



SOCIAL AND ECONOMIC IMPACT ASSESSMENT

GOSFORD ALIVE CONCEPT DA

APRIL 2020
PREPARED FOR LEDERER GROUP



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EXECUTIVE SUMMARY

This Social and Economic Impact Assessment (SEIA) has been prepared by Urbis Pty Ltd on behalf of Lederer Group ("The Proponent"). The Proponent is proposing a mixed use development at 136 to 148 Donnison Street, Gosford. The proposal is for a Stage 1 Concept DA for a master plan with five mixed use towers including residential and commercial uses.

This SEIA addresses the requirements of the SEARs and SEPP which includes assessment of the:

- Economic impacts of the proposed development including the need for and impact of the proposed quantum of commercial uses (Section 3)
- Economic benefits that will likely be generated by the development during its construction and ongoing operations (Section 4)
- Social impact of the development (Section 5)

This report constitutes a comprehensive update of a previous report completed in June 2019. The update was prompted by a request for Response to Submissions issued by the New South Wales Department of Planning, Industry and Environment (DPIE) issued 20 December 2019, and minor adjustments to the scale and type of land uses being proposed at the subject site. As such, we have updated our assessment based on these adjustments to the proposal and DPIE's request for further information.

PROPOSED DEVELOPMENT

The Proponent is currently seeking approval for a Stage 1 Concept Development Application for a master plan with five mixed use towers including residential and commercial uses at the subject site. The proposed development seeks to deliver a mixed use development that will cater to the various needs of the local community.

Based on the indicative envelopes, the concept DA includes the following:

- 727 apartments with a mix of one, two- and three-bedroom apartments:
 - 180 x 1 bedroom
 - 399 x 2 bedroom
 - 148 x 3 bedroom
- 5,079 sq.m (NSA) of non-residential floorspace (i.e. flexible commercial space)
- Through-site link providing pedestrian access from Donnison Street to William Street
- A network of open space in the form of:
 - Open landscaped plaza fronting Henry Parry Drive with water features, informal play, seating and shade protection
 - Internal green 'road' between William and Donnison Street with a central water feature, elevated boardwalk and landscaping features
 - Landscaped pathway link from the landscaped plaza to the green 'road' with overhanging rainforest vegetation.
- Basement with 1,015 car parking spaces.

COMMERCIAL MARKET DEMAND, NEED AND IMPACTS

Employment growth in the Gosford CBD is forecast to drive demand for an additional ~38,420 sq.m of commercial floorspace between 2016 and 2031. Some of this space has already been delivered between 2016 and 2019 (e.g. ~7,000 sq.m at 32 Mann Street).

While employment growth is anticipated to drive demand for an additional ~38,420 sq.m of commercial floorspace between 2016 and 2031, there is currently ~28,430 sq.m of vacant commercial space in the CBD, in addition to ~12,990 sq.m of proposed new commercial space, and another 5,079 sq.m of commercial space proposed at the subject site. As such, the total of ~46,500 sq.m of available and proposed commercial space in Gosford CBD is more than adequate supply to meet forecast demand from jobs growth by 2031.

Although the 5,079 sq.m of non-residential floorspace proposed for development at the subject site is intended to be flexible such that it would be able to accommodate a range of different uses, these potential uses are generally expected to be commercial in nature (e.g. offices, medical suites, gym, child care, etc). Given the scale and the types of uses likely to be seeking floorspace, the space will aim to be of B Grade quality.

It is important to note that commercial floorspace demand is unlike retail floorspace where it competes for a geographically constrained catchment. Adding commercial floorspace to a precinct does not tend to impact the demand from existing tenants due to the inertia associated with tenants moving from one building to another.

Typically, newly available commercial developments attract new tenants to an area or cater to expansion requirements of existing tenants. As such, the proposed commercial space at the subject site is expected to attract new businesses into the town centre who otherwise would not locate in the centre due to the poor quality of the existing vacant space.

Furthermore, the 5,079 sq.m of commercial space proposed at the subject site is considered an appropriate quantum of floorspace given the likely impact on commercial vacancy rates in the Gosford CBD.

Currently, Urbis estimates commercial vacancy in the Gosford CBD to be ~25%. Based on projected commercial floorspace demand over the next 10 years, and the future supply pipeline excluding the subject site proposal, the commercial vacancy rate is projected to drop to ~2% by 2031. When the 5,079 sq.m proposed at the subject site is included, this vacancy rate is projected to reach ~6%.

This is considered a healthy vacancy rate and is similar to the vacancy rates currently recorded in healthy commercial markets such as Newcastle (7.2%), Macquarie Park (4.4%), Sydney (3.9%), and Chatswood (3.7%).

The proposed commercial space will provide a number of key benefits to the Gosford CBD and commercial market. These include:

- Supporting on-site and indirect employment during construction and ongoing operation
- Providing higher quality commercial space that will attract new businesses into the CBD who are currently put off by the poor quality of the existing vacant space
- Complementing the Gosford CBD by improving the overall commercial office offer in the local area and by contributing a critical mass of A and B Grade commercial space
- Achieving a healthy commercial vacancy rate in the CBD
- Delivering highly accessible commercial space that is well serviced by public transport with Gosford Train Station and Gosford Station bus interchange, which includes Busways operated bus routes to surrounding suburbs and other centres including Tuggerah, Erina Fair, Terrigal and Woy Woy, located approximately 900 metres walking distance from the subject site.

As such, the proposed commercial floorspace is expected to support and bolster the role of the Gosford CBD as an important employment and services hub, rather than adversely impact it.

ECONOMIC BENEFITS

There are a range of economic benefits associated with the proposed development:

- Deliver 76 direct jobs and 120 indirect jobs, and contributing \$180.7 million in direct and indirect value added, to New South Wales over the 10-year development phase
- Deliver 267 direct jobs through the ongoing operation of the non-residential (commercial) components of the development and a further 193 indirect jobs from flow-on effects
- Contribute \$55.9 million in value added to the New South Wales economy on an annual ongoing basis.

In addition to supporting additional employment and economic growth, the proposed development will provide a range of other benefits for existing and future Gosford residents, workers and visitors, including:

- Additional retail spending from residents at the subject site. The proposed development will bring \$24.4 million in additional retail spending into the Gosford CBD and support the growth of local businesses. This is likely to help offset any potential impact from the loss of parking at the subject site.
- Strengthening the role of the Gosford CBD by housing future residents in an area with significant and growing employment opportunities, and creating opportunities for live work synergies. The development will also contribute to the urban renewal of the eastern precinct of Gosford CBD by increasing passive surveillance and through ground floor activation that will enhance street level vibrancy.
- Creating a walkable environment. The location of the mixed use development, within the CBD, adjacent to open space and existing retail and commercial facilities, and incorporating residential apartment buildings will encourage walkability and reduce car dependency. This should assist in reducing traffic generation within the CBD, and thereby reduce the need for carparks.
- Contributing to housing choice and affordability within the Gosford CBD and broader Central Coast LGA
- Investment stimulus in the Gosford CBD and broader Central Coast LGA.

The proposed development should therefore be supported from an economic perspective.

SOCIAL IMPACTS

A social impact assessment was undertaken to understand the demand for social infrastructure and open space generated by the proposed incoming resident and worker population. Key findings of the assessment are outlined below:

- **Childcare facilities:** Demand for approximately 18 additional childcare places based on the incoming resident and worker population. There are currently six childcare facilities located within a 2km radius of the site and desktop studies identify that majority of these are at full or nearing capacity.
- **Community centre:** There is only one community centre and no contemporary multipurpose centre the Gosford CBD or within 2km of the site. The existing community centre is outdated and only has capacity for 80 people. Therefore, there is currently a gap in the current supply of a contemporary multipurpose space in Gosford. It is noted that this is an existing gap, not driven by the proposal. This gap has also been identified by Central Coast Council as outlined in the Draft Community Facilities Review.
- **Performing arts/cultural:** No additional demand for a performing arts or cultural facility driven by the proposal. The development of a new regional and performing arts centre in Gosford CBD is identified as a short-term recommendation in the Central Coast Draft Community Facilities Review.
- **Library:** Demand for an additional 100 sqm library floor space which is expected to be absorbed by the future plans for the new 'Gosford Regional Library'.
- **Education:** Additional demand for two to three primary school classrooms and one secondary school classroom based on advice from the Department of Education. Based on 2036 population projections and the estimated dwelling yield of the proposal, there will be enough long-term capacity at existing government primary and secondary schools to cater for the additional classrooms triggered by the incoming population.

- **Health:** No additional demand for health facilities driven by the proposal. It is noted that there is generally high demand on community health services across the LGA, with a focus on the northern region. There should also be adequate access to primary care services to alleviate any pressure on hospital emergency departments.
- **Open space:** It is expected that the incoming resident and worker population will generate additional pressure on Kibble Park and Rumbalara Reserve. However, this pressure is expected to be alleviated based on planned upgrades and improvements to Kibble Park and the public and private open space proposed throughout the development.

The proposed development includes 5,079 sq.m commercial floorspace, so there would be scope for some of these uses to be accommodated within the building, subject to suitable commercial arrangements.

RECOMMENDATIONS

Based on the benchmarking assessment of social infrastructure and open space and consultation with key agencies the following management measures are recommended to support a positive social outcome:

- Council to consider future contributions made as part of the proposal to align with the Central Coast Council Draft Community Facilities Review. Contributions could go towards the development of a multipurpose centre or the current gap in provision or potential upgrades to Gosford Olympic Pool.
- Consider provision of a childcare facility on site to meet the demand generated by the incoming resident and worker population as well as other anticipated background growth. This will be subject to operator interest or potential interest from Central Coast Council who are currently undertaking a review of their Children's Services.
- DPIE to continue to consult with the Department of Education on other developments proposed in Gosford to understand the cumulative impact on government primary and secondary schools.

The proposed development is supportable from an economic and social infrastructure perspective.

1. INTRODUCTION

Urbis Pty Ltd. (Urbis) was engaged by Lederer Group (the applicant) to prepare a Socio-Economic Assessment (SEA) in relation to a State Significant Development Application (SSDA) for the former Kibbleplex Shopping Centre Site at 136 to 148 Donnison Street, Gosford.

The SSDA is for a Stage 1 Concept DA of a mixed-use development with 5 towers including residential and commercial uses.

1.1. LEGISLATIVE REQUIREMENT

Under Section 4.15 of the Environmental Planning and Assessment Act 1979 (EP&A) Act), the likely impacts of a development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality are required to be considered and addressed as part of the planning process.

This report has been prepared in accordance with the Secretary Environmental Assessment Requirements (SEARs) for the site, issued on 1 February 2019, which require an assessment of social and economic impacts as follows:

“The EIS must include an assessment of the social and economic impacts of the development, including consideration of any increase in demand for community infrastructure and services”.

1.2. UPDATED REPORT

This report constitutes a comprehensive update of a previous report completed in June 2019. The update was prompted by a request for Response to Submissions issued by the New South Wales Department of Planning, Industry and Environment (DPIE) issued 20 December 2019, and minor adjustments to the scale and type of land uses being proposed at the subject site. As such, we have updated our assessment based on these adjustments to the proposal and DPIE's request for further information.

The report is structured as follows

- **Section Two – Subject Site and Proposed Development:** considers the site in its local context
- **Section Three – Commercial Need Assessment:** provides an assessment of the need and impact of the commercial uses within the proposed development
- **Section Four – Economic Benefit Assessment:** outlines the economic benefits likely to flow from the proposed development during both its construction and ongoing operation
- **Section Five – Social Impact Assessment:** assesses the impact of the proposed development (and the incoming resident and worker population it will bring) on the demand for community infrastructure and services
- **Section Six – Conclusion.**

2. SUBJECT SITE AND PROPOSED DEVELOPMENT

2.1. SUBJECT SITE

The overall site area is approximately 14,125 sq.m and is an L-shaped portion of land that has large frontages to William Street, Henry Parry Drive, Donnison Street and a small frontage to Albany Street.

The site is located in the 'civic heart' of Gosford CBD and is surrounded by commercial and retail uses, educational establishments including TAFE NSW, Gosford Primary School and Henry Kendall Primary School, health establishments including Gosford Hospital, open space and recreational facilities including Kibble Park, Rumbalara Reserve, Gosford City Park, Central Coast Stadium and Gosford Golf Club.

The site is approximately 900 metres walking distance from Gosford Train Station and Gosford Station bus interchange which includes Busways operated bus routes to surrounding suburbs and other centres including Tuggerah, Erina Fair, Terrigal and Woy Woy.

The Gosford CBD revitalisation is a priority of the Central Coast Regional Plan 2036 to facilitate the growth of the regional centre to attract new residents, businesses, tourists and cultural activity. The vision for Gosford CBD is to be the vibrant and thriving capital of the Central Coast. The revitalisation program is being led by the Government Architect NSW (GANSW) to guide and extensive community and stakeholder consultation has occurred in 2017 to 2018 to further inform the plans for Gosford CBD.

Figure 1 – Local Context



Source: Buchan Group, 2019

2.2. PROPOSED DEVELOPMENT

The Proponent is currently seeking approval for a Stage 1 Concept Development Application for a master plan with five mixed use towers including residential and commercial uses at the subject site. The proposed development seeks to deliver a mixed use development that will cater to the various needs of the local community.

Based on the indicative envelopes, the concept DA includes the following:

- 727 apartments with a mix of one, two- and three-bedroom apartments:
 - 180 x 1 bedroom
 - 399 x 2 bedroom
 - 148 x 3 bedroom
- 5,079 sq.m (NSA) of non-residential floorspace (i.e. flexible commercial space)
- Through-site link providing pedestrian access from Donnison Street to William Street
- A network of open space in the form of:
 - Open landscaped plaza fronting Henry Parry Drive with water features, informal play, seating and shade protection
 - Internal green 'road' between William and Donnison Street with a central water feature, elevated boardwalk and landscaping features
 - Landscaped pathway link from the landscaped plaza to the green 'road' with overhanging rainforest vegetation.
- Basement with 1,015 car parking spaces.

Figure 2 – Illustrative Stage 1 Masterplan



Source: Buchan Group, 2019

3. COMMERCIAL NEED ASSESSMENT

To meet the SEARs and SEPP requirements, this section provides an assessment of the current and proposed commercial floorspace in the Gosford CBD and evaluates the need and impact of the additional commercial space proposed as part of the potential development at 136 to 148 Donnison Street.

Commercial space is defined as business premises, office premises, and retail premises. However, as the proposed development will not be delivering any specific floorspace for retail uses, this section focuses on more typical commercial space (e.g. space that typically accommodates offices, businesses, medical suites, child care, gyms).

3.1. CURRENT AND FUTURE PROVISION

This section provides commentary around the current and proposed provision of commercial floorspace in the Gosford CBD and the contribution of the proposed development to the CBD's commercial market.

3.1.1. Existing Supply

To understand the current state of Gosford's commercial market, Urbis staff undertook a field audit of the Gosford CBD. During this audit, Urbis staff inspected the existing commercial space, including standalone office buildings as well as small commercial tenancies within the strip retail precincts (e.g. along Mann Street).

Based on the audit, Urbis has evaluated the quality and level of vacancy of existing commercial buildings and strip tenancies. Quality has been assessed based on Urbis' professional opinion, with each space allocated a rating on a three-point scale:

- **Low Quality** – Older buildings and fit-out which present poorly (roughly equivalent to C and D Grade commercial stock)
- **Medium Quality** – Mix of older and relatively new buildings and fit-outs that present fairly well (roughly equivalent to B Grade commercial stock)
- **High Quality** – All relatively new buildings and fit-outs that present very well and generally have large floorplates (roughly equivalent to A Grade commercial stock).

As shown in Table 3.1, there is currently an estimated 114,750 sq.m of commercial floorspace (excluding retail) in the Gosford CBD. Approximately 72,000 sq.m, or 60%, of this space is located within standalone commercial buildings. The remaining ~43,550 sq.m is dispersed throughout the CBD in smaller strip tenancies.

The smaller strip tenancies are generally all low quality, as is ~20,650 sq.m of the commercial building space in the CBD (e.g. Gateway Commercial Centre). However, the majority of space within standalone buildings is assessed to be of medium quality (~35,200 sq.m) while a further ~15,350 sq.m is assessed as being of high quality (e.g. 32 Mann Street).

While the overall commercial vacancy rate in the Gosford CBD is estimated to be ~25%, the vast majority of this vacant space is concentrated within the low quality commercial buildings (69% vacant) and strip tenancies (27% vacant). The medium and high quality commercial space enjoys much healthier vacancy rates of only 4-6%. As such, there is clearly demand for higher quality commercial space in the CBD but the majority of existing commercial space is poor quality and not attractive to potential tenants who may otherwise wish to locate in the CBD.

Existing Commercial Floorspace

Gosford CBD

Table 3.1

Commercial Building Quality	Total GFA (sq.m)	Estimated Vacant Floorspace (sq.m)	Vacancy Rate (%)	Quality (1 = Low, 3 = High)
Low	20,646	14,276	69.1%	1
Medium	35,199	1,460	4.1%	2
High	15,351	827	5.4%	3
Strip Tenancies				
Gosford CBD	43,555	11,870	27.3%	1
Total Commercial Space	114,751	28,433	24.8%	

Source: Urbis

3.1.2. Proposed Supply

In analysing the future supply pipeline for commercial space in the Gosford CBD, only developments providing at least 500 sq.m of commercial floorspace were considered regardless of their stage in the planning timeline.

There are currently six proposed developments with major commercial components in the Gosford CBD. These comprise:

- **The Palisades** is a mixed use development consisting of two towers that is set to deliver 1,069 sq.m of commercial floorspace (expected to be B Grade), 44 apartments and ground floor retail of 140 sq.m by 2021.
- **Georgiana Terrace Mixed Development** is a mixed use development which will deliver a total of 1,091 sq.m of commercial floorspace (expected to be B Grade), 529 sq.m of retail floorspace and 134 apartments by 2022.
- The **Waterside Development** is a mixed use development with a commercial floorspace component of approximately 7,900 sq.m due for completion in 2025. It represents the only development underway in the CBD which is likely to deliver A Grade commercial space.
- **The Horizon Gosford** is a 20 storey shop top development comprising a total of 550 sq.m of commercial floorspace (expected to be B Grade) and 184 apartments, estimated for completion by 2023.
- **Dwyer, Mann and Hills Street Shop Top Housing** is a six-tower development made up of a total of 1,519 sq.m of commercial floorspace (expected to be B Grade), 229 sq.m of retail floorspace and 391 apartments, due for completion by 2026.
- **Central Coast Quarter** is a mixed used development located next to the standalone commercial building on 32 Mann Street. The development is proposed to comprise of 849 sq.m of commercial floorspace (expected to be B Grade), approximately 2,500 sq.m of retail floorspace, a total of 295 residential units and 182 hotel rooms, estimated to be completed by 2025.

In total, these proposed developments are expected to deliver an additional 12,992 sq.m of medium-high quality (i.e. A or B Grade) commercial floorspace in the Gosford CBD. This represents a 11.3% increase in total commercial office stock, and a 25.7% increase in medium and high quality stock. These additions will help to reinvigorate the CBD and attract new businesses into the centre.

Proposed Commercial Developments

Gosford CBD, March 2020

Table 3.2

Name	Address	Commercial GFA (sq.m)	Completion Year	Project Stage
The Palisades	17 Mann St, Gosford	1,069	2021	Approved
Georgiana Terrace Mixed Development	27-37 Mann St, Gosford	1,091	2022	Approved
The Horizon Gosford	321-331 Mann St, Gosford	550	2023	Approved
Waterside Development	50-70 Mann St, Gosford	7,914	2025	Approved
Dwyer, Mann & Hills St Shop Top Housing	393-397 Mann St, North Gosford	1,519	2026	Application
Central Coast Quarter	26 Mann St, Gosford	849	2025	Application
Total		12,992		

Source: Cordell Connect; Urbis

3.2. NEED, DEMAND AND IMPACT

The following section analyses the need for, and impact of, additional commercial floorspace in the Gosford CBD including the space proposed at the subject site.

3.2.1. Demand and Need

The future demand for commercial office space within the Gosford CBD has been forecast by adopting Transport for NSW's employment projections for the Gosford – Springfield SA2 and determining how many of the additional jobs will require commercial space.

By 2031, Transport for NSW forecasts strong growth in a number of industry sectors which will require commercial floorspace. These key growth industries include:

- Professional, Scientific and Technical Services (+654 new jobs, +22%)
- Public Administration and Safety (+1,177 new jobs, +56%)
- Financial and Insurance Services (+190 new jobs, +23%)
- Other Services (+386 new jobs, +34%)
- Health Care and Social Assistance (+1,515 new jobs, +22%).

As shown in Table 3.3, employment growth in the CBD is forecast to drive demand for an additional ~38,420 sq.m of commercial floorspace between 2016 and 2031. Some of this space has already been delivered between 2016 and 2019 (e.g. ~7,000 sq.m at 32 Mann Street), and the pipeline of 12,992 sq.m in addition to the commercial space proposed at the subject site will ensure that higher quality space is provided in the CBD to meet this future demand.

Given the five key sectors which are expected to drive the majority of demand for commercial space in the CBD, it will be important that future developments such as the subject site provide high quality, flexible space which can accommodate standard commercial offices and medical suites, in addition to other non-core commercial uses (e.g. gyms, child care centres).

Forecast Employment by Industry Sector and Commercial Floorspace Requirements

Gosford CBD, 2016-31

Table 3.3

Industry Sector	Forecast								2016-31		
	2016		2021		2026		2031		Total Change in Jobs	% of Jobs Requiring Commercial Space	No. of Jobs Requiring Commercial Space
	No.	%	No.	%	No.	%	No.	%			
Electricity, Gas, Water and Waste Services	162	1%	173	1%	183	1%	196		+34	10.0%	3
Health Care and Social Assistance	6,797	31%	7,215	30%	7,661	31%	8,311		+1,515	10.0%	151
Professional, Scientific and Technical Services	1,213	6%	1,509	6%	1,703	7%	1,867		+654	98.0%	641
Construction	1,396	6%	1,400	6%	1,425	6%	1,489		+93	5.0%	5
Manufacturing	1,205	5%	1,120	5%	1,002	4%	938		-267	0.0%	0
Wholesale Trade	402	2%	450	2%	439	2%	427		+25	0.0%	0
Public Administration and Safety	2,113	10%	2,814	12%	3,047	12%	3,290		+1,177	90.0%	1,060
Education and Training	1,140	5%	1,360	6%	1,441	6%	1,561		+421	5.0%	21
Transport, Postal and Warehousing	472	2%	472	2%	446	2%	385		-88	0.0%	0
Financial and Insurance Services	833	4%	930	4%	972	4%	1,024		+190	98.0%	187
Accommodation and Food Services	1,094	5%	1,196	5%	1,226	5%	1,311		+217	0.0%	0
Other Services	1,119	5%	1,363	6%	1,425	6%	1,504		+386	95.0%	366
Mining	30	0%	34	0%	34	0%	34		+4	0.0%	0
Administrative and Support Services	750	3%	749	3%	789	3%	839		+89	95.0%	85
Retail Trade	2,326	11%	2,243	9%	2,273	9%	2,359		+33	0.0%	0
Rental, Hiring and Real Estate Services	374	2%	372	2%	396	2%	414		+40	98.0%	39
Arts and Recreation Services	262	1%	281	1%	305	1%	329		+68	30.0%	20
Information Media and Telecommunications	239	1%	222	1%	220	1%	219		-20	80.0%	-16
Agriculture, Forestry and Fishing	24	0%	21	0%	21	0%	21		-4	0.0%	0
Total Employment	21,951	100%	23,923	100%	25,007	100%	26,517		+4,566		2,562
Additional Commercial Floorspace Required (2016-26)											38,424

Source: TfNSW; DPIE; Urbis

Table 3.4 reconciles the forecast demand for commercial space in Gosford CBD between 2016 and 2031 with vacant existing and proposed supply. It shows that employment growth is anticipated to drive demand for an additional ~38,420 sq.m of commercial floorspace between 2016 and 2031. However, there is currently ~28,430 sq.m of vacant commercial space in the CBD, in addition to ~12,990 sq.m of proposed new commercial space, and another 5,079 sq.m of commercial space proposed at the subject site.

As such, the total of ~46,500 sq.m of available and proposed commercial space in Gosford CBD is more than adequate supply to meet forecast demand from jobs growth by 2031.

Forecast Commercial Demand vs Supply

Gosford CBD, 2016-31

Table 3.4

		Unit	2016-31
Commercial Floorspace Demand	(1)	sq.m	38,424
Current Vacant Commercial Floorspace	(2)	sq.m	28,433
Proposed Commercial Floorspace	(3)	sq.m	12,992
Subject Site Proposal	(4)	sq.m	<u>5,079</u>
Total Commercial Floorspace Supply	(5) = (2) + (3) + (4)	sq.m	46,504
Surplus (+) / Deficit (-)	(5) - (1)	sq.m	8,079

Source: TfNSW; DPIE; Cordell Connect; Urbis

3.2.2. Subject Site Proposal

In addition to the 727 residential apartments, a total of 5,079 sq.m of non-residential floorspace is proposed for development at the subject site. This non-residential space is intended to be flexible such that it would be able to accommodate a range of different uses. However, these potential uses are generally expected to be commercial in nature (e.g. offices, medical suites, gym, child care, etc). Given the scale and the types of uses likely to be seeking floorspace, the space will aim to be of B Grade quality.

The proposed commercial space, together with the 727 residential apartments, will provide a number of key benefits to the Gosford CBD and commercial market. These are detailed in Section 4 and include:

- Supporting on-site and indirect employment during construction and ongoing operation
- Providing higher quality commercial space that will attract new businesses into the CBD who are currently put off by the poor quality of the existing vacant space
- Complementing the Gosford CBD by improving the overall commercial office offer in the local area and by contributing a critical mass of A and B Grade commercial space
- Achieving a healthy commercial vacancy rate in the CBD
- Delivering highly accessible commercial space that is well serviced by public transport with Gosford Train Station and Gosford Station bus interchange, which includes Busways operated bus routes to surrounding suburbs and other centres including Tuggerah, Erina Fair, Terrigal and Woy Woy, located approximately 900 metres walking distance from the subject site
- Strengthening the role of the Gosford CBD by creating opportunities for live work synergies within the CBD and activating the surrounding area as a place to visit
- Additional retail expenditure from on-site residents which will support the growth of local businesses and is likely to help offset any potential impact from the loss of parking at the subject site
- Contributing to housing choice and affordability within the Gosford CBD and broader Central Coast LGA.

3.2.3. Impact

It is important to note that commercial floorspace demand is unlike retail floorspace where it competes for a geographically constrained catchment. Adding commercial floorspace to a precinct does not tend to impact the demand from existing tenants due to the inertia associated with tenants moving from one building to another.

This is due to the long-term nature of commercial leases, the provision of tailored fit-outs, corporate and staff stability objectives, location familiarity and preference, and the costs associated with relocating premises. Typically, newly available commercial developments attract new tenants to an area or cater to expansion

requirements of existing tenants. As such, the proposed commercial space at the subject site is expected to attract new businesses into the town centre who otherwise would not locate in the centre due to the poor quality of the existing vacant space.

Furthermore, the 5,079 sq.m of commercial space proposed at the subject site is considered an appropriate quantum of floorspace given the likely impact on commercial vacancy rates in the Gosford CBD.

Currently, Urbis estimates commercial vacancy in the Gosford CBD to be ~25% (refer Table 3.5). Based on projected commercial floorspace demand over the next 10 years, and the future supply pipeline excluding the subject site proposal, the commercial vacancy rate is projected to drop to ~2% by 2031. When the 5,079 sq.m proposed at the subject site is included, this vacancy rate is projected to reach ~6%.

This is considered a healthy vacancy rate and is similar to the vacancy rates currently recorded in healthy commercial markets such as Newcastle (7.2%), Macquarie Park (4.4%), Sydney (3.9%), and Chatswood (3.7%).

Commercial Vacancy Rates

Gosford CBD vs Healthy Commercial Precincts

Table 3.5

Gosford CBD	Vacancy Rate
Today (2020)	24.8%
Excluding Subject Site Proposal (2031)	2.3%
Including Subject Site Proposal (2031)	6.1%
Healthy Commercial Precincts	
Newcastle	7.2%
Macquarie Park	4.4%
Sydney	3.9%
Chatswood	3.7%

Source: TfNSW; DPIE; Cordell Connect; PCA Office Market Report; Urbis

Additionally, the proposed development will deliver 727 apartments which are expected to accommodate around 1,380 new residents. These new residents in the heart of the Gosford CBD will bring additional spending that will support the existing and proposed businesses in the CBD, and help offset the loss of the existing carparking at the subject site.

The resulting increased resident population in the CBD will also attract new businesses seeking to cater to this growing population (e.g. services, child care, medical, retail, gyms), and the commercial space provided at the subject site will have the flexibility and capacity to accommodate these businesses.

As such, the proposed development is expected to support and bolster the role of the Gosford CBD as an important employment and services hub, rather than adversely impact it.

4. ECONOMIC BENEFIT ASSESSMENT

This section considers the employment contribution of the proposed development, both in terms of construction and operational jobs. It also considers the potential for increased resident spend resulting from new residents within the development, and the broader economic benefits of the proposed development.

4.1. INPUT OUTPUT METHODOLOGY

Property development projects provide economic benefits to a local economy and wider region during both the construction and development phase, and during the ongoing operation or working life of the project. Direct economic benefits during the development phase are identified in the form of expenditure, economic growth and employment benefits. These direct benefits in turn generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

This Economic Benefit Assessment uses REMPLAN to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the ongoing economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry
- Indirect effects are 1) those felt within industries that supply goods to the industries directly affected (industry effects) and 2) to industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects). For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.

The following sub-sections present a summary of benefits for these two phases.

4.2. DEVELOPMENT PHASE

Direct economic benefits during the development phase are identified in the form of employment and value added benefits. These direct benefits, in turn, generate flow on (multiplier or indirect) benefits which also benefit the regional and state economies.

4.2.1. Project Expenditure

Total expenditure estimates for the proposed development have been provided by MBM and Lederer Group. This development is estimated to generate approximately \$389 million of direct expenditure (Economic Output) to the local region and state over a 10-year development period (assumed to start in 2022).

4.2.2. Employment Benefits

New jobs will be supported during the 10-year development phase by the direct expenditure on the proposed development. The direct and indirect employment benefits are shown below:

- Direct Jobs = 76 over 10 years
- Indirect Jobs = 120 over 10 years
- Total Jobs = 196 over 10 years

4.2.3. Value Added Benefits (Constant \$2020)

Value added benefits (Gross State Product) will be generated from the direct expenditure incurred on the proposed development. Value added essentially represents economic growth for the region and state (i.e. Net Economic Output: this is total economic output minus output which is an input for other sectors).

The value added benefits are presented as net present values (NPV) calculated using a 7% discount rate. The direct and indirect value added benefits are shown below:

- Direct Value Added = \$70.2 million (NPV)
- Indirect Value Added = \$110.5 million (NPV)
- Total Value Added = \$180.7 million (NPV).

Economic Benefits – Development Phase

Proposed Development (\$2020)

Table 4.1

	Direct	Indirect	Total
Project Expenditure (\$M)	\$388.7	-	\$388.7
Employment (Jobs)	76 over 10 years	120 over 10 years	196 over 10 years
Value Added (\$M, NPV)	\$70.2	\$110.5	\$180.7

Note: NPV calculated using a 7% discount rate

Source: MBM; Lederer Group; REMPLAN Economy; Urbis

4.3. OPERATIONAL PHASE

In addition to economic benefits that are generated during the development phase of the project, there will be ongoing economic benefits created through the operation of the new facilities on the site. These benefits include growth in employment and value added (Gross State Product).

4.3.1. Employment Benefits

The ongoing operation of the proposed facilities will directly and indirectly support new jobs in the local region and state. In order to estimate the number of jobs this space will directly support, we have applied a blended work-space-ratio of 19 sq.m per job (based on an assumed mix of office, medical suite, gym and child care uses) to the proposed 5,079 sq.m of commercial floorspace.

This blended work-space ratio has been calculated based on our experience in assessing land use and employment density across a range of projects in Sydney and elsewhere in Australia. It also draws on the findings of the Perth Land Use and Employment Survey 2015/17, the 2016 City of Melbourne Census of Land Use and Employment (CLUE) and the City of Sydney 2017 Floorspace and Employment Survey.

The direct (based on industry standard jobs per sq.m benchmarks) and indirect employment benefits are shown below:

- Direct Jobs = 267
- Indirect Jobs = 193
- Total Jobs = 460.

4.3.2. Value Added Benefits (Constant \$2020)

Once complete, the proposed facilities will generate ongoing additional value added via annual contributions to Gross State Product (GSP). This represents economic activity which would otherwise not have occurred.

The annual value added benefits are presented as net present values (NPV) of the benefits over a 20-year operational period (from the completion of the employment-generating components of the development – i.e. the commercial floorspace), calculated using a 7% discount rate.

The direct and indirect value added benefits are shown below:

- Direct Value-Added = \$38.4 million per annum (NPV)
- Indirect Value-Added = \$17.5 million per annum (NPV)
- Total Value-Added = \$55.9 million per annum (NPV).

Economic Benefits – Operational Phase

Proposed Development, (\$2020)

Table 4.2

	Direct	Indirect	Total
Employment (Jobs)	267	193	460
Value Added (\$M, NPV)	\$38.4	\$17.5	\$55.9

Note: NPV calculated using a 7% discount rate over a 20-year operational period

Source: MBM; Lederer Group; REMPLAN Economy; Urbis

4.4. OTHER ECONOMIC BENEFITS

In addition to the benefits of job creation and economic contribution during the development and ongoing operational phases, the proposed development is set to deliver a range of other positive outcomes.

4.4.1. Retail Spending

As part of the proposed mixed use development concept, 727 apartments are proposed above the commercial uses. Based on an indicative average household size of 1.9 persons per dwelling, these units are expected to accommodate ~1,380 new residents.

As shown in Table 4.3, these new residents will generate approximately \$24.4 million in additional retail spending which will support local businesses in the Gosford CBD.

Based on the Australian average turnover per sq.m of retail floorspace of \$6,500 per sq.m (Urbis), this additional spending from residents has potential to support a further ~3,760 sq.m of retail floorspace, including in the surrounding area. These new residents will therefore aid in reinvigorating the CBD by actively contributing to growing businesses in the area.

Additional Retail Spending and Floorspace Demand

Proposed Development, (\$2020)

Table 4.3

Metric	Calculation	Units	
Proposed Apartments	(A)	No.	727
Average Household Size ¹	(B)	Persons	1.9
On-Site Residents	(C) = (A) x (B)	Persons	1,380
Spend per Capita ²	(D)	\$	\$17,694
Additional Retail Spending	(E) = (C) x (D)	\$M	\$24.4
Average Turnover per Sq.m ³	(F)	\$	\$6,500
Additional Supportable Retail Floorspace	(G) = (E) ÷ (F)	sq.m	3,757

1. Based on the average household size of the suburb of Gosford

2. For residents in the suburb of Gosford

3. Based on average turnover per sq.m for all retail floorspace in Australia

Source: Lederer Group; ABS 2016 Census; MarketInfo 2012; Urbis

4.4.2. Strengthening the Role of the Gosford CBD

The proposed development will create opportunities for live work synergies, by housing future residents in an area with significant and growing employment opportunities.

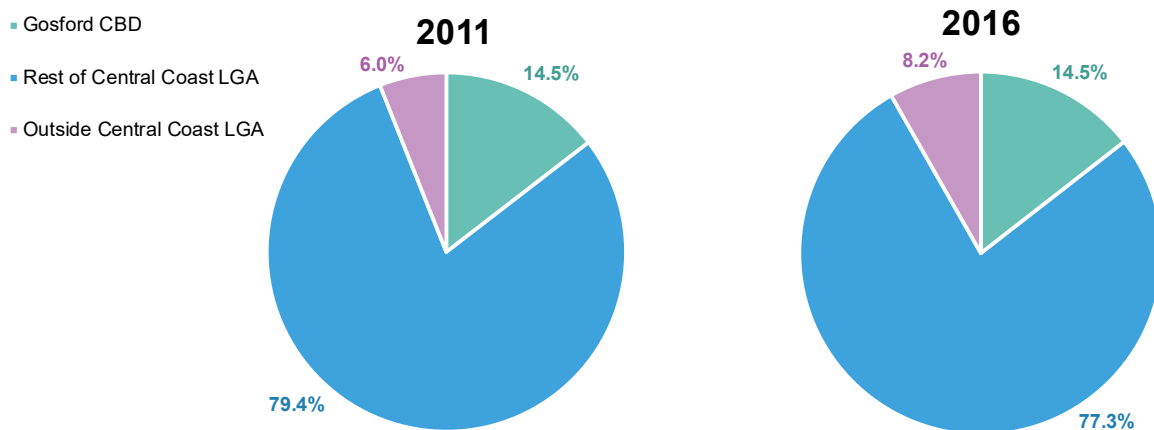
As per Transport for NSW's employment projections for the Gosford – Springfield SA2 (derived from DPIE's employment projections for the Central Coast LGA), the Gosford CBD is expected to deliver ~6,500 new jobs between 2016 to 2031. Providing well-located housing and services within the CBD for these new workers, through developments such as that which is proposed at the subject site, will be critical to ensuring Gosford is a successful employment and services centre.

However, in recent years, employment self-sufficiency in the Gosford CBD has decreased. As shown in Chart 4.1, while the proportion of CBD workers who live within the Gosford CBD has remained stable at 14.5%, the proportion who live outside of the Central Coast LGA has increased from 6.0% to 8.2%. Providing housing close to jobs will create the opportunity for these workers to relocate into the CBD and surrounds, reducing the strain on transport infrastructure, and further supporting the Central Coast economy.

Place of Residence of Gosford CBD Workers

Gosford CBD, 2011-16

Chart 4.1



Source: ABS; Urbis

The development will also contribute to the urban renewal of the eastern precinct of Gosford CBD. Ground floor activation will enhance street level vibrancy while the increase in CBD residents will enhance passive surveillance and help to stimulate the evening economy.

4.4.3. Improved Housing Choice and Affordability

The proposed development will help achieve housing objectives outlined within the *Central Coast Regional Plan 2036*, which sets a target of 6,000 new dwellings for the Gosford CBD by 2031.

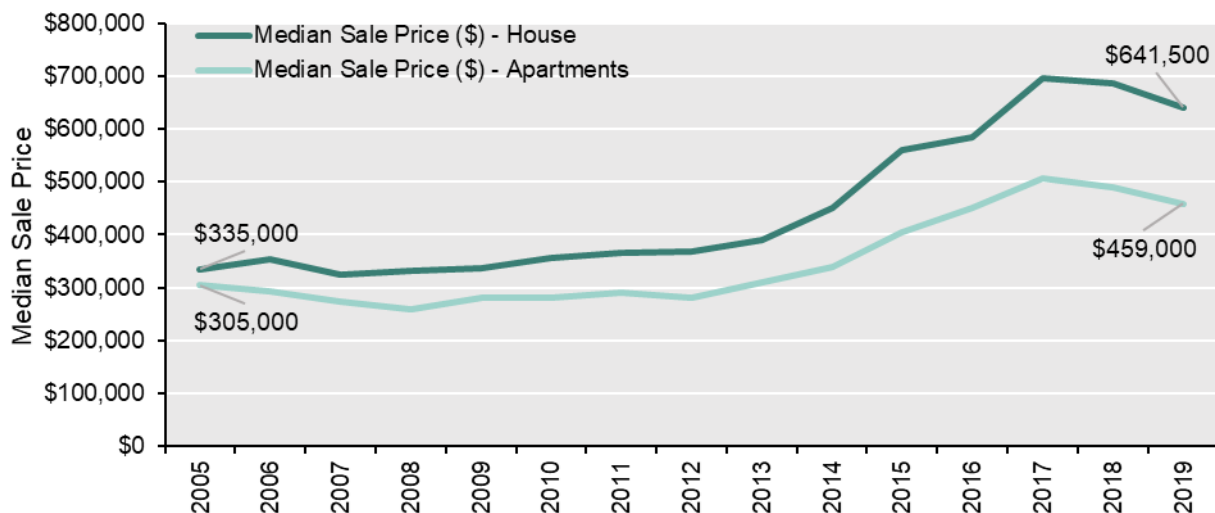
The provision of new apartments will provide increased diversity of housing within the CBD. In parallel with other residential and mixed use proposals in the Gosford CBD, this development can strengthen and diversify the role of Gosford CBD as a place for people to live.

The proposed development will provide relatively cheaper housing through the high provision of apartments. Data from APM PriceFinder shows that on average, apartments have been sold at around a **27% discount to houses** in Gosford and surrounding suburbs over the past 5 years from 2015 to 2019. The development would appeal to young families and first home buyers looking to enter the market at an affordable price point.

House and Unit Sale Prices

Gosford and surrounding suburbs, 2005-2019

Chart 4.2



Note: data includes sales from Gosford, East Gosford and North Gosford suburbs

Source: APM PriceFinder; Urbis

5. SOCIAL IMPACT ASSESSMENT

To meet the SEARS requirements, provides a high-level assessment of the increase in demand for community infrastructure and services.

5.1. ANALYSIS OF CURRENT PROVISION

An audit of existing social infrastructure services and facilities within 2km of the site has been undertaken to understand the current supply, including quantity and quality of existing social infrastructure.

The following sections present an audit of existing social infrastructure services and facilities provided within a 400m (walkable catchment) and 2km radius of the site. More detail is provided in **Appendix A**.

Table 5.1 – Social infrastructure categories considered

Category	Types of social infrastructure
Childcare facility	Childcare or early learning centres
Community facility	Community centres, theatres, hall, bowling clubs or libraries
Health facilities	Medical centres, community health centres or hospitals
Education	Primary schools, high schools and tertiary education centres
Open space	Land zoned RE1 and RE2

Figure 3 – Audit map of social infrastructure



Source: Urbis GIS, 2019

5.1.1. Childcare facility

There is one childcare facility located within 400m of the site and five located within 2km.

Gosford Cubbyhouse Long Day Care Centre (6) is a 42-place licensed child care centre that caters for children from 6 weeks old to 6 years. A desktop study indicates there are limited places at the facility.

Gosford Preschool (10) is a community-based pre-school partially funded by the Department of Education. The pre-school is licensed for 40 children per day, with priority for children eligible for school the following year. The pre-school is full for 2019, only taking names for the waitlist for 2020 without guarantee for a place and currently taking enrolments for 2021.

The other community based childcare facility is the Yarran Early Intervention Centre (11) which is an early intervention service for young children with developmental disabilities. The facility is a not for profit and registered provider of the NDIS.

Desktop studies indicate that the three privately run childcare centres within the 2km radius have some vacancies, however this is limited capacity especially in the 3-5 age group.

5.1.2. Community facilities

Gosford Library (1) is located within 400m of the site. Research identifies that Gosford and the broader area have outgrown the current library space. In early 2018 two concept designs were prepared for the 'Gosford Regional Library' to significantly expand on the current services including larger connections, quiet study areas, increased programs and events, improved access to technology, meeting spaces and an 'Innovation Hub' for creative communities and small businesses. As part of the Gosford CBD revitalisation plans, GANSW vision is to re-purpose the library as a public building and to create a civic plaza that is connected to Mann Street to enable flexible spaces for day and night events.

Within a 2km radius of the site there are four community facilities including Lions Community Hall (2), 1st East Gosford Scout Hall (3), East Gosford Guide Hall (4) and Laycock Street Theatre (5).

Lions Community hall is the only facility available for public hire as Scout Halls are generally not available for general public use.

5.1.3. Health facilities

There are no health facilities located within 400m of the site and five located within 2km.

Gosford Hospital (12) is a large public metropolitan hospital with 200-500 beds and an emergency department. In 2018 Gosford Hospital opened its new 11-storey tower which includes a nuclear medicine service to improve diagnoses for a range of conditions and speed up scans for emergency patients.

Gosford Private Hospital (13) is also located within a 2km radius of the site and provides a range of specialty services including orthopaedics, neurosurgery, a heart centre, maternity, endoscopy centre and rehabilitation services.

Gosford Family Care Cottage (14) is located just outside the 400m radius of the site and is a NSW Health facility that provides support to families with children 0 to 5 years who need additional support and advice regarding a range of health issues.

5.1.4. Education

There are three education facilities within 400m of the site and eight located within 2km.

Central Coast Conservatorium of Music (25), ET Australia Secondary College (16) and Gosford TAFE (24) are located within 400m of the site.

Henry Kendall High School (15), Gosford Public School (21), Gosford East Public School (22) and Gosford High School (18) are public primary and secondary schools located within a 2km radius of the site. Our Lady of the Rosary Catholic Primary School (20), St Joseph's Catholic College (17), St Patrick's Catholic Primary School (23) and St Edward's Christian Brothers' College (19) are catholic primary and secondary schools located within 2km of the site.

In April 2014, Gosford Public School relocated to a shared site with Henry Kendall High School to benefit both schools. This included the delivery of new classrooms, dedicated play areas, a new library, hall and canteen and upgrades to existing classrooms and science labs and a new games court.

5.1.5. Open space

There is 8.3 hectares of public open space (RE1) within a 400m radius from the site and 267.8 hectares within 2km.

The RE1 land located within 400m of the site consists of Kibble Park and parts of the Rumbalara Reserve including natural areas, rainforest and trails. Rumbalara Reserve extends further to the east and includes an extensive 11km return walk, picnic areas and bushland. Other significant RE1 land located within 2km of the site includes Garnet Adcock Memorial Park, Gosford Golf Club and Hylton Moore Oval and President's Hill Lookout.

There is also 30.6 hectares of private open space (RE2) within 2km of the site consisting of a small portion of the Gosford Golf Club and the Entertainment Grounds race course.

5.2. FUTURE COMMUNITY PROFILE

This section provides an analysis of the future community profile of the Gosford-West Gosford Small Area (Gosford – West Gosford) based on Profile Id. population forecasts and the expected development yield and occupancy rates. More detail is provided in **Appendix B**.

5.2.1. Population projections

This section provides an analysis of the future community profile of the Gosford-West Gosford Small Area (Gosford – West Gosford) based on Profile Id. population forecasts. More detail is provided in **Appendix B**.

Key characteristics of Gosford – West Gosford's projected population are:

- In 2016 the population of Gosford – West Gosford was 4,970. This is projected to grow by 121.9% to 11,028 total persons in 2036 with growth projected across all five-year age groups
- Almost one quarter (23.0%) of the 2036 is project to be aged 20 – 29 years, representing the largest 10-year age group
- In 2016 there were 2,614 total households in Gosford – West Gosford. All household types are expected to grow with a total growth rate of 117.0% from 2016 to 5,673 projected households in 2036
- Couples without dependents is projected to experience the strongest growth rate of 127.0% from 2016 and 2036
- In 2016 there were 2,822 dwellings in Gosford – West Gosford. This is expected to grow by 121.6% to 6,253 dwellings in 2036. The period between 2016 to 2026 is expected to experience the strongest growth in new dwellings.

5.2.2. Incoming development

This benchmark assessment considers the expected social infrastructure generated by the incoming development population. The incoming population has been based on the following assumptions:

- A total population of 4,970 within the Gosford – West Gosford suburb (based on 2016 census data)
- An estimated dwelling yield of 727 apartments
- An incoming resident population of 1,380 people based on an average of 1.9 people per household (ABS Census 2016 – Gosford suburb)
- A direct incoming worker population of approximately 267 based on **Section 4.3** of this report
- A resident population predominately of young couples without dependents or young families based on the Gosford population projections and proposed dwelling mix.

5.3. BENCHMARKING ASSESSMENT

The aim of this assessment is to identify demand generated by the incoming resident and worker population and any potential shortfall and assess what facilities may be required to meet the needs of the incoming development population and the worker population (for child care and open space only).

The benchmarks used are intended as a guide and are useful as a comparison tool. They give an indication of the amount of social infrastructure that would ideally be provided if opportunity exists but should also be supported by analysis of quality and local preferences.

Childcare facilities

There is one childcare facility located within 400m of the site and five located within 2km of the site.

Benchmark	Demand
1 place: 5 children (0-4 years)	<p>The future 0-4 age group has been calculated as the 5.4% of the total incoming development and worker population, based on the 2036 projected population for this age group, totalling 89 incoming children.</p> <p>The incoming population will generate the demand for approximately 18 additional child care places. Desktop research of existing child care facilities within a 2km radius indicate that most are at capacity or have limited capacity. Therefore, the assessment identifies demand for additional childcare services in the local area. In and of itself, demand for just 18 spaces would not be sufficient to trigger operator interest in developing a new childcare centre.</p>

Community centres

There is one community centre (Lions Community Hall) located within 2km of the site. The hall is a Council run facility available for hire with capacity for 80 people.

There is no multipurpose centre located within a 2km of the site.

Benchmark	Demand
1 neighbourhood centre: 3,500-6,000 people	<p>The incoming resident population of 1,380 will not trigger the demand for an additional neighbourhood centre or multipurpose centre based on the benchmark. However, it is noted that the current community centre, Lions Community Hall, is an outdated facility that only has capacity for 80 people.</p> <p>Therefore, there is currently a gap in the current supply of a contemporary multipurpose space in Gosford.</p>
1 multipurpose centre: 20,000 people	

Performing arts/cultural centre

Laycock Street Community Theatre is located within 2km of the site which serves as a regional facility for the wider Central Coast LGA.

Benchmark	Demand
Performing Arts/Cultural Centre: 1:30,000 people	Based on this assessment the incoming resident population will not generate demand for a performing arts/cultural centre.

Library

Gosford Library is located within 400m of the site within Kibble Park. As discussed in **Section 5.1.2** of this report there are future plans to upgrade Gosford Library to a regional library facility to significantly increase the service offering for the wider community.

Benchmark	Demand
Library (branch level): 1:33,000 people	The incoming resident population does not trigger the NSW Growth Centres benchmark for a branch level library but it will generate the need for approximately 100m ² additional library floor space.
The NSW State Library benchmark for a minimum size library is 190m ² for communities of less than 2,750.	Gosford Library is currently at capacity at 820 sq.m and there are future plans for a regional library of 4,000 sq.m. This additional floorspace will provide improved and increased services, discussed in more detail in Section 5.1.2 . The expansion of the library to a new 'Gosford Regional Library' will meet the additional floorspace generated by the incoming resident population.

Education

There are two public primary schools and two public high schools within 2km of the site.

Benchmark	Demand
1 public primary school: 1,500 new dwellings (approx.)	The incoming population will not generate the demand for a public primary school or public high school based on the benchmarks.
1 public high school: 4,500 dwellings (approx.)	As discussed in Section 5.1.2 Gosford Public School relocated to a shared site with Henry Kendall High School and included the delivery of new classrooms, dedicated play areas, a new library, hall, canteen and upgrades to existing classrooms and science labs and a new games court.

Health

There is one community health centres and two hospitals located within 2km of the site. A desktop study of Gosford Hospital and Gosford Private Hospital indicates that there are 613 total beds.

Benchmark	Demand
1 community health centre: 20,000 people	The incoming resident population will not generate the demand for a new community health centre.
Hospital 2 beds: 1,000 people	The incoming resident population will generate demand for 1-2 additional hospital beds. Gosford Hospital is located in close proximity to the site and has recently undergone significant upgrades and improved service delivery, including a new 11-storey tower with number of health services. Based on the proximity to the existing community health facility, Gosford Family Care Cottage, Gosford Hospital and Gosford Private Hospital the health facility needs of the incoming resident population will be met.

Open space

The following assessment is based on benchmarks from the Government Architects *Draft Open Space for Recreation Guide*.

The site is within walking distance (400m) to a total of 8.3 ha of public open space. Majority of this is bushland associated with extensive walking tracks and active recreation opportunities as part of the Rumbalara Reserve.

Kibble Park is located adjacent the proposal and comprises approximately 1.3 ha of public open space. Kibble Park underwent major upgrade in 2013 and includes two playgrounds, walking paths and seating.

Under the Gosford City Centre Special Infrastructure Contribution (SIC) funding is allocated for the upgrade of Kibble Park to create a vibrant civic heart of the CBD.

Benchmark	Demand
Local open space (2-5 ha) 400m from dwellings	<p>The proposal is located within 400 metres of local open space (Kibble Park and Rumbalara Reserve). It is expected that the incoming resident and worker population will generate some additional pressure on Kibble Park and Rumbalara Reserve.</p> <p>The proposal includes a network of open space provided for the incoming resident and worker population and public open space which will alleviate some of this pressure on the local open space network.</p>

5.4. CONSULTATION OUTCOMES

Following lodgement and exhibition of the SSDA in late 2019 DPIE has requested further consideration of the cumulative impacts of the proposal on existing health services, infrastructure, community facilities and child care centres. In response to this consultation was undertaken in March 2020 with Central Coast Local Health District, Central Coast Council and the Department of Education.

Key outcomes are in Table 5.2 below.

Table 5.2: Consultation outcomes

Agency	Consultation key findings
Central Coast Local Health District (CCLHD)	<ul style="list-style-type: none"> CCLHD have been provided with anecdotal evidence that community health centres in the Central Coast district are above capacity. This is a current focus area for CCLHD who are looking into future planning for community health services across the district. Demand is generally high for all community health services, with higher demand focused in the northern (Wyong area) of the district. Demand for health services has high correlation with demographic characteristics of the incoming population. For example, a senior living or affordable housing developments are likely to generate higher demand for various health services. The development should have adequate access to primary care services such as general practices and pharmacies to alleviate pressure on hospital emergency departments. There are no current plans for new hospitals or extensions to existing hospitals, however there is some ability for Gosford Hospital to expand if required. This is also dependent on funding arrangements for particular services.
Central Coast Council	<ul style="list-style-type: none"> Central Coast Council are undergoing a Community Facilities review for the LGA. As part of this, it was identified that there is a need for a contemporary multi-purpose community space in Gosford. A multi-purpose space could be located in a central and easily accessible location that is co-located with other community uses. This space should also ideally be suitable for a wide range of uses and meet all physical accessibility requirements. Developer contributions from the proposal should align with recommendations for the Gosford CBD provided in the Community Facilities Review. This includes

Agency	Consultation key findings
Department of Education	<p>provision of a regional multi-purpose community facility and potential upgrades to Gosford Olympic Pool.</p> <ul style="list-style-type: none"> • The Department of Education place schools in primary and secondary 'community groups' with approximately 10 government schools that are geography based to enable a holistic assessment of cumulative demand in an area. • Based on an estimated dwelling count of circa 700 the development will generate demand for two to three primary school classrooms and one secondary classroom. • Based on 2036 projected populations and the estimated dwelling yield for this development only, there will be enough long-term capacity at existing government primary and secondary schools to cater for the additional classrooms triggered by the incoming population. • The capacity assumptions are based on the projected incoming population for this development only, and therefore it is requested that DPIE continue to consult with the Department of Education on other developments proposed in Gosford.

5.5. OVERALL IMPACT

The benchmarking assessment has identified that the proposed incoming resident and worker population will generate some additional demand for social infrastructure. The overall impact of the proposal is summarised below:

- **Childcare facilities:** Demand for approximately 18 additional childcare places based on the incoming resident and worker population. There are currently six childcare facilities located within a 2km radius of the site and desktop studies identify that majority of these are at full or nearing capacity.
- **Community centre:** There is only one community centre and no contemporary multipurpose centre the Gosford CBD or within 2km of the site. The existing community centre is outdated and only has capacity for 80 people. Therefore, there is currently a gap in the current supply of a contemporary multipurpose space in Gosford. It is noted that this is an existing gap, not driven by the proposal. This gap has also been identified by Central Coast Council as outlined in the Draft Community Facilities Review.
- **Performing arts/cultural:** No additional demand for a performing arts or cultural facility driven by the proposal. The development of a new regional and performing arts centre in Gosford CBD is identified as a short-term recommendation in the Central Coast Draft Community Facilities Review.
- **Library:** Demand for an additional 100 sqm library floor space which is expected to be absorbed by the future plans for the new 'Gosford Regional Library'.
- **Education:** Additional demand for two to three primary school classrooms and one secondary school classroom based on advice from the Department of Education. Based on 2036 population projections and the estimated dwelling yield of the proposal, there will be enough long-term capacity at existing government primary and secondary schools to cater for the additional classrooms triggered by the incoming population.
- **Health:** No additional demand for health facilities driven by the proposal. It is noted that there is generally high demand on community health services across the LGA, with a focus on the northern region. There should also be adequate access to primary care services to alleviate any pressure on hospital emergency departments.
- **Open space:** It is expected that the incoming resident and worker population will generate additional pressure on Kibble Park and Rumbalara Reserve. However, this pressure is expected to be alleviated based on planned upgrades and improvements to Kibble Park and the public and private open space proposed throughout the development.

5.6. RECOMMENDATIONS

Based on the assessment in this report, the following management measures are recommended to support a positive social outcome:

- Council to consider future contributions made as part of the proposal to align with the Central Coast Council Draft Community Facilities Review. Contributions could go towards the development of a multipurpose centre or the current gap in provision or potential upgrades to Gosford Olympic Pool.
- Consider provision of a childcare facility on site to meet the demand generated by the incoming resident and worker population as well as other anticipated background growth. This will be subject to operator interest or potential interest from Central Coast Council who are currently undertaking a review of their Children's Services.
- DPIE to continue to consult with the Department of Education on other developments proposed in Gosford to understand cumulative impact on primary and secondary schools.

6. CONCLUSION

COMMERCIAL MARKET DEMAND, NEED AND IMPACT

Employment growth in the Gosford CBD is forecast to drive demand for an additional ~38,420 sq.m of commercial floorspace between 2016 and 2031. Some of this space has already been delivered between 2016 and 2019 (e.g. ~7,000 sq.m at 32 Mann Street).

While employment growth is anticipated to drive demand for an additional ~38,420 sq.m of commercial floorspace between 2016 and 2031, there is currently ~28,430 sq.m of vacant commercial space in the CBD, in addition to ~12,990 sq.m of proposed new commercial space, and another 5,079 sq.m of commercial space proposed at the subject site. As such, the total of ~46,500 sq.m of available and proposed commercial space in Gosford CBD is more than adequate supply to meet forecast demand from jobs growth by 2031.

Although the 5,079 sq.m of non-residential floorspace proposed for development at the subject site is intended to be flexible such that it would be able to accommodate a range of different uses, these potential uses are generally expected to be commercial in nature (e.g. offices, medical suites, gym, child care, etc). Given the scale and the types of uses likely to be seeking floorspace, the space will aim to be of B Grade quality.

It is important to note that commercial floorspace demand is unlike retail floorspace where it competes for a geographically constrained catchment. Adding commercial floorspace to a precinct does not tend to impact the demand from existing tenants due to the inertia associated with tenants moving from one building to another.

Typically, newly available commercial developments attract new tenants to an area or cater to expansion requirements of existing tenants. As such, the proposed commercial space at the subject site is expected to attract new businesses into the town centre who otherwise would not locate in the centre due to the poor quality of the existing vacant space.

Furthermore, the 5,079 sq.m of commercial space proposed at the subject site is considered an appropriate quantum of floorspace given the likely impact on commercial vacancy rates in the Gosford CBD.

Currently, Urbis estimates commercial vacancy in the Gosford CBD to be ~25%. Based on projected commercial floorspace demand over the next 10 years, and the future supply pipeline excluding the subject site proposal, the commercial vacancy rate is projected to drop to ~2% by 2031. When the 5,079 sq.m proposed at the subject site is included, this vacancy rate is projected to reach ~6%.

This is considered a healthy vacancy rate and is similar to the vacancy rates currently recorded in healthy commercial markets such as Newcastle (7.2%), Macquarie Park (4.4%), Sydney (3.9%), and Chatswood (3.7%).

The proposed commercial space will provide a number of key benefits to the Gosford CBD and commercial market. These include:

- Supporting on-site and indirect employment during construction and ongoing operation
- Providing higher quality commercial space that will attract new businesses into the CBD who are currently put off by the poor quality of the existing vacant space
- Complementing the Gosford CBD by improving the overall commercial office offer in the local area and by contributing a critical mass of A and B Grade commercial space
- Achieving a healthy commercial vacancy rate in the CBD
- Delivering highly accessible commercial space that is well serviced by public transport with Gosford Train Station and Gosford Station bus interchange, which includes Busways operated bus routes to surrounding suburbs and other centres including Tuggerah, Erina Fair, Terrigal and Woy Woy, located approximately 900 metres walking distance from the subject site.

As such, the proposed commercial floorspace is expected to support and bolster the role of the Gosford CBD as an important employment and services hub, rather than adversely impact it.

ECONOMIC BENEFITS

There are a range of economic benefits associated with the proposed development:

- Deliver 76 direct jobs and 120 indirect jobs, and contributing \$180.7 million in direct and indirect value added, to New South Wales over the 10-year development phase
- Deliver 267 direct jobs through the ongoing operation of the non-residential (commercial) components of the development and a further 193 indirect jobs from flow-on effects
- Contribute \$55.9 million in value added to the New South Wales economy on an annual ongoing basis.

In addition to supporting additional employment and economic growth, the proposed development will provide a range of other benefits for existing and future Gosford residents, workers and visitors, including:

- Additional retail spending from residents at the subject site. The proposed development will bring \$24.4 million in additional retail spending into the Gosford CBD and support the growth of local businesses. This is likely to help offset any potential impact from the loss of parking at the subject site.
- Strengthening the role of the Gosford CBD by housing future residents in an area with significant and growing employment opportunities, and creating opportunities for live work synergies. The development will also contribute to the urban renewal of the eastern precinct of Gosford CBD by increasing passive surveillance and through ground floor activation that will enhance street level vibrancy
- Creating a walkable environment. The location of the mixed use development, within the CBD, adjacent to open space and existing retail and commercial facilities, and incorporating residential apartment buildings will encourage walkability and reduce car dependency. This should assist in reducing traffic generation within the CBD, and thereby reduce the need for carparks.
- Contributing to housing choice and affordability within the Gosford CBD and broader Central Coast LGA
- Investment stimulus in the Gosford CBD and broader Central Coast LGA.

The proposed development should therefore be supported from an economic perspective.

SOCIAL IMPACTS

A social impact assessment was undertaken to understand the demand for social infrastructure and open space generated by the proposed incoming resident and worker population. Key findings of the assessment are outlined below:

- **Childcare facilities:** Demand for approximately 18 additional childcare places based on the incoming resident and worker population. There are currently six childcare facilities located within a 2km radius of the site and desktop studies identify that majority of these are at full or nearing capacity.
- **Community centre:** There is only one community centre and no contemporary multipurpose centre the Gosford CBD or within 2km of the site. The existing community centre is outdated and only has capacity for 80 people. Therefore, there is currently a gap in the current supply of a contemporary multipurpose space in Gosford. It is noted that this is an existing gap, not driven by the proposal. This gap has also been identified by Central Coast Council as outlined in the Draft Community Facilities Review.
- **Performing arts/cultural:** No additional demand for a performing arts or cultural facility driven by the proposal. The development of a new regional and performing arts centre in Gosford CBD is identified as a short-term recommendation in the Central Coast Draft Community Facilities Review.
- **Library:** Demand for an additional 100 sqm library floor space which is expected to be absorbed by the future plans for the new 'Gosford Regional Library'.
- **Education:** Additional demand for two to three primary school classrooms and one secondary school classroom based on advice from the Department of Education. Based on 2036 population projections and the estimated dwelling yield of the proposal, there will be enough long-term capacity at existing government primary and secondary schools to cater for the additional classrooms triggered by the incoming population.

- **Health:** No additional demand for health facilities driven by the proposal. It is noted that there is generally high demand on community health services across the LGA, with a focus on the northern region. There should also be adequate access to primary care services to alleviate any pressure on hospital emergency departments.
- **Open space:** It is expected that the incoming resident and worker population will generate additional pressure on Kibble Park and Rumbalara Reserve. However, this pressure is expected to be alleviated based on planned upgrades and improvements to Kibble Park and the public and private open space proposed throughout the development.

The proposed development includes 5,079 sq.m commercial floorspace, so there would be scope for some of these uses to be accommodated within the building, subject to suitable commercial arrangements.

RECOMMENDATIONS

Based on the benchmarking assessment of social infrastructure and open space and consultation with key agencies the following management measures are recommended to support a positive social outcome:

- Council to consider future contributions made as part of the proposal to align with the Central Coast Council Draft Community Facilities Review. Contributions could go towards the development of a multipurpose centre or the current gap in provision or potential upgrades to Gosford Olympic Pool.
- Consider provision of a childcare facility on site to meet the demand generated by the incoming resident and worker population as well as other anticipated background growth. This will be subject to operator interest or potential interest from Central Coast Council who are currently undertaking a review of their Children's Services.
- DPIE to continue to consult with the Department of Education on other developments proposed in Gosford to understand cumulative impact on primary and secondary schools.

DISCLAIMER

This report is dated 15 April 2020 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Lederer Group (**Instructing Party**) for the purpose of Social and Economic Impact Assessment (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

APPENDIX A SOCIAL INFRASTRUCTURE AUDIT

Number	Facility Name	Category
1	GOSFORD LIBRARY	Community Centres
2	LIONS COMMUNITY HALL	Community Centres
3	1ST EAST GOSFORD SCOUT HALL	Community Centres
4	EAST GOSFORD GUIDE HALL	Community Centres
5	LAYCOCK STREET THEATRE	Community Centres
6	GOSFORD CUBBYHOUSE LONG DAY CARE CENTRE	Childcare
7	WYOMING EARLY LEARNING CENTRE AND PRESCHOOL	Childcare
8	WEST GOSFORD EARLY EDUCATION CENTRE	Childcare
9	THE KINDICLUB PRESCHOOL	Childcare
10	GOSFORD PRESCHOOL	Childcare
11	YARRAN EARLY INTERVENTION CENTRE	Childcare
12	GOSFORD HOSPITAL	Health Facilities
13	GOSFORD PRIVATE HOSPITAL	Health Facilities
14	GOSFORD FAMILY CARE COTTAGE	Health Facilities
15	HENRY KENDALL HIGH SCHOOL	Education
16	ET AUSTRALIA SECONDARY COLLEGE	Education
17	ST JOSEPH'S CATHOLIC COLLEGE	Education
18	GOSFORD HIGH SCHOOL	Education
19	ST EDWARD'S CHRISTIAN BROTHERS' COLLEGE	Education
20	OUR LADY OF THE ROSARY CATHOLIC PRIMARY SCHOOL	Education
21	GOSFORD PUBLIC SCHOOL	Education
22	GOSFORD EAST PUBLIC SCHOOL	Education
23	ST PATRICK'S CATHOLIC PRIMARY SCHOOL	Education
24	GOSFORD TAFE COLLEGE	Education
25	CENTRAL COAST CONSERVATORIUM OF MUSIC	Education

APPENDIX B POPULATION PROJECTIONS

Gosford – West Gosford	Year						
	2016	2021	2026	2031	2036	% of 2036 population	change 2016 - 2036
Aged 0 to 4	248	344	412	510	598	5.4	+350
Aged 5 to 9	150	177	237	284	343	3.1	+193
Aged 10 to 14	96	136	163	209	244	2.2	+149
Aged 15 to 19	139	279	354	419	487	4.4	+348
Aged 20 to 24	471	671	878	1,061	1,211	11.0	+740
Aged 25 to 29	643	734	932	1,147	1,322	12.0	+679
Aged 30 to 34	530	541	642	793	932	8.4	+402
Aged 35 to 39	412	418	467	558	659	6.0	+247
Aged 40 to 44	275	406	460	537	620	5.6	+346
Aged 45 to 49	303	379	509	598	689	6.2	+386
Aged 50 to 54	305	423	523	668	773	7.0	+468
Aged 55 to 59	260	343	450	555	686	6.2	+427
Aged 60 to 64	224	308	393	501	601	5.4	+377
Aged 65 to 69	242	248	323	411	510	4.6	+268
Aged 70 to 74	182	215	231	298	372	3.4	+190
Aged 75 to 79	112	165	191	219	284	2.6	+172
Aged 80 to 84	123	115	167	201	237	2.1	+114
Aged 85 +	257	283	320	392	460	4.2	+203
Total persons	4,970	6,187	7,653	9,361	11,028	-	-
Change		1,217	1,466	1,708	1,667	-	+6,058
Growth rate (%)		24.4%	23.6%	22.3%	17.8%	-	121.9%

Household type	Year					
	2016	2021	2026	2031	2036	%change 2016 - 2036
Couple families with dependents	304	378	462	564	664	118.4%
Couples without dependents	679	834	1,042	1,291	1,541	127.0%
Group households	183	233	292	358	414	126.2%
Lone person households	1,127	1,282	1,583	1,940	2,296	103.7%
One parent family	273	348	439	538	637	133.3%
Other families	48	67	83	102	121	152.1%
Total households	2,614	3,142	3,901	4,793	5,673	117.0%
Average five year household growth	-	20.2%	24.2%	22.9%	18.4%	-

Dwellings	Year					
	2016	2021	2026	2031	2036	change 2016 - 2036
Dwellings	2,822	3,406	4,253	5,253	6,253	3,431
Growth rate (%)	-	20.7%	24.9%	23.5%%	19.0%	131.1%

