

Crown Sydney Hotel Resort, Barangaroo

Social Impact Assessment

October 2014



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Acronyms and Abbreviations

The following acronyms have been used in our report.

ABS: Australian Bureau of Statistics

CSHR: Crown Sydney Hotel Resort (Barangaroo)

ILGA: Independent Liquor and Gaming Authority

SEIFA: Socio-Economic Indexes for Areas

SIA: Social Impact Assessment

References

A review of research studies discussing the social impacts of hotel resorts and VIP gaming lounges upon communities inform this assessment. These studies are as follows:

Allen Consulting Group (June, 2013), *Crown Sydney Proposal: An Economic Benefit Assessment*, prepared for Crown Resorts Limited, Melbourne.

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Review Partners, Australia Online Research (2010), *Community Awareness and Attitudes Consultation Research*, prepared for the Barangaroo Delivery Authority

Victorian Commission for Gambling and Liquor Regulation (2013), *Fifth Review of the Casino Operator Licence*, annual report provided to the Victorian Minister of Liquor and Gaming Regulation

Executive Summary

Background

Crown Resorts Limited formally submitted an unsolicited proposal to the NSW Government in September 2012 to deliver a world-class 6-star luxury hotel within the Barangaroo South precinct. Following a three-stage assessment process, conducted by the NSW Government and overseen by an independently chaired Steering Committee, the NSW Parliament passed legislation to permit the issue of a restricted gaming licence for Crown Sydney in November 2013.

Crown was subsequently issued with a Restricted Gaming Licence by the NSW Independent Liquor and Gaming Authority on the 8 July 2014.

The Crown Group Companies have committed to the State of New South Wales (NSW) to proceed with the development of the Crown Sydney Hotel Resort at Barangaroo South and the subsequent commencement of VIP gaming from November 2019. The State of NSW's interests have been enhanced by the inclusion of detailed securities and guarantees.

Under Crown's proposal, it proposes to develop an iconic 6 star hotel, with a VIP gaming facility for members and guests. There will be no general public access to the Gaming Facility, no low limit gaming and no poker machines.

Notwithstanding the issuance of a Restricted Gaming Licence the project must still obtain development approval under state planning regulations.

Scope of Social Impact Assessment

The appraisal of the project's net social impacts that is contained within this report is intended to inform a part of the Environmental Impact Statement for the project as required under the terms of the Environmental Planning and Assessment (EP&A) Act for state significant development. It sits alongside a broader consideration of environmental and other impacts associated with the proposal.

This report's purpose is to identify and discuss the potential social impacts resulting from Crown Resorts' proposal to develop a luxury resort hotel, including VIP gaming, at Barangaroo South.

Our assessment involves developing an understanding of Barangaroo and wider community in terms of:

- its demography;
- key socio-economic indicators; and
- its values and cultures

and then determining the potential net social impact of the proposed development, having regard for the broader community benefits incorporated within the Barangaroo precinct and specific design, management and operational measures inherent to Crown's proposal.

In undertaking our assessment we have had regard for the City of Sydney's current social planning policies and its planned draft *Social Sustainability Statement* as well as the Planning Institute of Australia's guidelines and recommendations for the preparation of Social Impact Assessments (SIAs).

We have also reviewed other project specific reports for the Crown luxury hotel resort, architectural plans for the facility prepared by Wilkinson Eyre Architects and current literature regarding the impact of gambling on communities (see reference list at p.ii of report).

The Crown Resorts Limited proposal

Barangaroo is a 22-hectare urban renewal project of a former harbour front container wharf site, located at the north western corridor of the Sydney CBD.

The Barangaroo precinct is divided into three distinct areas – Headland Park (a 6-hectare public open space precinct); Barangaroo Central (a cultural and civic precinct designed for entertainment and leisure activities); and Barangaroo South (a new business, tourism and residential precinct that incorporates a public waterfront promenade and within which the Crown Sydney Hotel Resort is proposed).

The overall precinct, when complete, will accommodate office workers and residents and up to 33,000 visitors per day.

The proposed Crown Sydney Hotel Resort (CSHR) will comprise of 350 hotel rooms, luxury residential apartments, a restricted gaming facility, signature restaurants and high-end retail tenants and associated public domain works.

The CSHR proposal is designed to capitalise upon the harbour front site's latent potential to attract and capture a premium tourism spend — with specific regard to the international market.

The restricted gaming facility will restrict entry to members only, will not include poker/slot machines, and will cater to the needs of a high spending clientele by excluding low-limit tables.

The general public will, however, enjoy access to various entertainment and retail offerings incorporated within and around the project.

Economic benefits of the CSHR proposal

The CSHR proposal will result in significant economic benefits to NSW. Allen Consulting Group has separately investigated the potential impact of the CSHR proposal, identifying a significant premium to NSW by way of employment and revenues.

The economic benefits of the project are estimated in Table 1.

In our consideration of the potential social impacts of the proposal, we have assumed that these economic benefits hold true. Whilst our task is not to measure the economic impact of the projected job numbers and State revenues in Table 1, we do have regard for the social implications of the additional employment created in the community and, flowing from this, the opportunity created by such provision. This is particularly pertinent for both the local and broader Sydney communities; by guiding the course of opportunity, for example through targeted Crown training centres at Redfern and Penrith, the benefits of employment opportunity, at least in some aspects of hotel management and operations, are spread widely across the community.

Table 1. Economic benefits of the CSHR proposal

Crown 6-star hotel with restricted gaming facility	
<i>The Construction Phase (as at peak of the construction phase 2016/17)</i>	
Net GSP	\$98 million
Net Employment	600 to 1,100 jobs
Net Business Investment	\$381 million
<i>The Operations Phase (2019 to 2031) as at 2021/22</i>	
Net GSP	\$638 million
Net Employment	2,300 to 3,300 jobs
Net Business Investment	\$151 million
Net Export Income	\$513 million
Additional net taxes generated by CSHR	\$158 million (including GST) Comprising: payroll tax of \$31 million; & gaming tax of \$127 million
<i>* all figures are given as net increases</i>	

Source: Allen Consulting Group (June, 2013)

While higher government revenues *may* also translate to greater provision of services (health, education, transport, etc.) to the general community, this depends on Government's priorities at the time. Ultimately, it represents a superior level of State funding but is not tested or measured in our assessment.

Strategic social policy context

Both tiers of Government (Local and State) have policies and laws in place to either prescribe desired social outcomes or minimise the adverse impacts of an activity.

Local Government

The City of Sydney is preparing its *Social Sustainability Strategy* following the expiration of the earlier *Connecting People, Building Communities: Social Plan 2006-2010*. Having regard for the earlier policy and from what we have gleaned from the new draft strategy, we have considered the CSHR proposal in the context of:

Equity impacts - employment opportunities will be spread across the broader Sydney community along with the benefits associated with employment—hospitality is a 'hands on' industry, equating to numerous employees. Crown Resorts' business partnerships will provide the training and jobs that enable opportunity, generating strong social multipliers and building human dignity.

CSHR will directly generate between 600 – 1,100 construction jobs (at the peak of the project's construction phase) and is estimated to generate between 2,300 – 3,300 FTE jobs during its operational phase.

Crown currently trains its own employees and operates a major in-house training college at Crown Melbourne. This model will be replicated in Sydney with training colleges to be established in Penrith (at the Penrith Panthers Rugby League Club's proposed Community Centre) and in Redfern (at the National Centre of Indigenous Excellence - NCIE). These training facilities will provide skilled staff to Crown Sydney and long term employment benefits to the indigenous community and residents of Western Sydney.

Crown is already a leading employer of Indigenous Australians. Crown's partnership with the NCIE will build on its existing programs in Perth and Melbourne.

Health impacts - international studies attest to the tangible and intangible health benefits resulting from increased income and the sense of meaning associated with employment. Similarly, some studies have also raised the issue of whether there are health risks associated with shift work in the hospitality and casino environments. Crown Resorts is well experienced in the management of such impacts and is regarded as an employment leader in this area.

It is proposed that smoking will be permitted at the Barangaroo restricted gaming facility, subject to strict conditions requiring that international best practice standard air quality equipment is installed, maintained, tested quarterly, repaired (if necessary) and operated. As part of its unsolicited proposal for the CSHR, Crown has committed to these conditions.

It is also proposed that CSHR will be incorporated into the Crown risk management and internal audit framework, as occurs for Crown Melbourne and Crown Perth.

Following a regulatory review, WorkSafe Victoria deemed Crown fit and proper to hold a self-insurance licence. This approval, held since 2000, endorses Crown's ability to manage its workers compensation obligations, adhere to strict financial and prudential requirements and to maintain a robust Health and Safety Management System. Crown Perth operates within the insured workers' compensation scheme in Western Australia and has achieved continuous improvement in health and safety performance.

Accessibility impacts – whilst the potential for problem gambling to occur at the site is largely managed through various VIP-only restrictions, i.e. by prohibiting general public access, there is a valid social concern that the exclusivity of the gaming venue could deny broader public access into and through the site and present as a social barrier in an otherwise public precinct.

Whilst VIP building access is available at separate, discrete locations (directly via the carpark and via separate lifts to higher levels and gaming facilities), it is also available at the hotel porte-cochere and generally at the building's ground floor level.

The site design carefully manages its public interface – publicly accessible facilities are provided throughout the building's lower levels and the site connects with public thoroughfares along the waterfront and around the site.

The development will cater for guests of the hotel, patrons of the gaming facility, residents and visitors of the residential apartments, shoppers frequenting the public retail facilities at the ground floor and visitors to the various bars and restaurants throughout the complex. Importantly, the ground floor level of the building will be publicly accessible and open to the public 24 hours a day, 7 days a week.

The building design and its proposed landscaped surrounds, linking to the broader public domain of Barangaroo South, have been separately assessed from a crime prevention perspective. Subject to specific signage, pavement, lighting and

landscaping treatments, the project design has been found to be secure and safe for both VIP guests and the visiting public.

General public access to and around the site is not compromised by the CSHR project design. The design ensures a consistent (all day) public connection with the Barangaroo South and other precincts.

State Government

The gaming environment is one of the most highly regulated and scrutinised business sectors in the world.

In NSW, the ILGA¹ is responsible for ensuring that the state's statutory requirements of the *Casino Control Act* are upheld. Regular audits and reports to the Minister will ensure that the necessary adjustments are made as and when issues arise. This process is considered to greatly limit the potential for adverse social impacts, including crime, on the community.

A specific operational condition for the granting of a restricted gaming facility for Barangaroo is that only members and guests are permitted to participate in gaming at the site. Strict membership criteria will apply. Poker/slot machines and low limit gaming are also specifically excluded from the CSHR; minimising the potential for public harm resulting from problem gambling — a correlation demonstrated by numerous studies.

Also, Crown has undertaken to provide or engage service providers to provide responsible gaming support services at the Crown Sydney Hotel Resort. In particular, Crown has signed a Memorandum of Understanding with Mission Australia to cover the provision of responsible gaming support services for the CSHR.

The MOU details a number of responsible gaming support services to be delivered by Crown and Mission Australia at the resort, including:

- Responsible gaming training and education for Crown employees;
- Provision of a 24/7, multi-lingual responsible gaming counselling service;
- Conduct of a self-exclusion program;

¹ NSW Independent Liquor and Gaming Authority.

- The creation of dedicated responsible gaming roles for staff trained and experienced in Crown's responsible gaming programs;
- Access to a variety of responsible gaming and related information available in selected languages aligned to those of CSHR's customers;
- A Responsible Gambling Code of Conduct to which Crown and its staff at the CSHR will commit and adhere to; and
- The conduct of an employee assistance program.

From a public perspective, given the nature and intended operation of the Restricted Gaming Facility within CSHR, it is apparent that this component of the project represents a minimal addition to Sydney's aggregate supply of gambling venues and is therefore considered a minimal public risk.

The Barangaroo community

Higher residential densities, closer to the commercial core, are a consistent feature of cities, globally. Similarly, the price of accommodation is also higher at these locations, reflecting a higher demand for land and competing land use needs. This then has an impact upon the socio-economic profile of the communities living in these areas. It follows that population growth over past decades in the immediate local vicinity of the CSHR project has been driven by young professionals as well as "empty nesters", with income levels that are generally superior to the Sydney Metro average.

Conversely, the area is also over-represented by those who earn "negative or nil" income (4%) when compared to the Greater Sydney Metropolitan area (1.4%). This is attributable to the concentrations of social housing, specifically at Millers Point, Woolloomooloo and Pyrmont. These areas are undergoing significant change and are expected to further gentrify over time. As a result, the future 'local' Barangaroo community is expected to predominantly resemble an ethnically diverse agglomeration of professional working couples with above average incomes.

The location, scale and significance of the Barangaroo South Precinct, within which Crown's Hotel Resort is proposed, provides context to a broader regional community and even to a global audience.

Barangaroo South will function as both a liveable neighbourhood and as a lively work environment. Its range of cultural, educational and recreational amenities and programs will help ensure the precinct's attractiveness as a destination for Sydney-siders generally and for visitors to the city.

Potentially, also, the precinct's role as a key commercial node and focus of education, research and innovation will establish a broader significance globally.

The CSHR will undoubtedly augment the precinct's range of offerings, specifically the retail, dining and entertainment components of the proposal. There will be ample opportunity afforded to those who wish to indulge in both affordable and premium consumption at the complex.

Those who qualify for membership to the Restricted Gaming Facility will enjoy a further outlet for premium consumption. In addition, by virtue of its Barangaroo location, the CSHR will act as a bridge between Barangaroo's Headland Park (currently under construction), the CBD and the Darling Harbour entertainment precinct to the south.

The addition of apartments to the area is in keeping with the evolution of Sydney and the aspiration that many wish to live close to the heart of the city. Whilst the majority of residential offering is likely to be at a premium price point, it nonetheless represents an addition to the aggregate supply of Sydney's dwelling stock, resulting in improved affordability downstream, in other parts of the residential market. Also, as part of the precinct's development it is understood that Lend Lease, the primary developer of Barangaroo South, has committed to a diversity of housing types including an amount of affordable housing for key workers.

The new residents and workers of Barangaroo South will place additional demands upon existing community facilities. To match this demand, the precinct's development will incorporate a substantial investment in cultural and community infrastructure designed to accommodate the needs of those that live at or work in the community and those who will visit the area.

Impact of the Hotel Resort and Restricted Gaming Facility

All great cities are recognised by their civic icons. In the era of globalisation, tourism has become a major industry and in the 21st Century no great city is complete without prestigious hotels to lure wealthy travellers from abroad. Hotels are beacons of urban pride in a global market place that pits world cities against each other.

Sydney is well placed to compete in a global tourism market and especially to capitalise on the enormous growth in Asian tourism – particularly high net worth tourists from China. To realise this opportunity Crown has successfully put the case to the NSW Government that Sydney needs a luxury hotel resort that is designed, constructed and operated to world class standards.

The addition to Sydney's supply of hotel rooms resulting from the CSHR project will increase the city's capacity to accommodate guests and introduce additional spending into the local economy. Having higher numbers of tourists visiting the city creates the consumption base required for the viability of late night venues, street theatre, small bars, and concert performances and supports further and ongoing investment in civic infrastructure i.e. it supports the quality of life features that make for interesting and vibrant cities.

The Restricted Gaming Facility is not expected to be running prior to November 2019 when the licence comes into effect.

The issuing of a licence for Crown to operate a Restricted Gaming Facility is testament to its experience in developing and managing other resort hotels and gaming facilities around the world.

Crown and its associates have developed (or are developing) 12 new hotels in Melbourne, Perth, Macau and Manila – of which four are of a 6-star standard. Over the seven years to 2015 Crown and its associates will have invested in excess of \$10 billion of capital expenditure across their Australian and Asian properties. Between FY08 and FY13 Crown invested more than \$2 billion in its Australian properties, with Normalised EBITDA increasing from \$629m to \$788m over this period.

Crown's superior financial capacity and its investment grade credit rating provide confidence that it will deliver on its promise to build one of the world's best hotel resorts at Sydney.

Crown is committed to its Corporate Social Responsibility policy; investing in the training and development of its employees in addition to supporting numerous programs to assist problem gamblers.

Crown Resorts has numerous partnerships with community and workplace welfare groups (e.g. United Voice, Mission Australia, Reconciliation Australia) for what is regarded as a best practice model of corporate social responsibility.

Crown Resorts Limited is a credible and experienced operator of such facilities in the hospitality industry, with the requisite management procedures and experience to mitigate the impact of the restricted gaming facility on the community.

Crown Resorts understands how to responsibly participate in communities and is aware of the onerous consequences — warnings, fines, potential loss of operator's licence — of the failure to do so.

Crown Resorts operates the Responsible Gaming Support Centre² at Crown Melbourne. This has provided Crown Resorts with the expertise to implement responsible gambling initiatives at the Melbourne facility. The Restricted Gaming Facility proposed for CSHR will benefit from Crown Resorts corporate capability in this area.

Further to the above, we are aware of the following measures that will be employed at the Barangaroo Restricted Gaming Facility to mitigate the potential for harm:

² A dedicated facility which implements responsible gambling initiatives at Crown Melbourne and is staffed by Responsible Gaming Liaison Officers, psychologists and a chaplain. Support is offered to patrons, including their families and friends, who are experiencing problems with their gambling.

Item	Comment
Members only access	Restricting access to members only will limit the potential for harm to those members only and not the public at large
Membership audits	Regular membership reviews will ensure the currency and accuracy of the membership base, potentially providing the opportunity to remove members with problem gambling traits
Exclusion orders	May be issued by Crown Resorts or by an individual (self-exclusion) to mitigate harm and the risk posed to the public from persons known to the police and/or to Crown Resorts
No gaming machines	Poker/slot machines are not permitted under the Act and the gaming will be limited to table based play. The absence of gaming machines greatly reduces the attraction of the facility to problem gamblers
Minimum bet limits	Minimum bet limits are set by legislation and are likely high enough to reduce the attraction of the facility to the financially vulnerable
Regular ILGA audits	The Independent Liquor and Gaming Authority will regularly inspect and audit the facility to ensure compliance with the Act

Assessing social impact

The CSHR proposal represents a key piece of infrastructure; it ensures Sydney remains a globally competitive destination city by:

- (i) delivering revenues to the economy; and
- (ii) creating employment through the construction and operation lifecycle.

Direct community consultation is, of course, an essential and ongoing part of assessing the impact of the CSHR project.

A continuous community and stakeholder engagement process for the project has commenced and will provide ongoing feedback in relation to the construction and operational aspects of the resort. The engagement strategy is designed to enable an open and honest discussion of project issues, facilitated by face-to-face meetings, focus groups, on-line forums and other opportunities for direct feedback from community members.

The full details of this process will be presented in a separate Community and Stakeholder Engagement Plan for CSHR, currently being prepared by JBA Planning.

Social costs and benefits (or impacts) are not wholly quantifiable in monetary terms - they remain a quality of life issue. Social impacts are largely defined by the relationship of people to place. As such, they vary over time and place, intersecting with the transient and changing collective values of the day. Clearly, this presents difficulties since benefits and costs are understood through the prism of our existing needs and values.

Our approach is to examine the social impacts of the proposal and to attempt to match them to varying competing needs. It is important then to identify where there is cause for concern for real harm, to identify the likelihood of that harm and to examine steps that have been made to attempt to mitigate the extent of harm.

Our SIA of the CSHR proposal has identified a number of potential impacts and social risks that may result from the development.

How likely any of these are to eventuate is subject to the final form the proposal for the 6-star resort takes, how it is operated, and the mitigation (vis-à-vis the health and social perception) strategies employed by Crown Resorts.

Overall, based on our assessment of Crown's current practices and its commitments to date with respect to the operation of the Sydney resort, we anticipate that the proposal will have a positive impact on the community in general and are aligned to the changing character and needs of the Barangaroo and neighbouring residents in particular.

Our summary of potential impacts is provided below.

<i>Potential Positive Social Impacts</i>	<i>Potential Negative Social Impacts & Mitigation Measures</i>
<ul style="list-style-type: none"> • Employment opportunities during construction and operation. • Livelihood opportunities targeting the marginalised. • Closing Sydney's void of premium tourism facilities by an experienced operator. • Addition to the city's retail offering available to the general public & aligning to future community consumption needs. • Extending opportunity to grow tourism across the whole of NSW (including the Hunter and Perisher) and also interstate. • Civic pride and visitor allure resulting from an iconic structure & defining Barangaroo's place & context relationship with the city. • New amenities for local residents via a comprehensive strategy to enhance the experience of Barangaroo South for residents, workers and visitors. • 24-hour activity which ensures public access and will improve safety around the location. 	<ul style="list-style-type: none"> • Amenity impacts to the immediate neighbours during construction & operation – these are more properly considered as part of an 'environmental' assessment of the project but are expected to arise through the community and stakeholder engagement process and will need to be addressed both as part of the initial project assessment and on an ongoing basis. • Problem gambling impacts – the restricted gaming facility at CSHR will operate on a member only basis. There will be no general public access to this part of the development, no low limit gaming and no poker machines. Crown has demonstrated its capacity to manage such a facility and will integrate responsible gambling procedures, staff training and support services (in conjunction with Mission Australia) for the CSHR. • Potential for work related health issues arising from shift work –Crown has demonstrated its experience and track record as an exemplar employer and will maintain a robust Health and Safety Management System for CSHR. • The perception of an elitist enclave that compromises public access and is at odds with the (idealised) notion of an egalitarian city – the Barangaroo resort hotel is designed to allow 24 hour public access to its lower levels and to interface directly with the surrounding public domain.

SIA conclusions and recommendations

This SIA assumes that the net positive tax returns to government associated with the proposed restricted gaming facility at Barangaroo are as stated and independently assessed.

Whilst we do not factor the quantification of these revenue returns to government into our overall social impact appraisal, we do have regard for the positive employment implications of the project, specifically Crown's commitment to training facilities in western Sydney and in conjunction with the National Centre of Indigenous Excellence at Redfern.

We have also considered the broader benefits of a luxury hotel resort that is designed, constructed and operated to world class standards in terms of its implications for CBD activity and the attraction of international tourists.

Our SIA has found that the potential negative social impacts associated with the Crown Sydney Hotel Resort proposal are largely expected to be mitigated by the manner of the resort's operation and its architectural design (accommodating both public and private access).

In particular, the project represents a minimal addition to Sydney's aggregate supply of publicly accessible gambling venues and is therefore considered a minimal public risk.

Our assessment recommends a number of strategies to enhance the public communication of the project's benefits and to minimise the risks associated with the CSHR.

The CSHR proposal already subscribes to these recommended initiatives, and/or is in the process of developing strategies to do so, but must remain focused on ensuring a broader public understanding and acceptance of the project.

Our recommendations include:

1: Pre-construction community engagement - Crown Resorts needs to establish the identity of the CSHR so that the community understands and recognises the CSHR's economic role and function. An inclusive communication strategy is required to develop community understanding of all proposed components of the resort, how they will function, and how the completed development will relate to public space within and around the project;

2: A broader public involvement—public participation is a key ingredient of a 'good' planning process. Crown Resorts needs to consult and engage with the public to enhance perception and to ensure a broader appreciation of the project and how it will be managed. Highlighting the successes of Crown Resorts' impressive Corporate Social Responsibility record and commitments specific to CSHR would feature positively in such communication; and

3: Ongoing community consultation and engagement — public discussion requires guidance and direction, with open and honest communication channels effective during the construction and operational phases of the project. Crown's engagement strategy must 'lock in' opportunities for regular and easily-available communication and feedback.

Introduction

A social impact assessment involves developing an understanding of the proposal in terms of expected community behaviour defined by:

- demographics
- social indicators
- the values of communities and cultures

By *social impacts* we mean the consequences of the proposal that alter the ways in which people live, work, play, relate to one another, organise to meet their needs and generally cope as members of society. The term also includes *cultural impacts* involving changes to the norms, values, and beliefs that guide and rationalise their cognition of themselves and their society.

In this context, we define *social impact assessment* in terms of efforts to assess or estimate, in advance, the social consequences and community impacts that are likely to follow from a proposed action.

Methodology

This SIA has been developed according to established best practice frameworks and guidelines of the Planning Institute of Australia³ and the City of Sydney⁴.

The following tasks were undertaken for this report:

- literature review of social impact assessment
- review of project background, architectural plans and policy context
- analysis of current demographics of the Millers Point SA2 and The Rocks SA2, the City of Sydney LGA, and the Greater Sydney Metropolitan Statistical divisions
- identification of key social implications and issues
- site inspection on 17 January 2014 (limited to the areas surrounding the Barangaroo worksite as unable to access)

³ Social Impact Assessment Practice Note (PIA, 2010).

⁴ Social Impact Assessment Guidance (as provided by the City of Sydney).

- consultation with a selection of key stakeholders from Sydney City Council and Crown Resorts, social welfare groups, survey of media opinion and comment
- analysis and reporting
- recommended mitigation or enhancement strategies for the stakeholders

Community consultation and stakeholder engagement

Our report has considered previous survey results for Barangaroo to determine how people relate to the city. It is expected that further and ongoing community consultation directly concerning the CSHR will inform and refine the nature of the relationship between CSHR and its immediate community. A key recommendation of this report is for community and stakeholder consultation to be undertaken at the pre-construction, construction and operational phases of the project, allowing for regular community feedback to apprise project decisions.

Limitations and disclaimers

This report should be read in its entirety. The scope of this SIA considers the direct and indirect social impacts resulting from the CSHR proposal at Barangaroo. This SIA has not included any direct community consultation, and has involved limited stakeholder consultation. Our assessment, however, has had regard for the current status of such engagement approaches undertaken by others on behalf of Crown Resorts Limited.

This report is subject to the assumptions and limitations set out in our report.

Section 1: Crown Sydney Hotel Resort Project

In this section we outline the details of the CSHR proposal, placing it in the context of the Barangaroo urban renewal precinct, and examining the benefits that will reportedly result.

1.1 CSHR Project Proposal

Crown Resorts Limited formally submitted an unsolicited proposal to the NSW Government in September 2012 to deliver a world-class 6-star, luxury hotel to Barangaroo. The development will comprise of 350 hotel rooms, luxury residential apartments, a restricted gaming facility, signature restaurants and high-end retail tenants; namely, the Crown Sydney Hotel Resort, Barangaroo (CSHR).

The hotel tower will have 350 hotel rooms (including suites). Guest rooms will be six star international standard and the hotel tower will also house luxury apartments. The resort will also include:

- Meeting and conference facilities / signature dining facilities
- Luxury pool and spa facilities
- Restricted gaming facilities (including salons and private gaming rooms)

The CSHR proposal is designed to capitalise upon the harbour front site's latent potential to attract and capture the premium tourism spend — with specific regard to the international market.

The restricted gaming facility will restrict entry to members only, will not include poker/slot machines, and will cater to the needs of a high spending clientele by excluding low-limit tables. Table games will include roulette, blackjack and baccarat.

Figure 1: Concept Image of CSHR Proposal



Source: Crown Resorts⁵

1.2 CSHR Proposal Background

The former container wharf site at Barangaroo has been the focus of significant public attention (and contention) for over a decade.

The CSHR proposal resides within the context of a much broader public discussion concerning the greater Barangaroo redevelopment.

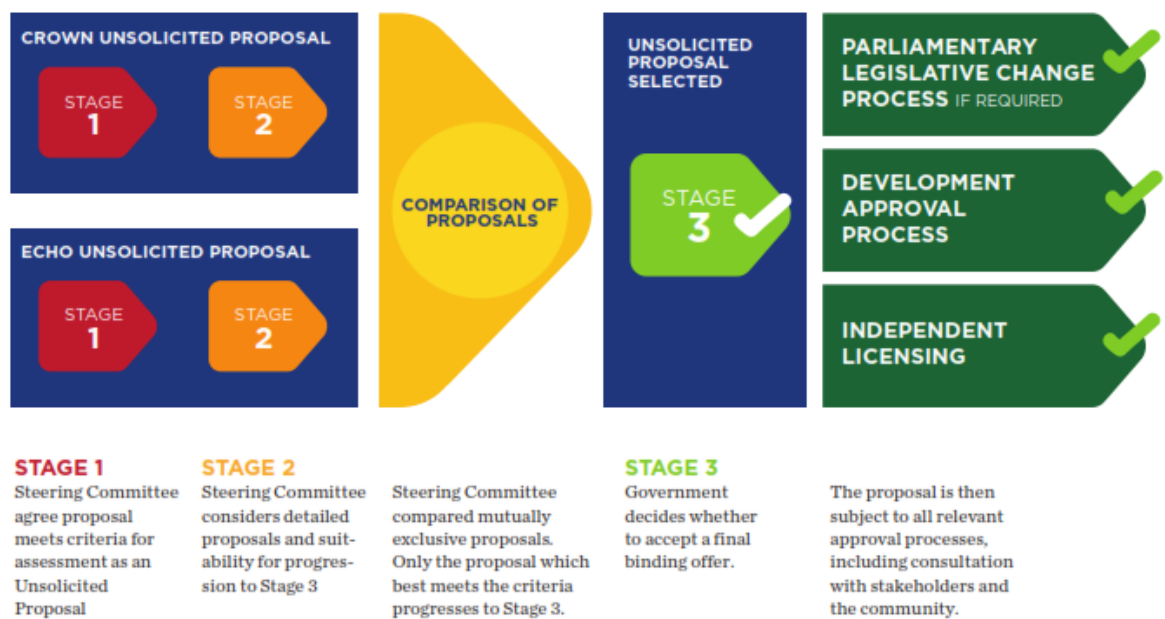
⁵ <http://www.crownresorts.com.au/CrownResorts/files/65/654e8f17-069b-42b5-8597-fd504e07078f.pdf>

NSW Government's Unsolicited Proposal process

The NSW Government established an Unsolicited Proposal process in January 2012 to encourage ideas from the private sector that could provide benefits to the people of NSW.

Crown Resorts formally submitted an unsolicited proposal to the NSW Government in September 2012. The following figure gives an overview of the assessment process for the CSHR proposal.

Figure 2: Assessment process for the CSHR proposal



Source: Deloitte Assessment Report Crown Sydney Hotel Resort Stage 2 (July 2013)

The Guidelines for the submission and assessment of Unsolicited Proposals sets out a structured and streamlined approach for the NSW Government and the private sector to work together to consider innovative ideas.

The Unsolicited Proposal process involves three stages:

Stage	Comment
Stage 1 Initial Submission and Strategic Assessment	<p>A comprehensive initial assessment of the proposal to identify the potential benefit to Government of further consideration and development with the Proponent.</p> <p>The Crown Resorts proposal successfully progressed through this stage in October 2012.</p>
Stage 2 Detailed Proposal	<p>Requires the Proponent and Government to work co-operatively in the development and assessment of a Detailed Proposal. This document is the Assessment Report for Stage 2 of the Unsolicited Proposal process. The outcome of Stage 2 is either a decision to progress to Stage 3, or that the Government does not wish to proceed.</p> <p>Crown Resorts proposal successfully progressed through this stage in July 2013 (as advised).</p>
Stage 3 Negotiation of a Final Binding Offer	<p>Involves the finalisation of all outstanding issues with a view to entering into a binding agreement, should the Government accept the final offer.</p> <p>Crown Resorts proposal successfully progressed through this stage and received an initial conditional endorsement from the State Government in November 2013.</p>

The Crown Group Companies has committed to the State of New South Wales (NSW) to proceed with the development of the Crown Sydney Hotel Resort at Barangaroo South and the subsequent commencement of VIP gaming from November 2019. The State of NSW's interests have been enhanced by the inclusion of detailed securities and guarantees.

None of the assessment steps outlined above replaces the normal processes of licence and development assessment as required by NSW regulations. Following the completion of the three stage unsolicited bid process, these other regulatory processes then commence.

Subsequent to the above processes, Crown sought and was issued a Restricted Gaming Licence by the NSW Independent Liquor and Gaming Authority (ILGA) on 8 July 2014.

We note also that following on from Stage 3 of the unsolicited bid process, Crown's Development Application for the proposed Hotel Resort will require fresh consideration and assessment under the provisions of the Environmental Planning and Assessment (EP&A) Act. Broader community and stakeholder engagement will occur as part of this assessment process.

1.3 Barangaroo in Context

Barangaroo is located to the western edge of Sydney's CBD comprises a 22-hectare site previously employed as a container port. The \$6bn urban renewal will become an extension of the Sydney CBD, eventually comprising a resident and working population of an estimated 23,000 people, with 33,000 people expected to visit Barangaroo each day, around 12 million a year. Some 96% of people coming to Barangaroo will use public transport, walk or cycle.⁶

The site is divided into three project areas: the *Headland Park*, *Central Barangaroo* and *Barangaroo South*.

The **Headland Park**, a 6-hectare harbour foreshore park, will comprise of more than 70,000 plants, shrubs and trees native to Sydney.

The master planning of **Central Barangaroo** continues and will combine commercial development with civic and recreation spaces, creating a stimulating community area with unique buildings, open-air spaces for festivals, entertainment, arts, culture and educational activities.

Barangaroo South will be Australia's first large scale carbon neutral community. Barangaroo South is the 7.5 hectare southern commercial precinct of the 22 hectare Barangaroo site. As a mixed use precinct, it will comprise commercial office buildings, residential apartments, shops, cafes, restaurants and a

⁶ <http://www.barangaroo.com/media/62883/overview%20november%202013.pdf>

waterfront promenade. The Crown Sydney Hotel Resort is proposed to be located within the Barangaroo South precinct.

Lend Lease was selected in December 2009 as the developer for Barangaroo South by the Barangaroo Delivery Authority on behalf of the New South Wales Government.

Barangaroo South will be a dynamic and authentic part of Sydney. Work within the precinct also includes the cleaning up of historic contamination and returning previously private industrial space to the community, including a new naturalistic harbour park.

The two other components of the Barangaroo redevelopment site – Headland Park and Barangaroo Central – will be developed by the Barangaroo Delivery Authority and other partners concurrently over the next 10-15 years.

Figure 3: Concept image of the completed Barangaroo site including the CSHR



Source: Barangaroo.com

In all, the Barangaroo masterplan seeks to balance the varying needs of business and the community to a part of the city where multiple interests intersect.

1.4 Economic Impact

A hotel at Barangaroo South has been considered from the early stages of the urban renewal project. An unsolicited proposal from Crown Resorts proposed a world class, luxury 6-star hotel, to a greater scale than the 5-star hotel standard originally envisaged for the precinct.

The Allen Consulting report (June, 2013) identifies the economic benefits of both projects across two distinct phases; i.e. the

- (i) construction phase; and
- (ii) the operations phase.

These benefits are tabled as follows:

Table 2. Economic Benefits of a 5-star hotel vs CSHR proposal

	5-star branded hotel	CSHR proposal
<i>The Construction Phase (as at peak of the construction phase 2016/17)</i>		
Net GSP	\$20 million	\$98 million
Net Employment	100 to 200 jobs	600-1,100 jobs
Net Business Investment	\$73 million	\$381 million
<i>The Operations Phase (2019 to 2031) as at 2021/22</i>		
Net GSP	\$72 million	\$638 million
Net Employment	200 to 400 jobs	2,300 to 3,300 jobs
Net Business Investment	\$17 million	\$151 million
Net Export Income	\$45 million	\$513 million
Additional net taxes generated by Crown Sydney	\$4 million (result of increased payroll tax)	\$158 million (including GST) Comprising: payroll tax of \$31 million; & gaming tax of \$127 million
<i>* all figures are given as net increases</i>		

Source: Allen Consulting Group (June, 2013)

Section 2: Strategic Policy Context

In this section we place the CSHR proposal in the context of the Local and State Government policies, strategies and laws to examine the social impact.

Both tiers of government have policies and laws in place to either prescribe desired social outcomes or minimise the adverse impacts of an activity. The resulting impacts of the CSHR are likely to vary with circumstance and preference. 'Good policy' accords balance between the interests of the many and those of the few.

2.1 Local Government Policies and Strategies

The City of Sydney is preparing its *Social Sustainability Strategy* following the expiration of the earlier *Connecting People, Building Communities: Social Plan 2006-2010*. Having regard for the earlier policy and from what we have gleaned from the new draft strategy from other reference documents⁷, we have considered the CSHR proposal in the context of its:

- (i) Equity impacts;
- (ii) Health impacts; and its
- (iii) Accessibility impacts

Equity impacts

The business partnerships incumbent with the CSHR proposal will provide the training and employment that enable opportunity. The economic benefits analysis⁸ estimates the creation of between 2,300 to 3,300 jobs. While the employment opportunities will be widespread in the community, the CSHR business partnerships target specific geographic areas and indigenous communities to fulfil a portion of these roles. Specific training will be provided, affording pathways to

⁷ City of Sydney Economic Development Strategy (July 2013 draft) and City of Sydney Sustainable Sydney 2030: The Vision.

⁸ Allen Consulting Group, 2013.

differing life outcomes. This is opportunity creation and the effect of these programs generates powerful social multipliers.

The proposal recognises the social advantages of employment for those that live beyond the immediate local government administrative boundary. Crown Resorts' partnerships seek to extend and distribute the benefits of training, employment and opportunity as widely as possible.

Crown currently trains its own employees and operates a major in-house training college at Crown Melbourne. This model will be replicated in Sydney with training colleges to be established in Penrith (at the Penrith Panthers Rugby League Club's proposed Community Centre) and in Redfern, at the National Centre of Indigenous Excellence - NCIE). These training facilities will provide skilled staff to Crown Sydney and long term employment benefits to the indigenous community and residents of Western Sydney.

Crown is already a leading employer of Indigenous Australians. Crown's partnership with the NCIE will build on its existing programs in Perth and Melbourne.

Health impacts

A corollary⁹ of rising income levels, employment has a positive impact on health, including tangible benefits related to increased wealth and intangible benefits such as the sense of meaning associated with employment. In particular, increased income is associated with increased life expectancy and lower body mass index.

This is tempered against the quantum and occurrence of hours worked. A negative impact often associated with hospitality industry employment is the requirement for shift work and late night work¹⁰, disrupting the circadian rhythm

⁹ noted by the THB Medical Officer of Health (2013) citing Lin, T et al (2012), Potential Health Effects of Casino Development in Southeast Kansas: Kansas Health Impact Assessment Project, Kansas Health Institute.

¹⁰ THB Medical Officer of Health (2013) citing Lin, T et al (2012).

and increasing risk for insomnia, physical and mental health problems, social disruption and traffic accidents¹¹.

It is a common feature of the hospitality industry to offer a 24-hour service particularly within the resort hotel sector. To remain globally competitive, the CSHR service offering is guest-centric, 24 hours per day, each day of the year.

Crown Resorts is well experienced in the management of work-related impacts for the hospitality industry and is regarded as an employment leader in this sector.

It is proposed that smoking will be permitted at the Barangaroo restricted gaming facility, subject to strict conditions requiring that international best practice standard air quality equipment is installed, maintained, tested quarterly, repaired (if necessary) and operated. As part of its unsolicited proposal for the CSHR, Crown has committed to these conditions.

It is also proposed that CSHR will be incorporated into the Crown risk management and internal audit framework, as occurs for Crown Melbourne and Crown Perth.

Following a regulatory review, WorkSafe Victoria deemed Crown fit and proper to hold a self-insurance licence. This approval, held since 2000, endorses Crown's ability to manage its workers compensation obligations, adhere to strict financial and prudential requirements and to maintain a robust Health and Safety Management System.

Crown Perth operates within the insured workers' compensation scheme in Western Australia and has achieved continuous improvement in health and safety performance.

It is also noted that Crown Resorts has a memorandum of understanding in place with United Voice and won the Australian Training Awards 2013 'Employer of the Year' — recognising businesses that have made an exemplary commitment to the national training system and the development of its employees.

¹¹ THB Medical Officer of Health (2013) citing Purtle, J. (2010), *Gambling on the Health of the Public: A Rapid Health Impact Assessment for an Urban Casino*. Poster Presented at the American Public Health Association Annual Meeting Denver, CO. November 9, 2010.

Crown's impressive employment record and experience in this field would suggest that the potential negative health impacts of employment can be mitigated through a comprehensive and proactive management program.

Accessibility impacts

Whilst the potential for problem gambling to occur at the site is largely managed through various VIP-only restrictions, i.e. by prohibiting general public access, there is a valid social concern that the exclusivity of the venue could deny broader public access into and through the site and present as a social barrier in an otherwise public precinct.

Whilst VIP building access is available at separate, discrete locations (directly via the carpark and via separate lifts to higher levels and gaming facilities), it is also available at the hotel porte-cochere and generally at the building's ground floor level.

The site design carefully manages its public interface – accessible facilities are provided at the building's lower levels and the site connects with public thoroughfares along the waterfront and around the site.

The development will cater for guests of the hotel, patrons of the casino, residents and visitors of the residential apartments, shoppers frequenting the public retail facilities at the ground floor and visitors to the various bars and restaurants throughout the complex. Importantly, the ground floor level of the building will be publicly accessible and open to the public 24 hours a day, 7 days a week.

The building design and its proposed landscaped surrounds, linking to the broader public domain of Barangaroo South, have been separately assessed from a crime prevention perspective. Subject to specific signage, pavement, lighting and landscaping treatments, the project design has been found to be secure and safe for both VIP guests and the visiting public.

Overall it is considered that, by virtue of the building's conscientious design, general public access to and around the site is not compromised by the CSHR proposal. A consistent (all day) public connection with the Barangaroo South and other precincts is ensured.

2.2 NSW Government policies and strategies

Delineating operation boundaries – impact containment

Following Crown Resorts Limited's Stage 3 unsolicited proposal, the NSW Government introduced¹² a bill¹³ to amend the *Casino Control Act 1992 (Existing Act)*. The Bill¹⁴ has since been passed by Parliament and operates as an effective measure to mitigate the potential for public harm, delineating the activities of the Restricted Gaming Facility by establishing boundaries and certainty. Once operational, the Restricted Gaming Facility will be subject to the provisions of the amended legislation.

Crown was issued with a Restricted Gaming Licence by the NSW Independent Liquor and Gaming Authority on the 8 July 2014.

The Casino Control Act¹⁵ sets out provisions governing the appropriateness of the operator of the Restricted Licence Facility¹⁶, delineates the specific location of the facility¹⁷, and the total area¹⁸ of the Restricted Licence Facility. Specific sections seek to mitigate the potential for public harm; specifically at section 21 of the Act:

- prohibiting the installation of poker machines¹⁹;
- prohibiting low limit gaming²⁰
- restricting entry to the facility to members and guests of the Barangaroo restricted gaming facility²¹;

Numerous studies have established a relation between poker/slot machines, low limit gaming and problem gambling. Therefore restrictions precluding such

¹² November 2013.

¹³ *Casino Control Amendment (Barangaroo Restricted Gaming Facility) Bill 2013*.

¹⁴ assented on 27.11.2013.

¹⁵ i.e. the *Casino Control Amendment (Barangaroo Restricted Gaming Facility) Act 2013*.

¹⁶ At Section 12 amending s13A *Casino Control Act, 1992*.

¹⁷ At Section 17 amending s19A *Casino Control Act, 1992*.

¹⁸ At Section 17 amending s19A(b) *Casino Control Act, 1992*.

¹⁹ At Section 21 amending s22A(2) and defining what a poker machine is s22A(3) *Casino Control Act, 1992* respectively.

²⁰ At Section 21 amending s22A(5) *Casino Control Act, 1992*.

²¹ At Section 21 amending s22B *Casino Control Act, 1992*.

gaming machines ensure that the potential for public harm resulting from problem gambling is moderated in general, and curtailed specifically when the games of choice relate to the prohibited activities.

From a public perspective, the Restricted Gaming Facility represents a minimal addition to Sydney's aggregate supply of gambling. The provisions surrounding Crown's commitment toward members & guests are part of the Act²² and will affect a barrier to entry (for many).

Fundamental elements of the licence provisions of the CSHR Restricted Gaming Facility include:

- a membership policy;
- a policy for the review of memberships;
- a guest policy.

Under the agreed principles, people may be granted membership if they:

- are already members of a VIP gaming facility²³;
- are from overseas or interstate and have been accepted into 'high roller' rebate based play (this includes requirements for front money);
- have applied for membership and that membership has been granted having regard to the membership policy;
- NSW residents may be granted membership if they meet the membership requirements, but subject to a 24 hour 'cooling off' period unless they can provide evidence that they are already a member of an International or Australian VIP gaming facility.

For many of the general public, these requirements will prove onerous and not warranting the additional expenditure of effort — particularly when effortless access is afforded by *The Star* and the numerous suburban clubs, pubs and TABs. While the Restricted Gaming Facility differentiates itself from competitors via exclusivity and premium pricing, ultimately, what is offered is the experience incumbent to games of chance. Rational choice theory suggests that where a not dissimilar choice exists between two (or more) alternatives (taken as "the

²² And formed Key Terms of the Stage 3 Unsolicited Proposal.

²³ As the Restricted Gaming Facility is described in the legislation.

experience”) an agent will decide upon the easier and cheaper of the two, thus maximising their benefit.

The membership provisions will serve to exclude members of the public at CSHR’s discretion. Further, for problem gamblers, when (like any addiction) the need is current it must be satiated at that time, not 24 hours later. This will serve as a deterrent, initially. In the absence of professional intervention, problem gamblers ultimately will find an outlet for their addiction. Restricting access by creating entry barriers (pricing and membership) and corralling gaming toward more expensive options, rational individuals are unlikely to change their regular gaming preferences. Importantly, the nature of the gaming experience (table play) proposed (and permitted) differs considerably from what is readily accessible elsewhere (poker/slot machines) and it is the experience along with the duration of the experience that underpins the gambling addiction.

Crown Resorts operates a Responsible Gaming Support Centre²⁴ at Crown Melbourne. This has provided Crown Resorts with the expertise to implement responsible gambling initiatives at the Melbourne facility. The Restricted Gaming Facility proposed for CSHR would benefit from Crown Resorts’ corporate capability in this area, as applicable to the demands of the situation.

Crown has undertaken to provide similar support services at its Sydney operations. It has signed a Memorandum of Understanding with Mission Australia to cover the provision of responsible gaming support services for the CSHR.

The MOU details a number of responsible gaming support services to be delivered by Crown and Mission Australia at the resort, including:

- Responsible gaming training and education for Crown employees;
- Provision of a 24/7, multi-lingual responsible gaming counselling service;
- Conduct of a self-exclusion program;
- The creation of dedicated responsible gaming roles for staff trained and experienced in Crown’s responsible gaming programs;

²⁴ A dedicated facility which would implement the responsible gambling initiatives and be staffed by Responsible Gaming Liaison Officers, psychologists and a chaplain. Support is offered to patrons, including their families and friends, who are experiencing problems with their gambling.

- Access to a variety of responsible gaming and related information available in selected languages aligned to those of CSHR's customers;
- A Responsible Gambling Code of Conduct to which Crown and its staff at the CSHR will commit and adhere; and
- The conduct of an employee assistance program.

From a public perspective, given the nature and intended operation of the Restricted Gaming Facility within CSHR, it is apparent that this component of the project represents a minimal addition to Sydney's aggregate supply of gambling venues and is therefore considered a minimal public risk.

Working environment – air quality

The *Smoke-free Environment Act 2000* does not apply to the Restricted Gaming Facility. This is consistent with smoking being permitted in VIP gaming rooms within other casinos throughout Australia. To address the potential risks to workers resulting from extended periods of exposure to tobacco smoke the Act²⁵ requires Crown to install and maintain air quality equipment that is of an international best practice standard²⁶. The functioning and satisfactory performance of the equipment will be subject to ILGA audits and recommendations.

This provision was requested by The United Voice Union with a view to minimising the potential of passive smoking related injuries and was included in the Unsolicited Proposal submitted by Crown Resorts Limited. We are advised that Crown and United Voice have worked together on these matters in both Melbourne and Perth, where extensive engagement has been in place for many years.

Distribution of benefits – (i) employment opportunity

The Act²⁷ sets the requirement for the provision of training facilities²⁸ for employees of the Restricted Gaming Facility and specifically the requirement for an employment program for Aboriginal persons²⁹ in the facility³⁰.

²⁵ *Casino Control Amendment (Barangaroo Restricted Gaming Facility) Act 2013.*

²⁶ At Section 31 amending s89A *Casino Control Act, 1992.*

²⁷ *Casino Control Amendment (Barangaroo Restricted Gaming Facility) Act 2013.*

Further to this requirement, Crown has entered into a variety of agreements in an effort to distribute the benefits widely through the community via training, tourism, and business partnerships.

These include:

- development of an in-house training colleges at Penrith and Redfern, based on the Crown Melbourne training centre model, providing opportunities in those areas
- developing Ellerston Retreat into a luxury day retreat with an exclusive golf course in the Hunter Valley of rural NSW
- a partnership with the Perisher Ski Resort, making the ski fields another key attraction for CSHR guests
- umbrella relationships with Crown Melbourne and Crown Perth to provide synergies within the Australian market
- business partnerships with:
 - *The United Voice Union* - Workforce planning, development and EA
 - *The National Centre of Indigenous Excellence* - Indigenous Employment
 - *Lend Lease* - the primary developer for Barangaroo South
 - *Penrith Panthers Rugby League Club* - employment and training
 - *Mission Australia* - Responsible Gaming Support
 - *South Sydney Rabbitohs* - Indigenous Employment
 - *Australian Rugby League Commission* - Indigenous Employment

The CSHR will be a significant employer within Sydney's economy and the employment opportunities and benefits will be spread widely. Specifically, a portion of the roles in the CSHR will target locations where social disadvantage is concentrated—outer western Sydney (Penrith) and inner Sydney (Redfern).

Further, as the facility will operate under the Crown banner, there is also the potential for employees to work in other Crown resorts (such as Crown Melbourne

²⁸ At Section 23 amending s64A(a) *Casino Control Act, 1992*.

²⁹ At Section 23 amending s64A(b) *Casino Control Act, 1992*.

³⁰ Again at the recommendation of the Unsolicited Proposal.

and Crown Perth). The skills and experiences imparted to employees are readily transferrable to other businesses in the hospitality industry.

By forming relationships with the *Ellerston Retreat* in the Hunter Valley and the *Perisher Ski Resort*, the CSHR proposal will widely distribute the potential benefits and opportunities of VIP tourism. Sydney enjoys a strategic monopoly for the foreign tourist spend that secondary markets such as the Hunter Valley find it difficult to tap into. Typically these markets have relied upon local tourism, but with a historically high Australian dollar, the sector has felt the pain of price competition with proximate international markets. Exposing significant net worth individuals to an alternative Australian experience (from that of Sydney alone) may yield further downstream dividends.

Significantly, it is the communities where these resorts are located that will benefit from the additional expenditure and employment opportunities.

While these employment opportunities demonstrate the *economic* impact of the proposal, by inference the social impact for these communities is that they enable the community's existence, underwriting their continuity. Places need a reason (or an economic base) to exist.

Distribution of benefits – (ii) tax revenue

The Restricted Gaming Facility licence revenues, taxes, stamp duties, and rates collected from the operating facility will find their way back to the community in the form of medical resources, improved transport, education, law and other civic infrastructure that State and Federal governments provide to enable further growth.

Arguably, the people living in or close to the Sydney LGA enjoy superior access to museums, parks, views, health and employment opportunities compared to those in the Outer West. While it is true that many of Sydney's attractions (restaurants, theatres, etc.) come at a (premium) price, many are also free (Botanic Gardens, Art Gallery of NSW – main collection, etc.). The *quality of life* within the Sydney LGA has improved measurably since the 1990s, evidenced (in part) by the premium purchasers pay to 'buy into the lifestyle'.

Crown's proposed distribution of employment opportunity, both geographically to western Sydney and to indigenous Australians will help ensure that those living remote from Sydney's CBD, or who might otherwise be discouraged from accessing it, are not marginalised from the benefits of the city.

Crime

Generally in situations where large sums of money and uncertainty come together there is a need for regulation. This is particularly true of the gaming industry, which is why it is one of the most highly regulated and scrutinised business sectors in the world.

In NSW, the ILGA³¹ is responsible for ensuring that the state's statutory requirements of the *Casino Control Act* are upheld. Daily audits and reports to the Minister will ensure that the necessary adjustments are made as and when issues arise. This process is considered to greatly limit the potential for adverse social impacts on the community. The constant monitoring and refining of the CSHR complex (vis-à-vis the ILGA) will render the environment for crime a difficult one to adapt to, thereby reducing the potential for crime in its vicinity.

As noted by Bounds et al (2000) casinos tend to establish a *cordon sanitaire* for some types of crime owing to the higher levels of surveillance and street activity, and the 24 hour business cycles they frequently operate. This was their observation from Pyrmont in the years following the opening of *The Star* casino.

Also, as noted previously, the CSHR building design and its proposed landscaped surrounds, linking to the broader public domain of Barangaroo South, have been separately assessed from a crime prevention perspective. Subject to specific signage, pavement, lighting and landscaping treatments, the project design has been found to be secure and safe for both VIP guests and the visiting public.

³¹ NSW Independent Liquor and Gaming Authority.

Section 3: Population Profile

In this section we assess key demographic characteristics of residents and households living within the Sydney–Haymarket–The Rocks and Pyrmont–Ultimo SA2 regions as well as the Greater Sydney Metropolitan area.

Some 46,700 people reside within these two SA2s achieving superior levels of residential density consistent with the proximity to the city’s commercial core. It is an ethnically diverse and affluent area, experiencing a pace of growth greater than that of the Sydney Metropolitan area. This growth is being driven by young professionals, students, and ‘empty nesters’. The two SA2s also have populations of ‘urban poor’ that are greater than the Sydney average, principally those inhabiting social housing.

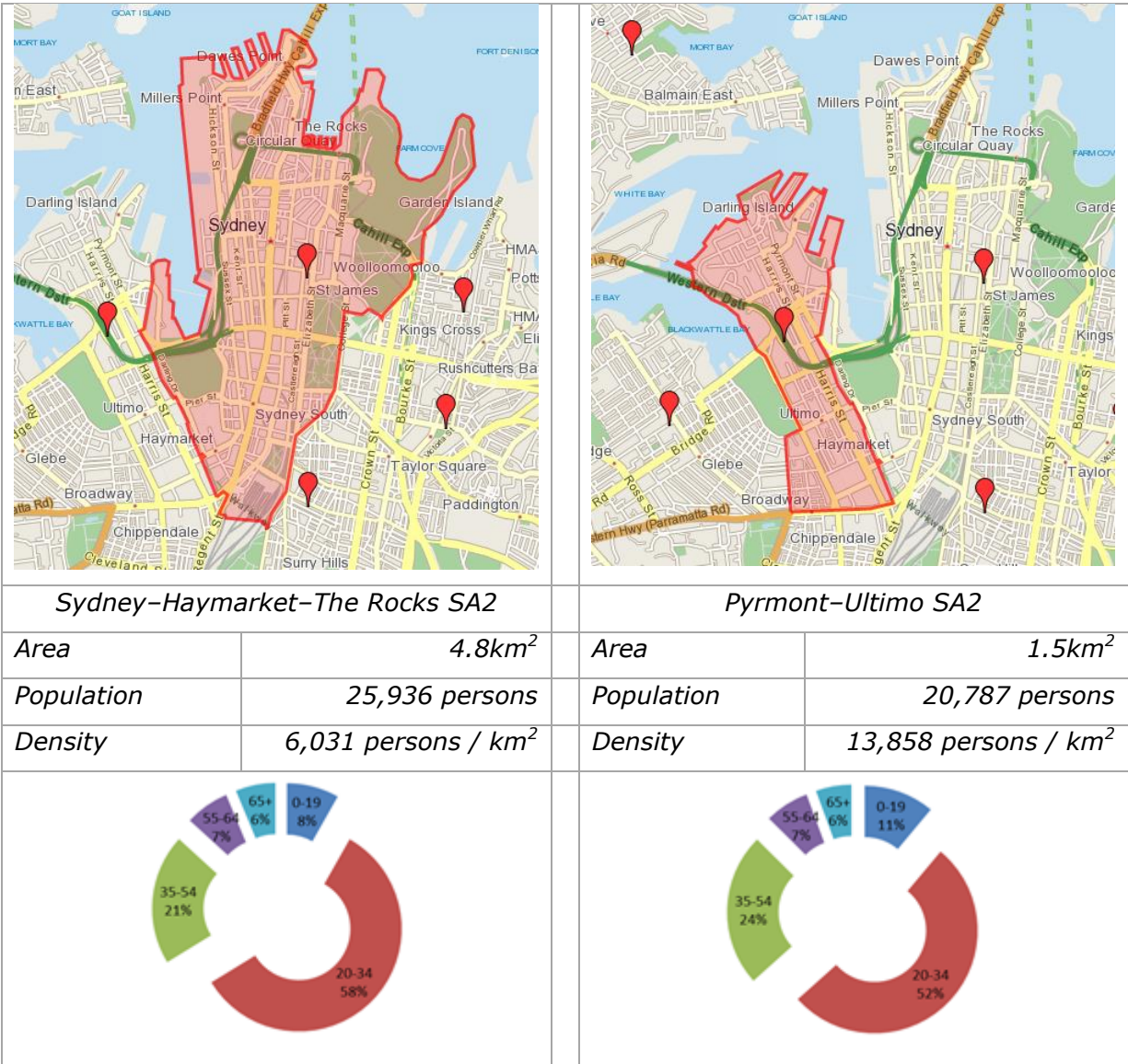
Importantly, the area is one in transition, as new populations are continually added to the existing — since urban renewal and high density housing has been applied to Pyrmont and will continue at Barangaroo, Darling Harbour, and the CBD (with office to residential conversions). The future local community of Barangaroo, therefore, will increasingly become an ethnically diverse agglomeration of professional working couples with above average incomes.

Population growth

From the ABS 2012 ERP and 2011 Census, some 46,700 people reside within the area³² neighbouring the CSHR proposal. Over the ten years to 2012, we have observed greater growth rates in the two regions; annual population gains in the Pyrmont–Ultimo SA2 expanding by 6.2% and 4.3% in the Sydney–Haymarket–The Rocks SA2. This is compared to an annual rate of only 1.2% in the Greater Sydney Metropolitan area.

³² The SA2 regions are Sydney–Haymarket–The Rocks and Pyrmont–Ultimo.

Figure 4: ABS SA2 boundaries for Sydney-Haymarket-The Rocks and Pyrmont-Ultimo



Source: ABS

For both regions, they have been characterised by very strong growth in the 20-34 year age bracket, overwhelmingly dominating total growth. This is due to the preference of young professionals and students to live close to work and universities.

Higher residential densities, nearer to the commercial core, are a consistent feature of cities, globally. Similarly, the price of accommodation is also higher, reflecting a higher demand for land and competing land use needs. This then has an impact upon the socio-economic profile of the communities living in these

areas. Population growth is being driven by young professionals as well as 'empty nesters' with income levels that are generally superior to the Sydney metropolitan average.

Further, the urban renewal of the Pyrmont region, commenced in the 1990s and now nearing completion, brought a transformation of the immediate area. Between 1993 and 2013, the Pyrmont area contributed around 22% of the LGA's 39,200 apartment completions. Former industrial and port lands in addition to derelict terraces and some public housing tenancies were redeveloped to high density residential apartments, with office and retail contributing to the mix.

The convenience of the location to CBD work and entertainment proved a strong drawcard; especially so for 'empty nesters', typically working couples who downsize to apartments following the departure of their adult children from the family home.

Table 3. SA2 population growth by age cohort

Age Cohort	Sydney - Haymarket - The Rocks SA2	CAGR* (2002 -12)	Pyrmont - Ultimo SA2	CAGR* (2002 -12)
0-19	-611	-2.5%	675	3.5%
20-34	7,609	7.3%	5,144	6.6%
35-54	1,131	2.4%	2,301	6.3%
55-64	432	2.8%	740	7.5%
65+	295	2.0%	537	6.4%
Total	8,856	4.3%	9,397	6.2%

*CAGR: Compound Annual Growth Rate

Source: ABS ERP, MacroPlan Dimasi

Department of Planning & Environment population projections provide an insight as to the future population growth of the LGA. Between 2011 and 2031 the LGA's population is expected to increase by more than 100,000 people. While most of this growth will be concentrated to the *Waterloo-Green Square-Alexandria* region, a pipeline of some 2,200 apartments is being delivered to the immediate area of the CSHR proposal³³.

³³ An estimated 800 apartments at Barangaroo and 1,400 apartments to the Darling Harbour Convention Centre redevelopment.

Table 4. City of Sydney LGA population projection, 2011 - 2031

Age	Number of people			Age distribution (% of total population)			Growth 2011-31	
	2011	2021	2031	2011	2021	2031	No.	%
<15	12,950	20,050	25,400	7.1%	8.5%	8.7%	12,450	95.8%
15-64	155,950	192,800	230,750	85.0%	81.6%	79.4%	74,750	47.9%
65+	14,550	23,300	34,400	7.9%	9.9%	11.8%	19,850	136.5%
All ages	183,500	236,150	290,550	100.0%	100.0%	100.0%	107,050	58.3%

Source: NSW Department of Planning & Infrastructure

The surge of residential apartment approvals to both SA2s will see the population dynamics of the local area rapidly change. The *Park Central* project alone to the southern end of the SA2s will see more than 2,000 apartments added to the area. Residential towers to the city centre (such as the former Water Board site, around 400 apartments), Circular Quay (from 300 apartments across a number of sites), and foreseeable projects in Haymarket to Pyrmont (at least another 400 apartments) further add to this pipeline.

Bounds (2000, 59) notes that the redevelopment of Pyrmont–Ultimo in the period subsequent to the completion of the Star City Casino in 1997 led to an increase of ethnic diversity. Whilst there was no evidence of mixing there was also no evidence of hostility. The authors also noted that the social ties between Department of Housing residents and the rest of the community were minimal.

Ethnically, Australian born residents account for some 36% of the population with 12% born in China, 8% each from Thailand and Indonesia, and the remainder from the rest of the world — demonstrating a highly diverse ethnic environment.

Personal income

Some 55% of the population are aged between 20-34 years and are typically professionals (30%) or managers (20%). 51% earn an income greater than \$2,000 per week.

Based on 2011 Census data, the median weekly household income for *Sydney–Haymarket–The Rocks* and *Pyrmont–Ultimo* SA2 regions was \$1,422 and \$1,751 respectively. There is considerable disparity when compared to the Greater Sydney median of \$1,447, an interesting outcome given that the two SA2 regions adjoin one another.

Part of this anomaly is explained as the area is over-represented by those who earn 'negative or nil' income (4%) when compared to the Greater Sydney Metropolitan area (1.4%). The *Sydney-Haymarket-The Rocks* includes international students (generally supported by their parents) who are residing in the city. Further, there are concentrations of social housing, specifically at Millers Point, Woolloomooloo and Pyrmont. These areas are undergoing significant change and are expected to further gentrify over time.

The following table analyses weekly personal income by different weekly income ranges. A majority (66.2%) of working residents living in the *Pyrmont-Ultimo* earn a weekly income greater than \$1,500 compared to 55.9% in the *Sydney-Haymarket-The Rocks*. Both areas have a higher proportion of high income earners in the top bracket compared to the Greater Sydney Metropolitan area.

Table 5. Weekly household Income

Weekly (Annual) Income		Sydney - Haymarket - The Rocks SA2	Pyrmont - Ultimo SA2	Greater Sydney Metropolitan
< \$399	(< \$20,799)	9.9%	6.9%	5.5%
\$400-\$799	(\$20,800-\$41,599)	12.0%	10.3%	15.8%
\$800-\$1499	(\$41,600-\$78,000)	22.2%	16.7%	23.4%
\$1500+	(\$78,000+)	55.9%	66.2%	55.2%

Source: ABS, MacroPlan Dimasi

Socio-economic index (SEIFA)

The socio-economic index produced by the ABS is a measure of relative advantage or disadvantage. The table below shows the deciles for *Sydney-Haymarket-The Rocks* and *Pyrmont-Ultimo*. A score of 1 indicates an area of severe disadvantage, whereas a score of 10 represents an area of relative advantage. The scores are also distributed as a percentile ranking for New South Wales.

Pyrmont-Ultimo is relatively more advantaged at decile 8, corresponding to 22% of the most advantaged suburbs. *Sydney-Haymarket-The Rocks* is similarly advantaged at decile 7 corresponding to the top 36%.

Table 6. Social Economic Index SEIFA

	Sydney - Haymarket - The Rocks SA2	Pymont - Ultimo SA2
Decile (1-10)	7	8
State Percentile	64%	78%

Source: ABS, MacroPlan Dimasi

A SEIFA score is an average of people and households within a given area, therefore not everyone in the area would have that same score. In the same way, an area that SEIFA rates as relatively disadvantaged could have some advantaged households; just as an area ranked as relatively advantaged could have some households that are relatively disadvantaged.

The limitation in the application of the SEIFA Index is the skewedness of the populations in the locality which, as we have seen in this part of Sydney, is rapidly changing. A continued de-concentration of public housing, for instance, is expected to result in a further dilution of the incidence of disadvantage.

The likelihood of the local community becoming less disadvantaged, however, will be closely tied to the economic drivers of the global economy.

Housing tenure

As at the 2011 Census, renting constituted the most prevalent tenure type in both SA2 regions. Approximately 66.3% and 65.2% of households were renters in *Sydney-Haymarket-The Rocks* and *Pymont-Ultimo* respectively.

This is double the proportion when compared to the Greater Sydney Metropolitan of 32.8%. This corresponds with above average student representation and young professionals.

3.7% and 5% in the *Sydney-Haymarket-The Rocks* and *Pymont-Ultimo* SA2 regions respectively are identified as tenants living in the State's social housing.

Table 7. Household Tenure Type

	Sydney - Haymarket - The Rocks	Pymont - Ultimo	Greater Sydney
Owned Outright	16.4%	13.4%	31.3%
Owned with a mortgage	17.4%	21.4%	35.8%
Renting	66.3%	65.2%	32.8%
Total	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

Occupation

The occupation profiles in the SA2 regions are dominated by both professionals and managers. The table below shows this distinction. There are notably less clerical and administrative workers, machinery operators and drivers and technicians and trade workers in the area.

This is consistent with employment opportunities that are in the local area as well as the area's income and socio-economic indicators.

Table 8. Occupations – Proportion of persons by occupation and SA2 area.

Occupations	Sydney - Haymarket - The Rocks SA2	Pymont - Ultimo SA2	Greater Sydney Metropolitan
Managers	21.5%	18.1%	13.5%
Professionals	33.5%	37.5%	26.0%
Technicians and trades workers	7.8%	7.5%	12.4%
Community and personal service workers	10.0%	9.3%	9.0%
Clerical and administrative workers	11.7%	14.1%	16.5%
Sales workers	8.0%	7.8%	9.2%
Machinery operators and drivers	1.2%	1.5%	5.8%
Labourers	6.4%	4.2%	7.5%
Total	100.0%	100.0%	100.0%

Source: ABS, MacroPlan Dimasi

Section 4: Community Facilities and Services

In this section, we survey existing community facilities and services and consider the likelihood of these facilities being utilised by larger numbers of visitors (by inference, guests of the CSHR) to determine the impact of the higher patronage.

Community facilities and services

The following table sets out free and paid admission venues around the Sydney LGA that feature on many itineraries when visiting Sydney.

Table 9. City of Sydney landmarks

Museums and Art galleries	entry	Major Landmarks	entry
Australian Museum	Free*	Opera House	Free
Art Gallery of NSW	Free*	Harbour Bridge	Free
Australian Heritage Fleet	Free*		
Australian National Maritime Museum	Free*	Parks	
Conservation Resource Centre	Free	Royal Botanic Gardens	Free
Discovery Museum: The Rocks	Free	The Domain Park	Free
Justice and Police Museum	Free	Hyde Park	Free
Macleay Museum	Free		
Museum of Australian Currency Notes	Free	Other Landmarks	
Museum of Contemporary Art	Free*	St Mary's Cathedral	Free
		Chinese Garden of friendship	Admission
Museum of Sydney	Admission	Fish Markets	Free
Powerhouse Museum	Admission	The Star Casino	Free
Pylon Lookout	Admission	Sydney Aquarium	Admission
Sydney Tramway Museum	Free	Centrepont	Admission
Sydney Observatory	Free*	Darling Harbour	Free
Sydney Jewish Museum	Admission	Paddy's Market	Free
		Pitt Street Mall	Free
		Circular Quay	Free

* general exhibition free and admission charged for special exhibits

Source: Sydney.com.au, MacroPlan Dimasi

A survey compiled in 2010 reported their findings to the Barangaroo Delivery Authority as to how often the Sydneysiders visited their city, the purpose of their visit, and which attractions they saw.

The survey found that about half of Sydney's population ventured into the city once every two to three months. Of these visitors, approximately 83% visited Circular Quay and 82% visited Darling Harbour. However, the CBD retail-transit areas of Circular Quay, Town Hall / QVB, Pitt St Mall, and Darling Harbour were all repeatedly visited five or more times over the 12 month period. Art galleries and museums have generally been less popular compared to other areas of the city.

Table 10. Frequency of visit in the past 12 months

Northern CBD	once or twice	three or four	five or more	Not visited in the past 12 months	Not Aware / Don't Know
Circular Quay	36%	22%	25%	15%	2%
The Rocks	40%	16%	15%	25%	3%
Opera House	37%	13%	10%	36%	4%
Botanical Gardens	32%	8%	6%	48%	5%
Museum of Contemporary Art	20%	5%	3%	63%	10%
Central CBD					
Town Hall / QVB	29%	19%	29%	20%	3%
Pitt Street Mall / David Jones / Myer	27%	17%	25%	27%	5%
Martin Place	30%	16%	19%	30%	5%
Hyde Park Area / Museum	31%	13%	13%	39%	5%
George Street Clubs & Bars	19%	9%	14%	49%	8%
Western CBD					
Darling Harbour	35%	23%	24%	16%	2%
Cockle Bay	27%	15%	14%	36%	8%
King Street Wharf	27%	14%	12%	39%	8%
Star City Casino	27%	10%	7%	49%	7%
Powerhouse Museum	22%	4%	3%	63%	8%
Southern CBD					
China Town	34%	14%	16%	33%	4%
Surry Hills	22%	11%	14%	46%	7%
Entertainment Centre	28%	8%	6%	50%	7%
Eastern CBD					
Oxford Street / Darlinghurst	21%	9%	13%	49%	8%
Kings Cross	21%	9%	10%	53%	8%
Woolloomooloo	19%	8%	6%	58%	9%
The Domain	21%	6%	4%	59%	9%
Art Gallery of NSW	20%	5%	4%	61%	10%
East Sydney (Stanley St)	14%	5%	4%	64%	13%

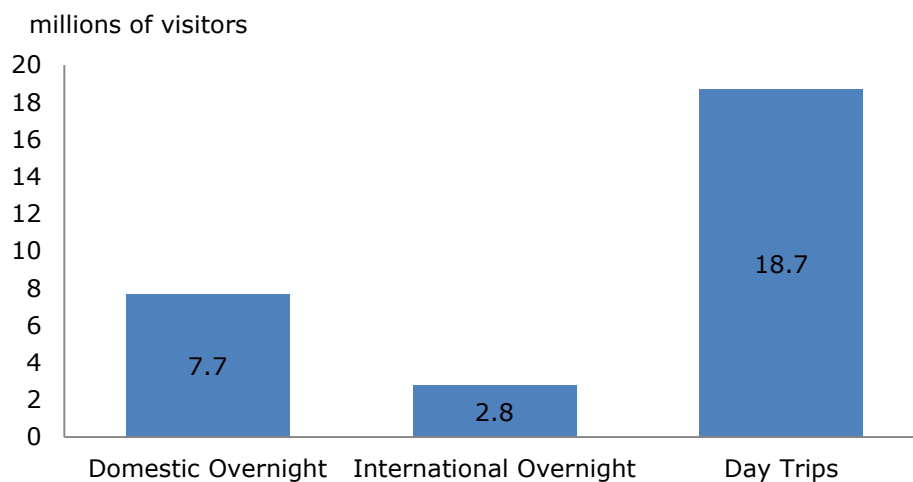
Source: "Community Awareness and Attitudes Consultation Research" BDA Executive Summary Oct 2010

Tourists and visitors – benefits and costs

Sydney is a destination city, with the Opera House, harbour, beaches and casual lifestyle drawcards for domestic and international tourists attracted to these icons and the numerous cultural events held throughout the year. Sydney is a financial centre attracting business people and enabling commerce. Sydney is a centre of education, drawing in significant numbers of international and inter-state students. Sydney is the seat of government for the State with a concentration of government departments, law courts, and the State's parliament. For these reasons and more, people travel to Sydney.

Sydney accommodated 29.2 million visitors in 2012/13 of which 10.5 million were overnight visitors. 70% of overnight visitors were domestic tourists. 29% and 54% of domestic and international tourists respectively labelled 'holiday' as the purpose for their visit. This translates to 3.8 million people.

Figure 5: Sydney overnight tourism, 2012-13



Source: Tourist Research Australia, MacroPlan Dimasi

This represents a significant contribution to the Sydney economy but also a burden on local resources. The extra tourism generated from the new hotel resort has the potential to further impact upon these resources and tourist destinations.

For attractions where there are no admission fees (e.g. Botanic Gardens, public areas around Circular Quay, etc.) the higher utilisation rate can result in a more rapid deterioration of the asset and a higher maintenance cost spread across the local area — specifically Sydney LGA or the trustees of the attraction. Where attractions follow the fee-for-entry model (e.g. Taronga Zoo, Harbour Bridge Climb, special (paid) exhibitions at the Art Gallery) this contributes to the bottom line, defraying operational costs.

If the hotel guests place additional demands upon Sydney's community facilities and services (where these are provided free of charge) it will likely be offset by additional consumption elsewhere within the city. Having higher numbers of tourists visiting the city creates a need to maintain the city's assets. It also provides the consumption base required for the viability of late night venues, street theatre, small bars and concert performances, and supports further and ongoing investment in civic infrastructure i.e. the quality of life features that make for interesting and vibrant cities.

Iconic structures

All great cities are recognised by their civic icons. In the era of globalisation, tourism has become a major industry and in the 21st Century no great city is complete without prestigious hotels to lure wealthy travellers from abroad. Hotels are beacons of urban pride in a global market place that pits world cities against each other.

The Sydney Opera House remains a powerful drawcard for tourists, an instantly recognisable symbol of Australia. From an aesthetic viewpoint, this underwrites the need for the CSHR to be a spectacular, iconic and lasting addition to the Sydney skyline.

The construction of the CSHR will undoubtedly augment the range of offerings in the tourism triangle extending from the Opera House/Circular Quay through The Rocks to Darling Harbour, back to the QVB and down Pitt St returning to the Quay.

Local facilities

Whilst the new residents and workers of Barangaroo South will place additional demands upon existing community facilities, this extra demand is matched by a substantial investment in cultural and community infrastructure across the precinct, implemented by the primary developer Lend Lease

This investment in social infrastructure in the Barangaroo South precinct will involve:

- A '*Culture and Public Art Plan*' – addressing the delivery and ongoing management of proposed new cultural infrastructure including permanent, temporary and ephemeral art works and art incubator programs.
- A '*Place Activation Plan*' – addressing planning, resources and delivery of programs, events and activities which aim to activate Barangaroo South and reinforce Sydney's identity as the world's most enjoyable city.
- The provision of an adaptive, multipurpose, cultural facility that may include a sustainability and education centre as part of the precinct's 10,000m² community space provision.
- A '*Lifelong Learning*' strategy that aims to promote positive impacts for the immediate community and ensure the new community creates a beneficial impact on other communities both locally and globally. It is our understanding that Lend Lease will develop community learning and skilling programs over 5 years at Barangaroo South with a network of public and private partnerships. This is in addition to Crown's own training and education initiatives.
- A '*Human and Community Services*' program to ensure that Barangaroo South meets the social service needs of its communities and supports its position as a socially inclusive place and a key destination for youth. The program will incorporate the provision of the Barangaroo Innovation Centre, ICT and free WIFI to encourage social connections and flexibility in working and communication, and the provision of child care facilities.
- An '*Active and Healthy Living*' program involving the provision of formal and informal public realm and their ongoing management and maintenance, a bio-diverse landscape that promotes natural habitat and

ecological value on the site, and active transport facilities (bike storage, toilets, change and shower facilities, street furniture, signage, etc).

- A '*Community Investment Strategy*' that aims to encourage a diverse and inclusive community through, inter alia, the provision of key worker affordable housing, a percentage of affordable retail and office space to support young businesses and foster social enterprise, as well as support programs to better link social enterprise and the finance sector and to leverage social investment for community development.
- A '*Delivering Sustainability*' initiative that includes promoting education and participation through the supply chain, workforce skilling and new job creation, a 20% allocation of trade contract work to apprentices, and exceeding NSW Government targets for Aboriginal participation in construction.

In addition to these services and facilities proposed for Barangaroo South, the overall Barangaroo redevelopment will also comprise extensive community and public domain improvements delivered by the Barangaroo Delivery Authority across the Headland Park and Central Barangaroo precincts.

Headland Park³⁴, for instance, will provide space for recreation, expression, celebration, and community. It will feature bush walks, grassed areas, lookouts, walking and cycle paths, and a new harbour cove. It will also feature unique tidal rock pools created from sandstone excavated directly from the Barangaroo site, offering a close connection to Sydney Harbour. Headland Park will also feature a new cultural centre with an anticipated floor area of up to 18,000m².

Central Barangaroo will also incorporate civic and cultural attractions with other recreational, retail and commercial uses, to complement facilities provided in the adjoining precincts.

Combined, these community initiatives will supplement existing community offerings and are expected to accommodate the everyday needs of the immediate residents of the CSHR and other residents of the Barangaroo district.

³⁴ See: <http://www.barangaroo.com/discover-barangaroo/headland-park>

Section 5: Social Impact Assessment

In this section, we appraise the likely social impact of the CSHR proposal upon the Barangaroo community having regard for the current strategic policy context.

We note the findings of an earlier (2010) community consultation to determine the community attitudes to the Barangaroo proposal. Importantly, when determining who 'the community' is, we have extended our frame of reference broadly across the Greater Sydney Metropolitan area, rather than confining our scope to the LGA or immediate SA2 regions.

Social impacts

Social impacts (costs and benefits) are not wholly quantifiable in monetary terms — they remain a 'quality of life' issue. Social costs are largely defined by the relationship of people to place. People (or more correctly their values) change, and are often aligned to the currency of their need. Places also change. Clearly, this presents difficulties since benefits and costs are understood through the prism of our existing needs and values.

There is not an equivalency between what some regard as costs and others regard as benefits. An important point, since our understanding of "who is the public" infers that the costs and benefits will differ for the differing publics. Do the needs of the Greater Sydney Metropolitan area outweigh those of a specific neighbourhood? And what of areas in transition (or rapid transition as is the case for the *Pymont-Ultimo* and *Sydney-Haymarket-The Rocks* SA2), what of the needs of residents who are not yet in a locality?

Our approach has been to examine the benefits and costs of the proposal and to attempt to match them to varying competing needs — for some a late night venue is desirable while for others objectionable. It is important then to identify where real harm is a likely impact.

Our SIA of the CSHR proposal has identified a number of potential impacts and social risks that may result from the development.

How likely any of these are to eventuate is subject to the final form the proposal for the 6-star resort takes, how it is operated, and the mitigation (vis-à-vis the health and social perception) strategies employed by Crown Resorts.

Early community awareness and attitudes to Barangaroo

Some insights as to potential community attitudes to the CSHR proposal may be inferred from an earlier (2010) city-wide survey.

Reference to this survey is not to be taken as a proxy for the CSHR proposal, since at the time of the survey the respondents were only aware of what was proposed in 2010. At that time, the proposal included a typical international brand hotel, not a 6 star hotel resort, and there was no suggestion of a Restricted Gaming Facility.

The value that can be extracted from this survey, however, lies in the overall attitudes to what is occurring in Barangaroo and the community's relationship with the city.

Key findings of the survey early-stage Barangaroo survey

In the early stages of the Barangaroo project, a representative sample of the Sydney community was surveyed³⁵ to determine the baseline attitudes of how people viewed Barangaroo.

A total of 2,215 online interviews³⁶ were completed and the sample was structured to be proportionate to the 14 ABS SSDs in the Sydney region.

Attitudes to the Barangaroo development were measured both before and after exposure to the communication materials.

³⁵ Review Partners, Australian Online Research (2010).

³⁶ Inner Sydney (n=823), Central Sydney (n=660), Outer Sydney (n=732).

Table 11. 12 key findings of the 2010 survey early-stage Barangaroo

1.	Most (72%) Sydney residents want to see Sydney grow and develop and remain the envy of the world
2.	Most (87%) residents see the CBD and the harbour as the property of everyone and want to take more advantage of it
3.	Most recognise that the expansion of the CBD through construction of new buildings is an inevitable part of a city's growth
4.	Most (82%) don't know much about Barangaroo
5.	Most (69%) have heard about Barangaroo through the media
6.	Among all Sydney residents, most people (60%) don't know enough about Barangaroo to have firm opinions about it
7.	Among those who have heard about Barangaroo, most feel positive about it or neutral towards it
8.	Once the Barangaroo story is explained to them, most feel positive about it and look forward to it going ahead
9.	More than three-quarters of people believe that they can personally benefit from Barangaroo in several ways
10.	Most feel most positive and to find out about the Headland Park (and other community areas and facilities)
11.	Concern relates to the need to address transport needs of Barangaroo
12.	Most are willing to accept the involvement of a developer and the proposed funding arrangements to make Barangaroo happen

Source: Review Partners, Australian Online Research (2010)

Specifically, we note key finding (8) where the respondents' opinion of the Barangaroo proposal improved when their understanding increased.

From these results we may infer that most people surveyed:

- Recognise Sydney's role as a commercial and cultural entity and agree that change is an essential part of an evolving growth story;
- Share a vested, communal ownership of the harbour and the CBD and a common concern about issues that will likely impact upon them personally (e.g. transport, parks, community facilities, etc.); and
- Are fair minded, reserving personal judgement until *after* they are aware of the facts.

From this it may be inferred that Sydneysiders, the community, are generally reasonable and fair minded. They appreciate the need for the CBD to evolve and that change is part of this process. They pragmatically recognise the commercial reality of delivering projects and reserve judgement once they are aware of the facts. There is a very strong sense of communal ownership of the harbour and foreshore.

The CSHR proposal intersects with a number of these key areas and highlights the need for and benefit of stakeholder and community engagement.

Recreational engagement with the CBD

Importantly, how people interact, albeit in 2010, with the CBD in a recreational capacity was also examined. About half of the respondents travel in to the city at least once per month for recreation, with 18% travelling weekly or more. Some 11% of respondents venture into the CBD with a frequency less often than a year, although the survey does not report whether these respondents are concentrated to any particular region³⁷ or if the results are skewed towards particular age groups or interests.

Table 12. Frequency of engagement with the CBD, other than for work

Once a week or more	18%	53%
A few times a month	19%	
About once a month	16%	
Every 2-3 months	17%	47%
Every 4-6 months	10%	
Every 7-12 months	9%	
Less often	11%	

Source: Review Partners, Australian Online Research (2010)

Unsurprisingly, most (63%) people tend to travel into the CBD for recreation on the weekend, more so during the day rather than the night³⁸ (43% versus 20% of total respondents respectively).

³⁷ Such as Outer Sydney, where they may possibly be deterred by longer commutes.

³⁸ The weekend night range was defined as Friday to Sunday.

To ascertain what the respondents 'did' when they visited the CBD, the activities were broken in four categories of *Outdoors*, *Socialising and Retail*, *Culture and Entertainment*, and *Other* with sub-categories then specifying specific pursuits within the category.

The following table reproduces the findings from the survey.

Table 13. Main reasons for visiting the CBD in the last 12 months

OUTDOORS	
Just to walk around	48%
To enjoy Sydney Harbour	48%
To enjoy parklands in the CBD	15%
For exercise and sport	4%
Just to cycle around	2%
SOCIALISING & RETAIL	
To eat out	56%
For shopping	45%
To go to the markets (Paddy's, The Rocks)	30%
To have a drink with a friend	29%
To take visitors to Sydney	27%
To go to nightclubs	14%
CULTURE & ENTERTAINMENT	
To go to a major event	35%
To see a live show	31%
To attend a gallery or museum	26%
To see a movie	24%
To attend a Festival	22%
To listen to live music	18%
OTHER	
Do something official (eg Medicare, banking, etc)	18%
Do a course / education	14%
Something else? (PLEASE SPECIFY)	13%
None	1%

Source: Review Partners, Australian Online Research (2010)

Typically, respondents indicated a preference to avail themselves of the simple pleasures; enjoying the outdoors, around the harbour, to eat and to shop and to see a major event or a show.

The relevance of this survey to the CSHR proposal is apparent since the proposal touches on the three major categories in the following ways:

Table 14. Alignment of recreational preferences with CSHR and social impact

Recreation category	Alignment with CSHR proposal	Social impact
OUTDOORS	Will not detract from the public's enjoyment of the harbour and foreshore and will contribute to the vista	Neutral to positive
SOCIALISING & RETAIL	Will augment Sydney's premium social and retail offering	Positive
CULTURE & ENTERTAINMENT	Iconic architecture will contribute to the Sydney aesthetic while pricing may limit access to some of the entertainment and retail offerings, for some of the general public	Neutral to positive

Social impact of the hotel facility

We note the 2000 study³⁹ investigating the impact of the operating Star City Casino⁴⁰ upon residential amenity of the local residents of Pyrmont-Ultimo.

The Star features two gaming floors, eight bars, seven restaurants, 351 hotel rooms and 130 serviced and privately owned apartments. It also includes the 2,000 seat Lyric Theatre. *The Star* was completed in 1997.

The study's conclusions are somewhat relevant to what is currently proposed by Crown Resorts at Barangaroo, since there are parallels in the "highly cosmopolitan [originating mostly from overseas] ... transient [i.e. renting] ... [being a] burgeoning local and CBD employment base for the young and well educated⁴¹".

The study notes that the "impacts are more metropolitan than local as the Casino attracts relatively few locals as patrons or employees".

The principal concerns for locals were noted as:

³⁹ Bounds M, *et al* (2000).

⁴⁰ Re-badged as *The Star*.

⁴¹ *ibid.*, p53.

- parking resulting in the dis-amenity of congestion principally to the precincts immediately proximate to the Casino;
- the urban design flaw in that the Casino creates a pedestrian barrier dividing the peninsula along the escarpment leading down to Darling Harbour and the city; and
- the noise created by drunk patrons late at night.

Street crime in the vicinity of the Casino did "... not appear to be any greater and if anything is less of a concern than in other places."⁴². The study further cites research that noted the (then) feared crime increases resulting from a Casino did not eventuate — while the incidence of crime in *Pymont-Ultimo* did increase this was attributable to the rapidly growing population⁴³. Bounds (2000, 56) posits that the development created a *cordon sanitaire* of immediate surveillance, thereby reducing crime in the vicinity — conjecturing that it was potentially displaced to other areas.

One positive noted by residents, especially younger ones, was that the Casino was a 24 hour facility and that when they were bored they could pay a visit (Bounds 2000, 61). The inference we draw from this study is that while there may be resultant negative impacts from the CSHR, this may likely be in the guise of noise disamenity late at night and not crime — which may well reduce in the immediate vicinity of the CSHR, a very positive impact if it eventuates.

The impact of restricting access to the Restricted Gaming Facility

Restricting access to the Restricted Gaming Facility to members only protects problem gamblers' welfare. We understand that Crown Resorts will maintain selectivity of the Restricted Gaming Facility by actively reviewing their membership list; known problem gamblers are an undesirable element and would not be offered membership.

⁴² *ibid.*, p55 citing Commonwealth Government Productivity Commission Inquiry into Gaming Summary p29.

⁴³ *ibid.*, p56 citing Lynch R, A preliminary analysis of crime in relation to the Sydney Harbour Casino, 1997.

The exclusivity of the Restricted Gaming Facility sets it apart from the state's established gaming venues. Access is freely available to suburban clubs, pubs, TABs, newsagents (for lotteries), and racing venues — besides the online options⁴⁴. With the exception of *The Star's* premium gaming tables, the CSHR Restricted Gaming Facility will not compete with any of these venues on a service offering. Further, restricting access to the Facility will serve to exclude the majority of "punters".

Moore et al (2011)⁴⁵ note that the geographic closeness of gambling venues is not the only aspect of accessibility likely to affect gambling frequency. Perceived accessibility of gambling venues may include other features such as convenience (e.g. opening hours) or 'atmosphere'. Social Accessibility⁴⁶ was moderately related to gambling frequency and amount spent, but not to problem gambling, while Accessible Retreat⁴⁷ was associated with stronger urges to gamble and gambling problems.

Therefore, the sum total of gaming resources available to the majority of the State's punters is unchanged — since neither an addition to nor subtraction from their existing balance of entertainment resources will occur as a result of the CSHR project.

The potential for harm, as well as enjoyment, resulting from gaming is then quarantined for the most part to those individuals admitted as members (at Crown Resorts' discretion) with the financial and social capacity to participate. Crown Resorts has highlighted that the CSHR will specifically target foreign high net worth individuals.

As the project represents a minimal addition to Sydney's aggregate supply of publicly accessible gambling venues, it is therefore considered to pose a minimal public risk.

⁴⁴ An inexhaustive list.

⁴⁵ <http://hdl.handle.net/1959.3/88222>

⁴⁶ The level at which gambling venues were enjoyed because they were social places, provided varying entertainment options and had a pleasant atmosphere.

⁴⁷ The degree to which venues were enjoyed because they were geographically and temporally available and provided a familiar and anonymous retreat with few interruptions or distractions.

As a result, it is considered that there is no net social impact upon NSW residents by the operation of a Restricted Gaming Facility.

Further, by tying targeted social programs to the issue of the Restricted Gaming Facility license, a net social benefit results, since harm to the majority of NSW residents is obviated in the first instance by restricting access.

Prohibition of poker/slot gaming machines

Poker machines are not permitted under the terms of the licence issued to Restricted Gaming Facility pursuant to the controlling Act⁴⁸.

This is significant since, in an earlier 1999 report into gambling, the Productivity Commission examined the association between various dimensions of accessibility and problem gambling prevalence rates across the jurisdictions drawn from its national gambling survey.

It found that:

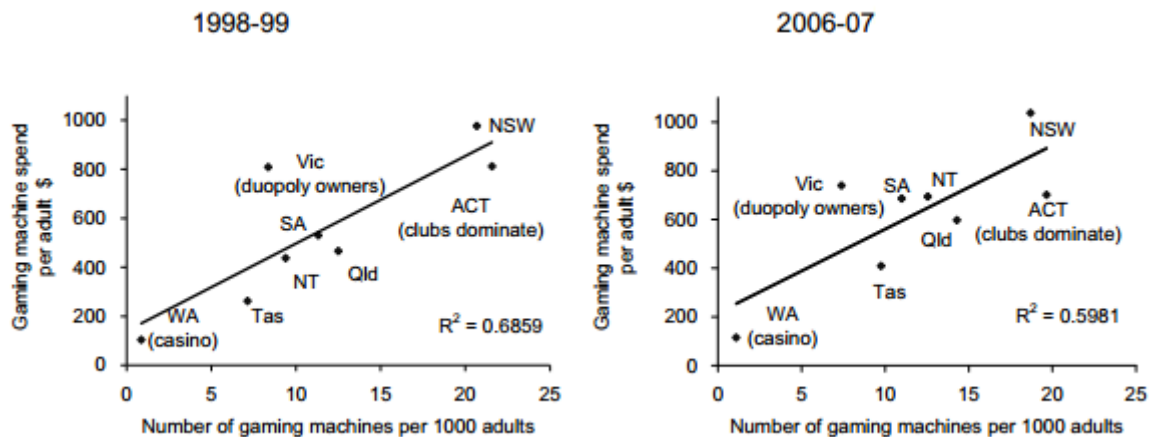
- There was a statistically significant positive relationship between gaming machine density and the problem gambling prevalence rate; and that
- Problem gambling prevalence rates were generally higher in jurisdictions with higher (non-lottery) gambling expenditure per adult⁴⁹.

Poker (and similar styled) gaming machines are (almost ubiquitously) located to bars, hotels, clubs and other such licenced premises, where with their suburban prevalence and ease of access, few barriers are placed between the problem gambler and the outlet for their problem.

⁴⁸ *Casino Control Amendment (Barangaroo Restricted Gaming Facility) Act 2013.*

⁴⁹ NSW, for example, had consistently higher levels of problem gambling than other states, and WA — where gaming machines were effectively barred in community venues — had a much lower level.

Figure 6: The link between real gaming machine spending and numbers of machines, all venues



Source: Productivity Commission⁵⁰

Appendix I of the Productivity Commission Gambling Inquiry Report (2010) re-examined the strength of the relationship between gaming machine density and gambling expenditure per adult.

As expected, there is a positive relationship between gaming machine density and gambling expenditure per adult.

Accordingly, for the CSHR project, prohibiting gaming machines removes the primary potential for social harm, while reducing the desirability of the venue to problem gamblers.

Benefits of gambling

The Productivity Commission (2010, p249) report notes that gambling provides significant enjoyment for many Australians, is a significant employer, is active in supporting local communities (especially sporting events), and is an important revenue source for governments.

Conversely, many of these benefits are either for members only or are vested in self-interest (e.g. sponsorship) and are not as great as those by Government (via

⁵⁰ *ibid*, Appendix I p7 citing data sourced from Office of Economic and Statistical Research and ABS.

tax and other concessions). Employees are highly skilled and would arguably find alternative employment, i.e. there is not a net employment benefit.

The report concedes that determining definitive costs and benefits are difficult, estimating a net benefit of between \$3.7 and \$11.1 billion in 2008-09, but notes that net benefits could be much larger if governments reduced the costs through effective harm minimisation and prevention policies.

Section 6: Findings and Recommendations

In this section we present our summary findings and recommendations with respect to the overall social impacts of the proposed Crown Sydney Hotel Resort and Restricted Gaming Facility.

Our summary of potential impacts is provided below.

Potential Positive Social Impacts	Potential Negative Social Impacts
<ul style="list-style-type: none">• Employment opportunities during construction and operation.• Livelihood opportunities targeting the marginalised.• Closing Sydney's void of premium tourism facilities by an experienced operator.• Addition to the city's retail offering available to the general public & aligning to future community consumption needs.• Extending opportunity to grow tourism across the whole of NSW (including the Hunter and Perisher) and also interstate.• Civic pride and visitor allure resulting from an iconic structure & defining Barangaroo's place & context relationship with the city.• New amenities for local residents via a comprehensive strategy to enhance the experience of Barangaroo South for residents, workers and visitors.• 24-hour activity which ensures public access and will improve safety around the location.	<ul style="list-style-type: none">• Amenity impacts to the immediate neighbours during construction & operation – these are more properly considered as part of an 'environmental' assessment of the project but are expected to arise through the community and stakeholder engagement process and will need to be addressed both as part of the initial project assessment and on an ongoing basis.• Problem gambling impacts – the restricted gaming facility at CSHR will operate on a member only basis. There will be no general public access to this part of the development, no low limit gaming and no poker machines. Crown has demonstrated its capacity to manage such a facility and will integrate responsible gambling procedures, staff training and support services (in conjunction with Mission Australia) for the CSHR.• Potential for work related health issues arising from shift work. Crown has demonstrated its experience and track record as an exemplar employer and will maintain a robust Health and Safety Management System for CSHR.• The perception of an elitist enclave that compromises public access and is at odds with the (idealised) notion of an egalitarian city – the Barangaroo resort hotel is designed to allow 24 hour public access to its lower levels and to interface directly with the surrounding public domain.

Overall, based on our assessment of Crown's current practices and its commitments to date with respect to the operation of the Sydney resort, we anticipate that the proposal will have a positive impact on the community in

general and are aligned to the changing character and needs of the Barangaroo and neighbouring residents in particular.

This SIA assumes that the net positive tax returns to government associated with the proposed restricted gaming facility at Barangaroo are as stated and independently assessed. Whilst we do not factor the quantification of these revenue returns to government into our overall social impact appraisal, we do have regard for the positive employment implications of the project, specifically Crown's commitment to training facilities in western Sydney and in conjunction with the National Centre of Indigenous Excellence at Redfern.

We have also considered the broader benefits of a luxury hotel resort that is designed, constructed and operated to world class standards in terms of its implications for CBD activity and the attraction of international tourists.

Our SIA has found that the potential negative social impacts associated with the Crown Sydney Hotel Resort proposal are largely expected to be mitigated by the manner of the resort's operation and its architectural design (accommodating both public and private access).

In particular, the project represents a minimal addition to Sydney's aggregate supply of publicly accessible gambling venues and is therefore considered a minimal public risk.

Prohibiting gaming machines removes the primary potential for social harm, while reducing the desirability of the venue to problem gamblers.

As a result, it is considered that there is no net social impact upon NSW residents by the operation of a Restricted Gaming Facility.

Further, by tying targeted social programs to the issue of the Restricted Gaming Facility license, a net social benefit results, since harm to the majority of NSW residents is obviated in the first instance by restricting access.

Our assessment of social impacts, however, recommends a number of strategies to enhance the public communication of the project's benefits and to minimise the risks associated with the CSHR. It is important to note that the CSHR proposal already subscribes to these recommended initiatives, and/or is in the process of

developing strategies to do so, but must remain focused on ensuring a broader public understanding and acceptance of the project.

Our recommendations include:

1: Pre-construction community engagement - Crown Resorts needs to establish the identity of the CSHR so that the community understands and recognises the CSHR's economic role and function. An inclusive continuous communication strategy is required to develop community understanding of all proposed components of the resort, how they will function, and how the completed development will relate to public space within and around the project;

2: A broader public involvement—public participation is a key ingredient of the 'good' planning process. Crown Resorts needs to continue consulting and engaging with the public to enhance perception and to ensure a broader appreciation of the project and how it will be managed. Highlighting the successes of Crown Resorts' impressive Corporate Social Responsibility record and commitments specific to CSHR should feature positively in such communication; and

3: Ongoing community consultation and engagement — public discussion requires guidance and direction, with open and honest communication channels effective during the construction and operational phases of the project. Crown's engagement strategy must 'lock in' opportunities for regular and easily-available communication and feedback.



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