Marrickville Customer Fulfillment Centre

Social and Economic Impacts

Prepared for
Woolworths Limited

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HillPDA CONSULTING

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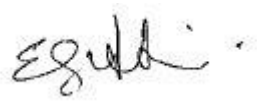
Signature  Dated 13/10/20

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1.0 INTRODUCTION

This Socio-Economic Impact Statement (SEIS) has been prepared to accompany an application for a State Significant Development (SSD) for the construction of a customer fulfillment centre warehousing and logistics facility in Marrickville NSW (the proposed development). The proposed development is located at 74 Edinburgh Road, Marrickville and comprises 30,460m^2 of industrial and warehouse floorspace and 9,049m^2 of associated commercial floorspace. Woolworths (the applicant) proposes to operate an online customer fulfilment centre where online grocery orders would be completed and distributed from the facility to customers' homes.

The Planning Secretary's Environmental Assessment Requirements (SEARs) issued for the application (SSD-10468) require the Environmental Impact Assessment (EIS) to include:

- An analysis of the economic and social impacts of the development, including any potential benefits to the community
- Potential impacts upon demand for supermarket floor space and existing retail centres within the surrounding area.

This report has been prepared to satisfy these requirements. It provides background to the development application, a description of the existing social and economic environment and a analysis of potential social impacts from the proposed development. The methodology used to identify potential social impacts for the proposed development is consistent with the NSW Department of Planning Industry and Environment (DPIE) *Social Impact Assessment Guideline*. This report also suggests mitigation measures which will help to maximise social benefits and minimise negative impacts, to the community.

Figure 1 - Photomontage representing architectural plans of proposed development

Source: (nettletontribe, 2020)

1.1 The site

The Site is legally described as Lot 202 in DP 1133999, Lot 3 in DP 318232 and Lot 3 in DP 180969, commonly known as 74 Edinburgh Road, Marrickville (see Figure 1). The Site has an area of approximately 27,315sqm and has frontages to both Edinburgh Road (north) and Sydney Steel Road (east).

The key elements within and surrounding the Site include:

- The Site is located within the industrial area of Marrickville and currently accommodates several large freestanding industrial buildings and associated car parking and loading areas;
- Vehicular access to the Site is via an existing entry and exit driveway at the Edinburgh Road frontage. Access is also available from Sydney Steel Road;
- The Site contains minimal vegetation which is fragmented by buildings and areas of hardstand surfaces. Vegetation is limited to scattered trees and shrubs within the Site and planted within the nature strip;
- Is located within 1km of Sydenham Railway Station, which is currently being upgraded as part of the Sydney Metro Chatswood to Bankstown metro line; and
- The Site is well positioned in terms of access to arterial and main roads, public transport modes of bus and rail, Sydney Airport and the retail centre of Marrickville.

The subject site is located at 74 Edinburgh Road, Marrickville, legally described as Lot 202 of Deposited Plan 1133999. The site is shown below in Figure 1.

Figure 1: The site

Source: (sixmaps, 2020)

1.2 The proposal

The State Significant Development Application seeks approval for the demolition of existing structures on the site and the construction and 24/7 operation of a warehouse and distribution centre (Figure 2), comprising:

- Demolition of the existing buildings, associated structures and landscaping;
- Construction of a two storey warehouse comprising a speculative warehouse at level 1 (ground level) and Customer Fulfillment Centre (CFC) at level 2;
- Construction of associated offices across five levels to be used by Woolworths in conjunction with the warehouse and CFC;
- Provision of pick-up facility for general public (open between 7am and 10pm)
- Two storey car park adjacent to Edinburgh Road;
- Two storey hardstand loading and delivery area adjacent Sydney Steel Road;
- Private vehicle access from two points on Edinburgh Road;
- Heavy vehicle / loading vehicle access from four points on Sydney Steel Road; and,
- Tree removal and landscaping works.

Use of the warehouse will be on a 24-hour, 7-day basis, consistent with surrounding operations.

Figure 2: The proposed site plan

Source: (Nettleton Tribe, 2020)

2.0 SOCIAL AND ECONOMIC CONTEXT

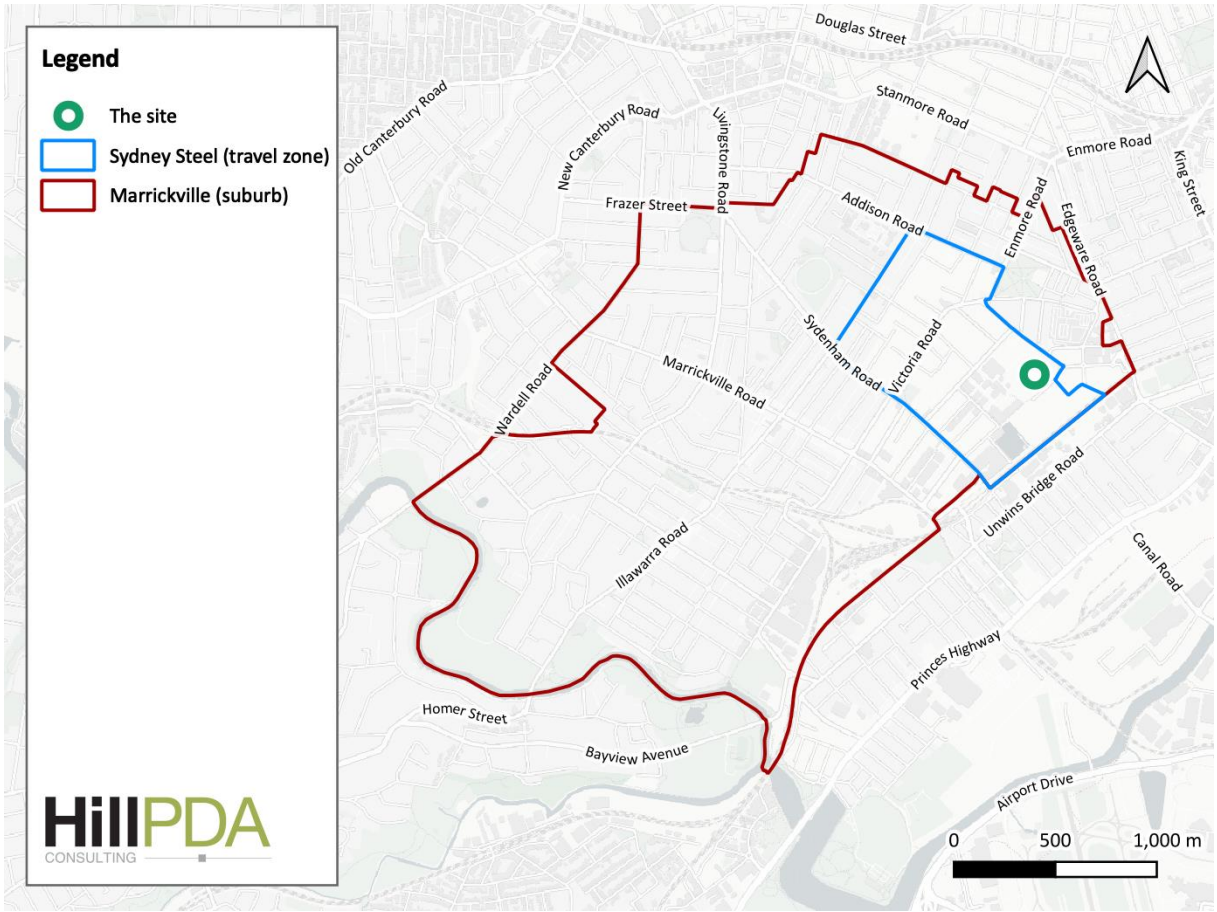
This section describes the socio-economic characteristics of the study area to enable the potential impacts of the proposed development to be considered within the local context.

2.1 Areas of influence

This social and economic impacts have been considered for the following geographic areas:

- The Marrickville Suburb as this is a representative of the local community that may be impacted by the proposed development.
- The Sydney Steel travel zone as determined by Transport for NSW (TfNSW) is representative of the immediate surrounds. The travel zone data includes projections for the future employment and industry patterns in the immediate area.

Figure 3: Study areas



Source: ABS,2019

2.2 Demography and employment

A demographic overview of the local community , defined as the suburb of Marrickville, is presented below.

Key characteristic of the population have been benchmarked against the Greater Sydney Greater Capital City Statistical Area (GCCSA).

For future population projections, data is only available for the Inner West LGA (data is not available for the study area).

Demography

The Census usual resident population **of Marrickville in 2016 was 26,602, living in 11,321 dwellings with an average household size of 2.42.**

The ABS Estimated Resident Population in 2019 was 28,992.

In 2016 the **median population** in Marrickville was 36 which was the same as for Greater Sydney

There were 520 people over the **age** of 85 living in Marrickville in 2016. The largest age group was 25 to 29 year olds.

In Marrickville in 2016, 2,641 **people who spoke a language other than English** at home reported difficulty speaking English. This group made up 9.9 per cent of the suburb population which was considerably higher than for Greater Sydney (6.5 per cent).

In 2016, 35.4% of people in Marrickville had a Bachelor or Higher degree **qualification** in 2016, higher than Greater Sydney. This represents an increase of 1,893 people since 2011.

In Marrickville, 65.0% of people aged over 15 years highest level of education was completed Year 12 **schooling** (or equivalent) as of 2016. This was greater than Greater Sydney.

In 2016, 1,951 people in Marrickville were **attending university**. This represents 7.4% of the population, compared to 6.1% in Greater Sydney.

13,904 people living in Marrickville in 2016 were **employed**, of which 67% worked full-time and 31% part-time.

More Marrickville residents worked in **professional, scientific and technical services** than any other industry in 2016 (12.0 per cent). Other common industries were health care and social assistance (10.7 per cent) and Education and Training (10.5 percent).

On Census day 2016 in Marrickville, 39.5% of people travelled to work in a **private car,** 40.0% took public transport and 7.8% rode a bike or walked. 3.6% worked at home.

In 2016, 28.7% of households earned an **income** of $2,500 or more per week in 2016 compared to 38.4 per cent in Greater Sydney.

At the Census the suburb had high proportions of group **households** (10.5 per cent) and lone person households (24.6 per cent) compared to Greater Sydney (4.5 per cent and 20.4 per cent respectively)

Local jobs

Transport for NSW release data regarding population, workforce and employment for travel zones to help guide transport and asset planning for the future. The 2016 data for Sydney Steel travel zone (zone 305) indicates that the most significant industries for employment were:

- Construction (12%)
- Wholesale trade (11%)
- Food product manufacturing (8%)

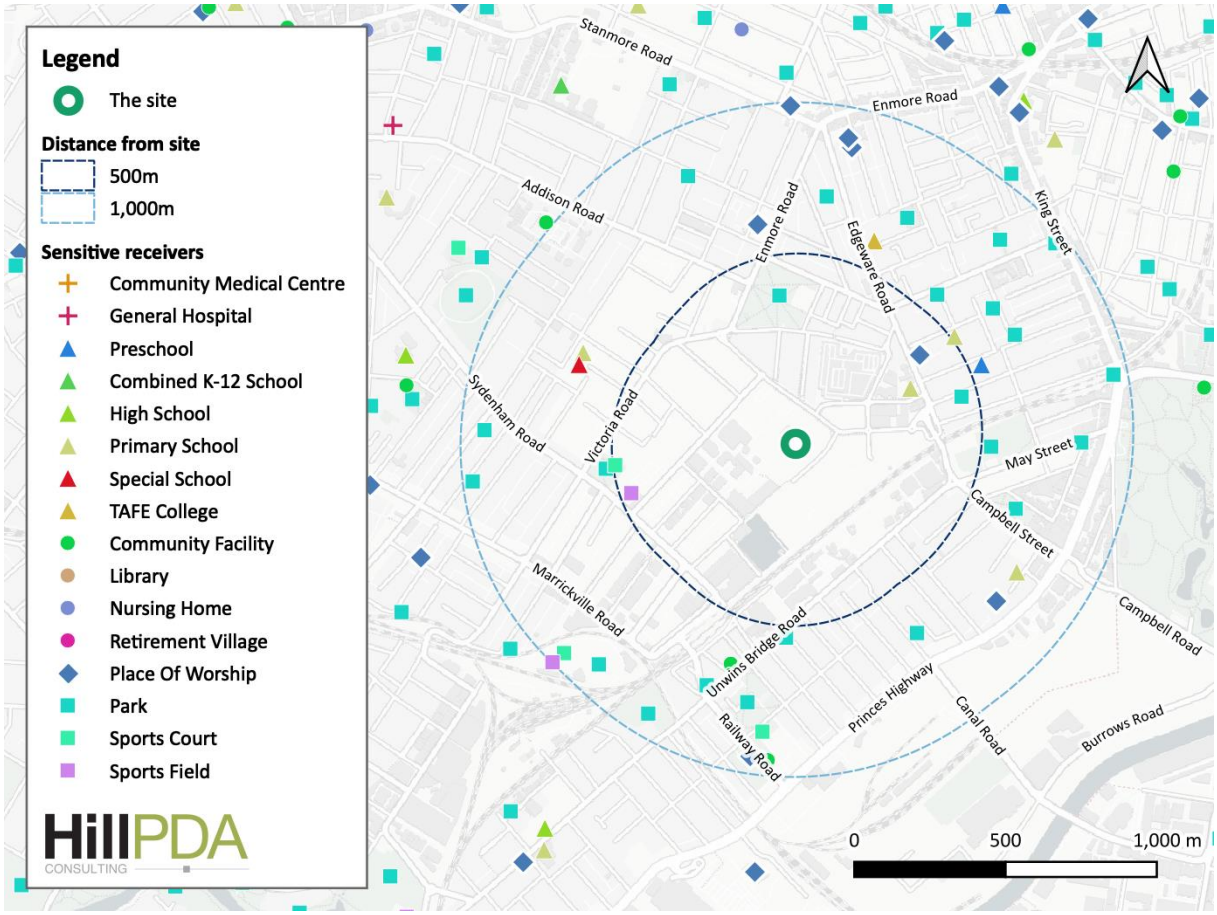
- Furniture and other manufacturing (7%)
- Accommodation and food services (7%).

Projected employment by industry as detailed for Sydney Steel travel zone. The zone is expected to see an additional 3,032 jobs (71% increase) in the coming years with a total of 7,298 jobs by 2056. The major industries of employment above, are expected to remain the top five industries for employment in the zone to 2056. Appendix A includes the industry of employment projections for the Sydney Steel travel zone.

2.3 Surrounding infrastructure

Surrounding social infrastructure and sensitive land uses are shown below in Figure 4.

Figure 4: Surrounding social infrastructure and uses



Being located within a predominantly industrial area, it can be seen that there are few sensitive land uses located near to the site. Few sensitive receivers are located within 500m of the site. Edgeware Road to the north of the site is home to several educational institutions and places of worship, however the most prominent receivers are the public open spaces and parks that would be unlikely to be impacted by the noise or traffic from the construction or operation of the proposed development due to the existing urban industrial environment.

3.0 ECONOMIC IMPACTS

The following Chapter examines the economic contribution that the subject site currently generates. This is referred to as the "base case". The economic contribution under the base case is then compared to that predicted to be generated if the proposed development is to proceed. Economic impacts include employment generation, wages and gross value added. The Economic impacts during construction are also assessed.

3.1 Base Case economic assessment

The subject site currently contains three industrial/warehouse buildings. Combined these buildings provide an estimated 10,650sqm of space and are primarily used as secondary industrial space for storage and warehousing activities. The economic impact of the current use onsite is assessed below.

3.1.1 Employment generation

Based on average employment densities, we have estimated that the subject site currently accommodates around **43 jobs**.

Table 1: Estimated employment generation - Base Case

Land use	Floorspace (GFA)	Sqm/Employee	No. Workers
Secondary storage and warehousing	10,650	250	43

3.1.2 Wage and Gross Value Added (IVA) generation

Based on IBIS World Industry Reports, HillPDA has estimated the current annual worker salary generated for workers within the subject site at approximately **$2.9 million**.

Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP). We estimate that the current land uses on-site potentially contribute **$4.0 million** every year.

Table 2: Estimated employment generation - Base Case

Land use	No. Workers	Average Wage/IVA/worker	$ (m)
Wages	43	$67,760	$2.89
GVA	43	$94,402	$4.02

Source: IBIS world reports 2019

3.2 Construction economic benefits

Woolworths has advised that the indicative construction cost for the proposed development would be around $144.4 million.

3.2.1 Construction multiplier effects

The construction industry is a significant component of the economy accounting for 8% of Gross Domestic Product (GDP) and employing almost one million workers across Australia[1]. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

[1] 5206.0 Australian National Accounts: National Income, Expenditure and Product 2018

- **Production induced**: which is made up of:
  - First round effect: which is all outputs and employment required to produce the inputs for construction
  - An industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect
- **Consumption induced**: which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

The source of the multipliers adopted in this report is ABS Australian National Accounts: Input-Output Tables 2017-18 (ABS Pub: 5209.0). From these tables HillPDA identified first round effects, industrial support effects and consumption induced multiplier effects at rates of $0.62, $0.66 and $0.91 respectively to every dollar of construction. The table below quantifies associated economic multipliers resulting from the construction process.

Table 3: Construction multipliers ($m)

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.6200	0.6610	0.9050	3.1860
Output ($million)	**$144.4**	**$90**	**$95**	**$131**	**$460**

Source: HillPDA Estimate from ABS Australian National Accounts: Input-Output Tables 2017-18

The estimated direct construction cost of $144.4 million would generate a further **$185 million** of activity in production induced effects and **$131 million** in consumption induced effects. The total economic activity generated by construction of the proposed development would be around **$460 million**.

Note that the multiplier effects are national, and not necessarily local. The ABS states that:

"Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy."

In particular, the multiplier impacts can leave the impression that resources would not have been used elsewhere in the economy had the development not proceeded. In reality, many of these resources would have been employed elsewhere. Note that the NSW Treasury guidelines state:

"Direct or flow on jobs will not necessarily occur in the immediate vicinity of the project – they may be located in head office of the supplier or in a factory in another region or State that supplies the project"[2].

Nevertheless, economic multiplier impacts represent considerable added value to the Australian economy.

3.2.2 Construction related employment

Every one million dollars of construction work undertaken generates 2.50 job years directly in construction[3]. Based on an estimated construction cost of $144.4 million the proposal would directly generate **361 job years**[4] directly in construction.

[2] Source: Office of Financial Management Policy & Guidelines Paper: Policy & Guidelines: Guidelines for estimating employment supported by the actions, programs and policies of the NSE Government (TPP 09-7) NSW Treasury
[3] Source: ABS Australian National Accounts: Input – Output Tables 2016-17 (ABS Pub: 5209.0)
[4] Note: One job year equals one full-time job for one year

Table 4: Construction employment

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.731	0.851	1.434	4.016
Employment No. per $million*	2.497	1.826	2.125	3.581	10.029
Total job years created	**361**	**264**	**307**	**517**	**1,448**

Source: HillPDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2017-18

From the ABS Australian National Accounts: Input-Output Tables 2017-18 HillPDA identified employment multipliers for first round, industrial support and consumption induced effects of 0.73, 0.85 and 1.43 respectively for every job year in direct construction. Including the multiplier impacts, the proposal would generate a total of **1,448 job years directly and indirectly**.

3.3 Post-construction economic benefits

Post construction the Proposal would provide a total of around 39,510sqm of employment space. This space is comprised of the following components: 20,460sqm of grocery warehousing, 10,000sqm of speculative industrial space which would be leased out and 9,050sqm of commercial space, associated with the grocery warehousing component, which would be used for call centre, administration, information technology and human resourcing purposes.

3.3.1 Employment generation

Upon completion the Proposal would provide **a total of 660 jobs**. This represents an increase of around **617 jobs** over the Base Case. The breakdown of this employment on-site by particular land use is provided in the table below.

Table 5: Estimated employment generation

Land use	No. Workers
Online grocery shopping	264
Courier pick-up and delivery services	106
Office	210
General warehousing	80
Total Employment	**660**

Source: Woolworths 2020

3.3.2 Wages and salaries

Based on IBIS World Industry Reports, HillPDA has estimated the worker salary generated at approximately **$36.1 million** per annum. This represents an increase of around **$33.3 million** per annum over the Base Case.

The breakdown by land use is provided in the table below.

Table 6: Estimated salary generation

Land use	No. Workers	Average Wage	Total Remuneration
Online grocery shopping	264	$44,635	$11.80
Courier pick-up and delivery services	106	$20,667	$2.18
Office	210	$79,706	$16.74
General warehousing	80	$67,760	$5.42
Total	**660**		**$36.14**

Source: IBIS World Industry Reports, HillPDA

3.3.3 Gross Value Added

Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP).

We estimate that the proposed land uses would potentially contribute **$50.1 million** every year to the local economy. This represents an increase of around **$46.1 million** per annum over the Base Case.

Table 7: Estimated Gross value added

Land use	No. Workers	Gross value added / Worker	Gross value added ($m)
Online grocery shopping	264	$55,646	$14.71
Courier pick-up and delivery services	106	$29,833	$3.15
Office	210	$117,818	$24.74
General warehousing	80	$94,402	$7.55
Total	**660**		**$50.15**

Source: IBIS World Industry Reports, HillPDA

3.4 Demand for supermarket space

3.4.1 Current supermarket supply

HillPDA undertook a detailed land use survey in 2019 for each commercial centre within the Inner West LGA. This audit found that the Inner West provided a total of around 45,610sqm of supermarket space. The breakdown of this for each centre surveyed can be found below.

Table 8: Inner West Supermarket space provision

Centre	Supermarkets & Grocery space
Annandale	2,200
Ashfield Centre	10,330
Balmain Centre	1,800
Balmain East Centre	150
Dulwich Centre	1,150
Haberfield	1,360
Leichhardt	4,864
Lewisham Station	350
Marion Street Centre	5,623
Marrickville Centre	5,050
Marrickville Metro	5,767
Newtown-Enmore	1,700
Norton Street North	713
Petersham	415
Rozelle Centre	500
Stanmore Centre	490
Summer Hill Centre	3,150
Total	**45,612**

Source: HillPDA Audit 2019

3.4.2 Forecasting supermarket demand – household expenditure method

A retail demand assessment for the supermarket space across Inner West LGA has been completed by projecting the growth in retail household expenditure in LGA, allocating this growth to supermarket expenditure and converting the allocated expenditure into floorspace demand. These steps are detailed below.

1. **Population growth**: step one is understand the current and projected resident population within the LGA. Population id estimates that there is around 202,435 persons living in the LGA as of 2020. Over the next 16 years this is forecast to increase by 28,235 residents or 14%, reaching a total population of around 230,670 persons.
2. **Forecast household expenditure**: step 2 is to understand the amount of retail and subsequently supermarket expenditure generated by residents in the LGA. Household expenditure was sourced from the ABS Household Expenditure Surveys which provides household expenditure by broad commodity type by household income quintile; and Marketinfo 2017 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using "microsimulation modelling techniques".

   Using these sources, residents in the Inner West generated an estimated $3.5 billion in retail expenditure in 2020. This figure is forecast to increase to approximately $4.5 billion by 2036. Representing an increase of around $994 million or 28% over the period.

   Of total retail expenditure in 2020, approximately $1.03 billion, or about 29%, was spent in supermarkets and grocery stores. Expenditure in this retail subcategory is forecast to almost increase by almost a third to around $1.36 billion by 2036.

Table 9: Inner West total and supermarket household expenditure

Category	2020	2036	Change	% change
Population	202,434	230,667	28,233	14%
Total retail expenditure ($m)	$3,506	$4,499	$994	28%
Total supermarket expenditure ($m)	$1,001	$1,314	$313	31%

Source: Market in2017, ABS Household Expenditure Survey and HillPDA

3. **Convert supermarket expenditure to floorspace**: step 3 is to convert supermarket expenditure into floorspace requirements. Total supermarket expenditure is converted into floorspace requirements, target turnover rates ($/sqm of retail floorspace, and otherwise known as Retail Turnover Densities (RTDs)) have been applied. An average supermarket RTD of around $12,000 has been applied in this study[5].

   Using this methodology, it is estimated that the Inner West LGA could potentially support up to 84,390sqm of supermarket floorspace in 2020, increasing to 102,255sqm by 2036. However, not all of this demand would be captured by centres within the LGA with some being directed towards centres on the LGA's boarder or close to people work. For this reason, we have assumed a conservative capture of around 77.5% of the demand would be retained in the LGA.

   Applying this capture rate, it is estimated that the LGA could support up to 63,290sqm of supermarket floorspace in 2020, increasing to 76,690sqm by 2036.

Table 10: Supermarket floorspace demand – method 1

	2020	2036	Change
Total supermarket demand (sqm)	81,814	99,138	17,323
75% of demand directed to LGA (sqm)	63,406	76,832	13,426

[5] RTD in 2020 has been escalated at 0.5% per annum over the period to 2036

4. **Supply minus demand**: the last step is to subtract the current supply from the projected demand to determine any current or projected gaps in demand. An undersupply of supermarket space within the LGA could encourage residents to travel greater distances to access such services having negative impacts on existing centres in the LGA and other social-cohesion and environmental impacts.

   Currently the LGA provides around 45,610sqm of supermarket space. The household expenditure method suggests its resident population demand around 63,400sqm of space in 2020. This implies an undersupply of around 17,800sqm. This undersupply is forecast to increase to around 31,200sqm with no additional supply.

Table 11: Demand method 1 – supply and demand summary (sqm)

	2020	2036
Supply	45,612	45,612
Demand	63,406	76,832
Under/oversupply (-/+)	-17,794	-31,220

Source: HillPDA

3.4.3 Forecasting supermarket demand – per capita method

As part of the background documentation for the Greater Sydney Commission a report on the current supply and projected retail needs for Sydney was undertaken. This report, undertaken by Deep End Services in 2015, provided current per capital rates for the provision of supermarket space in Sydney and projected these out to 2031.

We have applied these per capita rates for the provision of supermarkets under 1,000sqm, and separately, supermarkets over 1,000sqm provided in this report. Given the rates in the report were for 2015, the per capita rates have been projected out to 2020 and 2036 based on the reports medium services average change in retail provision rates by supermarket type (Table 14 in the Dep End Services report). The per capita rates can be seen in the table below.

Table 12: per capita supermarket space provision by size

Supermarket size	2015	2020	2036
>1,000sqm	0.22	0.23	0.23
<1,000sqm	0.07	0.07	0.07
Total	**0.29**	**0.30**	**0.31**

Source: Deep End Services 2015 retail demand and supply Stage One report, HillPDA

Applying these per capita rates to the Inner Wests current and projected resident population**, it is estimated that the LGA could support up to 60,230sqm of supermarket floorspace in 2020**, increasing to 70,390sqm by 2036. This represents an increase of around 10,165sqm over the period, of which, the majority (78%) is for larger supermarkets over 1,000sqm.

Table 13: per capita supermarket demand by size (sqm)

Supermarket size	2020	2036	Change
>1,000sqm	45,886	53,855	7,969
<1,000sqm	14,342	16,536	2,194
Total	60,228	70,392	10,163

Source: HillPDA

Currently the LGA provides around 45,610sqm of supermarket space. The per capita method suggests its resident population demand around 60,228sqm of space. This implies an undersupply of around 14,615sqm. This undersupply is forecast to increase to around 25,000sqm with no additional supply.

Table 14: Demand method 2 – supply and demand summary (sqm)

	2020	2036
Supply	45,612	45,612
Demand	60,228	70,392
Under/oversupply (-/+)	-14,616	-24,780

Source: HillPDA

3.4.4 Supply and demand key findings

The two demand methods applied in this study each identify that there is a current undersupply of supermarket space within the Inner West LGA. As of 2020, this undersupply is in the order of 14,615sqm to 17,800sqm. Without any further additional this increase is projected to increase to between 25,000 and 31,200sqm.

This undersupply may encourage residents to travel greater distances to access such services having negative impacts on existing centres in the LGA and other social-cohesion and environmental impacts. The proposed development of the Woolworths "dark store" would address some of this undersupply without impacting the surrounding supermarket networks viability or creating an oversupply. This is considered in the next section

3.5 Retail trading impacts

IBIS World has adjusted the estimate of gross revenue in the online grocery sales industry from 32.3% growth to 56.0% in 2019-20 due to the COVID 19 epidemic. Even older Australians are increasingly taking up online grocery shopping to reduce exposure risks.

The industry expanded rapidly over the past four years increasing at more than 30% per annum. This includes pick-up services provided by major supermarket chains including Woolworths, Coles and HelloFresh (where the customer orders the goods online and then picks up from the store). Even following a correction post-COVID the industry is expected to continue to expand at around 10% per annum across Australia over the next 5 years[6].

While online grocery sales are expected to perform strongly during the COVID period, supermarkets are also performing strongly. Both industries have performed well, generally at the expense of food services such as restaurants and clubs.

There is still some reluctance from consumers to order online due to the perishable nature of some products but paying on-line and collect services are becoming increasingly popular. It's important to note though that supermarkets are increasingly providing these services which is where the boundaries between traditional and online shopping blur. The meal kits segment has expanded and is expected to continue expanding, aided by the strong revenue performance of HelloFresh.

Online grocery shopping's share of total grocery expenditure rose significantly from 2.2% of the market in 2016-17 to 5.1% in 2019-20. This is expected to increase further to more than 7% by 2024-25. It is likely however to remain lower than total online retail sales as a proportion of total retail spend which is currently around 11% during the COVID period[7].

The table below provides a forecast of population, supermarket spend and on-line grocery sales in the Inner West Local Government Area.

[6] IBIS World 2020
[7] Ibid

Table 15: Forecast sales in the Inner West LGA (constant 2019 dollars)

	2020	2026	2031	2036
Population (Forecast.ID)	202,434	216,916	223,674	230,665
Supermarket spend per capita*	4,948	5,200	5,465	5,698
Total supermarket spend ($m)	1,001.6	1,128.0	1,222.4	1,314.4
Expected growth ($m)		126.4	94.5	92.0
On-line grocery sales as % of total**	5.1%	7.4%	8.2%	9.0%
On-line grocery sales ($m)	51.1	83.5	100.2	118.3
Expected growth		32.4	16.8	18.1
Expected growth in traditional sales ($m)		**94.0**	**77.7**	**74.0**

* Marketinfo 2017 and HillPDA conservative forecast based on historic trend since 1986

** This includes paying on-line and pick-up / collect. Source; IBIS World 2020 (HillPDA post 2026).

The above table clearly shows that existing supermarkets would not be threatened by the inclusion of dark stores in the locality. On-line grocery shopping (including both delivery and customer pick-up) captures only a small proportion of total trade and growth in total expenditure over time will more than make good for any minor loss. The bottom row in the above table shows that growth in traditional sales in supermarkets is expected to continue at a rate of $17m every year over the next 10 years. In addition to current undersupply growth in traditional sales in supermarkets suggests that at least three new large supermarkets will be required over the next 10 years in the Inner West LGA to keep up with rising demand.

It's also worth noting that Woolworths expect total sales from the proposed dark store to commence at $150m and exceed $180m within a few years of operation. This is considerably higher than the $94m of on-line grocery sales forecast in 2026 in the Inner West LGA. The reason is that the proposal will have a very wide and thin trade area that extends into other LGAs. Given that there is competition of suppliers then the impacts from the subject proposal is likely to be even lower than suggested in the table above.

3.6 Summary of economic findings

Economic impacts of the proposal are generated both during construction and post-construction in operations.

Economic benefits during construction

Based on a construction cost of $123.6 million, the economic benefits resulting from the construction of the Proposal are estimated at:

1. $158 million of activity in production induced effects.
2. $112 million in consumption induced effects.
3. Total economic activity generated by the construction of the Proposal of around $394 million.
4. Directly generate 309 job years in construction and a total of 1,240 job years both directly and indirectly.

Economic benefits post-construction

Based on the employment generation of 660 full time equivalent jobs, the economic benefits resulting from the Proposal post-construction are estimated at:

1. 660 jobs, an increase of around 617 jobs over the Base Case.
2. $36.1 million in wages, an increase of around $33.3 million per annum over the Base Case.
3. $50.1million in GVA, an increase of around $46.1 million per annum over the Base Case.

Trading impacts

On-line sales generated by Inner West residents in supermarket goods is expected to almost double over the next 11 years. Nevertheless it is expected to capture only 8.2% of total supermarket sales – up from the current level of 5.1%.

Traditional supermarket sales are expected to increase from $950m to $1,122m over the same period – an increase of $172m. The LGA will require a further three full line supermarkets to keep up with demand over this period.

Accordingly online sales will have no adverse impact on the viability of existing stores.

4.0 SOCIAL IMPACTS

The potential social impacts of this project are summarised in this section. The assessment is informed by the analysis from the previous chapters and scoping of potential impacts using the DPIE Social Impact Assessment scoping template.

The assessment of social impacts uses the methodology described in section Appendix A.. A description of the scoping process then a summary of potential impacts is included in the following sections.

4.1 Scoping

The social impacts to arise from the proposed development will be influenced by the existing situation, the eventual consequences of the proposed development and measures put in place to mitigate against any negative impacts and enhance positive impacts.

Social issues already in existence are relevant only as context, within which, the impacts of the proposal must be examined.

Issues have been assessed based on their impact during the construction and operational period of the development.

Social impacts can involve changes to:

- community values
- amenity
- employment
- population growth and community need
- access and connectivity
- demand on services.

4.2 Description of potential impacts

The potential impacts arising from the proposed development as summarised

Table 16: Description of potential social impacts

Social impact	Description
Community values	• Improved access to livelihood and opportunity to earn capital both during construction and operation will have a positive impact on social cohesion in the surrounding area. • Development with active frontages and opportunities for passive surveillance have the potential to attract crime and behaviour that could potentially negatively affect surrounding community health and safety. This potential impact can be mitigated by incorporating Crime Prevention Through Environmental Design principles into the proposal
Amenity	• Risk of reduced amenity during construction (noise, air and visual impacts arising from construction activity) • Potential operational noise disruptions from 24/7 activity on site and vehicle movements • Minimal potential air quality impacts from vehicle movements (considering existing industrial usage of site as baseline). • Increased amenity from planned landscaping providing visual interest for the streetscape as well as natural habitat for the local ecosystem

Social impact	Description
Employment	• The proposal will add employment directly and indirectly to the area, significantly improving local access to employment (on site and in the surrounding community) and improving overall livelihood, specifically: – During construction it is expected to generate 1,240 job years in construction – When operational it will generate 660 jobs, a significant increase from current operations on site. .
Population growth and community need	• The proposal will positively contribute to meeting the additional demand for employment from the rapidly growing population in the area: – The proposal will create direct and indirect employment within the LGA – The proposal will provide additional services and amenity to local residents.
Access and connectivity	• The proposal will add additional vehicles to the road network, potentially increasing local road congestion: – Approximately 50 to 100 vehicles per hour two-way at peak times during construction, accessing the site via Edinburgh Road and Sydney Steel Road – Approximately 220 to 250 vehicles per hour two-way at peak times during operation, accessing the site via Edinburgh Road and Sydney Steel Road. – During operation 10 - 15 semi-trailers are expected per day for inbound delivery, no b-doubles are proposed to be used as they are typically the most disruptive to local traffic movement. . • Improved access to local employment opportunities residents • Additional workers will likely increase pressure on local public transport network
Demand on services	• The proposal is likely to employ 660 workers, potentially adding to demand for child care in the area surrounding the site.
Safety	• Potential risk for the safety of general public using pick up facility due to lack of natural surveillance • Concern for driver and passenger vehicle safety sharing internal access routes with large trucks

4.3 Significance of impacts

Table 6 provides the assessment of the social risk of each impacts expected to result from the proposal. This section includes an assessment of the likelihood and consequences of each impact which are input into the social risk matrix to provide a significance rating provided in Appendix A. Mitigation measures have been provided for negative impacts.

Table 6: Significance of social impacts

Impact theme	Impact detail	Stakeholders impacted	Suggested mitigation	Post mitigation		
				Likelihood	Consequence	Level of significance
Community values	Improved access to livelihood and opportunity to earn capital	• Local community • Employees	No mitigation required	Possible	Positive moderate	**Positive high**
	Potential to attract crime and anti-social behaviour that could negatively affect surrounding community health and safety.	• Local community • Woolworths (property owners)	• Incorporating Crime Prevention Through Environmental Design (CPTED) principles into the proposal will hinder anti-social behaviour on site	Unlikely	Moderate	**Moderate**
	Risk of reduced amenity during construction (noise, air and visual impacts arising from construction activity)	• Local community • Neighbouring property workers • Construction workers	• Construction management plan to be prepared prior to commencement of works providing appropriate detailed mitigation measures	Possible	Minor	**Moderate**
Amenity	Potential operational noise disruptions from 24/7 activity on site and vehicle movements	• Local community • Neighbouring properties	• Vehicle movements between 11pm and 6am should be limited and managed accordingly with neighbouring properties No additional mitigation required as: • The Site is located in an existing industrial zone with large vehicle movements common • The site is directly to the north of the north south runways of Sydney Kingsford Smith Airport with several aeroplane movements per hour between 6am and 11pm resulting in high existing noise levels	Possible	Moderate	**High**

Impact theme	Impact detail	Stakeholders impacted	Suggested mitigation	Post mitigation		
				Likelihood	Consequence	Level of significance
	Air quality impacts from vehicle movements (considering existing industrial usage of site as baseline).	• Local community • Neighbouring properties workers • On site employees	No additional mitigation required as: • Site is located in an existing industrial zone with large vehicle movements common • The site is directly to the north of the north south runways of Sydney Kingsford Smith Airport with several aeroplane movements per hour between 6am and 11pm resulting impacts to air quality levels	Possible	Minor	**Moderate**
	Increased amenity from planned landscaping providing visual interest for the streetscape as well as natural habitat for the local ecosystem	• Local community • On-site employees	No mitigation required	Likely	Positive moderate	**Positive high**
Employment	Added employment directly and indirectly to the area improving overall livelihood	• Local community	No mitigation required	Likely	Positive moderate	**Positive high**
Population growth and community need	Positive contribution to meeting the additional demand for employment and services for the rapidly growing population in the area	• Local community • Wider district community	No mitigation required	Likely	Positive moderate	**Positive high**
Access and connectivity	Additional vehicles on the road network increasing road congestion	• Local community • Neighbouring properties	No additional mitigation required as: • The proposed development is expected to generate a lower traffic volume than that of the existing approved development of the Masters Home Improvement Centre, the additional fourth leg to the Edinburgh Road/Smidmore Street signalised intersection	Possible	Minor	**Moderate**
	Improved access to local employment opportunities residents	• Local community	No mitigation required	Likely	Positive moderate	**Positive high**

Impact theme	Impact detail	Stakeholders impacted	Suggested mitigation	Post mitigation		
				Likelihood	Consequence	Level of significance
	Additional workers will likely increase pressure on local public transport network	• Local community • Public transport providers	• On-site parking will be provided for employees reducing potential stress on public transport network .	Unlikely	Minor	**Low**
Demand on services	The proposal is likely to employ 660 workers, potentially adding to demand for child care in the area surrounding the site.	• Local community • Childcare providers	• Local child care and other essential services can be provided for in consultation with council and Woolworths should there be difficulty in accessing appropriate services for employees	Possible	Minor	**Moderate**
Safety	Potential risk for the safety of general public using pick up facility due to lack of natural surveillance	• General public • Local community	As per CPTED report prepared by WSP: • Convex mirrors installed on walls adjacent to access / egress points on Sydney Steel Road, especially around main delivery access, to allow pedestrians or cyclists to detect vehicles exiting the Project site; • Consideration of the bin stores design to remove any concealment opportunities • Electronic security overlay that complements the CPTED principles already present and minimises potential for trespass into the Project site; • Development of a maintenance plan that will ensure the ongoing and regular upkeep of the site including, but not limited to, landscaping, removal of graffiti and replacement of broken or damaged light fittings.	Possible	Minor	**Moderate**
	Concern for pedestrian, driver and passenger vehicle safety sharing internal access routes with large trucks and vehicles	• General public • Workers • Vehicles	As per CPTED report prepared by WSP: • Convex mirrors installed on walls adjacent to access / egress points on Sydney Steel Road, especially around main delivery access, to allow pedestrians or cyclists to detect vehicles exiting the Project site; • External lighting design that satisfies the requirements of Australian Standard 1158; • Signage along Sydney Steel Road - in particular, at the intersection with the shared use path to Sydenham Station, to alert drivers to the shared use function of the footpath;	Possible	Minor	**Moderate**

5.0 CONCLUSION

The potential social and economic impacts of a proposed Woolworths customer fulfilment centre at 74 Edinburgh Road, Marrickville are summarised as follows:

- The construction of the proposed development would generate approximately $394 million in economic activity and 309 job years (1,240 directly and indirectly)
- The post construction benefits will be the generation of 660 full time equivalent jobs, and $36.1 million in wages
- Existing supermarkets in the area would not be threatened by the inclusion of dark stores as the online grocery shopping captures only a small proportion of total trade and growth in total expenditure over time.
- The area in which the proposal is situated is predominantly industrial in character, with no sensitive receivers immediately present nearby that would be affected by operations.
- The proposal will positively contribute to meeting the additional demand for employment from the rapidly growing population in the area:
    - The proposal will create direct and indirect employment within the LGA
    - The proposal will provide additional services and amenity to local residents.
- Furthermore, the previous use of the site as a home improvement centre would mean it is unlikely that activity generated by the proposal would be markedly different from the existing baseline as detailed in the Colston Budd Rogers and Kafes, Traffic and Access Report
- Potential disruption to local road networks may impact upon the wider community (both residential and business) and is being investigated further through an assessment of the impact on local traffic.

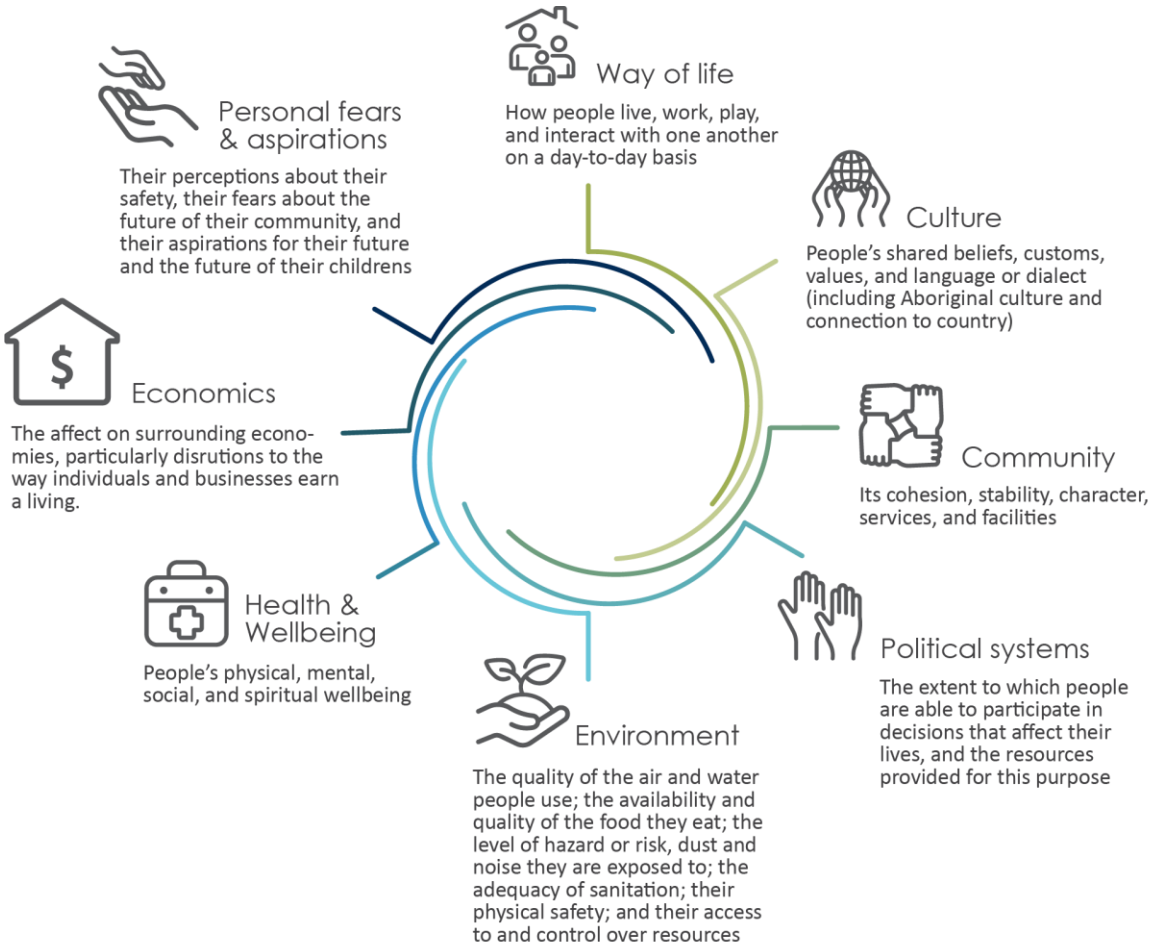
APPENDIX A: METHOD

This report considers the impact of the proposed development to the social and economic environment. This section outlines the method used to identifying, predicting, evaluating and developing responses to the social impacts of those projects, as part of the overall environmental impact assessment. The method builds on the Department of Planning Industry an Environment *Social Impact Assessment Guideline* (2018) work by Vanclay (2003).

A.1 Defining impacts

Figure 1 details the potential areas that could be impacted by a development that are considered in this report. For the purpose of this assessment, impacts are changes to one or more of the matters identified in Figure 5.

Figure 5: Definition of potential impacts

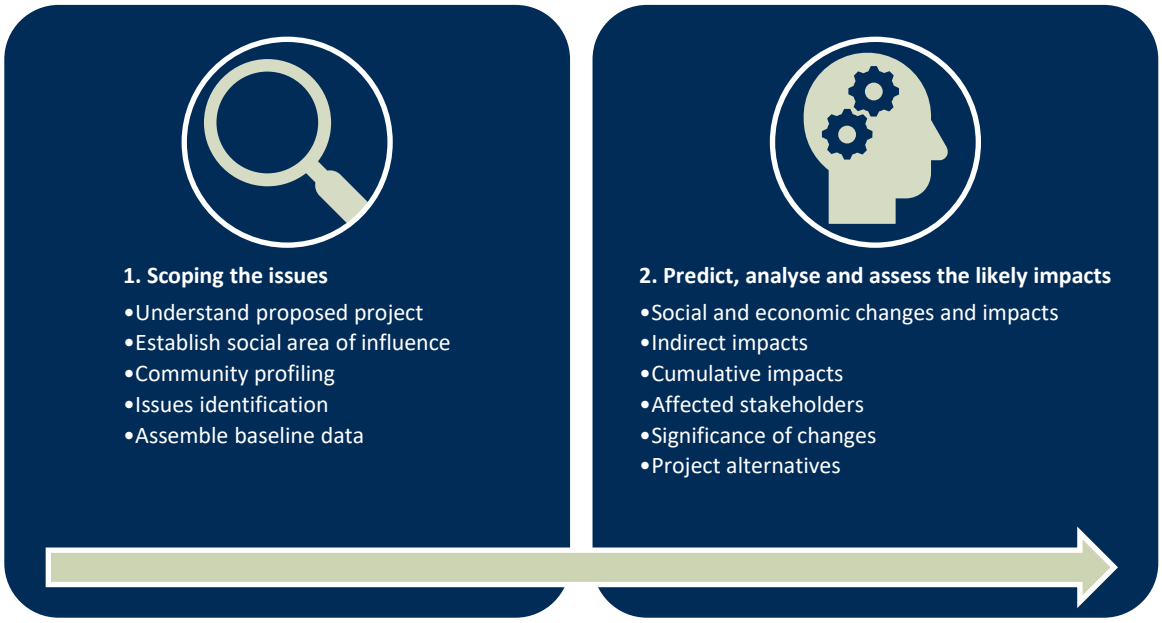


Source: Adapted from Vanclay, F. (2003). International Principles for Social Impact Assessment. Impact Assessment & Project Appraisal 21(1), 5-11

A.2 Assessment framework

Figure 6 presents the key steps and tasks undertaken to prepare this study.

Figure 6: Assessment methodology for social impact statement



Source: Adapted from Vanclay, F., et al. (2015): p. 7

Measuring economic impacts is more tangible compare to measuring social impacts. Economic impacts have been assessed using HIllPDA bespoke models. Economic impacts include employment generation, wages and gross value added. The Economic impacts during construction are also assessed The method below has been applied to social impacts in order to provide a rigorous approach to the assessment.

A.2.1 Likelihood of impact

The likelihood of a potential impact is a primary element of considering each social impact and its risk rating. The criteria used to determine the likelihood of any potential impact are described in A.1.

Table 1: Likelihood of impact

Likelihood	Description	Indicative Probability
Almost certain	Expected to occur, almost frequently	90 percent
Likely	Could occur in many instances	70 percent
Possible	Just as likely to happen as not	50 percent
Unlikely	Limited occurrence	30 percent
Rare	Very limited occurrence	10 percent

A.2.2 Consequence of impact

The consequence of a potential impact is a key consideration to determine a risk rating. Each consequence is detailed below in **Table 2**.

Table 2: Consequence

Consequence	Description
Insignificant	No lasting detrimental or negligible impact on the community or environment.
Minor	Minor, short-term isolated impact on the community or environment.
Moderate	Modest, medium-term, widespread impact on the community or environment.
Major	Serious, long-term, widespread impact on the community or environment. Widespread community unrest or discomfort.
Catastrophic	Severe/ extensive on-going, widespread impact on the community or environment.

A.2.3 Significance of impact

Potential social impacts are identified as part of the scoping process. They are then analysed based on the nature of the impact and its predicted severity. A mitigation strategy is proposed if necessary and finally both impacts are assigned a Social Risk Rating (SRR). The matrix used to calculate SRR is below in **Table 3**

Table 3: Social Risk Matrix

		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost certain	**High**	**High**	**Extreme**	**Extreme**	**Extreme**
	Likely	**Moderate**	**High**	**High**	**Extreme**	**Extreme**
	Possible	**Low**	**Moderate**	**High**	**Extreme**	**Extreme**
	Unlikely	**Low**	**Low**	**Moderate**	**High**	**High**
	Rare	**Low**	**Low**	**Moderate**	**High**	**High**

Source: NSW Planning & Environment (2017) | Vanclay, F; Esteves, A; Aucamp, I; Franks, D (2015)

APPENDIX B: PROJECTED EMPLOYMENT

Table A1: TfNSW projected employment

Industry	2011	2016	2026	2036	2046	2056	**Change between 2011-2056**
Construction	475	655	675	791	900	986	511
Accommodation and Food Services	187	359	534	559	599	640	453
Professional, Scientific and Technical Services	140	204	241	286	337	384	244
Food Product Manufacturing	367	438	486	504	535	611	244
Retail Trade	211	294	322	369	403	432	221
Furniture and Other Manufacturing	315	382	412	425	463	534	219
Transport, Postal and Warehousing	263	346	369	390	418	431	169
Health Care and Social Assistance	142	185	206	242	275	311	169
Arts and Recreation Services	97	128	149	174	209	244	147
Other Services	372	348	404	435	467	492	120
Education and Training	36	87	108	124	138	152	116
Printing (including the Reproduction of Recorded Media)	154	206	221	227	235	257	104
Textile, Leather, Clothing and Footwear Manufacturing	224	244	293	297	299	313	90
Administrative and Support Services	143	242	189	200	213	212	69
Non-Metallic Mineral Product Manufacturing	28	73	77	77	82	94	66
Fabricated Metal Product Manufacturing	66	75	94	95	97	104	39
Primary Metal and Metal Product Manufacturing	23	51	45	44	47	52	29
Information Media and Telecommunications	48	68	77	77	76	77	29
Beverage and Tobacco Product Manufacturing	0	25	28	28	28	29	29
Rental, Hiring and Real Estate Services	23	32	36	41	45	49	26
Agriculture, Forestry and Fishing	0	26	22	22	22	21	21
Electricity, Gas, Water and Waste Services	8	13	17	19	21	22	14
Public Administration and Safety	12	14	18	21	23	25	13
Wood Product Manufacturing	42	35	41	41	45	51	10

Basic Chemical and Chemical Product Manufacturing	19	19	23	24	25	27	8
Transport Equipment Manufacturing	3	13	7	5	4	4	1
Petroleum and Coal Product Manufacturing	0	6	1	0	0	0	0
Mining	0	0	0	0	0	0	0
Financial and Insurance Services	7	0	0	0	0	0	-7
Polymer Product and Rubber Product Manufacturing	40	33	30	28	30	32	-8
Pulp, Paper and Converted Paper Product Manufacturing	54	65	47	43	42	45	-10
Machinery and Equipment Manufacturing	167	145	114	105	108	119	-48
Wholesale Trade	601	592	656	623	574	546	-55
TOTAL	**4,265**	5,402	5,940	6,316	6,758	**7,298**	**3,032**

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