

157-163 Cleveland Street, Redfern Socio-Economic Impact Assessment

PREPARED FOR

Urbanest

November 2011



Hill PDA

Hill PDA

ABN 52 003 963 755

Sydney Office

3rd Floor 234 George Street Sydney

GPO Box 2748 Sydney NSW 2001

t. +61 2 9252 8777

f. +61 2 9252 6077

e. sydney@hillpda.com

Melbourne Office

Level 9, 365 Little Collins St Melbourne

GPO Box 3424 Melbourne VIC 3001

t. +61 3 9642 2449

f. +61 3 9642 2459

e. melbourne@hillpda.com

w. www.hillpda.com

Liability limited by a scheme approved under the Professional Standards Legislation



QUALITY ASSURANCE

REPORT CONTACT:

Donna Barber

BA Hons Urban Studies and Planning DIP Town and Regional Planning MRTPI

Associate

Social and Economic Planning Division

Donna.Barber@hillpda.com

QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

REVIEWED BY



Dated 14 November 2011

.....
Adrian Hack

Principal

Adrian.hack@hillpda.com

REPORT DETAILS:

Job Ref No: C11144
Version: Final v2.
Date Printed: 18/11/2011 3:43:00 PM
File Name: C11144 Final Cleveland Street SEIA

CONTENTS

1.	INTRODUCTION	8
1.1	The Site	8
1.2	Proposed Development	9
1.3	Our Approach.....	10
1.4	Structure of the Study	11
2.	STRATEGIC AND POLICY CONTEXT	12
2.1	Trends in Student Numbers	12
2.2	State Wide Strategic and Policy Context	13
2.3	City Wide Strategic and Policy Context.....	16
2.4	Key Findings	18
3.	DEMOGRAPHIC PROFILE.....	20
3.1	Area of Influence.....	20
3.2	An Employment Profile	21
3.3	A Profile of Existing and Future Residents.....	23
3.4	Key Findings	25
4.	ANALYSIS OF ECONOMIC BENEFITS.....	26
4.1	Macro-Economic Impacts	26
4.2	Employment Levels.....	27
4.3	Retail Expenditure.....	29
4.4	Other Economic Benefits	32
4.5	Key Findings	32
5.	IDENTIFICATION OF SOCIAL IMPACTS	34
5.1	Nature of Impacts.....	34
5.2	Social Cohesion and Diversity	35
5.3	A Sense of Place/Heritage.....	36
5.4	Housing Affordability	36
5.5	Convenience of Shops and Services	37
5.6	Recreation and Leisure.....	38
5.7	Transport and Accessibility	39
5.8	Safety and Security.....	39
5.9	Amenity.....	40
6.	ASSESSMENT OF SOCIAL IMPACTS.....	42
6.2	Significance of Social Impacts	43
6.3	Key Findings	44
7.	KEY FINDINGS	45
7.1	Key Findings	45
8.	CONCLUSION.....	48

LIST OF FIGURES

Figure 1 Aerial Photograph Showing Site Location.....	8
Figure 2 Indicative Ground Floor Layout and Northern Elevation	10
Figure 3 Number of University and Bachelor Degree Students in Australia between 1949-2006	12
Figure 4 International Student Enrolments (1994-2010)	13
Figure 5 Residential Vacancy Rates	15
Figure 6 Quadrant Analysis of Employment Growth 1996-2001	17
Figure 7 Indicative Area of Influence (approximately 800m radius from the Site).....	20
Figure 8 Indication of Demand for Local Facilities	24

LIST OF TABLES

Table 1 Travel Zones Within the Area of Influence	21
Table 2 Employment Growth by Industry 2006 – 2036, Area of Influence.....	22
Table 3 Residents Employed by Industry Sector, within Sydney West and Sydney South SLA, 2006.....	22
Table 4 Summary of Key Demographic Characteristics (2006).....	23
Table 5 Summary of Demographics within Student Accommodation, Quay Street, Sydney (2011).....	24
Table 6 Construction Multipliers	28
Table 7 Construction Employment	28
Table 8 Assessment Rating Levels	42
Table 9 Social Impacts (With and Without Mitigation).....	43
Table 10 Key Reasons Proposed Development Satisfies Objectives of a Mixed Use Zone	48

LIST OF ABBREVIATIONS

Australian Bureau of Statistics	ABS
Australian and New Zealand Standard Industrial Classification	ANZSIC
Bureau of Transport Statistics	BTS
Central Business District	CBD
Census Collection District	CCD
Development Control Plan	DCP
Discount Department Store	DDS
NSW Department of Planning (as it was)	DoP
NSW Department of Planning and Infrastructure	DP&I
Economic Impact Assessment	EIA
Floor Space Ratio	FSR
Gross Floor Area	GFA
Gross Lettable Area	GLA
Greater Metropolitan Area	GMA
Hectares	Ha
Household Expenditure Survey (ABS)	HES
Journey to Work	JTW
Local Environmental Plan	LEP
Local Government Area	LGA
Net Lettable Area	NLA
Property Council of Australia	PCA
Primary Trade Area	PTA
State Environmental Planning Policy	SEPP
Shopping Centre News	SCN
Statistical Division	SD
Statistical Local Area	SLA
Square metre	sqm
Secondary Trade Area	STA
Transport Data Centre	TDC

DEFINITION OF TERMS

Accessibility – Refers to the extent to which people have access to employment, goods and services, either through proximity or transport links to places.

Census Collection District (CCD) – the smallest geographic area defined in the Australian Standard Geographical Classification (ASGC). It can be defined as an area which one census collector can cover delivering and collecting census forms in a specified period. On average there are about 150 - 250 dwellings per CCD.

Gross Floor Area – Gross Floor Area (GFA) is Gross Lettable Area plus common mall spaces (including amenities), centre management area and plant rooms. In a typical indoor centre with at least one department store and supermarket the GLA makes up around 72% to 75% of the GFA.

Gross Lettable Area – Gross Lettable Area (GLA) is the common measure used for lease and for other descriptive purposes in retail centres and shops. It is usually defined as the total area of the lease and includes back of house, storage, offices and mezzanine levels but usually excludes loading docks and common mall spaces. GLA is more commonly used in the industry because it defines the area of the lease. Shopping centre owners report rents and turnover figures on the leased area and benchmarking is usually made on the GLA. For the purpose of Hill PDA's demand modelling all floor areas expressed are in GLA.

Household – One or more persons that usually reside in the same private dwelling.

Journey to Work data – Comprises datasets which analyse employment distribution and trends, including commute patterns.

Statistical Division – A Statistical Division (SD) is an Australian Standard Geographical Classification (ASGC) defined area which represents a large, general purpose, regional type geographic area. SDs represent relatively homogeneous regions characterised by identifiable social and economic links between the inhabitants and between the economic units within the region, under the unifying influence of one or more major towns or cities. They consist of one or more Statistical Subdivisions (SSDs) and cover, in aggregate, the whole of Australia without gaps or overlaps. They do not cross State or Territory boundaries and are the largest statistical building blocks of States and Territories.

Statistical Local Area – The Statistical Local Area (SLA) is an Australian Standard Geographical Classification (ASGC) defined area. SLAs are Local Government Areas (LGAs), or parts thereof. Where there is no incorporated body of local government, SLAs are defined to cover the unincorporated areas. SLAs cover, in aggregate, the whole of Australia without gaps or overlaps.

Travel Zone – a small geographic area used as the basis for Bureau of Transport Statistics (formerly Transport Data Centre) modelling and data analysis. Travel Zones provide a level of analysis between Census Collection District (CD) and Statistical Local Areas (SLA) as defined by the Australian Bureau of Statistics.

1. INTRODUCTION

Hill PDA has been commissioned by Urbanest (the Applicant) to undertake a Socio-Economic Impact Assessment ('the Study') of a planning proposal for 157-163 Cleveland Street, Redfern (hereafter referred to as 'the Site').

The planning proposal seeks to redevelop the existing buildings on the Site (currently used as a warehouse, retail unit and for residential), for student accommodation. The purpose of the Study is to assess the social **and** economic impacts associated with the proposal.

1.1 The Site

The Site is located at 157-163 Cleveland Street (refer to Figure 1 below). A single storey, industrial building used for the storage and wholesale of sports goods currently occupies the Site. It is bound by Cleveland Street to the north, Hudson Street to the south and Hart Street and Abercrombie Street to the east and west respectively.



The Site is located at the north western edge of the suburb of Redfern close to the boundaries of the Chippendale and Darlinghurst. Redfern is a dense inner city suburb located on the southern fringe of Sydney CBD. Sydney's Central Railway Station is a short walk from the Site to the east. The University of Sydney, the University of Notre Dame and the University of Technology, Sydney are all located nearby. Broadway Shopping Centre is a short walk from the Site (west) and provides a wide range of local shops and services.

Figure 1 Aerial Photograph Showing Site Location



Source: ASPECT Studios

The area today comprises a vast mix of uses including educational, residential, commercial and industrial. There is a mixture of heritage housing and single storey pre and post war industrial architecture.

The Site is currently zoned within the SEPP (Major Development) 2005 for Business - Mixed Use with a permissible FSR of up to 3:1 for non-residential uses and 1:1 for residential uses. The planning context is discussed in documents prepared by RPS, the planning consultant coordinating the planning proposal on behalf of the Applicant, Urbanest.

However, of particular relevance to this report are the following objectives to:

- support the development of sustainable communities with a mix of employment, educational, cultural and residential opportunities,
- encourage employment generating activities by providing a range of office, business, educational, cultural and community activities in the Zone,
- permit residential development that is compatible with non-residential development,
- maximise public transport patronage and encourage walking and cycling,
- ensure the vitality and safety of the community and public domain,
- ensure buildings achieve design excellence, and
- Promote landscaped areas with strong visual and aesthetic values to enhance the amenity of the area.

This assessment considers these objectives from a social and economic perspective.

1.2 Proposed Development

The proposed development (also referred to as the proposal) on the Site comprises 404 student rooms¹ within a five storey (ground plus four upper floors) building, fronting Cleveland Street. The existing access from Cleveland Street is retained but a new main access would be introduced at the corner of Cleveland Street and Abercrombie Street.

The building centres around a courtyard with hard and soft landscaping (refer to Figure 2). Green roofs are proposed on the northern block that fronts Cleveland Street. Communal facilities, including study areas and a TV/Games room, are focussed on the ground floor along with the main reception and the manager's office. The proposal also provides a substantial bike store.

¹ It is understood that the 404 student rooms have capacity for 461 student beds.

Figure 2 Indicative Ground Floor Layout and Northern Elevation



Source: Bates Smart

1.3 Our Approach

This Study provides a comprehensive and transparent assessment of potential social and economic impacts. The assessment is informed by the contextual analysis undertaken by Hill PDA and a survey of students. The survey is a critical element of the research as it informs the key assumptions used in the Study.

The Economic Impact Assessment (EIA) focuses on the economic and employment impacts associated with the proposal. Specifically the EIA:

- Discusses at a macro level the contribution tertiary education makes to Sydney's economy and considers how the provision of appropriate student accommodation can support this role; and
- Identifies direct and indirect employment and economic benefits that would result from the proposal both during construction and once operational.

The Social Impact Assessment (SIA):

- Provides an overview at the macro level of how the proposed mix of land uses would influence diversity and social cohesion;
- considers the impacts of the increased number of students on local residents and current services; and
- provides a demographic profile of the likely future population, identifying their likely needs and considers how these needs could be met.

The key assumptions used within the Study are as follows:

- A maximum of 461 students would occupy the building;
- The rooms would have an occupancy rate of 95% over a 12 month period;
- The indicative total construction cost of the development would be in the order of \$32.3m;
- Once completed Urbanest would employ approximately 5 full time and 6 part time staff members (a community manager, 3 customer service assistants, 3 night managers, an accounts assistant, a maintenance operative, gardener and cleaner); and
- Fewer than 10% of students would have access to a private motor vehicle (more detail is provided within the accompanying Transport Assessment prepared by Cardno).

1.4 Structure of the Study

This Study is structured to provide:

- A Contextual Analysis. This part of the study provides the context against which the proposal should be considered. It outlines relevant planning policy legislation and guidance and provides an analysis of the demographic profile and trends;
- An assessment of the Economic and Employment Impacts. Here we undertake both a macro and a micro level analysis of the economic benefits of the proposal, focussing on the issues associated with replacing a mixed use development (warehouse, retail and residential) use with student accommodation;
- An Assessment of Social Impacts. With the economic and employment impacts understood, we then identify and consider the social impacts that could result from the proposal. This includes an assessment of the significance of the impacts and sets out proposed measures to mitigate negative and enhance positive benefits associated with the proposal; and
- The Study concludes with a summary of the key findings and Hill PDA's conclusion regarding the appropriateness of the proposal from a social and economic perspective.

2. STRATEGIC AND POLICY CONTEXT

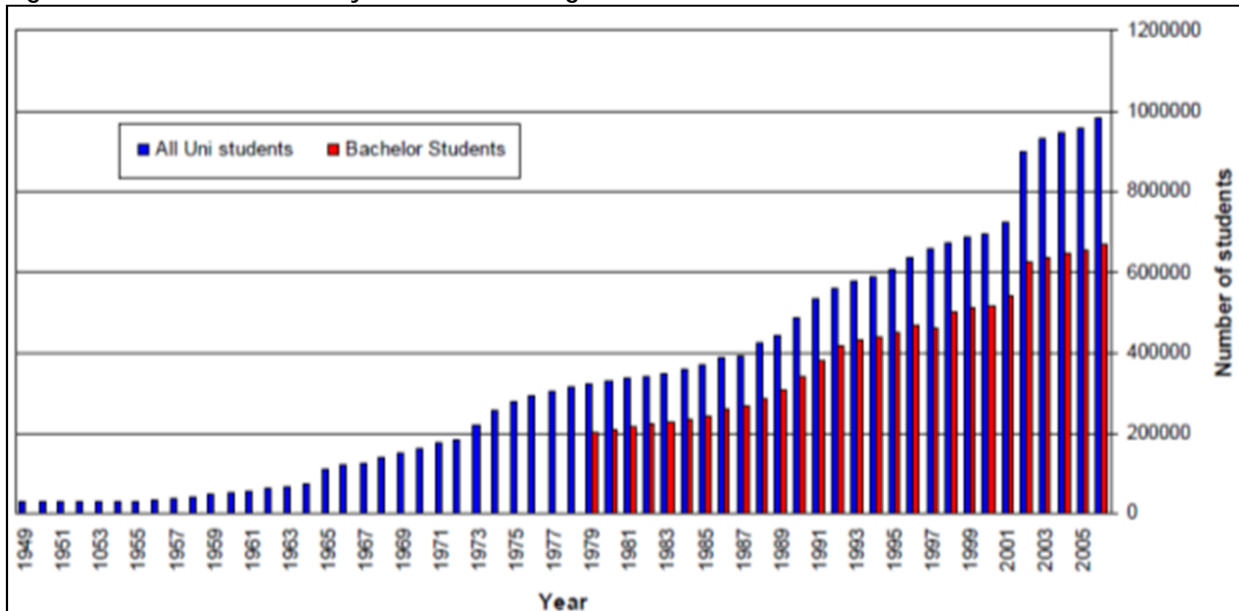
In this Chapter we summarise the Local and State Government strategies and policies of relevance to the proposal for student accommodation.

2.1 Trends in Student Numbers

It is an undisputed fact that the number of students in tertiary education has increased considerably across Australia over the past few decades (refer to Figure 3).

This growth can be attributed to a number of factors including an increasing need for skilled workers in the economy, increased affluence enabling young people to start work later and a less tangible, but none the less significant, change in culture that supports further education.

Figure 3 Number of University and Bachelor Degree Students in Australia between 1949-2006



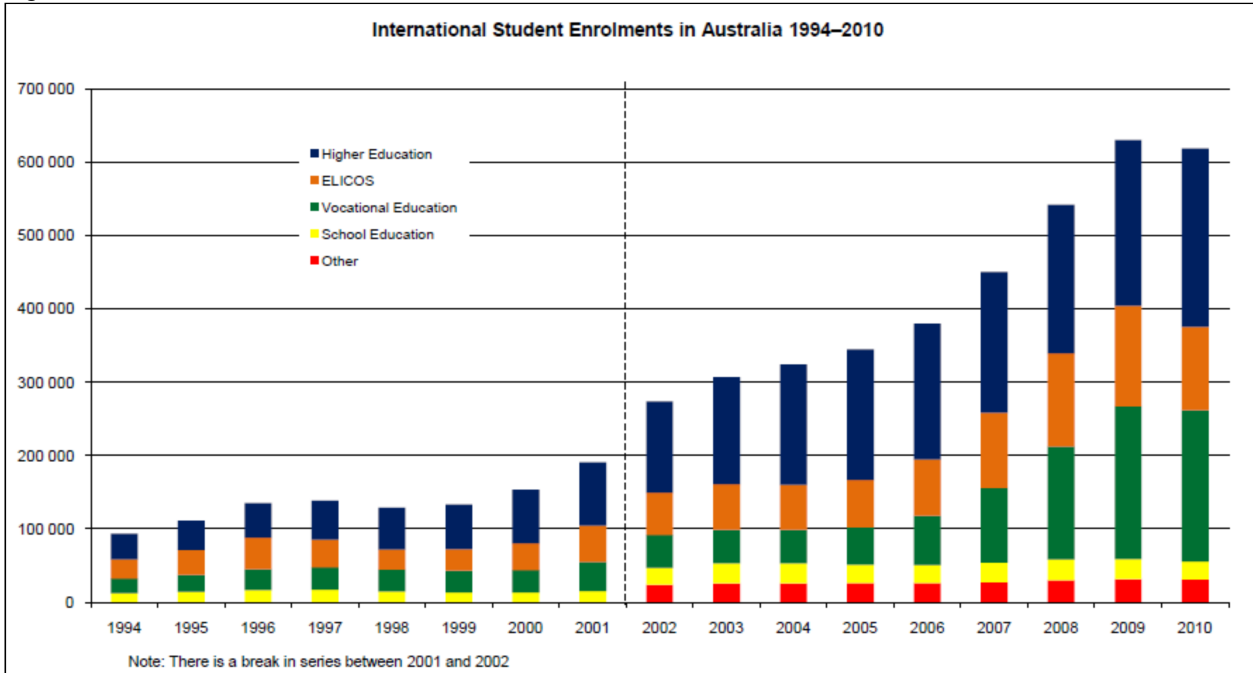
Source: Marshall and Steinmetz, 2008²

International enrolments in Australia have been increasing over the last two decades, with a sharp increase (44%) in higher education enrolments between 2001 and 2002. In the subsequent years, growth in all higher education enrolments has normalised to between 4% and 17% per annum.

International enrolments appear to have been somewhat insulated from the Global Financial Crisis during 2008 to 2010 with enrolments increasing in 2009 and 2010 by 12% and 8% respectively (refer to Figure 4).

² Marshall, Nancy and Christine Steinmetz. 2008. 'Y Planning Education'. Australia New Zealand Association of Planning Schools Conference. September 26-28, Sydney Australia.

Figure 4 International Student Enrolments (1994-2010)



Source: Australian Education International Student Data 2010

Whilst the Global Financial Crisis did not appear to significantly constrain international enrolments, sustained long term growth is likely to be influenced by the high Australian dollar and Australia’s competitiveness with other higher education destinations elsewhere in the World. The full impact of ongoing pressure from the strength of the Australian dollar remains to be seen and is difficult at this stage to quantify.

2.2 State Wide Strategic and Policy Context

The growth in the number of students in Tertiary Education is supported by the NSW State Government who identify the Education and Research sector as being,

“...pivotal for unlocking the State’s intellectual capital, as well as strengthening the competitiveness, productivity and innovative capacity of our State.”³

Looking forward, the NSW State Government forecasts suggest that the sector will continue to grow, increasing its contribution to the NSW Economy from \$18.2 bn in 2009-10 (7.1%) to \$21.3 bn by 2020.

Focussing on tertiary education, Universities were estimated as injecting around \$6bn into the State Economy in 2008-2009 and importantly were one of NSW’s largest exports, second only to coal. At 2010 there were 169,875 international students in NSW comprising 38% of the total tertiary student population.

The 80,000 graduates that emerge from NSW universities each year fill important roles in the economy, particularly within the education, health, finance, construction, engineering and business services industries.

³ NSW Business Sector Growth Plan 2010, page 50

There are also indirect benefits. Students can be an effective conduit to diffuse new knowledge and innovation quickly in to the local economy.

Recognising these benefits the Federal Government has set a challenging target for 40% of all 25-34 year olds to hold a qualification at bachelor level or above by 2025. This target takes into account the predicted needs of industry.

Whilst the number of international students is impacted by other economic influences, such as the deceleration of growth in emerging economies and the strengthening Australian dollar (refer to Figure 4), research undertaken by Access Economics to inform the NSW Business Sector Growth Plan, indicates demand from international students will continue to increase over the coming decade. In this regard the growth plan states,

*“Opportunities exist to grow the number of international students through continued international marketing of NSW education sector, **establishment of accommodation for international students**...”⁴*

To attract international students to NSW, the State Government supports initiatives that help to enhance the on and off campus experience of the students. This includes the availability of good quality, affordable accommodation. Of particular importance to this Study are the findings of research on the competitiveness of Sydney as a Global City undertaken to inform the Metropolitan Plan. Studies found that Sydney was ranked behind New York, London, Hong Kong, Tokyo, Paris and Singapore – one of the reasons being the lack of affordable housing impacting the City’s “liveability” score. This is discussed in more detail below.

The Metropolitan Plan for Sydney to 2036

The Metropolitan Plan establishes a number of strategies to reinforce and support the continued development of “Global Sydney”. In this regard the Metropolitan Plan identifies the area to the south of the CBD, around Central Station as Sydney’s Education and Health Precinct.

Within the precinct the emphasis is on supporting the retention and development of “world class education and health facilities”, leveraging on the existing establishments within the precinct including the University of Technology, Sydney, the University of Sydney and the Royal Prince Alfred Hospital.

The NSW Government recognises the need to improve the availability of affordable housing for households on low to moderate incomes. Special acknowledgement is made of the difficulty faced by local and overseas students in securing rental housing. The Metropolitan Plan states that new housing to 2036 should,

“...accommodate students by including lower cost housing and hostels near educational institutions and within walking distance of other centres and to capture the vibrancy of student life and enliven centres”⁵.

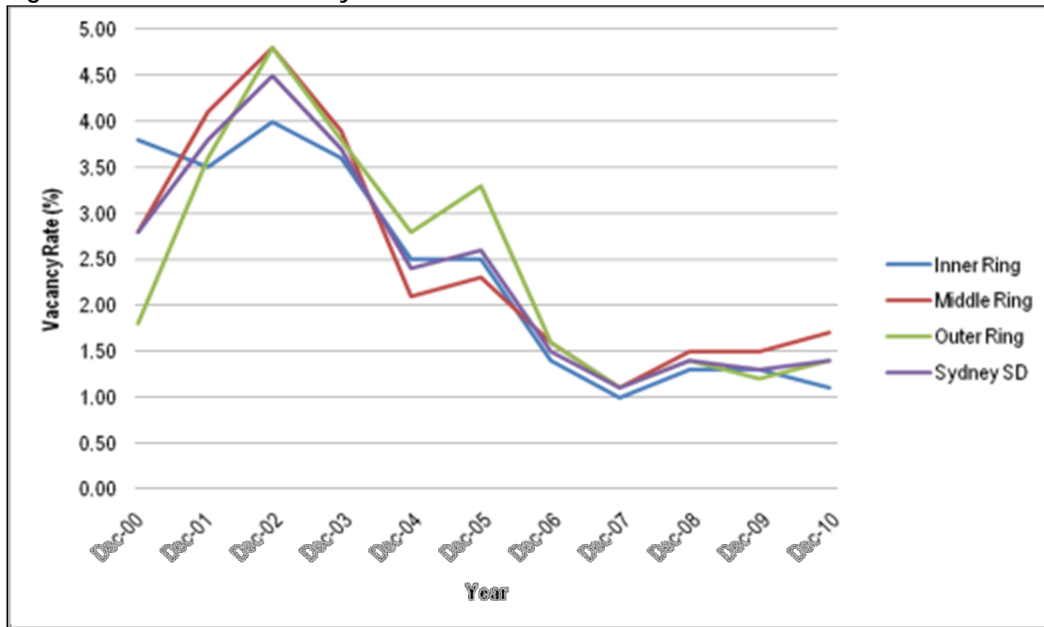
In recognising that the housing shortage in Sydney is an acute problem, the NSW Government has instituted concurrent measures to achieve the aims and objectives of the Metropolitan Plan.

⁴ NSW Business Sector Growth Plan 2010, page 54

⁵ The Metropolitan Plan for Sydney to 2036

With Sydney's population continuing to grow combined with increased demand for rental housing, it is unlikely that the current rental and affordability issues associated with a tight rental market (refer to Figure 5) will abate in the short to medium term. Having been acknowledged as a key issue within the Metropolitan Plan, proposals that provide affordable private student accommodation should, in principle, be considered appropriate.

Figure 5 Residential Vacancy Rates



Source: Real Estate Institute of NSW (REINSW), 2010

Sydney City, draft Subregional Strategy (2008)

The draft Subregional Strategy for Sydney City predates the Metropolitan Plan. However, the Metropolitan Plan cross refers to the draft Subregional Strategy for more detailed guidance on the Education and Health Precinct. The draft Subregional Strategy therefore remains valid and forms part of the relevant planning policy framework against which the proposal would be assessed.

The Sydney City Region is an important driver of the NSW economy, and was estimated as generating 25% of the State's GDP⁶. Within the subregion, the Education and Health Precinct provided around 23,000 jobs in 2001 (7% of the total provided within Central Sydney).

The draft subregional strategy specifically supports proposals that promote the role of the precinct as a world class cluster of education and health facilities. The draft Subregional Strategy includes a specific action to,

"...strengthen partnerships and investigate opportunities for government and institutions to work together within the Sydney Education and Health precinct and the wider creative crescent to promote innovation."⁷

The supporting text explains this is important in order to increase the competitiveness of Global Sydney, which is an important element of the NSW economy.

⁶ Sydney City, draft subregional strategy 2008, page 52

⁷ Sydney City, draft subregional strategy 2008, Action SC A2.1.2 page 39

2.3 City Wide Strategic and Policy Context

A comprehensive assessment of the relevant local planning policies to the proposal is provided by RPS. In this section we highlight those policies of particular relevance to the social and economic impact assessment.

Sustainable Sydney 2030 - The Vision (2009)

The aim of the key strategies outlined above to maintain the City of Sydney as a Global City and to improve the supply of affordable housing are echoed in the City of Sydney's Sustainable Sydney 2030 – The Vision.

The 2030 Vision identifies 10 key strategic directions. Of particular relevance to this Study are directions to deliver:

- a globally competitive and innovative City;
- a lively, engaging City Centre;
- vibrant local communities and economies; and
- Housing for a diverse population.

In terms of the economy, the 2030 Vision identifies the need to focus on strategies that strengthen competitiveness, invest in communities and people, improve global status, nurture social capital and promote Sydney. Recognising the role of international students in achieving the 2030 Vision and helping to enhance their experience, the City of Sydney provides guide books to direct those students who are new to the City to local businesses and retailers and the Lord Mayor also hosts welcome events.

Draft Economic Development Framework (2007)

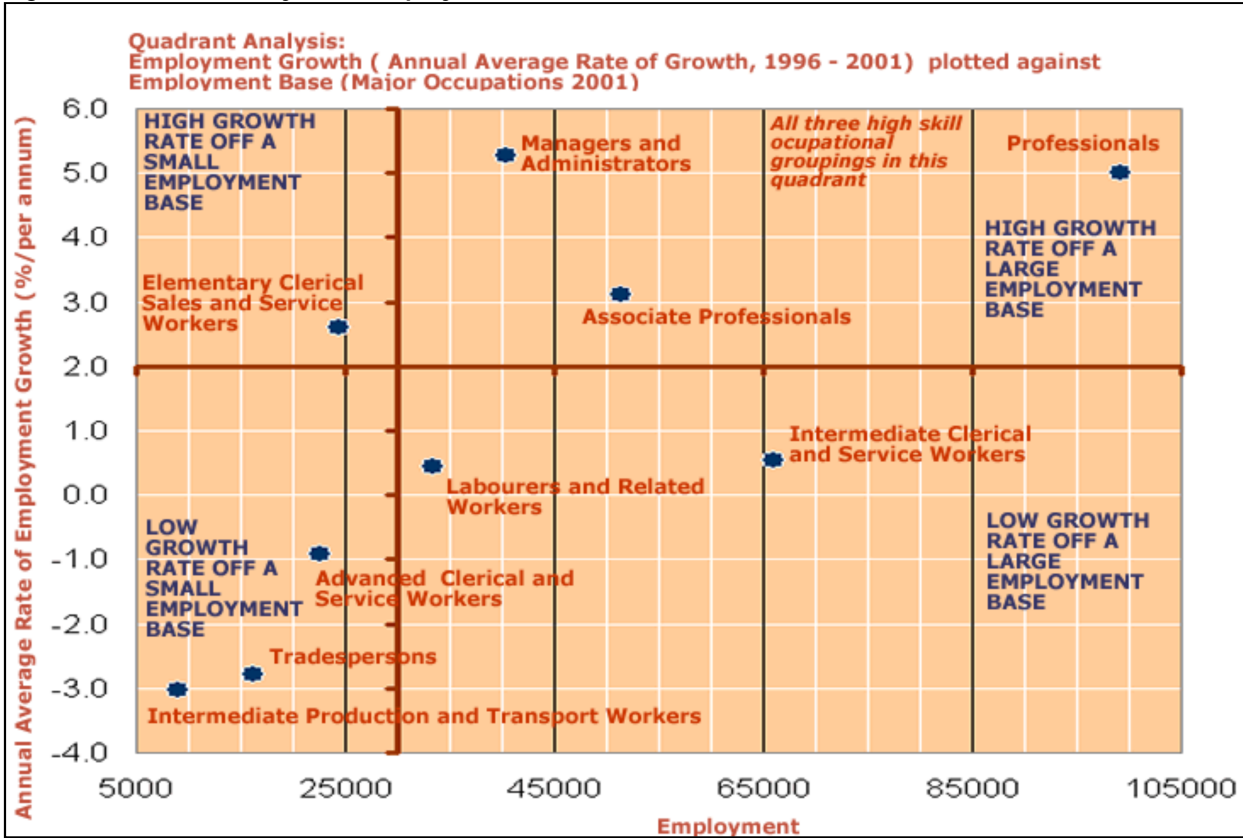
This report to the City of Sydney describes the population as “very diverse”, including traditional working class, a rapidly increasing professional stratum, and a “growing younger migrant population within the CBD and around educational institutions.”⁸

In terms of economic and employment trends the report references a decline in manufacturing, utilities, wholesale, transport and storage, government administration and education sectors.

The decline of manufacturing, wholesale, and transport and services is in part explained as a result of the industry needing to move out of an increasingly expensive City Centre to maintain cost competitiveness and also technological and structural change in the sector. This is of particular relevance to this Study given the current use of the site for wholesale trade and storage.

⁸ Draft Economic Development Framework, Page 85

Figure 6 Quadrant Analysis of Employment Growth 1996-2001



Source: Draft Economic Development Framework (2007)

It is important to highlight the decline in educational jobs, this is reflected by the demographic change referred to above which represents a declining number of primary and secondary students within the City and does not refer to tertiary education. In that regard the report notes the number of vocational and university students has been increasing.⁹ Further the report recognises the importance of the income derived from education exports to the City and that the number of people employed in higher education sector continues to grow.

In addition, the report makes a number of recommendations including the need to invest in communities and people. As part of this it was recommended that the City develop new strategies for young people in strategic precincts to integrate learning, entertainment, work opportunities and affordable housing strategies for students.¹⁰

City of Sydney's Social Policy (2006)

The City of Sydney has in place a Social Policy that is used to guide all decisions and policies within the LGA. The aim of the policy is to ensure fairness for all those who choose to live, work or visit the City of Sydney.

It establishes a series of principles. Those of particular relevance to this Study include:

- Valuing all people - All people who live and work in or visit the City of Sydney are entitled to participate in social, cultural, economic and political life;

⁹ Draft Economic Development Framework, Page 74

¹⁰ Draft Economic Development Framework, Page 69

- Community safety - creating safer places and communities by focusing on prevention and tackling the underlying causes of crime;
- Accessible public transport - accessible and adequate public transport is a critical element of City life;
- Equitable access for everyone – an accessible City with services that are available to all, regardless of physical or intellectual ability, cultural background or financial constraints;
- Providing for healthy communities - improving economic, social and health standards by managing and facilitating programs and activities that contribute to physical and mental well-being;
- Good housing is essential - providing affordable, secure, appropriate and accessible housing is a basic requirement for all people; and
- Public Spaces are for everyone – providing public spaces, including parks and plazas, streets, laneways and community facilities that are for everyone, providing critical forums for participation in civic, cultural, social and political life.

City of Sydney Social Plan (2006-2010)

The principles of the City of Sydney's Social Policy are developed further within the Social Plan. The Social Plan acknowledges that a considerable section of the City's population comprises students within tertiary education. Further the Plan sets out a number of priorities for action.

Priorities include the promotion of positive interaction and understanding between new and existing communities, facilitating "the sharing of benefits and opportunities of development". It encourages the provision of "accessible information" relating to proposals for redevelopment and identifies the importance of providing community facilities and services to meet the needs of a growing population.

The Plan states that the,

"City's large young University and TAFE student populations have specific needs and requirement for services and facilities."

In this regard reference is made to a need to maintain and enhance the provision of outdoor sport and recreational facilities, which are available at no charge. The availability of cyber and non-stationary facilities are also identified within the Plan as being important for young people.

2.4 Key Findings

The key findings of the strategic and policy context can be summarised as follows:

- The number of students in tertiary education and the number of international students visiting Sydney is expected to continue to grow;
- The NSW State Government and the City of Sydney support the growth of the education and research sector. The Site lies within the Education and Health precinct, which has been identified as the appropriate location for education uses and other uses that support the sector;

- The education sector makes important direct contributions to the NSW economy, both as an employer and a major exporter (second only to coal);
- Indirectly, the education sector makes a contribution to the NSW economy by ensuring a skilled workforce is available for industry, innovation and research is quickly diffused into the local economy and helps Sydney to maintain its competitive position as a Global City;
- Housing within the City of Sydney is becoming prohibitively expensive for those on lower incomes and as the population continues to grow this could impact the attractiveness of the City to international students;
- The availability of affordable housing is a key issue for all residents of the City of Sydney;
- Traditional forms of industry including manufacturing and wholesale are declining within the City of Sydney; and
- The City of Sydney aspires to enable all those living, working and visiting the City to have good housing that is affordable, community services and jobs that are accessible by public and active transport, access to open spaces and recreational facilities and a safe environment.

3. DEMOGRAPHIC PROFILE

Building on the strategic and policy analysis discussed in the preceding Chapter, Hill PDA has prepared a demographic profile. This profile is provided in two parts, an employment profile for the area and a resident profile.

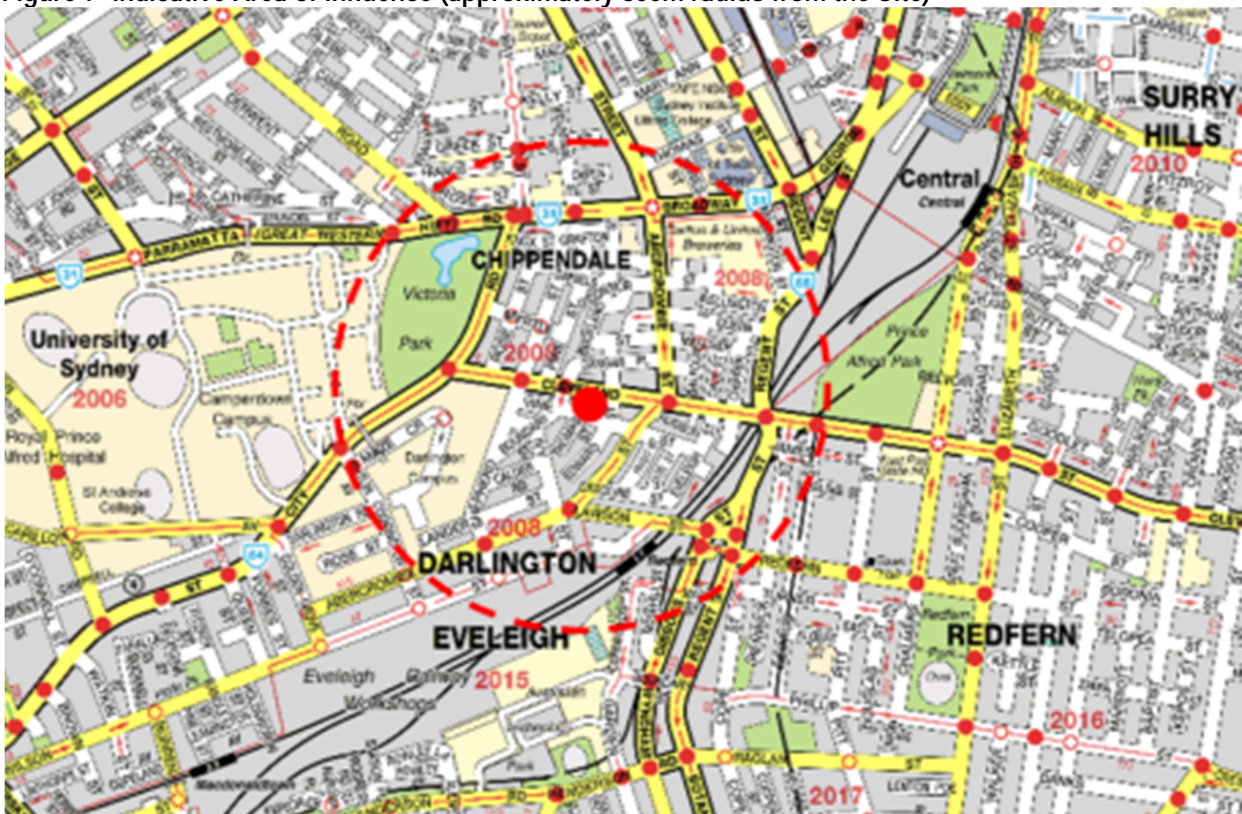
Hill PDA highlights that many of the statistics used are based upon the 2006 Census which will soon be superseded by 2011 Data. This data is unlikely to be available for at least 12 months. The findings of this Study could be re-examined once this information is available

3.1 Area of Influence

The area of influence has been informed by the assumption that only a small proportion of residents within the proposed development would own or have access to a motor vehicle. As a consequence the majority of daily journeys (for example to and from university, work, shops and places of leisure and entertainment) are likely to be within walking distance (approximately 800m) from the Site.

The area of influence is identified in Figure 7.

Figure 7 Indicative Area of Influence (approximately 800m radius from the Site)



Source: UBD adapted by Hill PDA

The area of influence is made up of a number of Travel Zones (TZ). A TZ is a small geographic area used as the basis for the NSW Bureau of Transport Statistics (formerly Transport Data Centre) modelling and data analysis. The boundaries of the travel zones do not align precisely with the defined area of influence.

For the purpose of this demographic analysis we have included the following TZ's as shown in Table 1.

Table 1 Travel Zones Within the Area of Influence

TZ Reference	Name of Travel Zone
0240	Darlington
0241	Chippendale
0242	CUB Site (Chippendale)
0253	Darlington - Edward St & Vine St
0257	Australia Council For The Arts Darlington
0258	Redfern Station

Source: NSW Bureau of Transport and Statistics

3.2 An Employment Profile

The employment profile is informed by ABS Census Data and forecasts published by the NSW Bureau of Transport and Statistics (BTS).

The purpose of the employment profile is to identify industry sectors, within the defined area of influence, that are expected to experience job growth over the period 2006-2036. In addition we look at the skills of the residents within the area of influence to understand the nature of jobs they will be seeking.

According to BTS employment forecasts it is envisaged that over the period 2006 to 2036 approximately 15,000 jobs would be generated within the area of influence. This equates to a very high growth rate of almost 5% (average annual compounded rate of growth). Table 1 shows forecast employment growth by sector within the local area over the 2006 to 2036 period.

It is evident that the strongest performing sectors in terms of numbers of additional jobs created are anticipated as being professional, scientific and technical services, administrative and support services, public administration and safety, retail trade and accommodation and food services. Combined these sectors are expected to generate around 9,500 jobs, or two thirds of all the new jobs created, over the period. The largest decline is identified in the manufacturing sector within which a reduction of 59 jobs over the 2006 to 2036 period is forecast. The wholesale trade and utility sectors are also forecast to decline. In total these sectors would result in the loss of around 87 (0.58%) of the new jobs in the area.

The forecasts provide an indication of what may happen. However, they should not be interpreted as what will happen. To ensure a robust assessment Hill PDA has therefore also considered the skills of the local workforce to understand the type of jobs the local community are likely to demand. We have defined the local workforce as comprising the wider Statistical Local Area's (SLA's) of Sydney South and Sydney West as the Site lies on the boundary. This is considered acceptable as people can travel some distance to access work, and excludes Sydney CBD which may otherwise skew our analysis, having very different characteristics.

Table 2 Employment Growth by Industry 2006 – 2036, Area of Influence

Industry Sector	Number of Jobs - 2006	Number of Jobs - 2036	Change 2006-2036
Agriculture, Forestry and Fishing	4	6	2
Mining			
Manufacturing	401	342	- 59
Electricity, Gas, Water and Waste Services	4	2	- 2
Construction	218	741	523
Wholesale Trade	194	168	- 26
Retail Trade	263	1,723	1,460
Accommodation and Food Services	272	1,711	1,439
Transport, Postal and Warehousing	133	336	203
Information Media and Telecommunications	251	675	425
Financial and Insurance Services	58	1,045	987
Rental, Hiring and Real Estate Services	31	740	709
Professional, Scientific and Technical Services	912	4,212	3,301
Administrative and Support Services	147	2,368	2,221
Public Administration and Safety	380	1,396	1,015
Education and Training	593	1,162	569
Health Care and Social Assistance	237	665	429
Arts and Recreation Services	97	550	453
Other Services	217	1,487	1,270
Unclassified	207	296	89
Total Employment	4,618	19,626	15,008

Source: NSW BTS Employment Forecasts October 2009 Release – green coloured cells indicate key growth sectors

Table 3 Residents Employed by Industry Sector, within Sydney West and Sydney South SLA, 2006

Industry Sector	Number of Residents
Agriculture, Forestry and Fishing	56
Mining	49
Manufacturing	1,965
Electricity, Gas, Water and Waste Services	204
Construction	1,388
Wholesale Trade	1,976
Retail Trade	3,677
Accommodation and Food Services	3,977
Transport, Postal and Warehousing	1,890
Information Media and Telecommunications	2,721
Financial and Insurance Services	4,117
Rental, Hiring and Real Estate Services	832
Professional, Scientific and Technical Services	6,218
Administrative and Support Services	1,965
Public Administration and Safety	2,708
Education and Training	3,662
Health Care and Social Assistance	3,581
Arts and Recreation Services	1,323
Other Services	1,358
Inadequately described	615
Not Stated	490
Total Number of Working Residents	44,772

Source: NSW BTS Journey to Work Data 2006

As can be seen in Table 2, at 2006, most people living within the Sydney West and Sydney South SLA's were employed within the retail trade, accommodation and food services, financial and insurance services, education and training and health care and social assistance sectors.

Whilst the industry sectors do not match exactly, in comparing the two sets of data (Table 1 and Table 2), Hill PDA has identified that the skills of the local residents align well with those sectors that are forecast to grow over the coming years with a strong correlation between job growth and local skills in the professional, scientific and technical services, administrative and support services, retail trade and accommodation and food services sectors.

3.3 A Profile of Existing and Future Residents

The profile of existing residents is informed by the ABS Census data and the profile of future residents of the proposal has been informed by responses from a detailed student survey (a summary of results is provided at Appendix 1).

Hill PDA undertook a survey of students living within the existing Urbanest facility at Quay Street within Sydney. This is considered an appropriate comparable and has informed the key assumptions within this Study. We received 71 completed surveys and this is considered as an acceptable response rate (65%).

The resident profiles examine income levels, expenditure patterns and use of community facilities (future residents only). This is then used by Hill PDA to assess the social and economic impacts associated with the proposal.

Existing Resident Profile

First we look at some high level demographic statistics for the area of influence. The suburbs of Redfern, Chippendale and Darlington all fall within (at least in part) the area of influence. As such we have examined the statistics for all three suburbs and make comparisons to Sydney (Local Government Area) and Australia as a whole to identify key trends and demographic features of the area of influence.

Table 4 Summary of Key Demographic Characteristics (2006)

Demographic Characteristic	Redfern	Chippendale	Darlington	Sydney LGA	Australia
Average Age	37	29	29	32	37
Australian Citizens	67.1%	39.2%	47.5%	56.8%	86.1%
Never Married	57.6%	70.7%	68.3%	61.7%	33.2%
No. Not in the Workforce	2,659	578	435		-
Individual Income (weekly)	\$630	\$617	\$506	\$717	\$466
Group Households (private)	11.8%	12.8%	18.0%	10.5%	3.7%

Source: ABS Census 2006

This high level snapshot confirms that at 2006 the existing community was younger and more culturally diverse than Australia as a whole with a substantially higher proportion of people being unmarried and living in group households.

The suburb of Redfern (larger than Chippendale or Darlington) had similar characteristics to the wider Sydney LGA, most likely a result of the mix of students, young professionals and traditional working class families we

understand reside in the area. Chippendale and Darlington appear to be more heavily influenced by their proximity to the educational precinct attracting a larger proportion of international residents.

Future Resident Profile

The profile of the existing community is not dissimilar to the profile of students likely to be attracted to the proposed student accommodation. Table 5 below summarises the key demographic characteristics of students within the existing Urbanest facility on Quay Street.

Table 5 Summary of Demographics within Student Accommodation, Quay Street, Sydney (2011)

Demographic Characteristic	Quay Street Students
Undergraduates	70%
1 st and 2 nd Year Students	81.7%
Average Individual Income (weekly)	\$500

Source: Urbanest Student Survey of Residents living in Quay Street, Sydney, September 2011

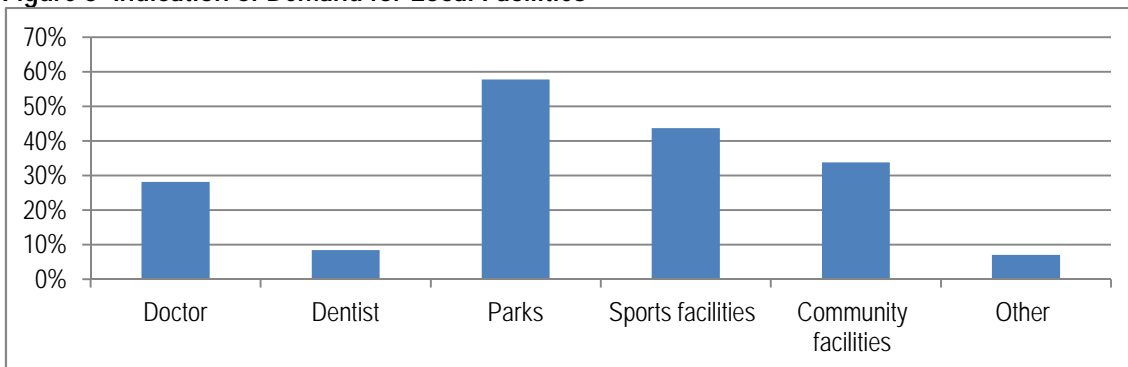
A comparison of Tables 4 and 5 indicates that residents within the proposed accommodation are also likely to be young and culturally diverse and with similar incomes.

Future Residents Needs and Requirements

As acknowledged by the City of Sydney’s Social Policy and Plan, young people and students have specific needs and requirements. Therefore, to identify these needs and inform Hill PDA’s assessment of the social impact of the proposal we have used the results of the student survey (illustrated in Figure 8 below). The results found that 58%, of the 71 students who responded to the survey, intend to use local parks and gardens. Almost 44% plan to use local sports facilities and 34% would use community facilities such as libraries and community halls.

Interestingly, fewer than 28% plan to use health care facilities in the form of doctors and dentists. This may be a result of their youth and the availability of such services on campus. Those that answered “other” made reference to using lounges, pubs, clubs, the shopping mall, coffee shops, hair dresser, restaurants and one student answered “none”. Hill PDA does not categorise these uses as local facilities but the answers are useful as they reinforce the importance of student accommodation being located within easy reach of shops and services.

Figure 8 Indication of Demand for Local Facilities



Source: Urbanest Student Survey of Residents living in Quay Street, Sydney, September 2011

3.4 Key Findings

Based on the above analysis, the following key demographic features of the existing and likely future population of the proposed development have been identified as relevant to the assessment of the social and economic impacts of the proposal:

- The NSW Bureau of Transport and Statistics forecasts suggest that within the vicinity of the Site, employment within manufacturing and wholesale trade industry sectors is likely to decline over the period 2006-2036;
- Conversely, sectors for which employment growth is forecast include professional, scientific and technical services, administrative and support services and public administration and safety. The education and training sector is also expected to enjoy job growth over the same period;
- Whilst almost 9% of the local workforce at 2006 was employed within the manufacturing and wholesale trade industry sectors, the majority of residents within Sydney's south and west SLA's were employed within the growth sectors, placing them well to capture the benefits associated with forecast job growth;
- The suburbs of Redfern, Chippendale and Darlington comprise a young and culturally diverse mix of residents with relatively low incomes. This is similar in profile to the students likely to be attracted to the proposed development; and
- The students within the proposed development at Cleveland Street are most likely to make use of open spaces and sports facilities, with a significant proportion making use of community facilities and doctors.

4. ANALYSIS OF ECONOMIC BENEFITS

This Chapter examines the economic and employment impacts of the proposed development at the macro and micro or local level.

In the first instance we consider whether the proposal aligns with the strategic objectives identified within Part A of this Study. Then we consider how the proposal would support additional local jobs, create employment which is closely aligned to future demand, support additional local retail facilities and create an important investment stimulus in the local area.

4.1 Macro-Economic Impacts

The proposed development would replace the current mix of uses (warehouse, retail and residential) with student housing. The maintenance of employment generating land, and in particular industrial/warehouse uses, is important in ensuring that Sydney has sufficient land available to meet future employment needs. Although a decline in industrial/warehouse jobs is forecast, this sector nevertheless performs a vital role in ensuring a broad economic base in NSW. We note, in terms of manufacturing, that whilst its share of the economy is projected to fall its scale will grow through the development of highly specialised and technologically advanced manufacturers¹¹. Assessing the potential economic impact of the proposed development is therefore a key issue for consideration in this assessment.

Notwithstanding this, Section 2.2 of this Study examined the Strategic and Policy Context for the proposed development and recognised the economic contribution the education and research sector makes towards the NSW economy. The education and research sector as a whole is estimated to have contributed \$18.2bn to the NSW economy in 2009-10, which is forecast to increase to \$21.3bn by 2020. NSW Universities alone injected an estimated \$6bn into the State economy in 2008-09. International students are an important facet of the tertiary education sector, accounting for 38% of the total tertiary student population.

Beyond the direct monetary benefits associated with students through the creation of expenditure in the NSW, graduates support the wider economy by providing appropriately skilled workers to occupy important roles in industries such as finance, construction, engineering and business services. Beyond even these benefits, the prestigious international role of the State's Universities serves to raise the profile of NSW and attract investment having an important economic benefit.

The provision of good quality student accommodation through the proposed development, on a site which is situated within the education precinct, would undoubtedly support the education and research sector in NSW. In doing so it would ensure that the State is able to continue to benefit from the important economic role which this sector plays in the wider economy and which is set to increase in value over the next 10 years. If the attraction of Sydney to international students is to continue to remain competitive, it is imperative that sufficient, high quality amenities are provided to attract them, including accommodation such as that proposed at 157-163 Cleveland

¹¹ Source: Metropolitan Plan for Sydney to 2036, DoP&I (December 2010)

Street. In catering for this growing market, the proposed development would support the wider economic base of NSW.

4.2 Employment Levels

Existing Job Provision

The Site is currently used predominantly for the storage and wholesale of sports goods although there is a small element of retail and a number of residential units. Given the approximate size of the existing building on the Site (0.33ha¹²), and the typical employment ratio of warehousing uses of between 120-200sqm per worker¹³, this equates to an estimated number of 17 to 28 jobs (maximum) being provided on the Site.

The above represents a maximum and we would emphasise that the existing use of the Site for storage and wholesale purposes and therefore the number of jobs currently provided is actually around 8 to 10 jobs. For the purposes of the Assessment, however, we have adopted a conservative/robust approach and considered the ramifications of the Site if it were being used more intensively for warehousing type uses.

Employment Generation

The proposed development would generate employment in three ways – through construction, through commercial operations once it has been developed and as a result of increased expenditure in the area.

Construction Employment Generation

We understand that the approximate cost of construction for the proposed scheme is \$32.3m¹⁴. There are two types of construction multipliers:

- Production induced: which is made up of:
 - first round effect: which is all outputs and employment required to produce the inputs for construction; and
 - 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 assessment is ABS and Australian National Accounts: Input-Output Tables 1996-97 (ABS Catalogue 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.466, \$0.438 and \$0.962 respectively to every dollar of construction.

¹² Nearmap

¹³ Based on Hill PDA research

¹⁴ This includes GST and therefore differs from the QS report

Therefore as shown in the table below, the estimated \$32.3m cost in construction translates into a further \$29m activity in production induced effects and \$31m in consumption induced effects. Total economic activity generated by the construction of the proposed development is therefore approximately \$93m.

Table 6 Construction Multipliers

	Production Induced Effects				Total
	Initial Effects	First Round Effects	Industrial Support Effects	Consumption Induced Effects	
Output multipliers	1	0.466	0.438	0.962	2.866
Output (\$million)	\$32	\$15	\$14	\$31	\$93

Source: ABS Australian National Accounts: Input-Output Tables 1996-1997 (ABS Pub: 5209.0.)

It is estimated that one full time construction position for 12 months is created for every \$199,500 of construction work undertaken. Based on the estimated additional construction costs of \$32.3m the proposed development would create approximately **162 job years** (one full time job per year of construction). These are direct jobs, however there would also be additional jobs created through the economic multiplier effect.

The 1996-97 ANA Input-Output Tables identified employment multipliers for first round, industrial support and consumption induced effects of 0.33, 0.45 and 2.33 respectively for every job year in direct construction.

Table 7 Construction Employment

	Production Induced Effects				Total
	Direct Effects	First Round Effects	Industrial Support Effects	Consumption Induced Effects	
Multipliers	1	0.33	0.45	2.33	4.11
Employment No. per \$million	5.01	1.65	2.26	11.68	20.60
Total job years created	162	53	73	377	665

Source: ABS Australian National Accounts: Input-Output Tables 1996-1997 (ABS Pub: 5209.0). Shows 9 construction industry jobs directly created for every \$1 million of construction output. This equates to 1 employee for every \$111,111 of construction output in non inflated terms. Inflated to June 2010 dollars based on the Average Building Price Index for the eight Australian Capital Cities (Rawlinsons Construction Handbook 2011), this equates to \$199,500 per construction employee.

As shown above, for every \$1 million in construction cost, a total of 20.60 job years could be generated in the economy (jobs directly in construction and in multiplier impacts). The proposed development as a whole would generate around **665 job years**.

Operations Generated Employment

We understand from discussions with Urbanest that, if the proposed development were implemented and fully operational, a total of up to 11 permanent jobs would be created comprising: 1 community manager; 3 customer service assistants; 3 night managers; 1 accounts assistant; 1 maintenance operative; 1 gardener; and 1 cleaner. Five of these jobs would be full time and 6 would be part time (8 full-time equivalent jobs in total). In this regard student housing could reasonably be considered to be more akin to serviced apartments than a residential use.

On this basis, the proposed development would equate to a loss of between 6 and 17 jobs compared to the number which would be provided if the Site were redeveloped for warehousing uses (but not the number which are currently provided on the Site).

Notwithstanding this, we note that this relates to operations generated employment only and does not take into consideration additional indirect jobs created during the construction phase or direct jobs in the wider area created

as a result of additional expenditure generated by residents of the proposed development. This is discussed in more detail below.

Appropriateness of Jobs Provided

As previously indicated in this Study (Part A), Council's own studies and Hill PDA's assessment of Journey to Work data for the local area indicate the number of industrial jobs is forecast to decline over the period 2006-2036. Over the same period, the number of jobs in service related industries is expected to increase. On this basis the new permanent jobs which would be created by the proposed development are more closely aligned with future employment growth sectors than the current use of the Site.

We also note that the nature of the jobs which would be provided on the Site as a result of the proposed development match the demographic profile and skill-set of local residents within Sydney South and Sydney West SLA's. The proposal would therefore create jobs which are accessible and suitable for local people.

4.3 Retail Expenditure

Student Survey Results

As indicated in Part A, to inform this Study a survey of students living in a comparable Urbanest facility on Quay Street, Sydney was undertaken. As part of the survey research, respondents were probed about their expenditure patterns.

The full details of the survey responses are contained at Appendix 1. The following findings are considered particularly relevant to the analysis of the likely level of retail expenditure generated in the locality as a result of the increase in local population and therefore the benefits that would be secured for local businesses:

- Most students (57%) indicated they had an annual income of less than \$10,000, with only 8% stating an income of greater than \$40,000 per annum;
- A majority of students (66%) spend between \$50 and \$150 on food/ drinks (including take home alcohol) per week;
- 39% of students spent less than \$50 per week on eating out/ take away food (including alcohol), with a further 27% spending between \$50 and \$100 per week;
- Most students (56%) spend \$100 or less each month in local shops on non-food items such as clothing, books, hairdressers and pharmacy items. 13% spent in excess of \$200 on such items locally each month; and
- 58% of students indicated that they spent less than \$50 per month on entertainment such as movies, concerts, theatre, museums, karaoke and sporting events, with 85% spending less than \$100 on entertainment.

These results have been used to inform key assumptions within the expenditure modelling which has been undertaken using Hill PDA's own model.

Student Retail Expenditure

The results of the questions discussed above were applied to the 461 students who would occupy the proposed development at 157-163 Cleveland Street, incorporating the assumed occupancy rate of 95% per year.

Given that the student survey recorded answers in broad expenditure categories, we have made assumptions as to the quantum of expenditure which each student in each expenditure category will spend. In order to ensure a robust assessment, we have assumed that each student in each category will spend an amount which is 35% between the two ranges listed¹⁵. For example, if the price range for a category was \$0-\$50 we have assumed that each respondent in this range spent \$17.5, for the price range \$50-\$100 we have assumed that each respondent spent \$67.5, and so on. This is a conservative approach.

Hill PDA has calculated that students in the proposed development would:

- have a combined annual income of around \$6.35m;
- spend a combined total of \$2.31m per year on food/ drink;
- spend some \$1.78m per year on eating out/ take away food;
- spend approximately \$0.54m per year on non-food items locally such as clothing, books, hairdressers and pharmacy items; and
- Spend approximately \$0.30m per year on entertainment.

We should note that the annual income rates derived from the student survey appear to be low. On the basis of the above data, students would generate some \$4.93m in discretionary retail spend. However, this equates to as much as 78% of total recorded income (\$6.35m) which is an unrealistically high proportion. Given the additional costs students have in addition to retail expenditure particularly accommodation, course fees and transport. In our experience accommodation costs alone can account for around 30% of total household income, however with lower earning households (such as students) it will account for a higher proportion of household income. As such, it is not considered realistic to assume that 78% of students' total income will be spent on retail goods alone.

In our view, it is likely that many students will have excluded accommodation costs from their estimations of incomes. We understand that the cost of Urbanest accommodation is around \$300 per week or \$15,600 per year which exceeds the estimated average annual student income derived from the survey of \$13,656. A trend for students can be that accommodation is paid for by parents, and given that it was students themselves filled out the survey unsupervised, it may be that most understood 'income' as being disposable income on retail i.e. excluding accommodation and course costs.

As a 'sanity check' to cross-check our analysis, we have compared the total amount of retail expenditure recorded per student per year (\$10,602) to the total retail expenditure of lone person households under the age of 35 in Australia as derived from the ABS Household Expenditure Survey 2003-04 (escalated to 2011 dollars based on CPI) (\$14,724). This indicates that the student retail expenditure derived from the survey results is some 28% lower than that recorded for the average lone person household in Australia, which is what would be expected

¹⁵ 35% has been used, rather than the mid-point of 50%, because it is likely that there will be a greater number of respondents in the lower half of each range which is reflected in this weighting. This approach is conservative as it assumes that a higher proportion of students would generate a lower amount of retail expenditure

given the lower income of students. As such, it is likely that student incomes have been underestimated, rather than retail expenditure being overestimated.

Combining the income identified by students in the survey with the cost of student accommodation, estimated average total income could be around \$30,000.¹⁶ To illustrate the point further, the majority (92%) of the students are likely to have an estimated average income of less than \$55,600 (\$40,000 stated income plus \$15,600 rent) which is significantly below the household income defined as "moderate" within the Redfern Waterloo Authority Affordable Housing Contributions Plan 2006.¹⁷

Notwithstanding the above limitations, we believe that by using a conservative approach towards our assumptions ensures that our retail expenditure estimates are robust.

Given that a majority of students are not likely to have access to private motorised transport, and given the homogenised nature of food and grocery shopping, it is likely that a significant proportion of the student expenditure generated per year for such items would be directed towards retail facilities locally (note that for the purposes of the Study we assume that 'locally' refers to a 800m radius around the site). If we conservatively assume that 50% of student expenditure on food/ drink is directed towards local facilities, this equates to \$1.16m in retail expenditure.

With regard to eating out/ take-away student expenditure, we consider it likely that a significant proportion of this would also be directed towards local facilities. For the purposes of this exercise we have assumed that 50% of the expenditure generated by students in this category would be available to be captured by local destinations. This equates to approximately \$0.89m per year.

In total, therefore, new students residing in the proposed development would **generate an estimated \$2.59m per annum which could be available to be captured by local retail facilities.**

We recognise there would be some loss of existing employment on the Site as a result of the proposed development, and this would redirect a small proportion of retail spend which would otherwise have been spent in the local area by workers. However the additional level of retail expenditure which would be generated by students living on the Site far exceeds that which would be redirected elsewhere by the displacement of existing workers.

Retail Related Jobs

Based on the ABS Retail Survey 1998-99 (retail sales escalated to 2009 dollars at CPI), across Australia and across all retail store types excluding personal services and hardware, there is approximately 1 full or part time worker for every \$171,000 of retail expenditure generated by households. On this basis, the proposed development could directly support approximately 15 additional, permanent jobs locally in retail trade industry post-development in the local area (note that the local area is understood to be within 800m of the proposed development which incorporates Redfern Street and Broadway Shopping Centre).

¹⁶ We note that an income of less than \$33,450 (50% of the Median Income (\$66,875) for Sydney for the year 2010-2011 - <http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/Frequently+Asked+Questions/#What%20is%20a%20Low%20to%20Moderate%20Income%20?>) should satisfy the definition of a "very low income household" within the Redfern Waterloo Authority Affordable Housing Contributions Plan 2006.

¹⁷ We note that an income of less than \$80,250 (120% of the Median Income (\$66,875) for Sydney for the year 2010-2011 - <http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/Frequently+Asked+Questions/#What%20is%20a%20Low%20to%20Moderate%20Income%20?>) should satisfy the definition of a "moderate income household" within the Redfern Waterloo Authority Affordable Housing Contributions Plan 2006.

These are direct jobs; indirect spin-off jobs would also be supported locally by retail expenditure for example through servicing and deliveries to the additional retail floorspace.

If additional retail floorspace were provided to cater for increased demand, this would benefit existing residents in the surrounding area by increase consumer choice and retail competition locally.

We acknowledge that, if the proposed development were not constructed in this location, the additional student accommodation may be provided elsewhere in Sydney. As such, the off-site retail jobs which would be supported by the proposed development would be transferred to another location. In this scenario there would be no net gain in employment to Sydney as a whole. Notwithstanding this, the proposed development would provide a local benefit in terms of off-site job creation in this locality were it to be permitted in this location.

4.4 Other Economic Benefits

Where a major property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such a major investment would in turn stimulate and attract further investment to the immediate area.

The investment of \$32.3 million on the Site would be a positive contribution towards Redfern and is a sign of confidence in the surrounding area. It would help to support jobs in the local economy and create spin-off investment which would benefit local industries, businesses and residents.

It would assist in elevating the profile of the area which would encourage additional investment in the future, particularly given the highly visible location of the site on Cleveland Street.

Further, as discussed above it would support the continued growth of the education and research sector which, as previously indicated, is crucial in maintaining and increasing Sydney's economic competitiveness.

4.5 Key Findings

This Chapter has considered the significant economic impacts which the proposed development would provide at a local level. It has demonstrated that:

- The proposed development would replace an existing mix of uses (warehouse, retail and residential) with student housing and the economic impacts associated with this have been assessed in detail;
- The education and research sector provides a significant and growing contribution towards the economic base of NSW. The proposed development would support this sector by providing good quality facilities that meet the needs of students, particularly international students, and ensure that Sydney remains competitive in the global tertiary education sector;
- The construction cost of \$32.3m would create additional economic benefits of \$60.5m through the multiplier effect;
- The construction process would support 665 job years;
- Existing employment on the Site is estimated to be between 8 and 10 jobs, although if the Site were redeveloped (fully utilised) for warehousing uses it could support between 17 to 28 jobs;

- Up to 11 permanent jobs (full and part time, or approximately 8 full time equivalents) would be created post-construction. This equates to a reduction of between 6 and 17 jobs provided directly on the Site compared to those which would be support if it were redeveloped for warehousing uses;
- The permanent jobs created would be more appropriately aligned to the future direction of employment in the area than those currently provided;
- Students of the new development would have available some \$4.93m of retail expenditure per annum, which would increase over time as a result of increases in real retail spend. An estimated \$2.59m of retail expenditure would be available to support local retail facilities, which could equate to 15 additional, permanent jobs supported directly in the local area;
- Overall, the proposed development would support an estimated 26 jobs on and off-site post-construction. This represents a change of between -2 and +9 jobs on the Site compared to the direct employment which could be provided if it were redeveloped (or fully utilised) for alternative warehousing uses;
- The development would create an investment stimulus for the surrounding area and project a sign of confidence in the local market.

We recognise that the proposed development could potentially lead to a decline in direct employment which would be a negative economic impact. However, we consider that overall economic impact on employment would be net positive if the wider benefits of supporting the health and education sector and employment created during construction process are acknowledged. In any case, a decline in direct jobs would only eventuate when comparing the capacity of the Site if it were to be redeveloped for warehousing uses and employment were created at a low employment ratio.

Taken as a whole once operational the proposed development could result in a change of between -2 and +9 jobs. This is when compared to those which would be provided if the Site were to be redeveloped for warehousing uses. Critically, there would be no net loss in jobs from the current situation.

In addition, a significant number of jobs years would also be created. There are also significant less tangible but none the less important benefits associated with Sydney maintaining its competitiveness as a Global City.

5. IDENTIFICATION OF SOCIAL IMPACTS

A social impact can be defined as a,

"...a significant improvement or deterioration in people's wellbeing or a significant change in an aspect of community concern"¹⁸.

Social impacts may directly or indirectly affect the social well-being of an area's residents, visitors and employees by changing the social amenity and character of an area, the degree of social interaction, the availability of employment, social perceptions and opportunities. Social impacts may also alter the level of demand for services and accessibility to those services.

The geographic range of an impact is dependent on the nature of the proposed development and its scope of influence. The geographic influence of an impact can range from individual dwellings or streets through to suburbs, LGAs and further afield.

An analysis of the social impacts has been compiled into this Social Impact Assessment that estimates the consequences of a particular proposal to society. In addition to identifying impacts, this impact assessment recommends ways to enhance the positive effects and reduce or mitigate the negative ones.

"Social Impact Assessment includes the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment." ¹⁹

5.1 Nature of Impacts

To identify the social impacts Hill PDA surveyed students within the existing Urbanest facility at Quay Street. The survey results were combined with the contextual analysis set out within Part A and Hill PDA's experience on similar projects elsewhere to identify the following social impacts:

- Social Cohesion and Diversity;
- A Sense of Place/Heritage;
- Housing Affordability;
- Convenience of Shops and Services;
- Recreation and Leisure;
- Transport and Accessibility;

¹⁸Social Impact Assessment: An introduction, Arnold publishers, London Barrow, 2000, 221

¹⁹ SIA principles International Principles For Social Impact Assessment, Vanclay, Impact Assessment and Project Appraisal, volume 21, number 1, March 2003, pages 5–11,

- Safety and Security; and
- Amenity.

5.2 Social Cohesion and Diversity

Social cohesion is a broad term used by social planners to describe the sensitive balance needed to provide the right environment to encourage and foster a strong sense of community. Without social cohesion, areas facing hardships such as low levels of employment, increased debt or declining living conditions (linked to housing affordability) can result in social unrest.



This is a particularly sensitive matter when discussing student households, which can be seen as a,

"...negative and perhaps even a destructive force"²⁰

behaving as a separate community within the existing community.

In terms of social impacts, an existing community can be concerned that the more transient students, who rarely stay within the community for more than one year and being away for notable periods during the holiday periods, are less concerned about the physical appearance of the area and becoming a part of the wider community. There may also be concern that students, living with their peers, have little incentive for students to actively seek acquaintances within the wider community and likewise, the existing community may have different interests and not actively look to engage with the students.

Academic research²¹ has found that many of these perceived disadvantages can be overcome through simple measures for example, encouraging students to stay in their accommodation for longer periods through the nature of the tenancy agreements offered, allows for greater engagement and avoids prolonged periods where the local population is diminished. In addition, the existing community could invite landlords and students living in the area to participate in neighbourhood forums and meetings, increasing the opportunity to engage and develop personal ties, fostering social cohesion.

Of particular relevance to this Study are the findings of Crenshaw and St John²² highlighting that if people of similar interests and needs coincide (for example age, home ownership and income) there will be a higher level of,

"...interpersonal interaction and cohesion within a neighbourhood".

Relating these issues to the proposed development we would highlight that:

²⁰ Seasonal sub-communities: The Impact of Student Households on Residential Communities, Kenyon, The British Journal of Sociology, Vol 48, No 2, June 1997, pages 286-301

²¹ Local Friendship Ties and Community Attachment in Mass Society, Sampson, American Sociology Review 53 (5) , 1988 pages 766-79 and

²² The organizationally dependent community, Urban Affairs Quarterly, 24 (3), Crenshaw and St John, 1989, pages 412-34

- The proposed development would provide accommodation for up to 461 students. Urbanest offers only 12 month and 6 month leases, and based on experience elsewhere in Sydney and Australia, we anticipate around 66% of the students choose the longer 12 month leases, encouraging greater stability in the community;
- Urbanest is an active landlord, maintaining the property and facilitating community forums and groups such as programme partnerships with CVA, sustainability committee and SCC volunteering initiatives - and they encourage their students to do the same;
- The proposal provides links with the existing environment by providing for increased levels of pedestrian activity at the street level and windows of habitable rooms facilitating passive surveillance enabling and encouraging students to interact with their neighbours;
- Students living within the proposed development are likely to be young, culturally diverse with an average weekly income of around \$500 (refer to Table 5). This aligns well with the demographic characteristics of the suburbs within the area of influence. These similarities should increase the likelihood of social interactions occurring;
- Urbanest (the applicant) acknowledges the existing community and has a consultation strategy in place that would allow the existing community to make a contribution to the proposed development. Urbanest has made a number of design, layout and acoustic changes to the proposed development as a result of consultation; and
- Student accommodation in the form of the proposed development would provide a single point of contact and a greater degree of accountability between the student population and the community as opposed to trying to liaise with numerous private landlords.

5.3 A Sense of Place/Heritage



The proposed development provides for the retention and incorporation of a substantial element of the existing building.

Retention of this element is likely to enhance a sense of place, reminding the students subliminally of a heritage that predates their arrival in the area. Further, maintenance of the streetscape adds a level of interest that is in-keeping with the urban feel of the area, associated with its industrial past.

Respecting the heritage of an area is less likely to create ill feeling with the existing community and as a result is more likely to create a positive base, upon which positive social interactions could emerge.

5.4 Housing Affordability

At the highest level, the Universal Declaration of Human Rights adopted by the United Nations in 1948, establishes,



“Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including housing”²³.

The proposed development replaces an existing industrial use with affordable residential accommodation for up to 461 students. It is appropriate to discuss the social impacts associated with this change of use and in particular given the high cost of housing experienced in Sydney (refer to Chapter 2). The economic impacts associated with providing affordable accommodation for students are discussed in Part C of the Study.

From a social perspective, it is widely recognised that a lack of affordable housing presents a number of challenges. The World Health Organisation and United Nations²⁴ have undertaken comprehensive research and confirmed that poor housing conditions lead to a range of social and health problems.

If rents and house prices continue to rise, the private housing market would become increasingly unaffordable for many students (and the wider market). As a consequence residents on low and moderate incomes, such as students, are likely to be forced to either move to more affordable areas, experience housing stress, accept lower standards of accommodation or crowded conditions or abandon plans for further education altogether. Further, the proposed development would release private rental accommodation back in to the rental market helping to mitigate the tight supply of accommodation for the wider community.

Privately owned student housing providers, such as Urbanest, provide an important supply of housing that is affordable, of a good quality and in addition provides a level of pastoral care that would otherwise not be available. The students benefit from living alongside like-minded students in a well-managed safe and secure environment.

5.5 Convenience of Shops and Services



The Site is very conveniently located to the comprehensive shops and services that are provided within Sydney's CBD and the nearby Broadway Shopping Centre.

To assess the social impact of the proposed development it is helpful to understand the existing level of provision of those shops and services that the students are likely to use, that are located within the defined area of influence (refer to Figure 8).

The site has a “walk score”²⁵ of 93/100. This score reflects the high number of facilities located within or close to the area of influence. Hill PDA's desktop research identified:

- Two libraries (the University of Sydney and UTS) are within 800m of the Site and Surry Hills Library, with a community hall, approximately 1.3 km from the Site.

Within the area of influence are:

²³ Article 25 of the Universal Declaration of Human Rights, 1948

²⁴ Hidden Cities, World Health Organization, The WHO Centre for Health Development, Kobe, and United Nations Human Settlements Programme (UN-HABITAT), 2010

²⁵ <http://www.walkscore.com/> . The website was accessed by Hill PDA on 23 September 2011

- At least six grocery stores including a Coles Supermarket and IGA Express;
- Three high street banks including a CBA, Westpac and St George;
- Three post offices (Redfern, Chippendale and Surry Hills);
- A number of doctors surgeries including the Broadway Medical Centre; and
- The Sydney Dental Hospital.

Access to the internet is also available within the libraries and a number of cafes/coffee shops within the area of influence. In addition, students living within the proposed development would have access to the internet within the communal areas of the proposed development. Internet services would be available throughout the development.

5.6 Recreation and Leisure

Guidelines used by the NSW Department of Planning and Infrastructure to inform the development of the Growth Centres²⁶ provide the industry with useful parameters for provision of recreation and leisure facilities.



Provision of open space and recreation facilities is acknowledged, within the guidelines, as an important element of social infrastructure making a contribution to the physical health and social well-being of a community. In addition to shops and services, the area of influence appears well provided for in terms of recreation and leisure facilities when compared to the aforementioned parameters:

- There are three parks (Prince Alfred, Redfern and Victoria) and two smaller/pocket parks at Myrtle Street and Maze Crescent located within 800m of the Site. These parks are in addition to the generous landscaped areas that form part of the University of Sydney Campus and the open spaces that form part of the proposed development. Together these open spaces provide for a range of passive and active recreation, be it an informal outdoor space close to home or an attractive park to participate in leisure activities;
- The University of Sydney Sports and Aquatic Centre is located within 800m of the Site and the Ian Thorpe Aquatic Centre is approximately 1.5 km to the north;
- A Hoyts cinema within Broadway shopping centre;
- The Seymour and Tom Man theatres and the Participating Film Academy; and
- There are numerous bars, clubs and cafes within the area of influence.

²⁶ Precinct Development Parameters, Development Code, October 2006

5.7 Transport and Accessibility

As Sydney's population is anticipated to reach approximately 6 million people by 2036 there is a recognised need to promote mechanisms to enhance the sustainability of our lifestyles.



Consistent with local and state planning objectives, the creation of sustainable lifestyles relates to the creation of additional jobs, services and facilities closer to the homes of the growing population, whilst also encouraging people to change their travel behaviour in order to reduce traffic congestion. Accordingly the NSW Department of Planning and Infrastructure aims for 80% of all infill development in Sydney to occur within walking distance of a transport hub, such as a rail station²⁷.

Studies indicate that providing jobs and services (or in this instance the educational institution) close to home has a positive influence on mental health whereby benefits may be achieved by reducing the stress associated with traffic congestion²⁸. Reduced traffic congestion and the need to travel in turn reduces travel times, thereby allowing for additional personal recreational time or leisure time.

Incidental exercise and physical activity such as walking to university, work, shops and other services also improves psychological well-being and reduces the risk of anxiety and depression²⁹.



As noted above, the Site is located within close proximity to Universities, Central Station, health services, leisure facilities and existing community facilities. Although these services are close to the Site, the NSW Premier's Council for Active Living indicates that 10 percent of car trips are less than one kilometre (a 10 minute walk) and 30% percent are less than three kilometres³⁰.

In this regard, we would highlight the Sites location and provision of generous cycle storage provides for active travel alternatives, promoting public transport use, cycling and walking in place of car ownership. This is driven by the Sites' highly accessible location. As a consequence the development proposal does not include car parking, encouraging students to make journeys using active modes of transport.

5.8 Safety and Security

Issues relating to design are dealt with elsewhere in the applicants planning submission, however from a social perspective we highlight the importance of providing a safe and secure environment both for the students, employees and



²⁷ The Metropolitan Plan for Sydney to 2036

²⁸ Woodcock, J, Edwards P, Tonne C et al. Public Health Benefits of Strategies to Reduce Greenhouse Gas Emissions: Urban Land Transport. Lancet 2009.

²⁹ Billie Giles Cortini, Sarah Foster, Trevor Shilton and Ryan Falconer. 'The co-benefits for health of investing in active transportation', NSW Public Health Bulletin, Vol 21 (5-6), 2010.

³⁰ Bureau of Transport and Regional Economics, 2002, greenhouse policy options for transport, Report No 105, Australian Government, Canberra

visitors to the development and the broader community.

Construction

During construction the Site would be fenced and as a consequence there would be limited opportunities for passive surveillance. However, existing levels of passive surveillance are already poor therefore the relative impact is considered to be relatively low.

Operational

Once developed, the proposal promotes a safe and secure environment by increasing the level of pedestrian activity in the area and providing for casual surveillance to the surrounding streets. Further security measures include a single point of access with restricted entry permission (key and swipe card entry only) and continuous on site staffing coverage.

To further alleviate the potential social perception of crime it would be appropriate for design mechanisms (such as the Safer by Design protocols developed by the NSW Police) to be integrated in the detailed design and layout of the development. By way of example, design mechanisms that have been found to reduce the perception of fear and the propensity for vandalism and crime in comparable developments include: the use of anti-graffiti paint; CCTV cameras; good lighting; publicity campaigns to promote good behaviour; neighbourhood policing; and the quality and design of landscaping and signage.

It is considered that this would represent a significant improvement to the existing situation.

5.9 Amenity

It is considered reasonable for the existing and future community to be able to enjoy a certain level of amenity. In defining amenity we refer to the qualities and characteristics of an area that contribute to people's appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes. Common causes of a loss of amenity include the generation of additional noise, graffiti, pollution and general disturbances.

During Construction

During the construction process the proposed development has the potential to negatively affect the amenity of the existing community within the area of influence, and in particular those residents and workers in buildings adjacent to the Site. Whilst the impacts are likely to be greatest for those closest to the Site others may also experience some loss of amenity.



Negative impacts may include construction noise and increased air and noise pollution associated with construction traffic. The attractiveness of the area may also be impacted as the Site becomes a construction site.

To ensure that such impacts on amenity are effectively mitigated, contractors will be required to adhere to a Construction Management Plan. Such plans tend to focus on issues such as demolition and construction staging, noise, air and water quality, construction traffic management, pedestrian safety and site management. Simple measures included in these plans such as avoiding noisy or disruptive construction activities during the hours

when residents are likely to want to enjoy their homes or rest, for example on evenings and weekends can be extremely effective. A Construction Management Plan will be included with the Development Application Submission.

A further example of effective mitigation is providing a phone number for the community to call if they have concerns regarding construction activities. A phone number will be provided as part of the Construction Management Plan and will be posted on the Job Site fencing.

Operational

The proposal would bring about the regeneration of a dated and underused mixed use building with a well-designed, modern building, enhancing the aesthetic appearance of the area.

The students living in the development are likely to appreciate high levels of amenity provided by well-located and designed accommodation around a central open space. Moreover amenity is enhanced by the Site's close proximity to services, communal facilities catering towards the needs of the students. In particular the open space and communal areas provide places for the students to meet, play and relax.

However, for residents in neighbouring residential buildings, potential amenity impacts could include issues of acoustic and visual privacy, solar access and views. The impacts are discussed in detail within the Environmental Impact Statement.

6. ASSESSMENT OF SOCIAL IMPACTS

This Chapter describes the methodology used to rate the significance of the social impacts identified in Chapter 4. When assessing the social impacts, the impacts have been described as either:

1. Positive or negative; and
2. Significant, moderate, slight or neutral.

Where appropriate we have differentiated between social impacts likely to be experienced during construction and upon operation.

Table 8 below provides a definition of these terms which have been adapted from the rating levels recommended by the Strategic Merit Test which forms part of the National Guidelines for Transport System Management in Australia (2nd Edition). The definitions have however been amended so that they are suitable for a social impact assessment of this nature.

Table 8 Assessment Rating Levels

Rating Level	Description
Significant Negative	Impacts with serious, long term and possibly irreversible effects leading to serious damage, degradation or deterioration of the environment. Requires a major re-scope of concept, design, location, justification, or requires major commitment to extensive management strategies to mitigate the effect.
Moderate Negative	Impacts may be short, medium or long term in duration and most likely to respond to management actions.
Slight Negative	Impacts have minimal effect, could be short term, can be mitigated and would not cause substantial detrimental effects. May be confined to a small area.
Neutral	No discernable or predictable positive or negative impact.
Slight Positive	Impacts have minimal effect, could be short term. May be confined to a small area.
Moderate Positive	Impacts may be short, medium or long term in duration. Positive outcome may be in terms of new opportunities and outcomes of enhancement or improvement.
Significant Positive	Impacts resulting in substantial and long term improvements or enhancements to the existing environment.

Source: Adapted from the Strategic Merit Test, National Guidelines for Transport System Management in Australia (2nd Edition)

It is widely recognised practice for Social Impact Assessments to not only identify the impacts of a proposed development, but to provide recommendations as to appropriate methods of minimising or mitigating negative impacts. The U.S Inter-organizational Committee on Guidelines and Principles for Social Impact Assessment defines mitigation as a means of,

“avoiding the impact by not taking or modifying an action; minimising, rectifying or reducing the impacts through the design or operation of the project or policy or compensating for the impact by providing substitute facilities, resources or opportunities (1994:15).”

In light of this practice, we rate the social impacts identified both with and without appropriate management and mitigation measures.

6.2 Significance of Social Impacts

This section provides a summary of the likely social impacts of the proposed development and describes the mitigation measures that have already been or could be incorporated in to the proposal.

Importantly, the significance is based upon a comparison of the impacts of the proposal against the “do nothing” scenario, that is the Site remaining in its current use.

Clearly there are issues relating to the change of use from employment to student housing. These issues have been dealt with in Chapter 4.

Table 9 Social Impacts (With and Without Mitigation)

Potential Impact	Impact Without Mitigation	Impact With Mitigation
Social Cohesion and Diversity (upon operation)	Slight Positive Introduces students into an existing community with similar characteristics. The lease structure encourages students to occupy the rooms between semesters. There would be a high level of pedestrian activity and passive surveillance helping to integrate the development and its residents with its surroundings and avoiding the sense of a private community.	Moderate Positive Urbanest would participate in local forums and encourage the students to do the same, increasing social interactions with the existing community and increasing awareness of any issues or concerns the existing community may have.
A Sense of Place/Heritage (upon operation)	Slight Positive The proposed development would make a significant contribution towards creating a sense of place, incorporating the historic past into the proposal.	Moderate Positive The relevant approvals could ensure the proposal is well designed and that appropriate materials of a good quality are used in the development.
Housing Affordability (upon operation)	Moderate Positive It addresses the current under-provision of housing that is affordable for students within the area of influence, enabling a greater number of individuals to pursue higher education without experiencing inadequate living conditions or financial burdens. In addition the proposal should help to manage pressure/demand for accommodation provided by private landlords by increasing supply of housing.	No mitigation identified/required
Convenience of shops and services (upon operation)	Significant Positive The proposal would provide student accommodation close to the major service hubs of the CBD, Broadway Shopping Centre and the Universities. Within these hubs and the area of influence itself there is a plentiful supply of those shops and services the students are likely to use, enhancing their experience as students in Sydney. Given the abundance of shops and services within the vicinity of the Site we would not envisage any undue pressure on services arising from the proposal.	No mitigation identified/required
Recreation and Leisure (upon operation)	Moderate Positive The area benefits from a generous provision of open space and recreation facilities making a positive contribution to the physical health and social well being of the students.	No mitigation identified/required
Transport and Accessibility (upon operation)	Moderate Positive The proposal would not require students to make journeys by private car benefiting the environment and the health and well being of future residents.	No mitigation identified/required

Potential Impact	Impact Without Mitigation	Impact With Mitigation
	The proposal facilitates incidental exercise and physical activity such as walking to university, work, shops and other services would contribute towards the psychological well-being and reducing the risk of anxiety and depression that can be associated with student life.	
Safety and Security (during Construction)	Neutral When construction activity is not taking place, such as evenings and weekends, the Site may be quiet with limited passive surveillance. However, there is unlikely to be any less activity around the Site and during times of construction the daily attendance by workers may increase passive surveillance.	Neutral By considering this issue within the Construction Management Plan many of these impacts could be mitigated to an acceptable level through for example maintaining secure boundaries and providing on site security.
Safety and Security (upon operation)	Significant Positive The proposal would increase the level of activity considerably from existing levels and provide animated facades where the internal uses engage with the street to create a sense of safety and provide a secure environment. Further, the building would have on site staff enhancing the security for the students and the existing community.	No mitigation identified/required
Amenity (during Construction)	Moderate Negative The local community's ability to enjoy the amenity of their homes and places of work would be impacted during the construction phase due primarily to increased noise and air pollution. The aesthetic appearance of the area would also be reduced as the existing building becomes a construction site.	Slight Negative By considering this issue within the Construction Management Plan many of these impacts could be mitigated to an acceptable level. However some loss of amenity during the construction period is to certain degree unavoidable but importantly it is for a short period of time.
Amenity (upon operation)	Slight Positive The proposed development satisfies relevant controls and is considered to maintain a reasonable level of amenity for people occupying surrounding buildings. The students living in the development are likely to appreciate high levels of amenity provided by well-located and designed accommodation around a central open space that is conveniently located close to the university, public transport and local amenities.	No mitigation identified/required

6.3 Key Findings

Our analysis has found that the social impacts associated with replacing the existing use with the proposed development, providing good quality and affordable accommodation for up to 461 students, are net positive.

The only negative social impacts are short term and associated with construction activities. These are to a large degree unavoidable if the longer term social benefits are to be achieved and will be managed through an effective Construction Management Plan.

On balance Hill PDA's view is the proposed development should be considered acceptable from a social impact perspective.

7. KEY FINDINGS

This Chapter concludes the socio-economic impact assessment of the Study. It summarises the key findings and sets out Hill PDA's conclusions regarding the social and economic impacts of the proposal to develop a five storey building to provide residential accommodation for 461 students.

7.1 Key Findings

Contextual Analysis

At a strategic level there is considerable support for the proposal:

- Demand for student accommodation within Sydney is likely to continue to grow. Both the NSW State Government and the City of Sydney support the growth of the education and research sector, and have identified the area within which the Site is located as an education precinct;
- The education sector makes important direct contribution to the NSW economy both as an employer and a major export (second only to coal) and indirectly by ensuring a skilled workforce is available for industry, innovation and research is quickly diffused into the local economy and helping Sydney maintain its competitive position as a Global City;
- Housing affordability is a key issue for Sydney and lack of attractive and affordable accommodation for students is likely to reduce the attractiveness of Sydney to international students;
- Traditional forms of industry including manufacturing and wholesale are declining within the City of Sydney. The future workforce would need to be increasingly skilled to fill roles within the growth sectors including professional, scientific and technical services, administrative and support services and public administration and safety and education and training. Importantly, residents close to the Site have the skills to capture the benefits associated with forecast job growth;

Assessment of Economic and Employment Impacts

The Economic Impact Assessment demonstrated that there would be a range of positive benefits resulting from the proposed development at a macro and micro economic level. It would support the local and State economy and is aligned with the future employment and economic growth forecasts.

The economic and employment impacts of the proposed development include the following:

- The proposed development would result in the loss of employment land to residential uses. This is a negative macro-economic impact;
- The education and research sector provides a significant and growing contribution towards the economic base of NSW. The proposed development would support this sector by providing good quality facilities that meet the needs of students, particularly international students, and ensure that Sydney remains competitive in the global tertiary education sector;
- The construction cost of \$32.3m would create additional economic benefits of \$60m through the multiplier effect;

- The construction process would support 665 job years;
- Existing employment on the Site is estimated to be between 8 and 10 jobs, although if the Site were redeveloped (or fully utilised) for warehousing uses it could support a maximum of 17 to 28 jobs;
- 11 permanent jobs (full and part time, or approximately 8 full time equivalents) would be created on the site post-construction ensuring there is no net loss of jobs from the existing situation.
- However, to ensure robustness, if the Site was redeveloped (or fully utilised) for warehousing uses there would be a reduction of between 6 and 17 jobs provided directly on the Site compared to those which would be supported by the proposal;
- Importantly, the permanent jobs created would be more appropriately aligned to the future direction of employment in the area than those currently provided;
- Further, students of the new development would have available some \$4.93m of retail expenditure per annum, which would increase over time as a result of increases in real retail spend. An estimated \$2.59m of retail expenditure would be available to support local retail facilities, which could equate to 15 additional, permanent jobs supported directly in the local area;
- Therefore, overall the proposed development would support an estimated 26 jobs on and off-site (relating to students expenditure post-construction. This represents a change of between -2 and +9 jobs on the Site compared to the direct employment which could be provided if it were redeveloped for alternative warehousing uses;
- The development would create an investment stimulus for the surrounding area and project a sign of confidence in the local market.

We recognise that the proposed development could potentially lead to a decline in direct employment on the Site that, in isolation, would be perceived as a negative economic impact. However, we consider that overall economic impact on employment would be net positive if the wider benefits of supporting the health and education sector and employment created during construction process are acknowledged.

Social Impact Assessment

Whilst Hill PDA identified a number of potential social impacts, with mitigation measures in place, on balance the proposed development is considered to deliver an overwhelmingly positive contribution from a social perspective.

Social benefits associated with the proposed development include:

- Contributing to a socially cohesive community;
- Incorporating the Sites industrial past in to the new building fostering a sense of place and interest;
- Providing good quality and affordable housing for students helping to attract students to Sydney;
- The accommodation is in an area that provides the shops, services, recreational and leisure facilities students are likely to use, without placing undue pressure of the level of service provision for the existing community;'
- The release of private residential stock back to the wider public through placement of likeminded students in a well-managed, safe and secure environment, providing a single point of communication between the student population and the community.

- The Site benefits from an exceptional level of access to public transport and local facilities, negating the need for students to own or use private vehicles and as a consequence facilitates incidental exercise, making a positive contribution to the health and well-being of the students;
- Safety and security would be enhanced (post construction) as a result of increased activity on local streets, 24 hour on site staff and enhanced passive surveillance; and
- The level of amenity would be negatively impacted in the short term but once completed, the proposal would significantly enhance the aesthetic appearance of the area, renewing a tired industrial building, incorporating high quality new elements, without diminishing the level of amenity currently enjoyed by the existing community.

The only negative social impacts are short term and associated with construction activities. These are to a large degree unavoidable if the longer term social benefits are to be achieved. Further, the degree of the impacts could be managed and mitigated through an effective construction management plan.

8. CONCLUSION

In conclusion, the redevelopment of the existing mix of uses (warehouse, retail and residential) to provide accommodation for up to 461 students, together with communal facilities and ancillary open space would create a number of social and economic benefits that positively support the strategic objectives of the City of Sydney and NSW.

Critically, the development of student housing supports the strategic objective to grow the education cluster in this location by providing quality accommodation for students. Further, at a more local level, we consider it satisfies the objectives of the SEPP (Major Development) 2005 for Business - Mixed Use zone. The rationale is summarised in Table 10 below:

Table 10 Key Reasons Proposed Development Satisfies Objectives of a Mixed Use Zone

SEPP Objective	Reasoned Justification for Proposed Development
Support the development of sustainable communities with a mix of employment, educational, cultural and residential opportunities	The proposed development provides a mix of accommodation for the students together with employment generating floorspace. Further the location of the Site supports sustainable objectives with the students being able and encouraged to use active modes of transport.
Encourage employment generating activities by providing a range of office, business, educational, cultural and community activities in the Zone.	Delivers on site and off site employment opportunities and supports the growth of the education sector in the area.
Permit residential development that is compatible with non-residential development.	Student housing provides an alternative form of accommodation that is less sensitive/more resilient to the interface with non-residential development. Further it would result in the release of private rental housing back into the market (increasing supply in a tight market).
Maximise public transport patronage and encourage walking and cycling.	Both the Sites location and the nature of the proposed development (including cycle parking but no car parking) maximise the potential for sustainable journeys.
Ensure the vitality and safety of the community and public domain.	The redevelopment of the Site which is currently underused would increase activity and vitality of the area throughout the week (including evenings and weekends). Further the increased activity and on site security would enhance security in the area.
Ensure buildings achieve design excellence.	The retention of the heritage elements and associated development deliver a significant improvement to the current building. This is dealt with in more detail in the EIS which accompanies the submission.
Promote landscaped areas with strong visual and aesthetic values to enhance the amenity of the area.	This is dealt with in more detail in the EIS which accompanies the submission.

Specifically the existing community would benefit from a social perspective and there would be a net gain of jobs compared the current situation.

DISCLAIMER

This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it would appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that would actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

This report does not constitute a valuation of any property or interest in property. In preparing this report we have relied upon information concerning the subject property and/or proposed development provided by the client and we have not independently verified this information excepted where noted in this report.

APPENDIX 1 - SUMMARY OF SURVEY RESULTS

Urbanest was able to provide Hill PDA with a demographic profile of the tenants within the existing Urbanest facility on Quay Street.

Contract Length	%
12 month contracts	66%
6 month contracts	34%

Year / Level of Study	No.	%
1st Yr UG	40	37%
Other UG	33	30%
PG	24	22%
Other	12	11%

Place of Origin	%
Australian	22%
Chinese	15%
Singaporean	6%
Canadian	6%
American	5%
Saudi or Saudi Arabian	5%
Other	40%

In September 2011 Hill PDA and Urbanest undertook an online survey of the students living within the existing Urbanest facility at Quay Street, Sydney to supplement existing information and in a particular gain more insights into the students expenditure and behaviour patterns.

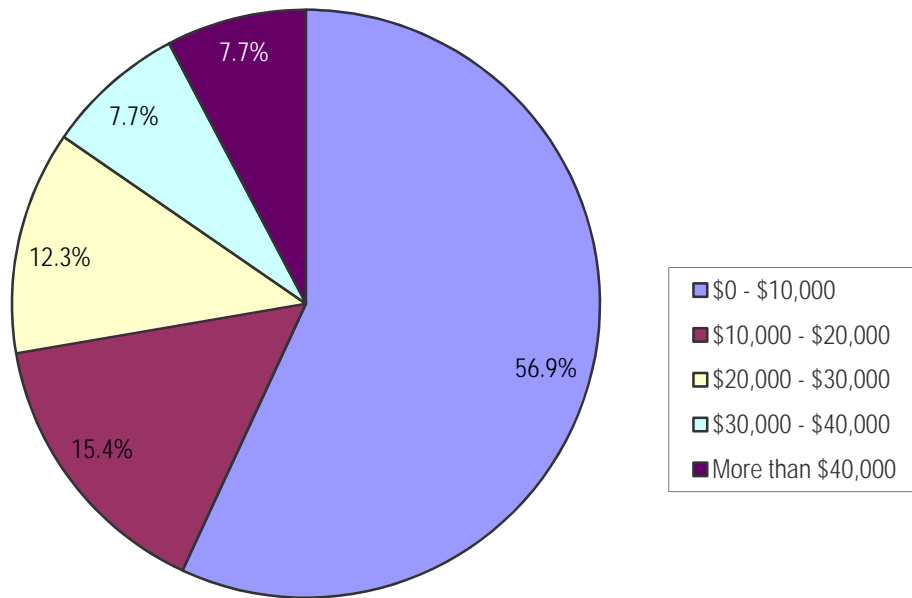
We received 71 completed surveys out of a possible 109 students (65% response rate).

Student Survey Responses

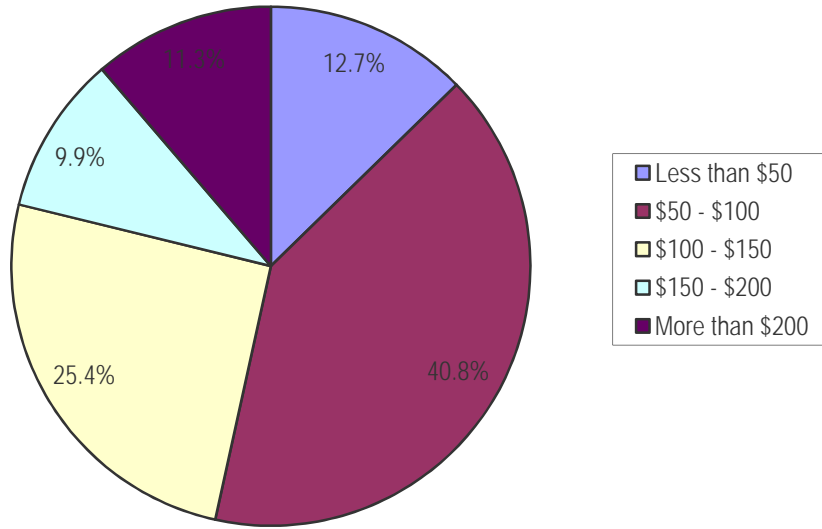
Year of Study	No.
First Year	44
Second Year	14
Third Year	6
Fourth Year	1
Other	6
Response Count	71

Place of Origin	No.
Australia	17
Canada	5
China	2
Indonesia	5
Japan	1
Korea	0
Malaysia	4
New Zealand	3
Singapore	11
Saudi Arabia	3
USA	2
Other	18
Response Count	71

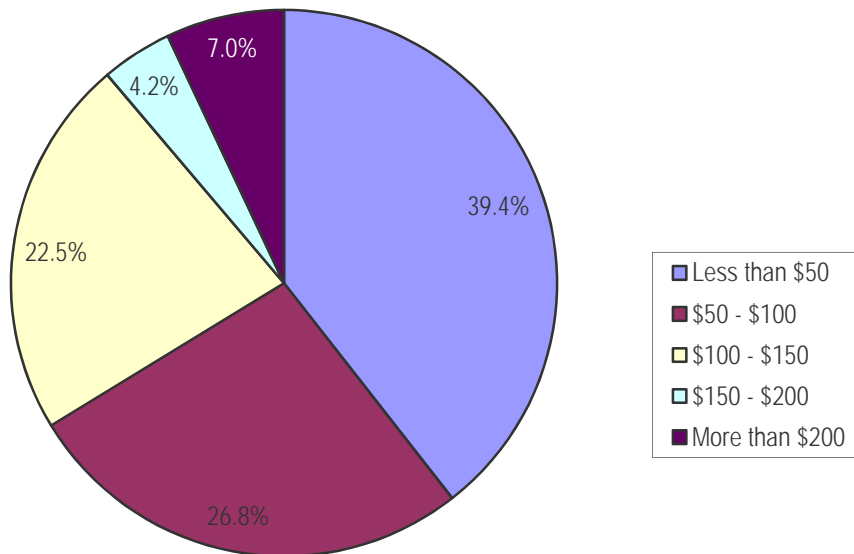
What is your approximate annual income (i.e. including employment, youth allowance, scholarships etc)?



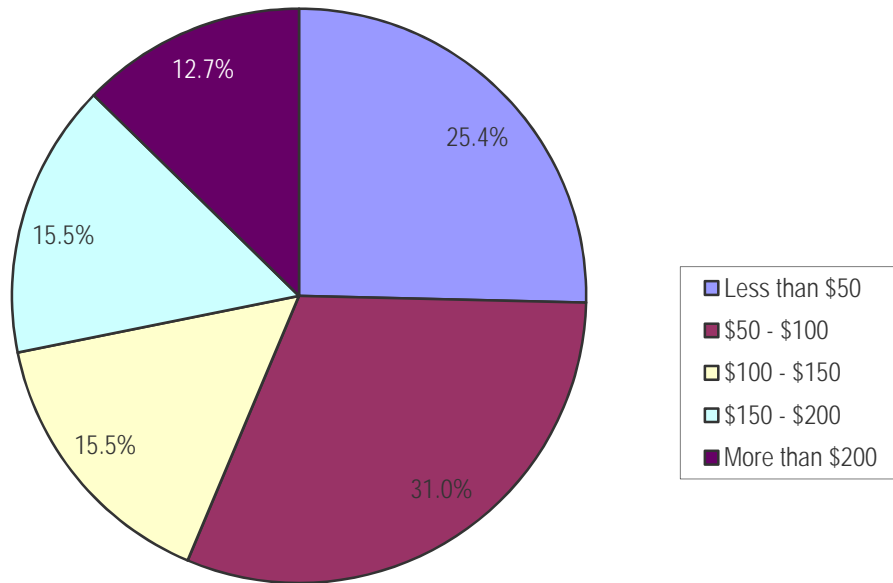
Approximately how much do you spend each WEEK on food/drinks including take home alcohol?



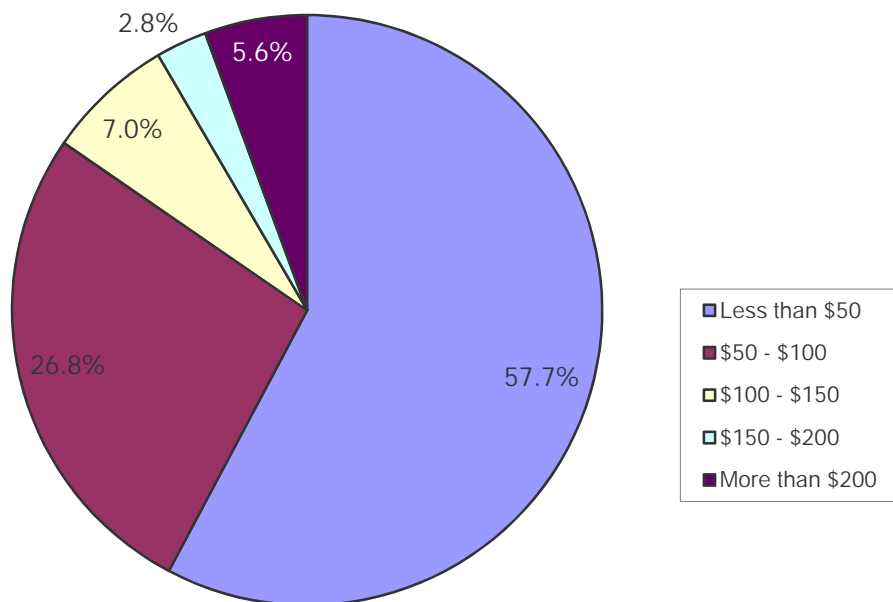
Approximately how much do you spend each WEEK on eating out/take away food including alcohol consumed on licensed premises?



Approximately how much do you spend each MONTH in local shops (excluding online purchases) on non-food items/services such as clothing, books, hairdressers, pharmacy etc?



Approximately how much do you spend each MONTH on entertainment such as movies, concerts, theatre, museums, karaoke, sporting events etc?



Which services do you currently use/intend to use that are within walking distance (approx. 800m) from Quay Street (excluding those provided on campus)?

