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18 October 2016

University of New South Wales
c/o- Capital Insight Pty Ltd
77 Berry Street
North Sydney, NSW, 2060**Attention: Ms Elisabeth Wallace**

Dear Madam,

**UNSW BIOLOGICAL SCIENCES STAGE 2
EMPLOYMENT AND ECONOMIC MULTIPLIER BENEFITS**

As requested, Rider Levett Bucknall (RLB) have undertaken an analysis of the perceived employment benefits derived from the construction of the proposed commercial office development. RLB would emphasise that we have assessed the potential "gross" benefits in regard to the project. Our approach is that the economic and employment impact of the project is 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 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 Economic Multiplier Effects Calculation

The following table highlights 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.

As at March 2017**Project Value : \$80 million**

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) inc Construction Services	211	59	32	92	302

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The employment output represents that for each \$1,000,000 of construction work done, the Initial Employment Effect affect would be that 2.6 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 for 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 company.

As noted within this report, the project has a forecasted perceived employment contribution throughout the community of 302 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, 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.

Yours faithfully



Stephen Mee

Director

Rider Levett Bucknall

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Notes to Rider Levett Bucknall's Employment Benefit Analysis

Methodology

The method used to estimate the direct, indirect and induced effects of the 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 a change in private or government additional 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 Levett 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