

ESTIMATE DEVELOPMENT COST (EDC) REPORT
STATE SIGNIFICANT PROJECT OVER \$3M

OCTOBER 2024

BRITTON STREET MULTI-LEVEL WAREHOUSE

28-54 PERCIVAL ROAD, 15-21 BRITTON STREET,
SMITHFIELD
LENDLEASE REAL ESTATE INVESTMENTS LIMITED

Prepared For

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1 EXECUTIVE SUMMARY

This report is an objective calculation of the Estimated Development Cost (EDC) for the proposed project and the EDC amounts to \$440,630,000 excluding GST and is based on the Environmental Impact Statement (EIS) / State Significant Development (SSD) application design information detailed in Section 2 of this report.

Project Details	
Project Description	Britton Street Multi-Level Warehouse
Project Location	28-54 Percival Road, 15-21 Britton Street, Smithfield
Project Stage	Development Application
Date of Assessment	29 October 2024

The EDC Summary Table is as follows:

EDC Summary

Item	Cost (Excl GST)
Demolition and redmidiation	\$ 5,628,950
Construction (item A)	\$ 372,040,577
Mitigation of Impact Items	\$ -
Consultants Fees	\$ 9,469,000
Authorities Fees (LSLL)	\$ 1,161,808
Plant & Equipment (Item B)	\$ 1,250,000
Furniture, Fittings & Equipment	\$ 10,475,665
Contingency	\$ 20,491,000
Escalation	\$ 20,113,000
TOTAL EDC (excl GST) for SSD/SSI	\$ 440,630,000
GST	NA
TOTAL EDC (incl GST) for Non SSD/SSI	NA

GROSS FLOOR AREA (AIQS) 166,039 m2

Construction Cost Only \$/m2 GFA (AIQS) \$ 2,653.77

Rates used in the formulation of this estimate are current as at October 2024. Our estimate is based upon an indicative a construction period of 20 months and assumes procurement through a competitive tender process.

In accordance with the Planning Circular PS-24-002 dated 27 February 2024, the Estimated Development Cost (EDC) is defined as the following:

the estimated cost of carrying out the development, including the following:

- the design and erection of a building and associated infrastructure
- the carrying out of a work
- the demolition of a building or work
- fixed or mobile plant and equipment.

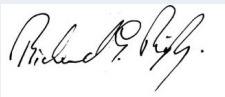
but does not include:

- amounts payable, or the cost of land dedicated, or other benefit provided, under a condition imposed under the EP&A Act, Division 7.1 or 7.2 or a planning agreement

- costs relating to a part of the development or project that is the subject of a separate development consent or approval
- land costs, including costs of marketing and selling land
- costs of the ongoing maintenance or use of the development
- GST.

Our EDC has been prepared on this basis and we certify that the calculation is accurate and covers the full scope of the works, stages and activities in the development proposal and we understand the EIS lodgement is to occur within 30 days of the date of this report.

This report is signed by an RICS Chartered Quantity Surveyor as follows:

Name	Qualification	Signature
Richard Rigby	MRICS (77082)	

2 BASIS OF PREPARATION

2.1 PURPOSE OF REPORT

This report has been prepared to the required SEARS for Major Projects in NSW.

The report has been prepared in accordance with legislative and regulatory requirements of the consent authority for estimating the EDC including the EP&A Act & EP&A Regulation, SEPPs, Planning Circular PS24-002 and SEARS.

We note it is not our role to verify that the design contains all the legislation design requirements.

This report has been prepared in accordance with the AIQS Practice Standard – Construction Cost Assessments for NSW Estimated Development Cost Reports for State Significant projects and is an elemental estimate in accordance with the AIQS Australian Cost Management Manual including detailed measurement and pricing.

2.2 DOCUMENTATION

The development proposal documents (including the EIS report, drawings and associated reports), upon which this EDC has been calculated are listed with dates in the Schedule of Information in Appendix B of this report.

2.3 STATEMENT OF LIMITATIONS

The EDC is an indicative order of development cost and is based on preliminary information. The actual cost of the development will vary depending on numerous matters including but not limited to the method of contractual procurement, staging, quality of finishes and fitments, method of construction, calibre of contractor, timing and implementation of the works, utility provisions outside site boundaries, etc. Hence, this report is for the benefit of NSW Department of Planning only and is not to be relied upon by third parties.

2.3.1 OUTSTANDING INFORMATION

In preparing this report we list below the information that forms part of the application and EIS that has not been made available to us to the best of our knowledge that could influence the accuracy of the calculation of the EDC.

Outstanding Information
NA

2.3.2 INHERENT UNCERTAINTY

We confirm any inherent uncertainty in the estimation process that has not been able to be incorporated into the detailed calculation schedule as follow:

Inherent Uncertainty in the Estimate
NA

2.4 STATEMENT OF QUALIFICATIONS

The qualifications of the quantity surveyor signing this report is a RICS Chartered Quantity Surveyor.

We confirm the quantity surveyor and the supporting team have proficient experience in project construction costs in NSW.

2.5 DISCLAIMER

We confirm the following matters that may have impaired the objectivity of the calculation of the EDC are as follows:

Matters Impairing Objectivity of the EDC Calculation
Nil

This report is prepared for the reliance of the party/parties for whom it is prepared. Rider Levett Bucknall accepts no responsibility, or liability, to any other party who might use or rely upon this report without the prior knowledge and written consent of Rider Levett Bucknall.

In preparing this report we have read and understood the scope of the project as defined by the EIS.

No portion of this report (including without limitation any conclusions which may affect value, the identity of Rider Levett Bucknall or its Sub-Contractors, or any individuals signing or associated with this report, or the Professional Associations or Organisations with which they are affiliated) shall be copied or disseminated to third parties, by any means, without the prior written consent and approval of Rider Levett Bucknall.

3 SCOPE OF THE CALCULATION

3.1 DEVELOPMENT PROPOSAL DETAILS

The development proposal details are set out as follows:

Item	Description
Development Proponent	Lendlease Real Estate Investments Ltd
Development Name	Britton Street Multi-Level Warehouse
Planning reference Identifier / Number	SSD-67368956

3.2 DESCRIPTION OF THE PROJECT

The project is known as Britton Street Multi-Level Warehouse and located in 28-54 Percival Road, 15-21 Britton Street, Smithfield.

The proposal involves the construction and operation of a multi-level warehouse estate, comprising:

- Site preparation and establishment works, including:
 - Demolition of existing buildings and structures;
 - Clearing of nominated vegetation within the proposed development area;
 - Bulk earthworks to create proposed site levels;
 - Decommissioning of existing vehicle crossings; and
 - In-ground building services and utility work.
- Construction and operation of three (3) multi-level warehouse buildings across the two (2) allotments, comprising the following:
 - Two (2) two-storey warehouse buildings located on Lot 34 DP 617521 (Warehouse A and B), comprising of 12 individual warehouse units and ancillary office;
 - A three-storey building located on Lot 1 DP 597082 (Warehouse C), comprising of 9 individual warehouse units, ancillary office, and a café;
 - Shared outdoor amenity areas provided for employees on level 1;
 - Connected hardstand on ground floor and level 1 that will allow for vehicle circulation across the whole site;
 - A total of 482 carparking spaces within three separate carparking areas;
 - A total Gross Floor Area (GFA) of 96,568m², including 88,976m² of warehouse, 7,036m² of office, 71m² of café, 220m² of end of trip facilities and 265m² of shared amenities;
 - Four (4) new vehicle crossings on Percival Road and four (4) new vehicle crossings on Britton Street to provide separate entry and exit for heavy and light vehicles; and
 - Extensive ground and on-building landscaping works.

3.3 DETAILED CALCULATION SCHEDULE

The Estimated Development Costs is in the amount of \$440,630,000 excl. GST as summarised in the Executive Summary of this report. An elemental breakdown is contained in Appendix A of this report which provides detail to the calculation of the EDC.

3.4 BASIS OF ESTIMATE

3.4.1 BASIS OF QUANTIFICATION & PRICING

This estimate is based upon measured elemental quantities priced with rates current as at October 2024.

Gross Floor Areas (GFAs) are measured in accordance with the standard AIQS definitions as detailed in Appendix C.

The documentation used in the preparation of this estimate are listed in the Schedule of Information in Appendix B of this report:

The extent of uncertainty in the calculations is provided for within the following lump sum allowances:

- Removal of contaminated materials [\$1,000,000]
- Existing services termination, diversion, etc. as required [\$300,000]

And the provisions for escalation and contingency as outlined below.

3.4.2 BASIS OF PROCUREMENT

We have prepared this estimate based on the project being procured through a competitive tender process based on suitably advanced documentation.

3.4.3 PRELIMINARIES & PROGRAMME

Our estimate has been prepared based on assessing the preliminaries costs for the project considering indicative value (insurance), materials handling, scaffolding and a gross construction duration of 20 months as assumed by RLB based on previous experience. This duration is a guide only and we recommend a programme be prepared in order to determine the adequacy of this duration. Should the construction duration vary from the period stated above then adjustment to the preliminaries portion of the estimate would be required accordingly.

3.4.4 ESCALATION

The item rates within our estimate are current as at October 2024 and a separate allowance has been included to account for potential escalation beyond the date of this report to an anticipated construction start date on site in Quarter 3 2025, we have included an escalation allowance of \$20,113,000 which is equivalent to 5%.

3.4.5 CONTINGENCY

The estimate includes a contingency of \$20,491,000 which equates to 5% as a provision for uncertainties such as development of design and unforeseen events during construction.

3.4.6 CLARIFICATIONS AND ASSUMPTIONS

The following items are included in the EDC estimate:

- Long service levy (0.25% on the GST inclusive construction value)
- Professional fees as 5% of the Construction Cost or as otherwise justified
- Contingency (5%)

We have employed the following clarifications and assumptions in preparing this report:

- Allowance has been made for demolition of existing buildings and structures
- Provisional allowance of \$1,000,000 has been made for removal of contaminated materials
- Allowance has been made for recessed dock equipment including dock levellers
- Foundation and structure costs have been made based on \$/m²
- Allowance has been made for paint finish to exposed structural steel
- Allowance has been made for paint finish to underside of hardstand and ramp soffit
- Allowance has been made for loose furniture and gym equipment to Level 1 suspended landscaping area only

- Allowance has been made for warehouse racking
- Allowance has been made for industrial vehicular crossovers to site entrances
- Services works costs have been made based on \$/m2
- Cut and fill volumes allowed in accordance with Costin Roe civil documentation
- No allowance for FF&E, loose fittings and equipment other than those stated
- No allowance for staging and/or to complete the works out of sequence. It is assumed that the works will be undertaken during normal working hours
- No allowance for authority fees other than long service leave levy
- No allowance for end-user requirements other than warehouse racking, such as café fitout, commercial kitchen equipment, dock accessories, etc. We have been advised by Lendlease that the development submission is not seeking consent for this scope, as this will form a separate planning submission.

3.4.7 ITEMS SPECIFICALLY EXCLUDED

The following items are excluded from the EDC estimate:

- Amounts payable, or the cost of land dedicated, or other benefit provided, under a condition imposed under the EP&A Act, Division 7.1 or 7.2 or a planning agreement
- Costs relating to a part of the development or project that is the subject of a separate development consent or approval
- Land costs, including costs of marketing and selling land
- Costs of the ongoing maintenance or use of the development
- GST
- Finance Costs

4 JOB CREATION / EMPLOYMENT BENEFIT

4.1.1 EMPLOYMENT BENEFIT FROM CONSTRUCTION PHASE

The entire construction of the project has a forecasted perceived employment contribution throughout the community of 1,429 job years during the life of the project comprising:

- Direct employment on site 986
- Manufacture & supply of intermediate goods & services 293
- Indirect supply of goods & services 150

The methodology used to calculate these job creation forecasts is outlined in Appendix D.

4.1.2 EMPLOYMENT BENEFIT FROM OPERATIONAL PHASE

The following tables highlight the Employment Generation Analysis of the proposed project in operation.

Based on figures provided by a warehouse operator we forecast the Employment Benefits based on a conventional warehouse in operation.

Employment Multiplier (Full Time Job Years)	Production Induced Effects		
	Warehouse Operation	Admin., Logistics & Retail	Total Production Effects
Convectional Warehouse	185.874	13.889	199.762

As at October 2024

GFA

Warehouse 88,976 m2
Admin, Logistics & Retail 7,592 m2

Employment Output (Full Time Job Years)	Production Induced Effects		
	Warehouse Operation	Admin., Logistics & Retail	Total Production Effects
Convectional Warehouse	478.69	546.62	1,025.31

The GFA stated above generally applies to the internal lettable areas of the building only however excludes the warehouse loading zones.

The employment output represents that for each 186m2 of the conventional Warehouse one year of employment is created. In a conventional Warehouse Office and Retail one year of employment is created per 14m2 of Office and Retail.

In this report, please note that the employment output associated with the café is included in the office calculation.

As noted within the above schedule, the entire project has a forecast perceived employment contribution throughout the community of 1,025 jobs per year.

As the analysis involves forecasting, it can be affected by a number of unforeseeable variables. It represents, for the party to whom it is addressed, the best estimates of Rider Levett Bucknall, but no assurance is, or can be, given that the forecast outcomes will be achieved.

APPENDIX A:
EDC Elemental Estimate

Issued separately as Commercial in Confidence

APPENDIX B:
Schedule of Information

SCHEDULE OF INFORMATION

Architectural Drawings (Revision 21) prepared by SBA Architects Pty Ltd:

DA000 – Cover Sheet (20)
 DA001 – 3D View Perspectives – Percival Road (8)
 DA002 – 3D View Perspectives – Britton Street (12)
 DA050 – Site Analysis & Development Summary (11)
 DA100 – Warehouse Plan – Lower Ground (20)
 DA101 – Warehouse Plan – Lower Ground Mezz (19)
 DA102 – Warehouse Plan – Ground (20)
 DA103 – Warehouse Plan – Ground Floor Mezz (19)
 DA104 – Warehouse Plan – Level 1 (19)
 DA105 – Warehouse Plan – Level 1 Mezz (19)
 DA106 – Warehouse Roof Plan (12)
 DA121 – Vegetation Impact (11)
 DA130 – Warehouse Elevations – Sheet 1 (13)
 DA131 – Warehouse Elevations – Sheet 2 (12)
 DA135 – 3D and Materials (8)
 DA140 – Warehouse Sections – Sheet 1 (17)
 DA141 – Warehouse Sections – Sheet 2 (13)
 DA200 – Core 1, 2 Details (8)
 DA205 – Core 3 & 4 Details (5)
 DA210 – Tenancy A1 (8)
 DA211 – Tenancy A2 (5)
 DA212 – Tenancy A3 (6)
 DA213 – Tenancy Typical A4-5 & B4-5 (6)
 DA215 – Tenancy A6 (6)
 DA220 – Tenancy B1 (6)
 DA221 – Tenancy B2 (6)
 DA222 – Tenancy B3 (6)
 DA225 – Tenancy B6 (8)
 DA234 – Tenancy Typical C1-6 (6)
 DA241 – Tenancy Typical C7-8 (6)
 DA242 – Tenancy C9 (6)
 DA250 – Dock Office Typical (7)
 DA270 – End of Trip Percival Road (7)
 DA271 – End of Trip Britton Street (9)
 DA280 – Café (1)
 DA400 – Shadow Diagrams (6)
 DA410 – 3D Section (5)
 DA411 – 3D View Perspectives – Sections (7)
 DA450 – 3D Perspectives 1 (15)
 DA451 – 3D Perspectives 2 (14)
 DA452 – 3D Perspectives 3 (14)
 DA500 – GFA Calculations (9)
 DA510 – GLA Calculations (15)
 DA600 – Signage Details – Warehouse Identification Sign – Sheet 1 (6)
 DA601 – Signage Details – Warehouse Identification Sign – Sheet 2 (4)
 DA610 – Signage Details – Tenancy Identification Sign (4)
 DA615 – Signage Details – Directional Sign (5)

Civil Drawings prepared by Costin Roe Consulting Pty Ltd:

CO15091.00-DA100-F – Drawing Lit & General Notes
 CO15091.00-DA150-B – Existing Services Plan
 CO15091.00-DA200-C – Erosion & Sediment Control Plan
 CO15091.00-DA250-C – Erosion & Sediment Control Details – Sheet 1

CO15091.00-DA251-C – Erosion & Sediment Control Details – Sheet 2
 CO15091.00-DA300-H – Bulk Earthworks Plan
 CO15091.00-DA351-G – Bulk Earthworks Sections – Sheet 1
 CO15091.00-DA352-G – Bulk Earthworks Sections – Sheet 2
 CO15091.00-DA400-I – Stormwater Drainage Key Plan Sheet 1
 CO15091.00-DA405-B – Council Stormwater Diversion Plan
 CO15091.00-DA411-F – Stormwater Drainage Plan – Lower Ground Floor
 CO15091.00-DA421-E – Stormwater Drainage Plan – Ground Floor Warehouse C
 CO15091.00-DA422-F – Stormwater Drainage Plan – Ground Floor Warehouse A & B
 CO15091.00-DA431-E – Stormwater Drainage Plan – Ground Floor Mezz Warehouse A&B&C
 CO15091.00-DA440-C – Roof Plan
 CO15091.00-DA441-E – Stormwater Drainage Plan – Level 1 Warehouse C
 CO15091.00-DA442-E – Stormwater Drainage Plan – Level 1 Warehouse A & B
 CO15091.00-DA451-E – Stormwater Drainage Plan – Level 1 Mezz Warehouse C
 CO15091.00-DA452-E – Stormwater Drainage Plan – Level 1 Mezz Warehouse A & B
 CO15091.00-DA461-C – Stormwater Drainage Details – Sheet 1
 CO15091.00-DA462-C – Stormwater Drainage Details – Sheet 2
 CO15091.00-DA463-B – Stormwater Drainage Details – Sheet 3
 CO15091.00-DA471-C – Stormwater Catchment Plan – Music
 CO15091.00-DA481-B – Stormwater Tank Details – Lower Ground
 CO15091.00-DA482-B – Stormwater Tank Details – Ground
 CO15091.00-DA500-H – Finished Levels Key Plan
 CO15091.00-DA511-G – Finished Levels Plan – Lower Ground Floor
 CO15091.00-DA521-E – Finished Levels Plan – Ground Floor Warehouse C
 CO15091.00-DA522-F – Finished Levels Plan – Ground Floor Warehouse A & B
 CO15091.00-DA531-E – Finished Levels Plan – Ground Floor Mezz
 CO15091.00-DA541-E – Finished Levels Plan – Level 1 Warehouse C
 CO15091.00-DA542-E – Finished Level Plan – Level 1 Warehouse A & B
 CO15091.00-DA551-E – Finished Level Plan – Level 1 Mezz Warehouse C
 CO15091.00-DA552-E – Finished Level Plan – Level 1 Mezz Warehouse A & B
 CO15091.00-DA561-B – Typical Sections – Sheet 1
 CO15091.00-DA562-B – Typical Sections – Sheet 2

Landscaping Drawings prepared by Geoscapes Landscape Architects Pty Ltd:

SSD-00 – Cover Page (G)
 SSD-01 – Landscape Master Plan: LGF & GF (G)
 SSD-02 – Canopy Cover & Landscape (G)
 SSD-03 – LGF & GF Detail Plan – Sheet 1 (G)
 SSD-04 – LGF & GF Detail Plan – Sheet 2 (G)
 SSD-05 – LGF & GF Detail Plan – Sheet 3 (G)
 SSD-06 – LGF & GF Detail Plan – Sheet 4 (G)
 SSD-07 – LGF & GF Detail Plan – Sheet 5 (G)
 SSD-08 – LGF & GF Detail Plan – Sheet 6 (G)
 SSD-09 – LGF & GF Detail Plan – Sheet 7 (G)
 SSD-10 – LGF & GF Detail Plan – Sheet 8 (G)
 SSD-11 – LGF & GF Detail Plan – Sheet 9 (G)
 SSD-12 – Landscape Section AA (G)
 SSD-13 – Landscape Section BB & CC (G)
 SSD-14 – Landscape Section DD (G)
 SSD-15 – Upper Levels Detail Plans (G)
 SSD-16 – Level 1 Mezzanine Amenity Area Master Plan (G)
 SSD-17 – Level 1 Mezzanine Amenity Area Plan 01 (G)
 SSD-18 – Level 1 Mezzanine Amenity Area Plan 02 (G)
 SSD-19 – Level 1 Mezzanine Amenity Area Plan 03 (G)
 SSD-20 – Level 1 Mezzanine Amenity Area Section (G)
 SSD-21 – Level 1 Mezzanine Amenity Area Reference Imagery (G)
 SSD-22 – Level 1 Mezzanine Amenity Area Plant Reference Imagery (G)
 SSD-23 – Typical Specification & Details (G)
 SSD-24 – Landscape Matrix Details (G)

SSD-25 – Estate Planting Schedule & Imagery (G)

APPENDIX C:
Standard Area Definitions

STANDARD AREA DEFINITIONS

The terminology “GFA” as utilised in this report relates to Gross Floor Area. The definition of GFA as measured in this report is as follows:

GROSS FLOOR AREA (G.F.A.)

The sum of the “Fully Enclosed Covered Area” and “Unenclosed Covered Area” as defined.

FULLY ENCLOSED COVERED AREA (F.E.C.A.)

The sum of all such areas at all building floor levels, including basements (except unexcavated portions), floored roof spaces and attics, garages, penthouses, enclosed porches and attached enclosed covered ways alongside buildings, equipment rooms, lift shafts, vertical ducts, staircases and any other fully enclosed spaces and usable areas of the building, computed by measuring from the normal inside face of exterior walls but ignoring any projections such as plinths, columns, piers and the like which project from the normal inside face of exterior walls. It shall not include open courts, lightwells, connecting or isolated covered ways and net open areas or upper portions of rooms, lobbies, halls, interstitial spaces and the like which extend through the storey being computed.

UNENCLOSED COVERED AREA (U.C.A.)

The sum of all such areas at all building floor levels, including roofed balconies, open verandahs, porches and porticos, attached open covered ways alongside buildings, undercrofts and usable space under buildings, unenclosed access galleries (including ground floor) and any other trafficable covered areas of the building which are not totally enclosed by full height walls, computed by measuring the area between the enclosing walls or balustrade (i.e. from the inside face of the U.C.A. excluding the wall or balustrade thickness). When the covering element (i.e. roof or upper floor) is supported by columns, is cantilevered or is suspended, or any combination of these, the measurements shall be taken to the edge of the paving or to the edge of the cover, whichever is the lesser. U.C.A. shall not include eaves overhangs, sun shading, awnings and the like where these do not relate to the clearly defined trafficable areas, nor shall it include connecting or isolated covered ways.

APPENDIX D:
Employment Benefit

Employment Benefit Methodology

Employment Benefit from Construction Phase

As requested, Rider Levett Bucknall (RLB) have undertaken an analysis of the perceived employment benefits derived from the construction of the proposed development. RLB would emphasise that we have assessed the potential “gross” benefits regarding the project. Our approach is that the economic and employment impact of the project has been viewed in isolation, ignoring external contributory influences and we have assumed that all benefits identified are a result of this project alone.

The benefits attributable to the project can be direct, indirect, or induced. The Initial Effect benefits are those derived from the direct employment on site within the construction industry based on the project value. The Production Induced Benefits are those employment outcomes that are derived from all industries that directly support the construction industry by the supply of materials and services directly to the project.

Employment Multiplier Effects Calculation

The following tables highlight the Employment Generation Analysis of the proposed phases of the project (not including land, occupancy, and financing costs), highlighting the employment outcomes associated with the project.

The unit measure for employment is the equivalent of one full-time job for one year.

Multiples as at October 2024 with escalation (for each \$1m of construction value)

Employment Multiplier (Full Time Job Years)	Initial Effects	Production Induced Effects			Total
		First Round Effects	Industrial Support Effects	Total Production Effects	
Building (Res & Non Res) including Civil works	2.292	0.681	0.350	1.030	3.323

As at October 2024 with escalation

Project Value: \$430.0 million

Employment Output (Full Time Job Years)	Initial Effects	Production Induced Effects			Total Employment Output
		First Round Effects	Industrial Support Effects	Total Production Effects	
Building (Res & Non-Res) including Civil Works	985.62	292.77	150.33	443.09	1,428.72

The employment output represents that for each \$1,000,000 of construction work done, the initial employment effect would be that 2.3 workers would be engaged to undertake the works on site, 0.7 workers would be employed in the manufacture and supply of intermediate goods and services used in the construction of the project and a further 0.4 workers would be employed through the indirect supply of goods and services to those companies supplying the construction companies involved.

The entire construction of the project has a forecasted perceived employment contribution throughout the community of 1,429 job years during the life of the project.

The forecast outcomes are derived from established methodological approaches and measures. As the analysis involves forecasting, it can be affected by a number of unforeseeable variables. It represents a forecast, for the party to whom it is addressed, the best estimates of Rider Levett Bucknall, but no assurance is, or can be, given that the forecast outcomes will be achieved.

Notes to Rider Levett Bucknall's Employment Benefit Analysis

Methodology

The method used to estimate the direct, indirect and induced effects of a project is by means of an "input-output" analysis. The main application of this analysis is to examine the effects on the economy as a whole in private or government spending.

Input / Output analysis utilises multipliers to assess additional economic activity, measured in dollars (Economic Multipliers) and employment measured in jobs (Employment Multipliers) that result from increased production in a particular industry.

There are two types of multipliers – Production Induced Multipliers and Consumption Induced Multipliers.

Production Induced Multipliers consist of:

- (1) First Round Effects which comprise all outputs and employment required to produce the inputs for construction and;
- (2) Industrial Support Effects which are the induced extra output and employment from all industries to support the production of the first round effect.

Consumption Induced Multipliers relate to the demand for additional goods and services due to increased spending by the wage and salary earners, across all industries, arising from employment. These multipliers have not been used in this example as they have been deemed too distant for real analysis.

Input-output multipliers used within this analysis have been derived from ABS published data tables and adjusted for inflationary & productivity factors together with Rider Levitt Bucknall's assessment of the project being undertaken.

ABS input/output tables have been derived from the Australian construction industry as a whole and is calculated on all work performed within the sector.

Definitions

Full Time Job Years	The number of full-time jobs of 1 year in length
Initial Effects	The employment or economic benefit generated directly from the project spend on the construction process.
Production Induced Effects	Indirect wages and economic benefit generated by companies supporting the production of goods and services to the project.
First Round Effects	Wages and economic benefit generated by companies directly supplying goods and services to the construction effort.
Industrial Support	Indirect wages and economic benefit arising from the generation of the First Round Effects

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