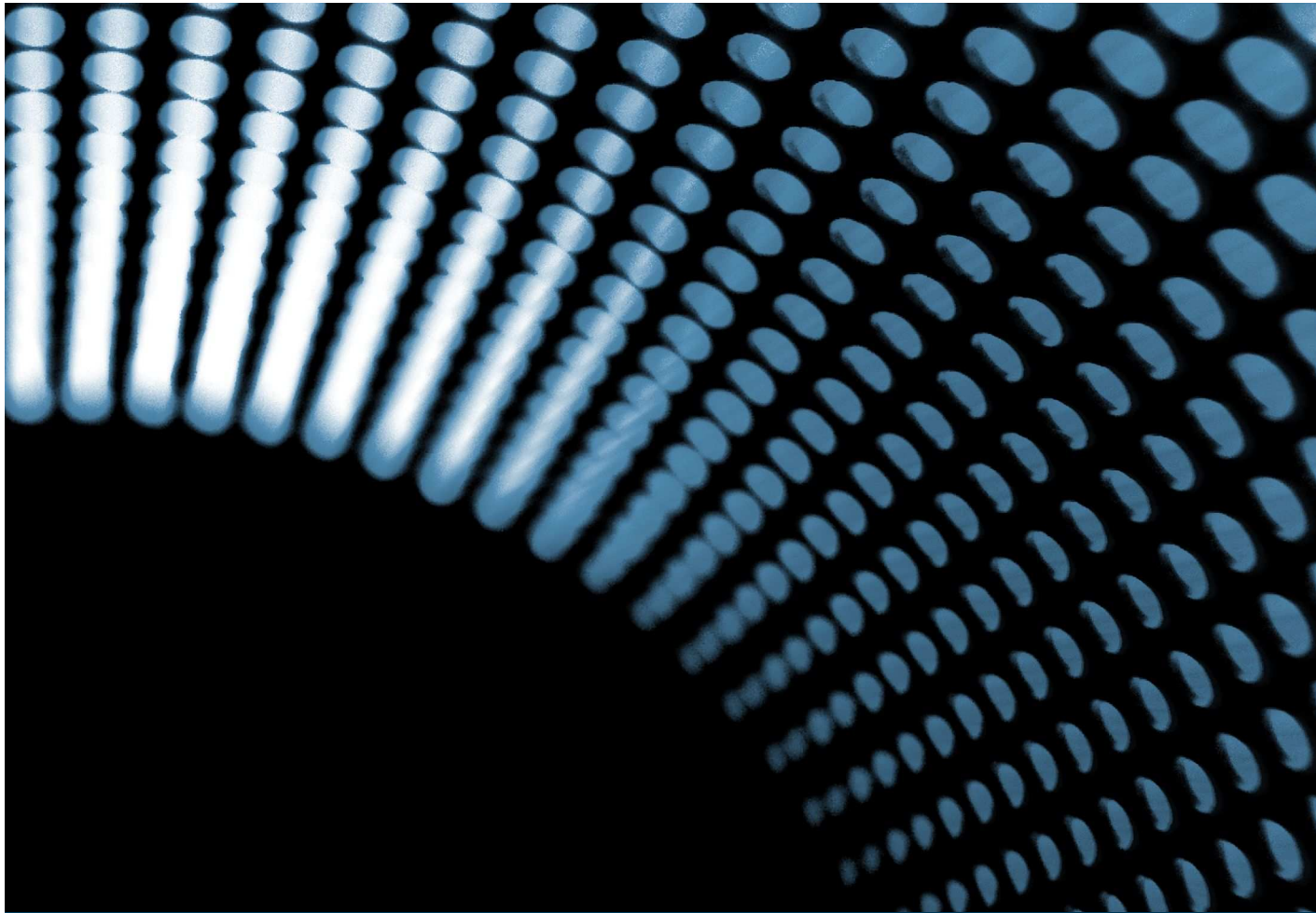


Pacific Southwest
STRATEGY GROUP



Northeast Business Park
Marina Demand Update, 10 September 2007



Northeast Business Park

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VERSION 1: Draft

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1. SITUATION ANALYSIS

1.1 Project Background

In March 2006, Pacific Southwest Strategy Group produced a report for Northeast Business Park Pty Ltd which suggested the need for an additional 1,789 marina berths in South East Queensland by 2010 and 6,901 by 2020.

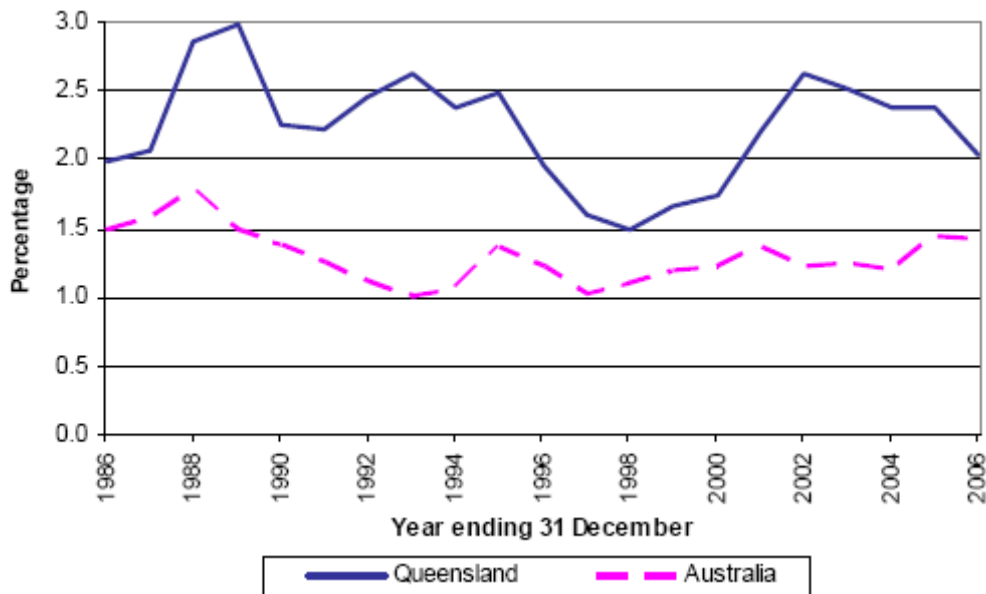
This report has been commissioned by North East Business Park Pty Ltd to provide an update to the original predictions using the latest population forecasts and boat registration statistics.

The report has been written as an addendum to the original March 2006 report and needs to be read in conjunction with it.

1.2 Population Growth

Since 2000, Queensland's annual population growth has generally fluctuated between 2.0 and 2.5 percent.

Figure 1: Population Annual Growth Rate Queensland and Australia

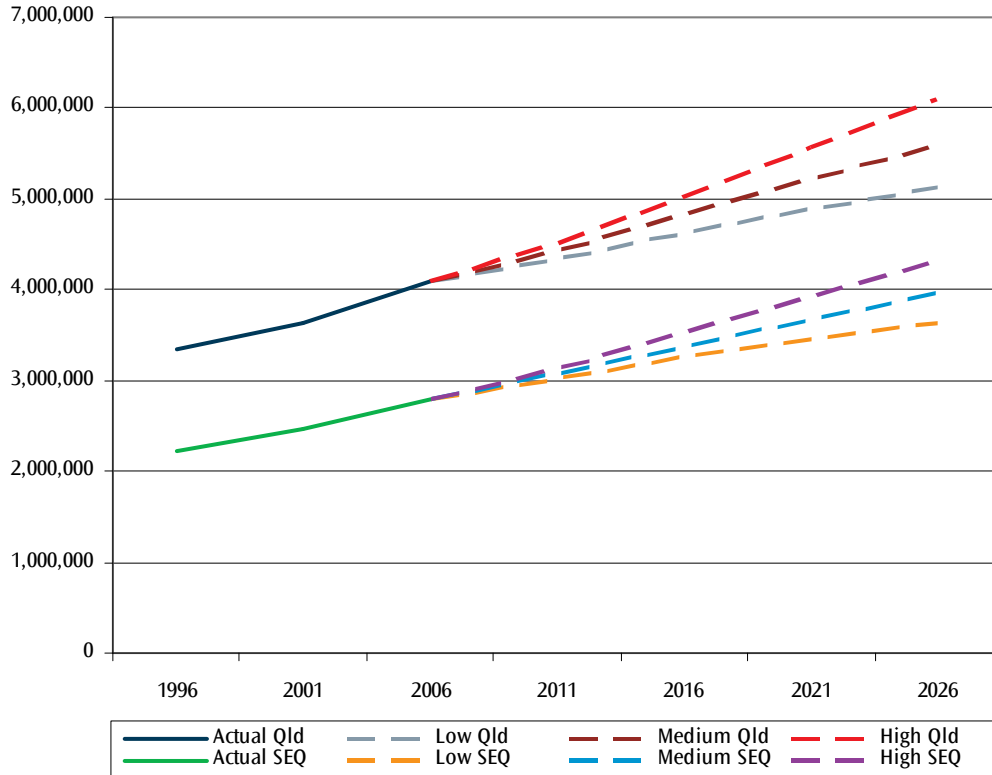


Source: OESR, 2007

Based on the latest medium series forecast, Queensland's population is forecast to reach 4.82 million by 2016 and 5.58 million by 2026.

At the same times, South East Queensland's (SEQ) population is forecast to reach 3.38 million and 3.96 million respectively (medium series).

Figure 2: Queensland and SEQ Populations and Forecasts



Source: Pacific Southwest Strategy Group, 2007

These forecasts have been increased by the state government since the original report was produced in March 2006 by:

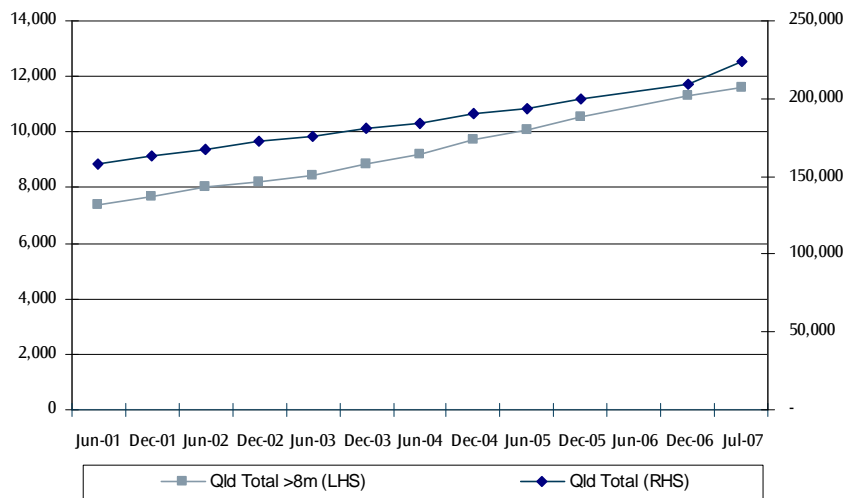
- Queensland:
 - o +140,000 in 2016;
 - o +290,000 in 2026;
- SEQ:
 - o +110,000 in 2016; and
 - o +250,000 in 2026.

Annual population growth rates to 2026 are predicted to average 1.6 percent for Queensland and 1.7 percent for South East Queensland (medium series).

1.3 Boat Registrations

Queensland boat registrations reached 223,425 at the end of July 2007, up 29,461 (or +15.1 percent) from June 2005. For the corresponding period, registrations for boats greater than eight metres in length totalled 11,602, up 983 (or +9.8 percent). Demand for marina berths has been mainly dependant on the number of boats in the eight metres plus length range.

Figure 3: Queensland Boat Registrations



Source: Pacific Southwest Strategy Group, 2007

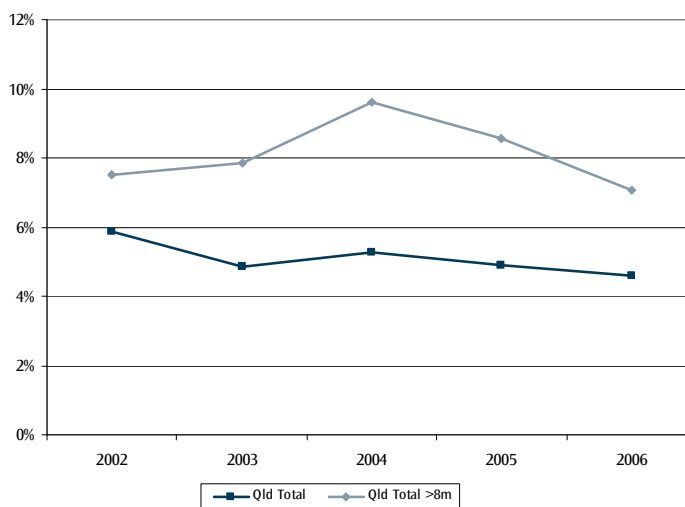
The average annual growth rate for boat registrations in Queensland since 2002 was:

- 6.0 percent for overall boat numbers; and
- 7.1 percent for boats over eight metres in length.

The following graph shows the trends in boat registrations in Queensland and highlights the higher growth rate for boats over 8 metres length in comparison to the growth in overall numbers. While still showing substantial growth, the trend line has dipped, or slowed for overall numbers over the last five years from about six percent in 2002 to less than five percent in 2006. The reason for this is thought to be cyclical, rather than economic. This trend is not as evident for larger boats with only a minor decrease from 7.5 percent growth in 2002 to 7.1 percent in 2006.

Overall boat registration growth in Queensland is currently 2.3 times the population growth, and 3.55 times for boats over eight metres.

Figure 4: Annual Growth in Queensland Boat Registrations



Source: Pacific Southwest Strategy Group, 2007

1.4 Waiting List

Barry Hibberd, general manager of *Marine Queensland* (formerly *Boating Industry Association of Queensland* (BIAQ)) in discussions advised that marina operators had ceased maintaining waiting lists as the situation hadn't changed in recent years and there was no point to updating them. He went on to say that there had been a slight easing in the situation due to the release of a number of berths at the *Horizon Shores Marina* at Jacobs Wells, but that the shortfall in berths was similar to that reported in January 2005.

With the constant influx of migrants to Queensland and the increased boat registrations particularly in the lengths greater than eight metres, he suggested that demand would increase and that there was a need to build a significant numbers of marina berths.

In January 2005, the waiting list for berths totalled 1,480 with the majority of the demand in South East Queensland.

1.5 Berth Demand

Based on the above population and boat registration trends, the project team prepared a marina berth demand model for South East Queensland. This is shown below.

The assumptions used for the modelling included:

- Base demand of 6,390 marina berths in SEQ in 2005 (4,910 berths existing plus 1,480 unmet demand as noted in original report);
- Yearly growth in demand for berths based on growth in registrations for boats over eight metres length (7.1 percent in 2006). Three values adopted:
 - Low of 4 percent;
 - Medium of 6 percent (conservative); and
 - High of 8 percent.

Year	Low (4% growth)	Medium (6% growth)	High (8% growth)
2005	6,390	6,390	6,390
2010	7,774	8,551	9,389
2020	11,508	15,314	20,270

Source: Pacific Southwest Strategy Group, 2007

Based on the midrange modelling, an additional 3,641 berths will be required by 2010 (range 2,864 to 4,479) and 10,404 by 2020 (range 6,598 to 15,360). These forecasts include the 1,480 unmet demand from 2005.

These predictions are higher than those in the original report which took a conservative approach of adopting the growth trends for registration of the overall boat population rather than that for the boats over eight metres in length.

The proposed 800 berth marina within the *Northeast Business Park* will cater for 9.4 percent of the required additional berths in South East Queensland in 2010 and 5.2 percent by 2020.



Your project team for this study was Phil Graham, who figured it out; Megan Thorrold, who checked it out; and Richard Elliott, who made the coffee.

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(ABN 99 633 494 331)

1/131 Leichhardt Street Spring Hill Qld 4000

Tel: (07) 3839 7766 Fax: (07) 3839 7466 Email: office@pacificsouthwest.com.au