

Goldfields Tourism Project incorporating the New Loop Line.



The concept:

The project is the re-development of the Loop Line railway, a historic Goldfields train service through Kalgoorlie and Boulder but extended to the Mining Hall of Fame and the Super Pit, with stops for various museums, other tourist attractions, shopping and links to other transport options. This project would effectively link the many features of the Goldfields into one unique, significant and marketable tourist product.

It is anticipated that the Loop Line project will increase nights spent in the region as visitors stay longer to take advantage of the many tourist features made more accessible to them through the Loop Line service. The Loop Line project is also likely to attract new visitors to the region and increase local participation in the activities related to tourism as Goldfielders experience a new way to visit the Mining Hall of Fame, the Super Pit and travel between Kalgoorlie and Boulder.

Economic benefits:

This project has significant potential direct and 'flow on' economic benefits for the Goldfields region. *Note:* All impacts in this document are annual impacts.

The determination of benefit is based on **visitors' nights** in the Goldfields region, expenditure of visitors and estimates of additional visitor nights. Consultation with the Australia's Golden Outback Chief Executive Officer (email communication 16 March 2009) and Loop Line project leaders on the likely impact of the Tourism development on visitor behavior have revealed that the impact of the Loop Line project could influence overnight stays in the region to increase by thirty percent.

To calculate the impact of this increase is to directly multiply total visitor nights by thirty percent and to get a financial benefit, multiply the visitor night total by visitor expenditure per day. No adjustments are made in the calculations for visitor types (other than domestic and international), purpose of trips, place of accommodation or average lengths of stay.

Table 1: Potential increase in (per annum) direct earnings for the Goldfields as a result of the Loop Line project

Target group	#Visitor nights	0.3	Visitor nights + 30%	#Spend per night \$	Total including 30%	Total earnings before additional 30%
Domestic	1,271,000	381,300	1,652,300	103	\$170,186,900	\$130,913,000
International	260,600	78,180	338,780	90	\$30,490,200	\$23,454,000
					\$200,677,100	\$154,367,000

Source: The Development Commission Area Fact Sheet Goldfields 2007 available at [http://www.tourism.wa.gov.au/Research_and_Statistics/Regional_Research_And_Statistics/Documents/Goldfields%20\(RDC\)%202007.pdf](http://www.tourism.wa.gov.au/Research_and_Statistics/Regional_Research_And_Statistics/Documents/Goldfields%20(RDC)%202007.pdf).

The additional thirty percent in overnight stays would add a direct benefit to the region of \$46,310,100; almost fifty million dollars in direct additional earnings for the Goldfields region.

Flow on benefits:

A direct tourism impact on the Goldfields of almost \$50 million has significant potential 'flow on' impacts for the Goldfields region. To illustrate these impacts information has been provided through the use of the Goldfields-Esperance Development Commission regional economic software REMPLAN, which is available under licence from Compelling Economics and was developed by La Trobe University. Further details of REMPLAN are explained on the last pages of this document.

REMPPLAN uses Australian Bureau of Statistics industry sectors which do not include tourism as a sector in itself. The impact of the additional \$46,310,100 in tourism earnings therefore are broken into four key industry sectors; retail, accommodation cafes and restaurants, transport and storage and culture and recreational services using Tourism Western Australia information as a guide to breakdown percentages. These sectors do not account for all of the earnings but are indicative of the potential flow on effect of a substantial increase in direct tourism dollars.

Table 2: Breakdown of direct potential earnings (per annum) for the Goldfields as a result of the Loop Line project into key industry sectors#.

Type of visitors	Retail %	\$ impact	Accom. cafes and restaurant %	\$ impact	Transport and storage %	\$ impact	Culture and recr. services %	\$ impact
Domestic	0.10	3,731,020	0.42	16,573,585	0.35	13,588,769	0.02	824,751
International	0.11	766,945	0.45	3,152,217	0.16	1,125,792	0.03	182,941
		\$4,497,966		\$19,725,803		\$14,714,561		\$1,007,693

#Source: Tourism Enquiry Response 2008, Itemised expenditure for international and domestic visitors to Western Australia (2008) Tourism Western Australia

Using the above information it is important to note that twelve percent of anticipated increase in domestic expenditure and twenty six percent of anticipated increase international expenditure is not able to be split into industry sectors based on data available to the GEDC on tourism expenditure breakdown. This is a total of \$6,350,003 potential direct regional expenditure that can not be modelled for potential 'flow on' benefits. However approximately \$40 million in direct earnings to the region has been modelled and the impact of this regional growth is shown in the REMPLAN tables within this document and in the summary below.

REMPPLAN findings:

The tables from page 6 onwards show the REMPLAN modelled impacts in full for the Loop Line using the approximately \$40 million of a potential \$46 million in direct tourism impacts of the project as the input data.

Impacts are annual and are shown for thirty five industry sectors across four key indicators output (demand for goods and services), employment, wages and salaries and value added earnings. A range of impacts may be noted in the findings below. A range exists as

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the total impact will only be experienced where a region has the ability to meet all potential demand related to an activity or project.

Usually something between the ranges will be achieved but the closer regions ability to meet demand the greater the likelihood of achieving the total indicated benefit.

Output: REMPLAN shows a total regional **output** (demand for goods and services) of between \$57.207 and \$66.397 million when an increase in direct tourism expenditure of \$40 million is experienced in the Goldfields. The 'flow on' impact is shown between \$17 and \$26 million. All thirty five industry sectors indicate an increase in demand for goods and services with the sectors showing impacts of over \$1 million listed below.

The potential top total earnings industry sectors (in millions) are:

- Accommodation restaurants and cafes \$20.90
- Transport and storage \$16.55
- Retail trade \$7.37
- Property and business services \$5.98
- Wholesale trade \$2.38
- Culture and recreational services \$1.91
- Electricity, gas and water supply \$1.36
- Finance and insurance \$1.21
- Petrol and coal products \$1.03

Employment impacts: Between 230 and 271 positions are indicated with an increase in tourism expenditure of \$40 million and the subsequent 'flow on' benefits.

The potential top total employment industry sectors (in positions) are:

- Accommodation restaurants and cafes 111
- Retail trade 54
- Transport and storage 45
- Property and business services 14
- Culture and recreational services 7
- Whole sale trade 6
- Repairs 5
- Education, health & community services, personal & other service each 4
- Construction and finance and insurance each 3
- Communications services each 2
- Six industry sectors showing 1 position each

Household income: Wages and salaries of between \$13.453 and \$16.145 million may be earned through direct and 'flow on' effects of the Loop Line project. Impacts are shown for thirty four industry sectors showing that while not all industry sectors will experience new position creation they will experience increased activity as a result of the project. The top earning sectors are accommodation restaurants and cafes, transport and storage, retail trade and property and business services.

Value added: There are indications of overall value added industry sector contributions of between \$24.041 and \$28.438 million shared across all sectors. This is the contribution of the potential project earnings to Gross Regional Product.

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REMPPLAN tables on pages 10 and 11 shows the overall activity by output and employment for the region. Notably mining dominates these graphs. The opportunity to increase the activity of other key employment sectors such as retail, transport and storage and accommodation restaurants and cafes through sustainable tourism activity would appear very attractive.

Conclusion:

The Loop Line project could result in a thirty percent increase in annual visitor nights in the region. This would have a direct annual benefit of around \$46 million, with \$40 million shared over four main sectors. This \$40 million impact when modelled for 'flow on' benefits has a potential to earn between an additional \$17 and \$26 million and create between 230 and 271 positions across most industry sectors.

REMPPLAN TABLES

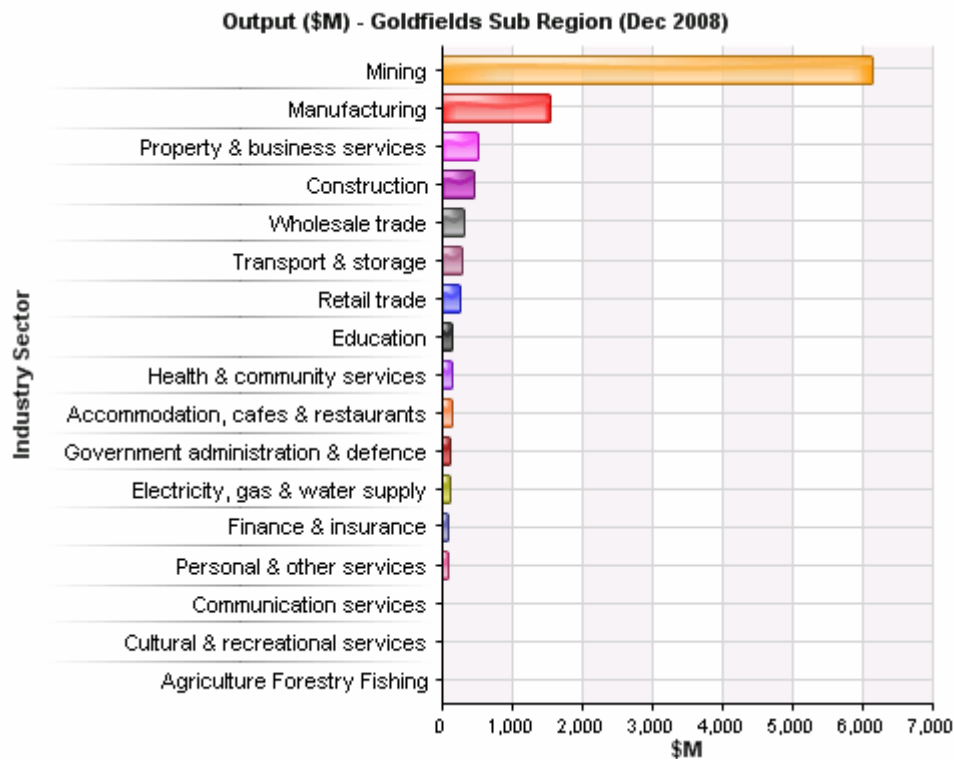
Output	Direct Change Jobs	Direct Change Output (\$M)	Direct Effect (\$M)	Industrial Effect (\$M)	Consumption Effect (\$M)	Total (\$M)
Agriculture, hunting & trapping				\$0.226	\$0.050	\$0.275
Forestry & fishing				\$0.006	\$0.001	\$0.008
Coal, oil & gas				\$0.053	\$0.018	\$0.070
Iron ores				\$0.003	\$0.001	\$0.004
Non-ferrous metal ores				\$0.040	\$0.012	\$0.053
Other mining				\$0.016	\$0.004	\$0.020
Services to mining				\$0.007	\$0.002	\$0.010
Meat & dairy				\$0.152	\$0.039	\$0.191
Other food & beverage products				\$0.291	\$0.073	\$0.364
Textiles, clothing, footwear & leather products				\$0.114	\$0.077	\$0.191
Wood products, paper, printing & publishing				\$0.316	\$0.166	\$0.481
Petroleum & coal products				\$0.831	\$0.197	\$1.028
Chemical & chemical product				\$0.185	\$0.055	\$0.239
Rubber & plastic products				\$0.139	\$0.032	\$0.171
Non-metal mineral products				\$0.054	\$0.028	\$0.082
Basic metals & Products				\$0.260	\$0.076	\$0.336
Fabricated metal products				\$0.129	\$0.050	\$0.179
Transport machinery & equipment				\$0.229	\$0.052	\$0.281
Other machinery & equipment				\$0.516	\$0.212	\$0.727
Miscellaneous manufacturing				\$0.035	\$0.054	\$0.089
Electricity, gas & water supply				\$0.933	\$0.427	\$1.359
Construction				\$0.774	\$0.123	\$0.898
Wholesale trade				\$1.513	\$0.871	\$2.383
Retail trade		\$4.498	\$4.498	\$1.092	\$1.777	\$7.367
Repairs				\$0.339	\$0.112	\$0.451
Accommodation, cafes & restaurants		\$19.725	\$19.725	\$0.331	\$0.845	\$20.901
Transport & storage		\$14.715	\$14.715	\$1.347	\$0.484	\$16.546
Communication services				\$0.593	\$0.260	\$0.853
Finance & insurance				\$0.678	\$0.536	\$1.214
Property & business services				\$5.017	\$0.964	\$5.981
Government administration & defence				\$0.211	\$0.055	\$0.267
Education				\$0.122	\$0.459	\$0.582
Health & community services				\$0.022	\$0.432	\$0.454
Cultural & recreational services		\$1.008	\$1.008	\$0.619	\$0.280	\$1.907
Personal & other services				\$0.068	\$0.366	\$0.434
TOTAL		\$39.945	\$39.945	\$17.262	\$9.190	\$66.397
Multiplier				Type 1 1.432	Type 2 1.662	

Employment	Direct Change Jobs	Direct Change Output (\$M)	Direct Effect (Jobs)	Industrial Effect (Jobs)	Consumption Effect (Jobs)	Total (Jobs)
Agriculture, hunting & trapping				1	0	1
Forestry & fishing				0	0	0
Coal, oil & gas				0	0	0
Iron ores				0	0	0
Non-ferrous metal ores				0	0	0
Other mining				0	0	0
Services to mining				0	0	0
Meat & dairy				0	0	0
Other food & beverage products				0	0	1
Textiles, clothing, footwear & leather products				0	0	0
Wood products, paper, printing & publishing				1	0	1
Petroleum & coal products				0	0	0
Chemical & chemical product				0	0	0
Rubber & plastic products				0	0	0
Non-metal mineral products				0	0	0
Basic metals & Products				0	0	0
Fabricated metal products				0	0	0
Transport machinery & equipment				0	0	0
Other machinery & equipment				0	0	1
Miscellaneous manufacturing				0	0	0
Electricity, gas & water supply				1	0	1
Construction				3	0	3
Wholesale trade				4	2	6
Retail trade		\$4.498	33	8	13	54
Repairs				3	1	5
Accommodation, cafes & restaurants		\$19.725	105	2	5	111
Transport & storage		\$14.715	40	4	1	45
Communication services				1	1	2
Finance & insurance				1	1	3
Property & business services				12	2	14
Government administration & defence				1	0	1
Education				1	3	4
Health & community services				0	3	4
Cultural & recreational services		\$1.008	4	2	1	7
Personal & other services				1	3	4
TOTAL		\$39.945	182	48	41	271
				Type 1		Type 2
Multiplier				1.264		1.489

Wages and Salaries	Direct Change Jobs	Direct Change Output (\$M)	Direct Effect (\$M)	Industrial Effect (\$M)	Consumption Effect (\$M)	Total (\$M)
Agriculture, hunting & trapping				\$0.025	\$0.006	\$0.031
Forestry & fishing				\$0.002	\$0.000	\$0.002
Coal, oil & gas				\$0.004	\$0.002	\$0.006
Iron ores				\$0.000	\$0.000	\$0.000
Non-ferrous metal ores				\$0.004	\$0.001	\$0.005
Other mining				\$0.003	\$0.001	\$0.003
Services to mining				\$0.002	\$0.001	\$0.002
Meat & dairy				\$0.020	\$0.005	\$0.025
Other food & beverage products				\$0.035	\$0.010	\$0.044
Textiles, clothing, footwear & leather products				\$0.016	\$0.011	\$0.027
Wood products, paper, printing & publishing				\$0.075	\$0.044	\$0.119
Petroleum & coal products				\$0.021	\$0.005	\$0.026
Chemical & chemical product				\$0.015	\$0.004	\$0.019
Rubber & plastic products				\$0.019	\$0.004	\$0.023
Non-metal mineral products				\$0.009	\$0.005	\$0.014
Basic metals & Products				\$0.037	\$0.010	\$0.047
Fabricated metal products				\$0.025	\$0.010	\$0.035
Transport machinery & equipment				\$0.041	\$0.005	\$0.046
Other machinery & equipment				\$0.049	\$0.020	\$0.069
Miscellaneous manufacturing				\$0.005	\$0.008	\$0.013
Electricity, gas & water supply				\$0.139	\$0.064	\$0.203
Construction				\$0.131	\$0.020	\$0.151
Wholesale trade				\$0.381	\$0.226	\$0.607
Retail trade		\$4.498	\$1.423	\$0.345	\$0.562	\$2.331
Repairs				\$0.147	\$0.048	\$0.195
Accommodation, cafes & restaurants		\$19.725	\$4.640	\$0.078	\$0.199	\$4.917
Transport & storage		\$14.715	\$3.397	\$0.284	\$0.104	\$3.784
Communication services				\$0.096	\$0.042	\$0.138
Finance & insurance				\$0.208	\$0.167	\$0.376
Property & business services				\$1.210	\$0.239	\$1.449
Government administration & defence				\$0.101	\$0.026	\$0.127
Education				\$0.083	\$0.313	\$0.397
Health & community services				\$0.015	\$0.272	\$0.287
Cultural & recreational services		\$1.008	\$0.217	\$0.123	\$0.057	\$0.396
Personal & other services				\$0.027	\$0.200	\$0.227
TOTAL		\$39.945	\$9.677	\$3.776	\$2.692	\$16.145
Multiplier				Type 1 1.390	Type 2 1.668	

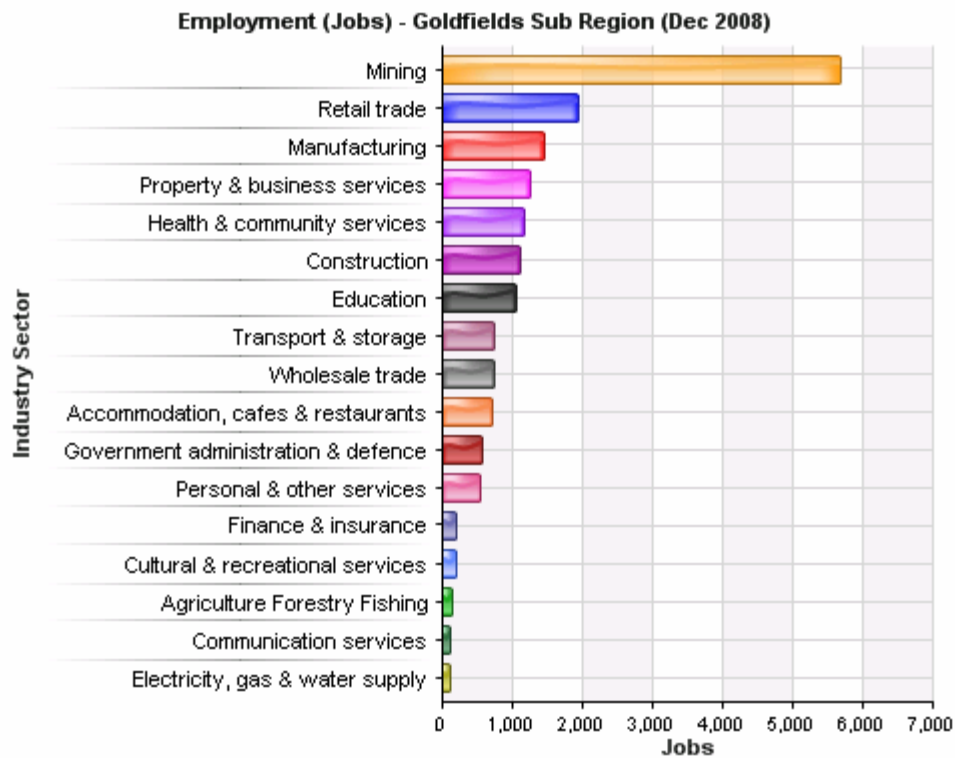
Value Added	Direct Change Jobs	Direct Change Output (\$M)	Direct Effect (\$M)	Industrial Effect (\$M)	Consumption Effect (\$M)	Total (\$M)
Agriculture, hunting & trapping				\$0.126	\$0.029	\$0.154
Forestry & fishing				\$0.003	\$0.001	\$0.004
Coal, oil & gas				\$0.028	\$0.009	\$0.038
Iron ores				\$0.002	\$0.000	\$0.002
Non-ferrous metal ores				\$0.017	\$0.005	\$0.023
Other mining				\$0.009	\$0.002	\$0.012
Services to mining				\$0.003	\$0.001	\$0.004
Meat & dairy				\$0.029	\$0.007	\$0.036
Other food & beverage products				\$0.092	\$0.021	\$0.113
Textiles, clothing, footwear & leather products				\$0.024	\$0.016	\$0.041
Wood products, paper, printing & publishing				\$0.133	\$0.074	\$0.207
Petroleum & coal products				\$0.076	\$0.018	\$0.094
Chemical & chemical product				\$0.032	\$0.010	\$0.042
Rubber & plastic products				\$0.028	\$0.007	\$0.035
Non-metal mineral products				\$0.016	\$0.008	\$0.024
Basic metals & Products				\$0.066	\$0.019	\$0.084
Fabricated metal products				\$0.036	\$0.014	\$0.050
Transport machinery & equipment				\$0.054	\$0.008	\$0.062
Other machinery & equipment				\$0.070	\$0.029	\$0.099
Miscellaneous manufacturing				\$0.008	\$0.012	\$0.020
Electricity, gas & water supply				\$0.482	\$0.221	\$0.703
Construction				\$0.278	\$0.043	\$0.321
Wholesale trade				\$0.648	\$0.388	\$1.035
Retail trade		\$4.498	\$2.258	\$0.548	\$0.892	\$3.699
Repairs				\$0.185	\$0.062	\$0.247
Accommodation, cafes & restaurants		\$19.725	\$7.919	\$0.133	\$0.339	\$8.391
Transport & storage		\$14.715	\$6.323	\$0.558	\$0.199	\$7.080
Communication services				\$0.296	\$0.130	\$0.425
Finance & insurance				\$0.450	\$0.352	\$0.802
Property & business services				\$2.280	\$0.436	\$2.716
Government administration & defence				\$0.116	\$0.030	\$0.146
Education				\$0.093	\$0.347	\$0.440
Health & community services				\$0.018	\$0.334	\$0.351
Cultural & recreational services		\$1.008	\$0.361	\$0.208	\$0.097	\$0.666
Personal & other services				\$0.036	\$0.237	\$0.273
TOTAL		\$39.945	\$16.861	\$7.180	\$4.396	\$28.438
Multiplier				Type 1 1.426	Type 2 1.687	

REMPPLAN over view of Goldfields region by output:



Industry sectors ranked by output			
Output		\$M	%
Mining		\$6,138.232	58.60%
Manufacturing		\$1,548.148	14.80%
Property & business services		\$525.967	5.00%
Construction		\$462.364	4.40%
Wholesale trade		\$309.093	3.00%
Transport & storage		\$277.538	2.70%
Retail trade		\$253.263	2.40%
Education		\$142.255	1.40%
Health & community services		\$138.406	1.30%
Accommodation, cafes & restaurants		\$133.644	1.30%
Government administration & defence		\$126.845	1.20%
Electricity, gas & water supply		\$103.198	1.00%
Finance & insurance		\$98.039	0.90%
Personal & other services		\$74.900	0.70%
Communication services		\$54.122	0.50%
Cultural & recreational services		\$46.751	0.40%
Agriculture Forestry Fishing		\$33.206	0.30%
Total		\$10,465.971	

REMPLAN over view of Goldfields region by employment:



Employment	Jobs	%
Mining	5,672	32.00%
Retail trade	1,936	10.90%
Manufacturing	1,453	8.20%
Property & business services	1,249	7.00%
Health & community services	1,185	6.70%
Construction	1,117	6.30%
Education	1,050	5.90%
Transport & storage	757	4.30%
Wholesale trade	744	4.20%
Accommodation, cafes & restaurants	712	4.00%
Government administration & defence	574	3.20%
Personal & other services	538	3.00%
Finance & insurance	196	1.10%
Cultural & recreational services	188	1.10%
Agriculture Forestry Fishing	133	0.80%
Communication services	112	0.60%
Electricity, gas & water supply	110	0.60%
Total	17,726	

REGIONAL ECONOMIC MODELLING (REMPPLAN) EXPLAINED

REMPPLAN is a tool developed by La Trobe University in Victoria and is used for assessing the impacts of change, compiled from nationally collected data and then regionalised to suit the defined region. The data reflects typical industry sector activity that is likely to occur in response to inputs or change in employment, demand, project investment or revenue output on a per annum period.

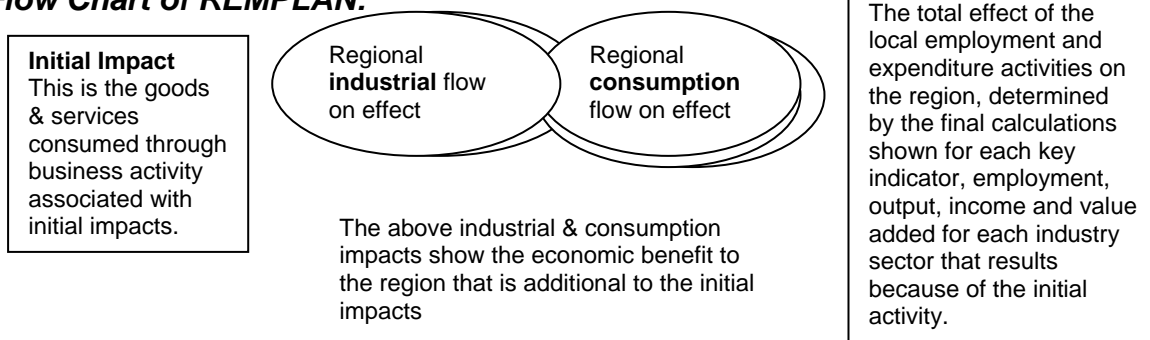
The key indicators used are employment, output in millions of dollars, household income, (wages and salaries) and value added. For measuring the impact of change the standard breakdown is for thirty-five sectors. The initial impact and the results of multiplier 'flow on' effects will be shown.

As this is a regional impact model, only information relating to local expenditure, investment or employment will be used. REMPLAN can estimate the level of local spending based on employment numbers or from the value of output/revenue of a particular business/industry sector.

The source of information for the REMPLAN model includes, Gross State Product (GSP), 2006 Census journey to work employment data and national industrial transactions tables to build information by industry sector for the region.

The REMPLAN process is shown pictorially below and in the tables within this document. REMPLAN shows the flow on effect across the regional economy experienced on two levels, an industrial effect that has a smaller multiplier and reflects the inputs to the initial transaction, and the consumption multiplier that includes the effect of the initial and industrial purchasing activities.

Flow Chart of REMPLAN:



All information provided by REMPLAN can only be considered as indicative. Data in REMPLAN provides national average estimates and assumes regional performance matches national performance. Discrepancies in the data are likely to exist when business structures deviate from the average. This does not detract from the validity of the data as flow on effects to regional businesses and households are a product of the way a business operates in the region.

DEFINITIONS

Section 1.01 Using the REMPLAN tables	A direct change in employment or regional investment will be followed by changes in other performance areas and sectors as the "flow-on" effects work through the regional economy. These effects are illustrated in each of the columns for each sector in the tables above in a per annum period.
Section 1.02 Output	Final sales revenue in millions by industry sectors.
Income / Income multiplier	Impact on household income for the region. The measure of expected change in income increase compared with the initial change.
Employment / Employment multiplier	The total number employed which will have a direct impact on jobs created overall. As effects flow on to other sectors more jobs will be created. The measure of the expected change that results from the initial change.
Section 1.03 Industrial effect Section 1.04 Type 1 multiplier	For every dollar change in a particular industry sector there is an expected change in output/income/employment and value added.
Section 1.05 Consumption effect Section 1.06 Type 2 multiplier	Every increase or decrease in employment or investment activity impacts on the aggregate household spending. This is a larger multiplier than the type 1 as the extra spending generates more flow on through increased or decreased demand for goods and services.
Section 1.07 Value added multiplier	Value added is the increase in the value of a good at each stage of the production process. The multiplier measures the overall effect of an initial change in the value added in a particular sector on a regional basis.
Section 1.08 Gross regional product	GRP is a measure of the regional output of final goods and services and includes regional exports and excludes regional imports.

DISCLAIMER

Goldfields-Esperance Development Commission: The GEDC and its officers take no responsibility for the information provided in the REMPLAN modelled tables. REMPLAN was originally developed at La Trobe University and uses national data that has been regionalised for the local area and then compiled into the models. REMPLAN is now administered by Compelling Economics Pty Ltd. The REMPLAN data is indicative, not predictive. It is designed to assist decision making by providing information that is supplementary to what otherwise might be available. In all statistically based studies there are elements of 'unknowns' and assumptions. Additionally the GEDC has no control over the accuracy of the input information provided by any organisation, particularly 'local' content or information sourced from other persons or organisations. GEDC disclaims liability in respect of anything done or omitted to be done by anyone in reliance upon any part of this document.