. There is some evidence of an educational cluster forming in Burnie between senior secondary schools, TAFE and the University. The key components of the provision of education and training in the Burnie region are:

- **North-West Institute of TAFE Tasmania**

This institution is the primary provider of vocational educational opportunities in the Burnie City and Mersey-Lyell region. The TAFE provides courses covering primary industry, building and architecture, business services, personal and community services, hospitality and tourism, equity and access, manufacturing and engineering. The Campus has also recently established training courses in the areas of agriculture and horticulture. In recent times there have been losses of some courses to the Launceston Campus due to a lack of critical mass. The drop-off in Year 11 and 12 students in Burnie City in the past two years has not translated into significant increases in TAFE demand, although the Australian Technical College has picked up some of this demand.

- **Cradle Coast Campus of the University of Tasmania**

The Cradle Coast Campus of the University of Tasmania is the major tertiary facility in the North-West Coast Region. There are 400-500 students enrolled each year at the Campus, with education and humanities the main study areas. The Campus is also home to one node of the Tasmanian Institute of Agricultural Research. This is spread between undergraduates and postgraduate students. A small amount of student accommodation is provided. The majority of students are mature age students. The University also provides a popular Rural Clinical School. The University participation rate in the region is presently low, reflected by the low proportion of persons with a non-school qualification. It is considered there is a significant amount of unmet demand locally in the region. To address this, the University is embarking on a major project to double the size of the University over the next 5 years. The University has strong and established links throughout the region and is well placed to achieve this growth and increase the overall study participation rate in the region, and subsequently the region's skills base.

- **Australian Technical College**

Burnie City has been one of the locations for the Commonwealth Government's Australian Technical Colleges. There are presently 25-30 students at the College which is aimed at improving the trades skills base and pool of labour in the construction sector in the region, where many of the most pronounced skills shortages are recorded.

- **Adult Education**

The North-West Institute of Adult Education offers a wide range of learning opportunities for adults, including both accredited and non-accredited courses.

- **Schools**

Burnie City records a full range of government and non-government schools. Hellyer College is the leading private senior secondary college (Years 11 and 12). The other private senior college is the Marist Regional College. There are three government state high schools and one non-government high school. There is a network of 11 government and non-government primary schools across the Burnie region.

6.5 Health

The North West Regional Hospital (NWRH), located in Burnie City, is the regional base hospital for the North-West region of Tasmania. The hospital is an accredited teaching hospital offering a comprehensive range of general specialist medical services. The hospital contains 160 public beds and 70 private beds, with an attached rural health clinical school. A purpose-built medical centre links the two hospitals. Specialist medical services include clinical psychology, dietetics/nutrition, medical photography, occupational therapy, podiatry, social work and speech pathology. There are more than 35 separate medical practitioner businesses in Burnie City, with clusters of services such as the City Medical Practice, St. Luke's Health Care and St. Vincent's.

6.6 Aged Care

The ageing of the region's population will place significant pressure on the future capacity of the region's aged care sector. Abbeyfield House is a retirement village in Burnie, while Umina Park, operated by Onecare, is a 74 bed low care and 84 high care bed facility with 40 independent living units (ILUs). A further 20 high care beds are being built. There are three aged care support groups: Dementia Carer Support; Family Based Care Association North West Inc.; and Home Maintenance Advisory Service.

6.7 Child Care

There are 16 child care establishments in Burnie City, four being long day care centres (Alexander Beetle House, Coastal Family Day Care Scheme, Footprints Children's Centre and Wisteria Lane Children's Centre) (see **Table 6.1**). There are eleven outside school hours care establishments and one family day care unit.

Table 6.1: Child Care Centres in Burnie City

	Type	Places
Acton	Outside school hours care	15
Alexander Beetle House	Long day care	60
Coastal Family Day Care Scheme	Family day care	N/a
Cooue After School Care	Outside school hours care	15
Footprints Children's Centre	Long day care	95
Jilak	Outside school hours care	15
Kangaroo Club After School Care	Outside school hours care	N/a
Kangaroo Club Ridgley	Outside school hours care	10
Kangaroo Club Upper Burnie	Outside school hours care	45
Kookaburra Junction - Outside School Hours Care	Outside school hours care	30
Kookaburra Junction - Vacation Care	Outside school hours care	65
Maddington Child Services	Outside school hours care	38
Maddington's Montello	Outside school hours care	30
Milpara Early Learning Centre	Long day care	54
Milpara Outside School Hours Care	Outside school hours care	140
Wisteria Lane Children's Centre	Long day care	46

Source: AECgroup

6.8 Community

The key community facilities in the region, many of which are owned and operated by Council, are summarised below. Burnie is considered to have an extensive range of community and cultural facilities relative to many other regional areas in Australia.

- **Civic Centre**

The Burnie Civic Centre is the regional arts and convention complex located in Burnie's cultural precinct on the western fringe of the CBD. The multi-purpose venue caters for a wide range of activities including theatre, expos, seminars, training sessions, conferences, formal dinners and other gatherings. The total capacity of the venue at any one time (i.e. theatre style for all rooms) is 400 in the Civic Theatre, 900 in the Town Hall, VIP 60, Bass & Flinders 85, Braddon Hall 160, Board Room 14, Bridge 20, totalling 1,639. There is an average of 71,000 visitors per year to the centre, with an average of 1.7 events per day overall. The centre is Council owned and managed.

- **Pioneer Village Museum**

The Pioneer Village Museum is also Council owned and operated and is located in the City's cultural precinct. The Village was the first indoor historical street to be recreated in Australia. Council purchased the collection in 1970. There are approximately 2,000 visitors per year.

- **Burnie Regional Art Gallery**

The Burnie Regional Art Gallery is located in the cultural precinct and is also owned and operated by Council. There are around 15,000 visitors each year to the Museum, with around 20-22 exhibitions of approximately 6 weeks duration. There are also around 90 gatherings and events at the Gallery.

- **Sport and Recreation Facilities**

Council maintains an extensive range of indoor and outdoor sport and recreation facilities across Burnie, including the following main facilities:

- Burnie Sports Centre
- Burnie Police and Citizens Boys and Girls Stadium
- Burnie Aquatic Centre
- Burnie Tennis Centre
- Burnie Golf Club
- Howe Street Netball Centre
- Burnie Surf Lifesaving Club
- Emu Bay Yacht Club
- Burnie and South Burnie Bowls Clubs
- West Park Oval
- Les Clark Oval
- Wivenhoe Showgrounds
- Montello Recreation Ground
- Upper Burnie Recreation Ground
- Acton Recreation Ground
- Burnie Skate Park

- **Parks, Reserves and Open Space:**

Burnie has many major parks, recreational reserves and open space including:

- Romaine Park
- Oakleigh Park
- Burnie Park
- Fern Glade Reserve

- Guide Fall Reserve
- Natone Forest Reserve and Lake Kara

- **Libraries**

Burnie has a State-owned library operated by Council. There are over 60,000 print and non-print materials, with more than 190,000 visitors recorded annually. There is also a Home Library Service offered from the Burnie branch.

- **Community Centres and Halls**

In addition to the main Civic Centre, there is also the Highclere Community Centre Inc, Mooreville Road Community Centre and West Ridgley Community Centre. Community meeting halls include the Cooee Memorial Hall, Natone Hall, Ridgley and District Community Centre, Stowport Hall and the Upper Burnie Hall. Community groups use these facilities. The Burnie Recreation Strategy indicates the standard of the most of the halls is poor and considerable investment would be required to bring them up to modern standards. The Strategy recommended Council retains community halls in small rural communities, establishes an overseeing Council officer to monitor asset management and usage, reviews fees for using community halls and Council commits to funding the maintenance of community halls.

6.9 Tourism

Burnie City's tourism product includes a mix of arts and cultural attractions (e.g. museum and art gallery), natural attractions (e.g. walking trails, waterfalls, wildlife), gardens and parks, and factory display shops (e.g. Creative Paper and Cheese Factory). Access to the region for visitors is well established with supporting tourism transport infrastructure including the Bass Highway (road), Burnie (Wynyard) Airport (air), the Port of Burnie (cruise ships) and Devonport (sea ferries).

Despite the accommodation market's main clientele being business travellers, the range of accommodation supply is considered weak in the upper market segments. The Beachfront Voyager Motel has a recorded star rating of 4 stars, although it is considered to be of a lower standard than this (see **Table 6.2**). There are also some small niche cottage and B & B establishments in Burnie City.

Table 6.2: Tourism Accommodation Establishments, Burnie City

Business	Type	Star Rating	Units	Rates (\$/night)
Comfort Inn Beachfront Voyager	Motel	4	41	\$119-\$145
Glen Osborne House	B&B	4 ½	6	\$115-\$160
Apartments Down Tow	Holiday Unit	4	10	\$120-\$165
The Duck House	Cottage	4	3	\$90-\$140
Wellers Inn	Motel	4	24	\$130
Burnie HQ Apartments	Apartment	3 ½	4	\$120-\$270
Hide-away Cottage Retreat	Cottage	3 ½	1	\$80-\$130
West Beach Holiday Villas	Holiday Unit	3 ½	8	\$80-\$140
Burnie Holiday Caravan Park	Caravan Park	3	57 pow 16 unpow	\$7-\$22
Burnie Ocean View Motel	Motel	3	11	\$75-\$95
Bayside Burnie	Hotel	N/a	N/a	N/a

Source: RACQ

7. Future Land Use and Infrastructure Requirements

The chapter assesses specific land use and infrastructure investment classes and future requirements in Burnie, including the residential, retail, commercial office, industrial land, community and tourism sectors.

7.1 Residential Dwellings and Land

The future demand for residential property in Burnie will be influenced by population growth, changes in average household size and structure, comparative housing affordability, employment opportunities and quality of residential product. In addition to this, macroeconomic factors such as interest rates, wage levels and equity markets also influence the state of a residential property market.

A key demand determinant for residential property in Burnie in recent periods has been investor interest from mainland areas. This has driven prices higher, with recent evidence suggesting that while there has been a reduction in sales activity, price growth has been sustained in Burnie. While this has increased the equity of many homeowners in the region, this has also created issues for housing affordability in the region, particularly for disadvantaged socio-economic groups. Additionally, relative housing affordability was one of the only variables that appeared strongly correlated with interstate arrivals based on analysis by the Tasmanian State Government.

It is estimated there is a little over 8,000 occupied dwellings in Burnie presently. Based on an anticipated decrease in the average household size at one-quarter the rate of the 1991-2001 period over the next 20 years, the number of new households formed, and therefore new dwelling demand, is projected at between 540 and 2,460 over the next 20 years (see **Table 7.1**). The medium scenario projects demand for an additional 1,250 dwellings over the next 20 years.

Table 7.1: Projected Additional Dwelling Demand by Type, Burnie City

Future Growth Scenario	2011	2016	2021	2026
Low	220	390	500	540
Medium	340	680	980	1,250
High	560	1,160	1,810	2,460

Source: AECgroup

The future dwelling demand will be divided between the following:

- Separate houses (house and land developments);
- Flats, units and apartments (unit developments);
- Retirement village and aged care units and facilities; and
- Housing Commission residences.

Factors such as recent development trends, declining average household size, housing affordability issues and limited availability of Greenfield sites suggest there will be increased demand for medium density unit development in Burnie into the future. Presently, houses on separate house blocks account for 90% of the residential stock in Burnie City. Flats, units and apartments account for less than 10%. However, units accounted for a higher 16% of residential building approvals in the most recent 5-year period, largely due to a single new development.

The ageing population and changing living patterns of older persons suggest retirement villages and aged care establishments will also account for an increasing share of new dwellings and residential facilities. Demand for aged care accommodation is provided later in this chapter. Additionally, the proportion of persons living in Housing Authority accommodation is well above regional and national averages in Burnie, although the ratio declined to around 10% in the 2001 Census.

The following indicative demand analysis is provided for each dwelling type. Assuming a continued trend toward unit and mixed density development at the expense of separate houses, there would be demand for an additional 110-560 units and 430-1,900 houses in Burnie over the next 20 years (see **Table 7.2**). The medium scenario projects demand for 980 houses and 280 units, flats and apartments.

Table 7.2: Projected Dwelling Demand by Type, Burnie City

	% of new (5-year period)	Low	Medium	High
Projected New Houses				
2011	85%	190	290	480
2016	80%	320	560	960
2021	75%	410	790	1,440
2026	70%	430	980	1,900
Projected New Units, Flats & Apartments				
2011	15%	30	50	80
2016	20%	70	120	200
2021	25%	90	190	370
2026	30%	110	280	560

Source: AECgroup

Based on average development density of 12 dwellings per hectare for new houses and 25 dwellings per hectare for new units development, there is estimated demand for an additional 40-160 hectares of residential land in Burnie over the next 20 years (see **Table 7.3**). The medium scenario projects total demand for an additional 92 hectares of residential land, of which 81 would be for new house lots and 11 for unit developments.

Table 7.3: Projected Residential Land Demand by Type (hectares), Burnie City

	Low	Medium	High
Projected Land for New Houses			
2011	16	24	40
2016	27	47	80
2021	34	66	120
2026	36	81	158
Projected Land for New Units, Flats & Apartments			
2011	1	2	3
2016	3	5	8
2021	4	8	15
2026	4	11	22

Source: AECgroup

When compared with the residential land development capacity outlined in Chapter 5 of 349 hectares (not including the currently undeveloped Malonga Heights Estate and other residential opportunities such as Cooe Point), there is adequate residential land to cater for future residential development in Burnie over the next 20 years (see **Table 7.4**). In fact, the analysis suggests there would still be significant land surpluses which could be considered for other forms of land use and development.

Table 7.4: Projected Residential Land Demand vs Development Capability (hectares), Burnie City

	Low	Medium	High
Projected Residential Land Demand			
2011	17	26	43
2016	30	52	88
2021	38	73	135
2026	40	92	181
Residential Land Capability	349		
Projected Residential Land (Surplus/Deficit)			
2011	332	319	311
2016	323	297	276
2021	306	261	214
2026	332	319	311

Source: AECgroup

7.2 Retail Floorspace

Burnie City has positioned itself as the leading retail and commercial node in North-West Tasmania ahead of Devonport. This increasing profile and range of services is decreasing the amount of shopping leakage that has traditionally occurred to the next largest regional centre: Launceston. Most major retailers are represented in Burnie City's CBD. These retailers include Woolworths, Coles, Kmart, Target, Harris Scarfe and Best & Less.

Based on assumptions regarding market share of the Main Trade Area's household expenditure occurring in Burnie City, the total retail turnover recorded in Burnie City is estimated at \$242.6 million in 2006 (see **Table 7.5**), with almost equal contributions from Burnie City households and the balance of the Main Trade Area, with only 4% being contributed by visitors. The average retail trading level is calculated as \$3,600/sqm, which is below benchmarks for similar regional centres of at least \$4,000/sqm. Average trading levels are above national benchmarks in the groceries & specialty food, food & liquor catering and other retail and service categories, with trading levels lower across the other more discretionary retailing categories. The recent expansion of Harvey Norman has placed pressure on trading levels in the furniture and recreation sector.

Table 7.5: Summary of the Retail Market in Burnie City, 2006

Retail Type	Businesses	Sqm	\$m	\$/sqm
Groceries & Specialty Food	16	11,700	\$75.7	\$6,500
Food & Liquor Catering	41	7,305	\$41.4	\$5,700
Clothing & Accessories	31	11,580	\$22.8	\$2,000
Furniture, Houseware & Appliances	21	15,950	\$23.0	\$1,400
Recreation & Entertainment Equipment	38	11,610	\$28.9	\$2,500
Garden & Hardware Goods	4	4,200	\$6.2	\$1,500
Other Goods & Personal Services	33	5,365	\$44.7	\$8,300
Total	184	67,710	\$242.6	\$3,600

Source: AECgroup

Based on sustainable average trading levels for new retail floorspace, the projected demand for net additional retail floorspace is estimated at 11,000sqm over the next 20 years in Burnie City, with 3,200sqm required in the next 5 years alone (see **Table 7.6**). Any supply-led increase in market share could drive demand above that projected below. This would include major new retailers that enhance multi-purpose shopping. This future demand for retail floorspace will be shared between the CBD, other existing retail centres and new growth areas.

Table 7.6: Projected Cumulative Additional Retail Floorspace Demand in Burnie City (sqm), Medium Projection Scenario

Retail Type	Avg. \$/sqm	2011	2016	2021	2026
Groceries & Specialty Food	\$7,000	600	1,200	1,700	2,200
Food and Liquor Catering	\$5,500	500	900	1,200	1,600
Clothing & Accessories	\$3,500	400	800	900	1,400
Furniture, Houseware & Appliances	\$2,250	600	1,100	1,500	2,000
Recreation & Entertainment Equipment	\$3,500	500	900	1,200	1,700
Garden & Hardware Goods	\$2,000	200	400	500	700
Other Goods & Personal Services	\$6,500	400	700	1,100	1,400
Total		3,200	6,000	8,100	11,000

Source: AECgroup

Under a High population growth scenario, there would be demand for an additional 16,900sqm of retail floorspace in the next 20 years (see **Table 7.7**).

Table 7.7: Projected Cumulative Additional Retail Floorspace Demand in Burnie City (sqm) by Projection Scenario

Retail Type	Low	Medium	High
Groceries & Specialty Food	1,400	2,200	3,500
Food and Liquor Catering	1,000	1,600	2,400
Clothing & Accessories	900	1,400	2,100
Furniture, Houseware & Appliances	1,300	2,000	3,100
Recreation & Entertainment Equipment	1,100	1,700	2,600
Garden & Hardware Goods	400	700	1,000
Other Goods & Personal Services	900	1,400	2,200
Total	7,000	11,000	16,900

Source: AECgroup

7.3 Commercial Office Floorspace

Burnie City plays a recognised administrative and commercial role to the Mersey-Lyell region and North-West Tasmania, evidenced by the significant range of professional services business and government agencies occupying office space. In particular, Burnie City records a large presence of State Government agencies. Burnie City's office floorspace is almost wholly contained in the Commercial Zone in the CBD. Most office premises in the CBD are contained in multi-storey buildings, with an estimated 55% of office space on the ground floor and 45% on upper levels. Almost all office buildings, with the exception of Council's administration building, are described as older style multi storey office buildings of C grade quality according to Property Council of Australia office definitions. There has been refurbishment and improvement to some select office buildings, typically purpose built premises for legal or financial firms on streets running from Wilson Street. The redevelopment of multistorey premises has been limited. It is suggested the upper levels are not fully occupied and are used for storage or are vacant.

In terms of projecting future demand for office space, the moderate projected population growth of the region and continued business and economic growth is likely to result in the creation of new businesses and office space requirements. It is unlikely given current supply there will be increases to government services in the region. There is likely to be increased demand across the other office sectors however.

There is presently 1.5sqm per capita of other office space in Burnie City. Assuming this per capita supply remained constant, despite the likelihood there would be some consolidation and economies of scale (which has been the case with other regional centres), then Burnie City would record demand for an additional 2,920sqm of office space under the medium population projection scenario and 7,120sqm under the high population projection scenario (see **Table 7.8**). The demand for office space could possibly exceed these levels if there is a substantial increase in employment associated with the aged services sector. These additional services may be associated with HACC

programs and other service delivery arrangements. Call centres also provided a growth opportunity for the Burnie office market.

Table 7.8: Projected Demand for Commercial Office Space in Burnie City

Tenant Type	2011	2016	2021	2026
Office space per capita (sqm/capita)	1.5	1.5	1.5	1.5
Projected Demand (sqm)				
Low	28,700	28,900	29,000	28,800
Medium	29,200	30,000	30,700	31,200
High	30,100	31,800	33,600	35,400
Projected Net Additional Demand (sqm)				
Low	420	620	720	520
Medium	920	1,720	2,420	2,920
High	1,820	3,520	5,320	7,120

Source: AECgroup

7.4 Industrial Land

The industrial land market has already been the focus of significant and detailed investigations in recent times, including the *Burnie Industrial Land Strategy: A Discussion Paper* (November 2005) and the *Industrial Land Use Project* (July 2006). The first was specific to Burnie City. The second provides a regional perspective across the Burnie City, Central Coast and Waratah-Wynyard Councils.

Burnie City has traditionally recorded a significant industrial sector, including heavy industry operations. The City's growth and development has been closely linked to the industrial sector, with Burnie City's economic base largely reliant on the goods and commerce sectors, which include the industrial land sectors of manufacturing, wholesale trade and transport & storage. The level of secured investment and the take-up and occupation of industrial land has increased over the past decade in Burnie City. Anecdotal evidence and industry observations on trends for industrial land development and sales do not suggest any critical or immediate unsatisfied or latent demand. There are, however, limitations in choice and the quality of land on offer.

The total estimated designated industrial land area in Burnie City was estimated at 352.12 hectares (ha), of which an estimated 153.51 ha has been developed. Of the 176.34 ha of undeveloped industrial land, only 75.82 ha (or 43%) is considered suitable for future development. Few existing industrial precincts are fully developed, with many of the sites either underutilised or vacant. The current supply of industrial land in Burnie City has been described as fragmented and dispersed across 13 separate precincts formally designated as being for industrial land use and development under the provisions of the Burnie Planning Scheme 1989. The major land allocations are located within the narrow coastal plain between Heybridge and Camdale. The balance of industrial use areas is located over several sites in the urban uplands of Burnie City.

Within the Burnie City area, undeveloped sites deemed suitable for industrial development are limited. To date, the supply of vacant land, redevelopment of existing sites, or co-existing within larger industrial complexes appears to have enabled a workable solution for development and change within the local service, manufacturing and transport and storage sectors in Burnie City. However, it is recognised land choice is limited and the characteristics of available land can create difficulty for site selection. This presents problems for attracting certain categories of industry, and for accommodating growth and expansion of existing activity.

There is presently limited evidence to suggest an absence of suitable industrial land is constraining new investor interest, or that internal industrial development is being stifled or driven elsewhere due to a shortfall in supply. However, there is still the clear absence of a large-scale dedicated industrial estate (Greenfield or brownfield) in Burnie City with contemporary infrastructure and servicing arrangements, and capacity for continued growth and development. Such a site is necessary to enable the relocation of industrial

uses from mixed activity precincts and to facilitate land supply in, and fewer conflicts with, the residential, retail and commercial sectors.

From a regional perspective, there is an increasing likelihood that existing industries will relocate to new sites to expand their business, particularly as industry is required to move away from existing mixed activity areas.

7.5 Education

In terms of education, there has been a decline in schooling numbers over the past couple of years. There is negative growth projected for each of the school age groups over the next 20 years, which reflects the ageing of the population and lower fertility rates. There will not be a need for a net addition to schooling infrastructure in the region, which also considers some of the under-utilised classroom at the schools. The TAFE has not recorded significant increases from a drop-off in Year 11 and 12 students. The new Technical Trade College has picked up 30 of these students. The University campus has traditionally recorded low participation from the region, but is undertaking a strategy to expand the campus to two times its current size and double student numbers. The University is actively pursuing overseas student opportunities.

7.6 Health

In terms of health, the North West Regional Hospital is the regional base hospital for the North-West region of Tasmania, containing 160 public beds and 70 private beds, with an attached rural health clinical school. There are more than 35 separate medical practitioner businesses in Burnie, with clusters of services such as the City Medical Practice, St. Luke's Health Care and St. Vincent's. Benchmarking the provision of health facilities and considering the ageing population and increased health need, would indicate demand for an additional 56-89 hospital beds in the next 20 years in Burnie City and an additional 5-12 private GPs (see **Table 7.9**).

Table 7.9: Projected Health Facility Demand, Burnie City

	2006	2011	2016	2021	2026
Hospital Beds					
Assumed ratio per capita for Burnie Region	3.00	3.33	3.65	3.98	4.30
Low	162	178	193	207	218
Medium	162	180	198	215	231
High	162	184	206	229	251
Private GPs					
Assumed ratio per capita for Burnie Region	1,550	1,475	1,400	1,325	1,250
Low	35	36	38	39	40
Medium	35	37	39	41	43
High	35	37	40	43	47

Source: AECgroup

7.7 Child Care

Based on benchmarks and the projected number of children aged 0-4 years and 5-12 years, the number of child care places is projected to decline over the next 20 years. The main demand determinant for future child care provision will be government policy. Independent of government policy, the number of child care places is projected to decline over the next 20 years based on a projected decline in the number of children aged 0-4 years and 5-12 years. Based on a projected decline in the number of children aged 0-4 years and 5-12 years, the number of child care places is projected to decline over the next 20 years (see **Table 7.10**). However, an increasing preference toward child care (i.e. increases to participation rates) above the benchmark levels above and current demand trends could move demand above these levels.

Table 7.10: Projected Change in Child Care Demand (Places) from 2006, Burnie City

	2011	2016	2021	2026
Long Day Care				
Low	-9	-16	-18	-22
Medium	-7	-12	-12	-13
High	-4	-6	-2	1
Outside School Hours Care				
Low	-2	-4	-6	-8
Medium	-2	-3	-5	-6
High	-1	-2	-3	-4

Source: AECgroup

7.8 Aged Care

The ageing of the region's population will place significant pressure on the future capacity of the region's aged care sector. Based on the projected increase in persons aged over 70 years from 11.0% in 2006 to 21.1% in 2026, there will be increased demand for aged care infrastructure in Burnie City (see **Table 7.11**). The latent demand for retirement village units is demonstrated in that there is estimated demand for 106 beds but only around 40 units presently (or 60-80 beds). The proposed new development of 76 Independent Living Units will meet demand through to 2011. Further service provision will then be required again. There are presently 71 nursing home beds, below an estimated requirement of 85, with the need for a doubling in this supply in the next 20 years. There will also be demand for hostel beds of up to 250 in the next 20 years.

Table 7.11: Projected Retirement Village Demand (Beds), Burnie City

	2006	2011	2016	2021	2026
Self Care					
Low	106	126	150	177	202
Medium	106	128	155	188	219
High	107	132	165	205	249
Nursing Home					
Low	85	101	120	142	162
Medium	85	103	124	150	176
High	85	106	132	164	199
Hostel					
Low	116	139	165	195	223
Medium	117	141	171	206	241
High	117	145	181	226	274

Source: AECgroup

7.9 Tourism

The redevelopment of the waterfront and the possible opening up of strategic sites near West Park present the opportunity for a supply-led structural change to the local tourism market through the development of a new waterfront hotel. The analysis below outlines the extent of the structural shift that would be required to justify new investment in a hotel in Burnie City (see **Table 7.12**). The increase in room nights and turnover to sustain an 80-room 4 star hotel is estimated at 53.9% and 88.3% on the total size of the tourism accommodation market in Burnie City.

Accommodation demand increased moderately in Burnie City in the year to March 2006, with room occupancy improving to 50% and room nights increasing to 35,210, up by 10.7% from a year earlier (see **Table 7.12**). The market was also able to achieve a room rate increase, and overall takings from accommodation increased by 11.4% to \$3.22 million. The average length of stay also increased slightly in the year to 1.8 nights. Burnie City's accommodation market generally outperforms the North-West Tourism

Region's room occupancy figures, however it remains well below the state averages of 57%. The rest of the North West region also records average room rates exceeding \$100 per night, with the Tasmanian average closer to \$120. The growth in room nights in the year was much more pronounced in Burnie City at 10.7% compared with the region (5.6%) and Tasmania as a whole (4.2%).

Table 7.12: Tourism Accommodation Supply and Demand Trends, Burnie City

Indicator	Year to Mar 2004	Year to Mar 2005	Year to Mar 2006
Room Nights	33,264	31,814	35,210
Guest Nights	47,890	46,382	49,043
Guest Arrivals	28,643	28,175	27,584
Takings From Accommodation (\$'000)	\$2,858.0	\$2,891.9	\$3,222.5
Room Occupancy Rate (%)	44.0%	44.9%	50.0%
Avg Length of Stay (nights)	1.7	1.6	1.8
Avg Daily Takings (\$/night)	\$38	\$41	\$46
Avg Room Rate (\$/night)	\$86	\$91	\$92

Note: Only for hotels, motels and serviced apartments with 15 or more rooms

Source: ABS Survey of Tourism Accommodation, AECgroup

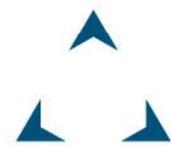
The development of a new hotel would require a significant structural shift to the local tourism market which has not trended well, is projected to remain at about the same size, presently relies on the corporate market, records little penetration of the weekend daytripper markets and inter-state touring markets, and has "relatively" weak tourism product and hospitality/entertainment services. Countering this has been a slight strengthening in demand in the most recent year on record.

In investment terms, the development of a new 4 star hotel with 80 rooms would cost between \$20 and \$25 million and the investor would target a net return of 11% given the location of the development in a regional tourism market (see **Table 7.13**). This would necessitate an annual net return of \$2.2-\$2.7 million, requiring significant increases in occupancy and room rates, which would be difficult given the current visitor mix and alternative accommodation.

Table 7.13: Pre-feasibility for a New 4 star Hotel in Burnie City

Development Parameters	
Number of rooms	80
Average room rate	\$150
Average room occupancy	65%
Annual room nights	18,980
Annual turnover	\$2.847m
Market Growth	
% increase in room nights	53.9%
% increase in turnover	88.3%

Source: AECgroup



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E: aec@aecgrouppltd.com
W: www.aecgrouppltd.com