



Economic Benefits from the West Belconnen Development

Prepared for the Riverview Group

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urbis

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Executive Summary

Urbis has been commissioned by the Riverview Group to assess and quantify the economic benefits as far as possible associated with the addition of some 15,000 new NSW residents as part of the proposed West Belconnen development for the ACT economy and community.

As it stands, the West Belconnen development spans across the NSW and ACT border. This will result in significant differences in rules and regulations, among other challenges, for the residents of West Belconnen, with some residents governed by ACT laws and other residents governed by NSW laws.

The inclusion of the NSW residents within the West Belconnen development will result in significant economic benefits to both the ACT community and economy as a whole. Some of the most noteworthy benefits of the additional population include:

- **Retail Spending:** The 15,000 additional NSW residents will generate an additional \$436 million (in \$2013) in retail spending at capacity which represents a significant economic benefit to both the local area and the ACT economy.
- **Labour Force:** The additional 15,000 residents will increase the labour force available in the ACT by more than 8,000 workers, representing 4% of the 2011 ACT labour force. This increased labour force will provide a significant benefit to the ACT economy, as the economy may be operating close to capacity as suggested by the relatively low unemployment and high labour force participation rates.
- **Employment:** The additional NSW residents will support additional supermarket space, other retail floorspace, office space, additional schools, community and health facilities, which will result in the creation and supportability of approximately 6,000 direct and indirect jobs.
- **Convenience and Amenity:** The projected 15,000 NSW residents will support the development of additional land uses within the West Belconnen development. These land uses will not only increase the amenity of West Belconnen by providing a larger range of facilities and services, they will also create employment and assist in job containment for the suburb. By triggering the creation of approximately 6,000 additional jobs, this will significantly increase the number of West Belconnen residents who are employed within the area and thereby reducing commuting to neighbouring areas for employment and benefiting the local economy.
- **Town Centre Activation:** The inclusion of 15,000 NSW residents within West Belconnen will double the population of the West Belconnen development and consequently increase the visitation and foot traffic within the planned town centre. This, along with the additional facilities and land uses supported by the NSW residents, will significantly enhance the vibrancy and level of activity within the town centre.
- **Crime Prevention and Security:** The increased population will improve the passive surveillance within the town centre and potentially reduce the risk of criminal offences that could occur within West Belconnen. Each incident that is prevented will provide significant economic benefits to the community and the ACT as a whole in terms of cost savings.
- **Leveraging Existing Infrastructure:** With the additional NSW population, the existing infrastructure will be utilised closer to capacity and the fixed costs can be spread across a larger population base resulting in a more efficient and economical use of the infrastructure.

1 West Belconnen Development

1.1 SUBJECT SITE

The West Belconnen subject site is a 1,623ha landholding straddling the Australian Capital Territory (ACT) and New South Wales (NSW) Borders. In May 2013 the landowners and the ACT Government signed a heads of agreement which facilitates the development of the land, primarily for residential uses.

The western portion of the site forms an escarpment to the Murrumbidgee River and it is proposed that this land will be maintained as a river corridor with public access. The majority of the site is gently undulating and offers potential for residential subdivision. A central portion of the site is currently used for landfill and as a recycling centre.

Access to the site is currently provided via Parkwood Road (to the landfill and recycling centre) and via Stockdill Drive to the southern site boundary.

The site is located on the north western edge of Canberra adjacent to the suburbs of Macgregor and Holt.

The site is bounded:

- On the east by Stockdill Drive and the Belconnen Magpies Golf Course (a portion of which was recently rezoned for residential development), as well as by the Macgregor West residential area
- On the south and west by the Murrumbidgee River
- On the north by the Ginninderra Creek beyond the ACT/NSW boundary

The subject site is illustrated in the map on the following page.

1.2 THE DEVELOPMENT

The Riverview Group, working with the ACT and NSW Governments, intends to develop the West Belconnen site to achieve a vision of inspiring sustainable living, development practice and awareness. Achieving a high quality of life for the people living at Belconnen is at the heart of the project planning and design.

The intent is to create a community that exemplifies World's Best Practice in its design, construction and long-term liveability. As a model of sustainable community living it will be a place and community that can be showcased throughout Australia and internationally. Some of the key focuses of the proposed development include:

- Designing neighbourhoods that support and encourage community interactions through imaginative, functional and enjoyable public spaces
- Building on existing local infrastructure
- Ensuring long-term economic viability through design excellence and community building
- Integrating with the Belconnen commercial, retail and employment networks
- Growing a formal and informal green economy that fosters local jobs and builds regional learning around green innovation and technology.



Source: Urbis

Preliminary planning indicates that up to 11,500 new dwellings could be constructed at West Belconnen. With an estimated completion rate of around 300 dwellings per annum at peak, the neighbourhood would be constructed over a 38 year period and have a population of approximately 30,000 by 2054.

We understand that the broad intent would be to develop the lands within the ACT in the first instance, starting from Stockdill Drive heading north, with the NSW lands to be built as a final stage. This is forecasted to result in approximately 15,000 residents occupying the ACT component between 2016 and 2035 and then an additional 15,000 residents occupying the NSW component between 2035 and 2054.

The effects of the additional 15,000 NSW residents have been examined in order to determine the economic contributions that the additional population will bring to the West Belconnen development and the ACT economy as a whole.

2 Additional Retail Spending

The additional 15,000 NSW residents will contribute significantly to the ACT economy by expanding the total retail spending market which will boost their commercial viability and support additional retail in the local area.

In order to estimate the additional retail spending likely to be generated by the additional NSW residents, the population must first be forecasted. Chart 2.1 below shows the projected population timeline for the West Belconnen development. As evident in the timeline, the West Belconnen residents will initially populate the ACT component of the development and it is projected that approximately 15,000 residents will populate this component between 2016 and 2035.

Between 2035 and 2054, it is anticipated that the additional West Belconnen residents will populate the NSW component, with this part of the development also reaching an approximate population of 15,000 residents.

As highlighted in the chart, it is anticipated that the West Belconnen project will have a total population of approximately 30,000 residents, with approximately 50% of those residing in the ACT and 50% residing within NSW.

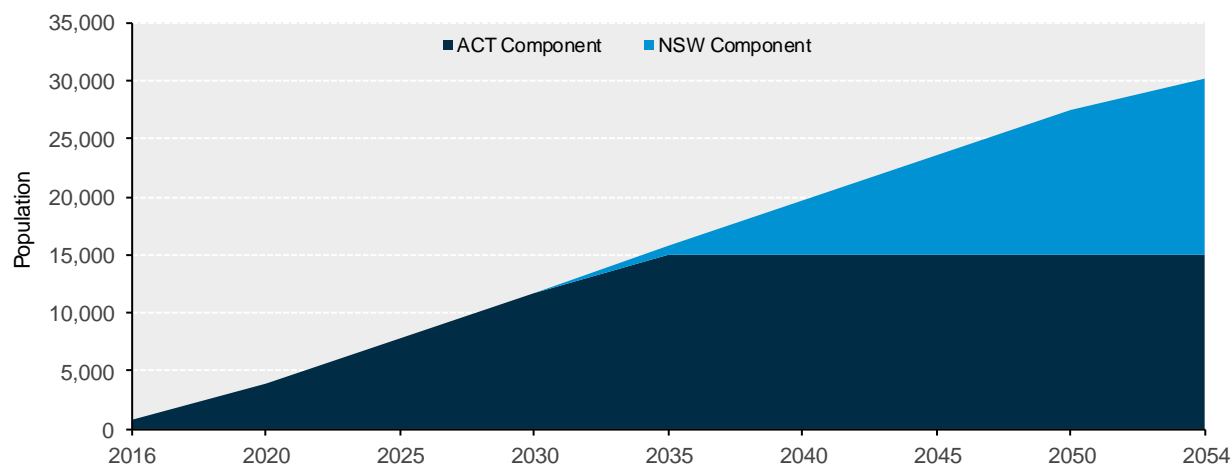
Population Projection Timeline

WEST BELCONNEN 2016-2054

CHART 2.1

	2016	2020	2025	2030	2035	2040	2045	2050	2054
ACT Component	780	3,900	7,800	11,700	15,000	15,000	15,000	15,000	15,000
NSW Component	0	0	0	0	780	4,680	8,580	12,480	15,184
West Belconnen Total	780	3,900	7,800	11,700	15,780	19,680	23,580	27,480	30,184

Source : Urbis



Source : Urbis

With these population projections, the expected retail spending market of West Belconnen can now be calculated. The following page presents the additional retail spending that the additional 15,000 NSW residents will bring to the West Belconnen area.

Retail spending estimates are derived using *MarketInfo*, a micro-simulation model developed by Market Data Systems Limited (MDS). This model, which is based on information from the national ABS Household Expenditure Survey (HES) and the Census of Population and Housing, uses micro-simulation techniques to combine a household's propensity to spend on particular commodities with the socio-economic characteristics of individuals to derive spending per capita estimates on a small area basis.

As there is currently no significant resident population within West Belconnen, we have considered existing areas within Canberra that are likely to display a similar socio-economic profile to future West Belconnen residents.

West Belconnen is intended to deliver a broad mix of housing types with mass market appeal, particularly targeting existing Canberra residents looking to trade up and upsize from existing homes. In this regard we consider that the socio economic profile is likely to be similar to Gungahlin, which is also a greenfield expansion area on the edge of Canberra.

Based on 2011 Census data and the population forecasts, we have determined the proportion of additional expenditure that is expected to be directed to the various product categories of the retail sector as a result of the additional NSW population within the West Belconnen Development and the results have been tabulated below.

West Belconnen NSW Residents' Retail Spending

BY PRODUCT CATEGORY 2035-2054 (\$2013M)

TABLE 2.1

	Food Retail	Food Catering	Apparel	Home-ware	Bulky Goods	Leisure/General	Retail Services	Total Retail Spend	Total Retail Spend Per Capita (\$)
2035	6	2	2	2	2	2	1	16	20,340
2040	34	12	10	12	14	16	5	104	22,147
2045	64	23	21	28	28	34	11	208	24,207
2050	94	36	32	49	46	56	18	331	24,207
2054	116	46	42	69	62	76	25	436	24,207

Source: MDS, MarketInfo 2012; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

As shown in Table 2.1, the additional 15,000 NSW residents will progressively populate the subject trade area between 2035 and 2054, resulting in an additional total retail spend of **\$436 million** (in \$2013) by 2054.

Food retailing, comprising mainly of food and groceries, will make up the largest proportion of total retail spending, to account for **\$116 million** (\$2013) or 27% of total retail spending in 2054.

As a result of the additional retail spending created by the additional 15,000 residents, West Belconnen and the surrounding areas are likely to gain the following benefits:

- Improved viability of the existing retailers in the ACT due to the increase in retail spending available
- The supportability of additional retail floorspace within the area and its surrounds
- Additional employment opportunities, brought about by the additional floorspace.

The additional labour force and employment benefits that are likely to be experienced within the area have been analysed further in Section 3 of this report.

3 Labour Force and Employment

Following on from the previous section of this report, it is clear that the additional 15,000 residents will expand the labour force of the subject area and surrounds, as well as creating numerous employment opportunities.

Labour force refers to the number of people available to work within a specific region, with an increased labour force supporting growth in an economy.

Employment refers to the jobs that are created in the region and will contribute to lowering unemployment rates.

3.1 LOCAL LABOUR FORCE

The additional NSW population will increase the size of the available ACT labour force, providing significant benefits to the ACT community and economy given its already low unemployment rate and high labour force participation rate.

As highlighted by Table 3.1 below, the Australian Capital Territory (ACT) experienced economic growth in line with the Australian average in the period 2011-2012, showing a 3.5% growth in Gross State Product.

The ACT labour market was performing very strongly as at October 2013, with a labour force participation rate of 71%, a substantial 6 percentage points higher than the Australian average of 65%. The ACT participation rate was the second highest of all the Australian states and territories, sitting behind only the Northern Territory. In addition, the unemployment rate for the ACT was the lowest of all states and territories at 4.4% compared to 5.8% for Australia as a whole.

Comparative Economic Indicators

BY STATE

TABLE 3.1

Indicator	Period	Measure	NSW	Vic	QLD	WA	SA	Tas	ACT	NT	AUST
Economic Growth											
Gross State Product	2011-12	% Change	2.4	2.3	4.0	6.7	2.1	0.5	3.5	4.4	3.4
Labour Market											
Employment	Year to Oct 13	% Change	1.6	1.0	0.8	2.3	0.0	-1.1	1.1	1.5	1.2
Participation rate	As at Oct 13	%	64	65	66	68	62	60	71	75	65
Unemployment Rate	As at Oct 13	%	5.8	5.8	5.9	4.5	6.6	8.2	4.4	5.3	5.8
Income											
Growth in Household Income per Capita	2010-11 to 2011-12	% Change	4.0	2.9	3.6	7.1	3.7	2.2	4.4	5.3	4.0

Source : Territory Economic Review (Nov 2013); Urbis

Labour Force

AUSTRALIAN CAPITAL TERRITORY

TABLE 3.2

	ACT Total (2011)	Additional NSW Population (by 2054) ¹
Estimated Resident Population	367,752	+15,000
Labour Force	202,882	+8,275
% of Residents in Labour Force	55%	55%

1: From West Belconnen Development

Source : ABS Census (2011); Urbis

As shown in Table 3.2, at the 2011 Census the ACT had an estimated resident population of 368,000 with a labour force of 203,000, representing 55% of the ACT residents in the labour force. If this rate is applied to the additional 15,000 NSW residents that will potentially reside within the West Belconnen area, this will result in an additional labour force of 8,275 which represents 4% of the total 2011 ACT labour force.

This additional labour force will most likely seek employment within the ACT. The labour market statistics in Table 3.1 suggest that, with such high participation rates and low unemployment rates, the ACT economy may be limited in its growth due to the labour force sitting at or near capacity. The additional 8,275 workers will expand the labour force and contribute to supporting strong economic growth in the ACT, provided there are sufficient employment opportunities.

3.2 EMPLOYMENT CREATION

As well as expanding the available labour force through population growth, the West Belconnen development will also create additional employment, by supporting additional land uses and generating more demand for goods and services within the development itself and the surrounding areas. The employment will be created both directly and indirectly.

DIRECT EMPLOYMENT: LOCAL POPULATION DRIVEN

The 15,000 NSW residents will support additional land uses within the planned West Belconnen development. These land uses will provide a range of amenities and services for the community as well as providing further employment.

The additional NSW population will support a range of land uses that cannot otherwise be supported by the ACT population of West Belconnen alone. Different land uses require a population of a certain size in order for it to be commercially viable and to have sufficient demand. By assuming the addition of 15,000 NSW residents, the additional supportable land uses can be determined.

Assumptions regarding population thresholds for each land use that will serve the local population are outlined in the subsequent table. The location of these uses should be largely within the West Belconnen Town Centre and throughout the West Belconnen community where appropriate.

Local Population Driven Employment Uses

WEST BELCONNEN DEVELOPMENT

TABLE 3.3

LAND USE	POPULATION THRESHOLD (RESIDENTS)
Retail	
Supermarket	330 – 350 sq.m per 1,000 people
DDS	32,000
Specialty	Determined by size and performance of anchor tenants
Commercial Office	300 sq.m per 1,000 people
Education	
Childcare Centre	4,300
Government Primary School (P-6)	10,000
Private Primary School (P-6)	15,000
Government High School (P-10)	30,000
Government Secondary College (Years 11-12)	30,000
Health	
Community Health Centre	30,000
Medical Practice/Centre	6,000
Community Care Hub	30,000
Gym	Varies in size
Primary Services Hospital	30,000
Community Services	
District Community Centre	30,000
Local Community Centre	30,000
Library	30,000

Source: Elton Consulting; Urbis

Table 3.3 shows benchmarks that are used to determine the additional land uses that will be supported by the extra 15,000 NSW residents within the West Belconnen development.

In terms of land uses, Table 3.3 suggests that the additional 15,000 NSW residents will allow the development of the following:

- An increased supermarket floor space of approximately 5,000sq.m or an additional supermarket. Specialty retail tenants will be determined based on the size and performance of the anchor tenants.
- An additional 4,500sq.m of commercial office space.
- A Government High School and a Government Secondary College. Without the NSW population, these facilities would not be supported.
- A Community Health Centre, a Community Care Hub and a Primary Services Hospital. The population thresholds for Gyms do vary in size however it is expected that the additional NSW population will support this land use.
- A Local or District Community Centre and Branch Library.

In addition to this, it is likely that the NSW residents will support multiple land uses that are already supported by the ACT population. As seen in Table 3.4 for example, the ACT population is forecasted to support three Childcare Centres; however the addition of the NSW residents could potentially support four more Childcare Centres. This same principle could also apply to Supermarkets, Long Day Care Centres, Primary Schools and Medical Practices/ Centres. However, the development of multiple facilities for some of these land uses may be deemed unnecessary when considering the scale of the development.

It is evident that the additional NSW population will support an expanded range of facilities within the planned West Belconnen town. These land uses will consequently enhance the amenity, choice and convenience for the residents of West Belconnen due to the provision of a range of different land uses and facilities.

Another benefit of the additional land uses is that these land uses will provide further employment options for the residents of West Belconnen and the surrounding areas, positively contributing to the ACT economy and community.

Table 3.4 shows the number of facilities for each land use that could be expected to be supported by the total West Belconnen development. The table also shows the potential local population driven employment that these particular facilities will bring to the total development, with approximately 2,800 jobs expected to become available within West Belconnen.

DIRECT EMPLOYMENT: REGIONAL POPULATION DRIVEN

In addition to the local population driven employment uses that will be supported by the additional 15,000 residents, there will also be a range of supportable regional population driven employment uses. The regional employment that will be generated by the entire West Belconnen development has been summarised in Table 3.4, which predicts the supportability of 750 regional population demand driven jobs in total.

In a regional context, the West Belconnen development will support an expanded recycling management centre creating 30 extra jobs, as well as supporting additional rural/ agricultural services creating 50 jobs.

Other potential regional employment opportunities that may be created with the West Belconnen development could include:

- **Eco-Tourism/Biosphere:** In addition to standard employment uses, an “out of the box” land use has been considered that is not capital intensive but would be effective in placing West Belconnen firmly on the map in a positive light; and generate visitation, spending and employment. The out of the box land use suggested is a sustainable social enterprise only found in south-east England at present, The Eden Project, which has been outlined in more detail in **Appendix A**.

Eden operates as a charity and a social enterprise that employs nearly 500 staff. Economic impact studies have shown that the project has contributed approximately £1 billion to the local economy. This amount excludes visitor spending at Eden itself, but includes off-site tourism related business in Cornwall and the rest of the region. The project transformed the region of Cornwall and provides an example of how cutting-edge design can revitalise an area.

A West Belconnen Biosphere of potentially half of the Eden’s size would require approximately 1 hectare of land, provide 250 direct jobs and substantial indirect employment and patronage for other local business particularly in food and beverage.

- **Business Park:** To provide an indication of the business park jobs that could be supportable within the West Belconnen release area, Urbis have derived the benchmark of industrial jobs in Gungahlin excluding those in the Mitchell SA2 area. This provides an indication of the jobs supportable within a mainly residential release area, which does not have the same road infrastructure accessibility as other established industrial precincts such as Mitchell.

FACTOR	NUMBER
Population Growth, West Belconnen (2016 to 2054)	30,000
Resident Population per Industrial Job	200
Industrial Jobs	150
Floorspace per job (Sq.m)	150
Business Park Land	2 to 3 ha

Source: ABS Census 2011; Urbis

The 150 industrial jobs across 15,000 sq.m of floorspace can be generated from a 'Business Park' type format that includes a mix of office, warehousing and light industrial uses. This park could be combined with some of the commercial office space. This could comfortably be accommodated on 2 to 3 hectares of business park land, either as a part of a redeveloped land-fill site or in close proximity to the group centre.

- **Sustainable Food and Beverage:** There is scope to move away from a conventional pub/club to deliver a high quality indoor/outdoor licenced premises which can link into the environmental sustainability aspect of the development and provide locally sourced products in West Belconnen.

A venue such as the Grounds of Alexandria in Sydney performs this role very well by combining a high quality indoor and outdoor area, growing products on site, and incorporating bespoke coffee roasting and microbrewery facilities. It is located on a site of around 1,600 sq.m of which around 40% is indoor space and 60% is landscaped outdoors providing a mix of seating, food growing areas and market stall space.

The success of The Grounds is reflected in its large customer base and the waiting time to be seated in an otherwise unremarkable industrial estate in Alexandria. This type of use, integrated within a centre, could create a real community destination for West Belconnen and could also assist in drawing weekend custom from beyond the trade area. It could provide a counterpoint, albeit on smaller scale to the role of the Old Bus Depot Markets at Kingston Foreshore.

A more detailed description is annexed as **Appendix B**.

Land Use	Number of Facilities	Total Floorspace (Sq.m)	Jobs per 1,000 sq.m	Jobs Potential
LOCAL POPULATION DRIVEN JOBS				
Retail				
Supermarket(s)	2	5,000	40.8	200
Mini-Majors	1	650	23.5	20
Specialty Shops	-	2,700	60.7	160
Non-Retail/External	-	2,100	42.7	90
Plant Nursery (Retail/Wholesale) ²	1	80,000	0.34	27
Total - Retail Centres		90,450		500
Commercial Office	-	9,000	51	460
Education				
Long Day Care	7	2,100	14	30
Govt. Primary School (P-6)	3	16,500	12	200
Private Primary School (P-6)	2	11,000	18	200
Government Highschool (P-10)	1	17,500	18	320
Government Secondary College (Yr 11-12)	1	4,900	12	60
Total - Education		52,000		810
Health				
Gym	1	900	27	20
Community Health Centre	1	800	13	10
Medical Practice/Centre	5	1,500	11	20
Community Care Hub	1	1,000	15	20
Primary Services Hospital	1	6,000	13	80
Total - Health		10,200		150
Community Services				
Community Centre (District)	1	1,600	14	20
Community Centre (Local)	1	800	14	10
Library	1	1,200	12	10
Total - Community Services		3,600		40
Home Based Businesses¹	-	-	-	820
Total - Local Population Driven Jobs		165,250		2,780
REGIONAL DRIVEN JOBS				
Existing Employment				
Recycling Management Centre	1	-	-	30
Rural agricultural / services	-	-	-	50
Total - Existing Employment				80
Potential Regional Employment				
Eco Tourism / Bio-Sphere	1	10,000	25	250
Business Park	1	15,000	10	150
Recycling Facility ²	1	127,000	1.75	220
Premium F&B	1	1,500	35	50
Total - Regional Driven Jobs		153,500		750
Total - West Belconnen Jobs		318,750		3,530

¹ Assumed 5% of labour force

² Floorspace refers to site area

Source: Urbis

DIRECT EMPLOYMENT: EMPLOYMENT ELSEWHERE IN THE LOCAL AREA

It is expected that other jobs will be generated by demand from the additional West Belconnen residents within the local area, but also outside the development area. Demand for goods and services from West Belconnen residents are forecast to generate an additional 500 ongoing retail jobs elsewhere in the local area, the majority of which are likely to be located in the Kippax Group Centre.

Urbis' retail analysis has forecast that the existing Kippax trade area population is expected to stay fairly constant at around **38,200** people in 2016 and 2021. In the absence of any major shift in planning controls and market demand for infill development we expect the trade area population to remain consistent beyond 2021.

An increased resident population at West Belconnen and growth in per capita expenditure from Kippax trade area residents over the long term create an opportunity for Kippax retailers to enhance their productivity and market scope to support additional floorspace.

In the first years of residential development at West Belconnen, until such time as new retail facilities are operational, the Kippax Group Centre is also likely to benefit from food and grocery spending by new residents at West Belconnen.

In the longer term Kippax is likely to benefit from additional passing trade generated by West Belconnen residents, as well as attract some spend from Macgregor West and golf course residents.

The addition of the West Belconnen residents will allow the supportability of a discount department store (DDS) and additional retail floorspace at Kippax Group Centre. Kippax does not currently contain a DDS. Kippax Fair contains a full line supermarket and there is also an ALDI supermarket located adjacent to it.

The West Belconnen development can therefore be a catalyst for additional retail development at Kippax Group Centre as well as within the West Belconnen development itself.

Kippax Fair Shopping Centre currently provides around **7,800 sq.m of** retail floorspace and a total of 8,300 sq.m floorspace. Around **13,300 sq.m** of additional floorspace could be supported by the West Belconnen development to bring Kippax Fair in line with the average size of a single DDS based shopping centre

Adding this quantum of floorspace has the potential to provide around **400** additional full-time, part-time and casual workers per year within the local area.

Kippax Fair Indicative Expansion Potential

EMPLOYMENT GROWTH POTENTIAL

TABLE 3.5

	Gross Leasable Area ²					Employment	
	Current - Kippax Group Centre		Single DDS Sub Regional Average		Variation	Additional Jobs - Kippax Group Centre	
	sq.m	%	sq.m	%	Variation	Jobs per additional sq.m	Additional Jobs
Majors & Mini Majors:							
Discount Department Stores	0	0%	6,841	38%	-6,841	43	159
Supermarkets	3,888	50%	4,925	27%	-1,037	25	41
Other Majors	0	0%	183	1%	-183	43	4
Mini-Majors	0	0%	1,561	9%	-1,561	43	36
Total Majors & Mini-Majors	3,888	50%	13,510	74%	-9,622		
Total Retail Specialties	3,896	50%	4,664	26%	-768	16	48
Shopping Centre - Retail	7,784	94%	18,174	84%	-10,390		
Other / non reporting specialties	0	0%	1,372	6%	-1,372	23	60
Non Retail / Non Reporting	497	6%	1,627	8%	-1,130	23	49
Vacant	0	0%	434	2%	-434		
Total	8,281	100%	21,607	100%	-13,326		398

1. Benchmarks are for the year to June 2013 from Urbis Retail Averages 2012/13

Source: Urbis Retail Average (2013); Urbis

The table above assumes an additional 1,037 sq.m supermarket floorspace. It should be noted that the addition of a second full line supermarket (notionally of 3,500 sq.m) could support 140 supermarket jobs rather than the 41 identified above which would take the additional employment elsewhere in the local area to approximately **500**.

INDIRECT EMPLOYMENT

In addition to the direct employment created by the West Belconnen development, significant indirect employment opportunities will also be created.

In order to determine the number of indirect employment that can be generated by the additional West Belconnen residents, employment multipliers were applied to the number of direct jobs. The most commonly accepted method for doing this is by using the employment multipliers produced by the Australian Bureau of Statistics in 1996-97, which are derived from the Australian National Accounts Input-Output tables.

For the purpose of this report, we have applied both production induced multipliers and consumption induced multipliers:

- **Production induced multipliers:** The amount of output required (in terms of employment numbers) from all industries of the economy to produce the additional output.
- **Consumption induced multipliers:** To produce the additional output required to support a larger population, wage and salary earners both increase in number and earn extra income which they spend on commodities produced by industries in the economy. This increased spending will induce further production by industries and result in increased employment opportunities.

In the table on the following page, the direct jobs have been separated into each of the ANZSIC industry sectors based on the relevant supportable land uses mentioned earlier in this report. The production and consumption induced multipliers have then been applied to the number of direct jobs generated by the demand from the additional West Belconnen population, giving the total number of indirect jobs created by the development and the total number of direct and indirect jobs created in each ANZSIC industry sector.

Employment Yields

WEST BELCONNEN DEVELOPMENT

TABLE 3.6

Industry Sector	Direct Jobs	Production Multiplier	Consumption Multiplier	Production Induced Indirect Jobs	Consumption Induced Indirect Jobs	Total Indirect Jobs	Total Jobs
Agriculture, forestry & fishing	214	0.477	0.398	102	85	187	401
Electricity, gas, water & waste services	30	1.254	1.727	38	52	89	119
Public administration & safety	0	0.491	1.112	0	0	0	0
Education & training	810	0.067	0.758	54	614	668	1,478
Health care and social assistance	130	0.168	0.783	22	102	124	254
Mining	0	1.916	2.473	0	0	0	0
Manufacturing	243	1.908	2.101	464	511	974	1,217
Construction	23	0.653	0.840	15	19	34	57
Wholesale trade	14	0.898	1.257	13	18	30	44
Retail trade	1,000	0.327	0.579	327	579	906	1,906
Accommodation & food services	50	0.574	0.744	29	37	66	116
Transport, postal & warehousing	23	0.834	1.304	19	30	49	72
Information media & telecommunications	92	0.656	1.111	60	102	163	255
Financial & insurance services	279	0.585	1.343	163	375	538	817
Rental, hiring & real estate services	137	0.859	1.286	118	176	294	431
Professional, scientific & technical services	302	0.859	1.286	259	388	648	950
Administrative & support services	302	0.859	1.286	259	388	648	950
Arts & recreation services	300	0.565	0.857	170	257	427	727
Other services	81	0.197	0.661	16	54	69	150
Total Jobs	4,030					5,914	9,944

Source : Australian National Accounts Input-Output tables 1996-97; Urbis

From the previous table, it is evident that the total West Belconnen development is expected to support **4,030 direct jobs** and **5,914 indirect jobs**, for a total of approximately **9,950 total jobs**.

In order to calculate the employment that is created purely as a result of the additional 15,000 NSW residents, the total number of jobs created by the entire West Belconnen development must be apportioned accordingly.

Based on the supportable land uses attributable to the additional 15,000 NSW residents within the development as outlined earlier in the report, we have adopted the rate of 60% of the total jobs created by the entire West Belconnen development as being directly attributable to the additional NSW residents.

The 60% assumption is based on the following:

- The NSW component will account for half of the residents of the West Belconnen development at capacity
- Some amenities such as a high school, secondary college, community health centre, etc. would not be supportable at all in West Belconnen without the additional 15,000 NSW residents.

The following table summarises the employment creation supported by the total West Belconnen development and the employment attributable to additional 15,000 NSW residents.

Employment Yields

NSW COMPONENT OF WEST BELCONNEN DEVELOPMENT

TABLE 3.7

Total Employment Supported by West Belconnen	9,950
Employment Attributable to NSW Component	60%
Total employment attributable to NSW Component	5,970

Source : Urbis

The table above suggests that, of the 10,000 jobs supported by the West Belconnen development, it is anticipated that approximately **6,000** of these jobs will be as a result of the additional NSW population.

4 Qualitative Benefits

4.1 TOWN CENTRE ACTIVATION AND SAFETY

The additional 15,000 NSW residents will increase the visitation and activation of the planned West Belconnen Town Centre due to the larger population, labour force and wider range supportable facilities associated with a larger catchment population. This has the added benefit of improving the vibrancy of the town centre as well as generating passive security and preventing potential crimes.

By including the additional 15,000 NSW residents, this will double the population of West Belconnen and will subsequently dramatically increase the visitation to the West Belconnen town centre. The increased visitation will contribute to the activation and vibrancy of the town centre through increased foot traffic and activity.

As mentioned in the previous section, the additional NSW residents will also support added land uses than the ACT resident component could support alone. These extra facilities and land uses will produce the critical mass and destination appeal needed to attract a greater number of people to the town centre and aid in its level of activity and vibrancy.

An activated town centre has the additional benefit of passive surveillance which can lower the risks of crimes. This can provide significant benefits to a community due to the increased feeling of safety, as well as reducing the total costs of potential offences.

In April 2003, the Australian Institute of Criminology produced a report entitled "*Counting the Costs of Crime in Australia*" (P. Mayhew) which estimates the costs of particular crimes to the Australian economy as well as the costs per incident. The most recent and comprehensive study on this particular issue was when this report was updated in 2005 in a document entitled "*Counting the costs of crime in Australia: a 2005 update*" (K. Rollings), which updates the figures from the 2003 report.

The cost of crimes estimated in the 2005 update of the Australian Institute of Criminology report are made up of the following cost components:

- **Medical Costs:** These costs are applied to crimes where data exists on whether injury occurred as a result of the crime and the costs relate to those treated in and outside hospital. Mental health costs are not included within these estimates.
- **Lost output:** These costs cover the estimated paid and unpaid work that the victims of a crime are unable to do and hence the lost output that occurs as a result of a crime.
- **Intangible Costs:** These costs put a monetary value on the pain, suffering and lost quality of life that occurs as a result of a particular crime.
- **Transfer of Resources:** This component considers if the transfer or loss of a resource is a wanted or unwanted transfer and whether this is a loss to society or a particular party. For example, if a thief steals a DVD player and consequently ends up with the DVD player, this is an unwanted transfer of resources and hence is counted in the cost of the crime.

Some costs have been excluded from the total cost of crimes, with the majority of exclusions relating to the spending located in the criminal justice system (including police, courts, prisons, and other government crime and criminal justice agencies) followed by spending on the security industry.

Table 4.1 overleaf highlights the costs of certain offences that are likely to occur in inactive areas. By increasing the population and hence the activation and passive surveillance of a suburb, it would be expected that the crime rates would decrease as well as the associated costs of the crime to the economy.

Cost of Crimes

AUSTRALIA (AS AT 2005)

TABLE 4.1

OFFENCE	COST TO AUSTRALIA (\$MILLION)	AVERAGE COST PER INCIDENT (\$)
Robbery	225	2,270
Burglary	2,229	2,900
Thefts of Vehicles	597	6,980
Thefts from Vehicles	529	1,000
Shop Theft	861	125
Other Theft	282	400
Vandalism	1,582	1,250

Source: Australian Institute of Criminology 'Counting the cost of crime in Australia: a 2005 update' (K. Rollings); Urbis

4.2 LEVERAGING EXISTING INFRASTRUCTURE

The West Belconnen development is located within an area of the Australian Capital Territory that already has existing infrastructure in place. This includes infrastructure such as roads, an electrical power network, water services, sewage systems and communications infrastructure.

Maintenance, operation and upkeep of existing infrastructure involve both fixed and variable costs. The fixed cost component remains consistent regardless of the usage of the infrastructure and number of users. Without the additional 15,000 residents, the fixed costs will be spread across a small population base. The additional NSW residents will allow the fixed component of infrastructure costs to be spread across a larger population base, which will reduce the cost per capita of the maintenance and operation of the infrastructure.

With the additional NSW population, the infrastructure will be utilised closer to capacity and the fixed costs can be spread across a larger population base. This is a more efficient and economical use of the infrastructure.

5 Sensitivity Analysis

As shown throughout this report, the additional 15,000 NSW residents will provide significant benefits to the West Belconnen development and to the ACT economy as a whole.

The purpose of this section of the report is to determine whether the extent of the economic benefits that will accrue to the ACT from the new NSW residents will change under two scenarios:

- If the border was to be moved and the entire West Belconnen Development is to be included in the ACT
- If the West Belconnen development was partially captive instead of wholly captive. What if the NSW part of the development can be accessed from the NSW end of the border?

The ACT component of the West Belconnen development will be developed first and consequently receive approximately 15,000 residents between 2016 and 2035. From 2035 to 2054, it is anticipated that an additional 15,000 residents will move into the NSW component of the development as the required infrastructure is put in place in a staged manner.

On the NSW side, the West Belconnen development is bounded by the Ginninderra Creek to the north and the Murrumbidgee River to the west. As a result, access to the West Belconnen Development will solely be through the ACT side, unless significant investment in infrastructure occurs to provide access through the NSW side.

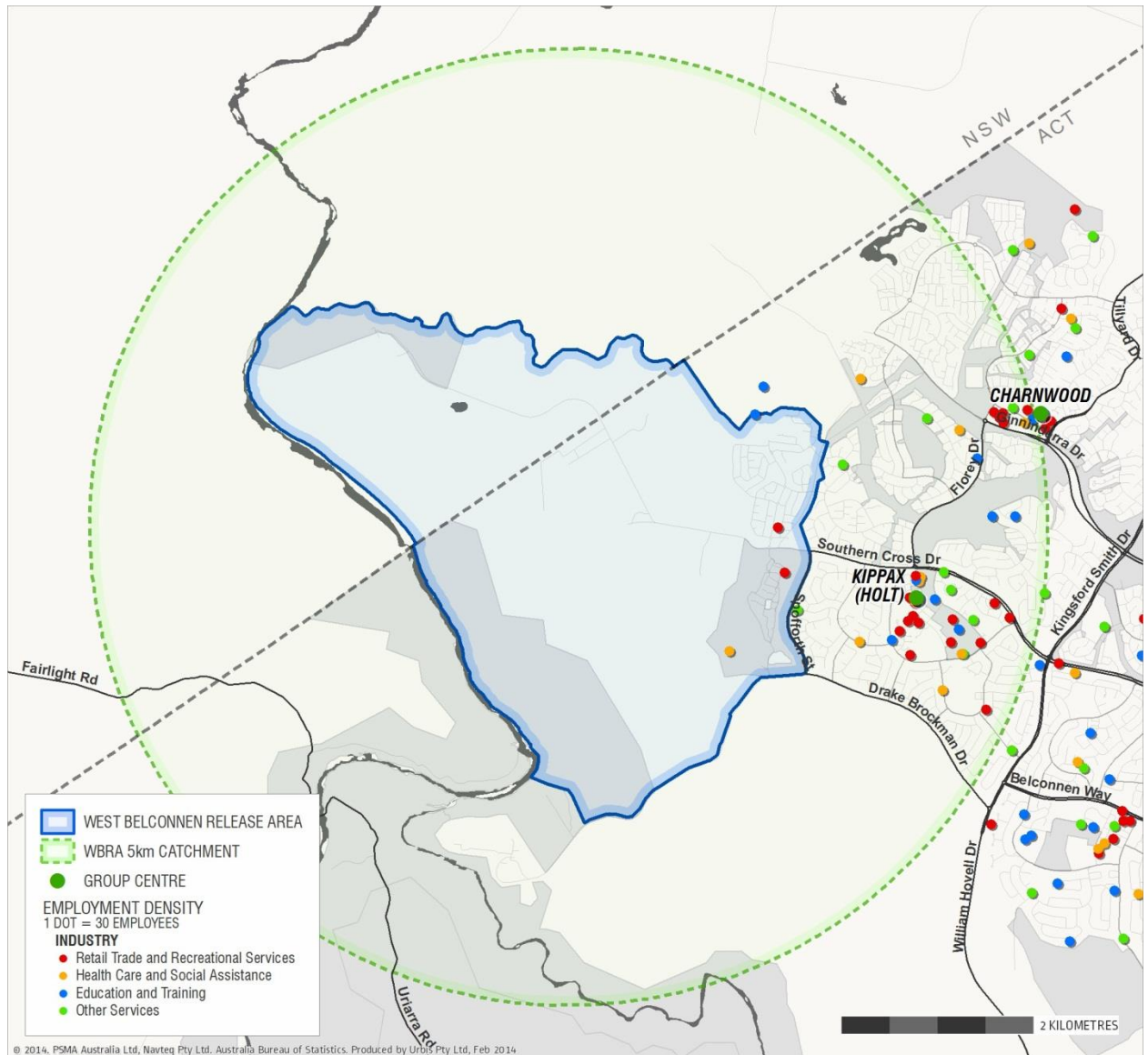
Map 5.1 overleaf shows the current distribution of employment surrounding the proposed West Belconnen development. As evident in the map, there is no existing employment within the NSW section of the West Belconnen development or the surrounding areas.

All of the economic activity will occur within the ACT due to the lack of direct access, retail facilities and employment options in NSW surrounding West Belconnen. Going forward, there are no planned retail or employment precincts in the areas surrounding the project from the NSW side of the border. The planned retail and employment precincts within West Belconnen will be located in the ACT side of the border.

Therefore the relocation of the ACT/NSW border will not have a material impact on the level of economic benefits that will accrue to the ACT community and economy from the West Belconnen development.

Map 5.1 also highlights the separation of the planned West Belconnen development from the existing urban areas of the NSW which will result in it becoming a wholly captive population due to its isolation and lack of competing markets surrounding the development. This suggests that the majority, if not all, of the economic activity that will be generated by West Belconnen residents, such as their employment and retail spending, will be generated within the ACT.

If the West Belconnen Development was a partially captive market or in other words the future residents can easily and directly access retail facilities, amenities and jobs from the NSW side of the border then the economic benefits that would accrue from the West Belconnen residents would be split between the ACT and NSW economies.



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Appendix A

Eco Tourism / West Belconnen Biosphere

This section considers a unique “out of the box” land use that is not capital intensive but would be effective in placing West Belconnen firmly on the map in a positive light; and generate visitation, spending and employment.

The out of the box land use suggested is a sustainable social enterprise only found in south-east England at present, The Eden Project.

THE EDEN PROJECT

The Eden Project is part of a World Heritage site in the county of Cornwall, south-east England. It is a botanical garden, employment hub, community space, education centre, entertainment venue and tourist destination all rolled into one.

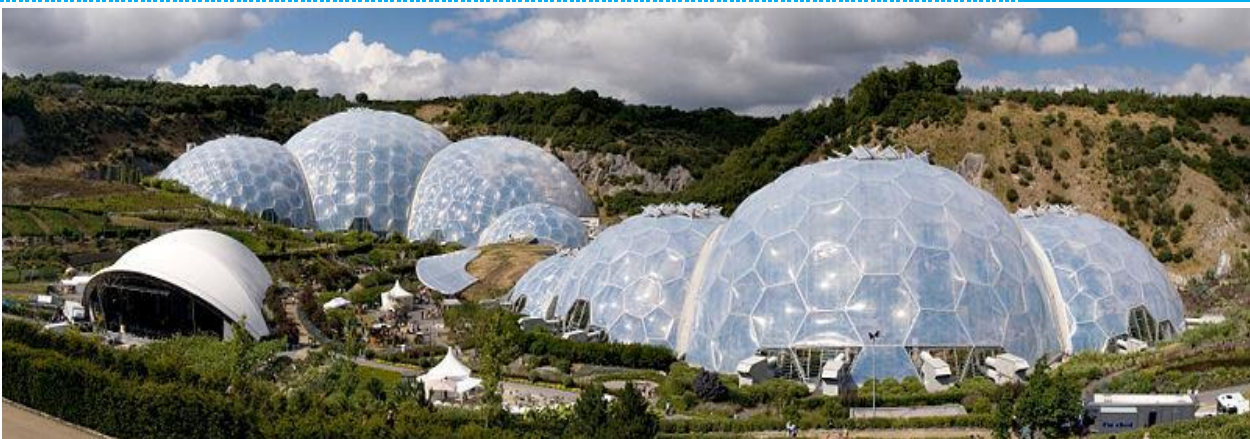
In 2008, 1.06 million people visited Eden Park, and in less than the ten years since its opening, more than 10 million people have visited. It has since become one of the United Kingdom’s most visited tourist attractions and the second most visited destination outside London.

The project is unique for two reasons: first, it is located in a non-metropolitan area. The site is a former clay mine about 10km north east of the village of St Austell, which has a population of about 25,000 people. The project has transformed many people’s perception of Cornwall, from a former mining community to one that embraces regenerative economic, environmental and social projects.

The second reason for its uniqueness is the architecture. The main attraction of the Eden Project is its two greenhouses, which comprise eight inter-linked domes covering 23,000 sq.m. They are at the forefront of sustainable design; the Eden Project is the only World Heritage Site created by a living architect.

THE EDEN PARK PROJECT

EXHIBIT D.1



Source: Wikipedia

One greenhouse contains tropical plants and allows visitors to walk through a rainforest. The Tropical Biome covers about 1.5 hectares and is 55 metres high, 100 metres wide and 200 metres long. It houses tropical plants, such as banana trees, coffee, rubber and giant bamboo, and mimics a tropical environment.

The second greenhouse, the Mediterranean Biome, contains temperate and arid environment plants. It covers about 0.6 hectares and is 35 metres high, 65 metres wide and 135 metres long. It houses temperate and arid plants such as olives and grape vines.

There are plans for a desert biome, but this is awaiting funding.

The greenhouse structure is supremely efficient. Each dome is made from a polymer that is assembled in triple layer pillows that are then ‘inflated’ for structural rigidity. These pillows can be made much larger than glass and are 1% of the weight, which substantially reduces the amount of steel required and allows more sunlight into the greenhouse.

The structure is so light that it weighs less than the air contained within the greenhouse and is mostly self-heated using passive solar heating, and the architect believes improvements to the design process can make them lighter still.

THE EDEN PARK PROJECT

EXHIBIT D.2



image courtesy Grimshaw

EDEN PROJECT DETAILS

Site:	110,000 sq.m
Owner:	Eden Project Limited
Architects:	Grimshaw Architects
Environmental Engineers:	ARUP
Landscape Consultants	Land Use Consultants
Structural Engineers:	Sinclair Knight Merz (SKM)

The £86 million development cost for the Eden Project was recovered within two years.

According to the UK's Living Places, in 2007/8, the total income for the project was £22.3 million, of which 75% came from tourism, 17% from fundraising and 8% from other activities such as concerts, functions, and consultancies.

Eden operates as a charity and a social enterprise that employs nearly 500 staff. Economic impact studies have shown that the project has contributed approximately £1 billion to the local economy. This amount excludes visitor spending at Eden itself, but includes off-site tourism related business in Cornwall and the rest of the region.

ECONOMIC BENEFITS FROM THE EDEN PROJECT

The project transformed the region of Cornwall and provides an example of how cutting-edge design can revitalise an area.

Analysis by tourism consultants Geoff Broom and Associates found that during the first six months of the 2002/3 financial year, the Eden Project contributed massively to the South West regional economy.

- It stimulated over 2.5 million visitor days in the region
- Increased employment by nearly 5,500 jobs
- Boosted business turnover by £177 million
- Generated an additional £81 million of income for local residents
- These benefits were felt by Eden's 2,500 local suppliers and a range of other businesses such as hotels, restaurants, bed and breakfasts, pubs and taxis.

THE LESSONS FOR WEST BELCONNEN

The key lessons and implication for West Belconnen are as follows:

- Taking inspiration from Eden Park and creating a '**West Belconnen Biosphere**,' albeit at a smaller scale, would result in a multi-purpose site that draws tourists, creates jobs for local people and generates value for the community through food production and education.
- Build something with cutting edge design. The project does not have to be big and expensive, but it must be innovative and unique.
- Any tourist site must be connected to the local community. The Eden Project recognises that it could not sustain the massive amount of visitors it hosts each year without the support of the local community.
- Tim Smit, the founder of the Eden Project, says "we don't want replicas of Eden springing up around the world, like a kind of Disneyland. If we do go down this route, an overseas Eden should harness what's special about its environment."

Appendix B

Sustainable Food and Beverage

There is scope to move away from a conventional pub/club to deliver a high quality indoor/outdoor licenced premises which can link into the environmental sustainability aspect of the West Belconnen Development and provided locally sourced products.

A venue such as the Grounds of Alexandria in Sydney performs this role very well by combining a high quality indoor and outdoor area, growing products on site, and incorporating bespoke coffee roasting and microbrewery facilities. It is located on a site of around 1,600 sq.m of which around 40% is indoor space and 60% is landscaped outdoors providing a mix of seating, food growing areas and market stall space.

Located in an old pie factory from the early 1900's, The Grounds of Alexandria is the flagship venue for its specialty coffee. The site hosts a coffee research and testing facility alongside a café, opening onto a luscious garden of heirloom vegetables and fragrant herbs.

The integrity of the former warehouse has been retained by embracing its rustic and industrial aesthetic. Black and steel frames, bespoke wooden cabinetry and polished white and green subway tiles are contrasted against vintage wooden tables and refitted shipping containers.

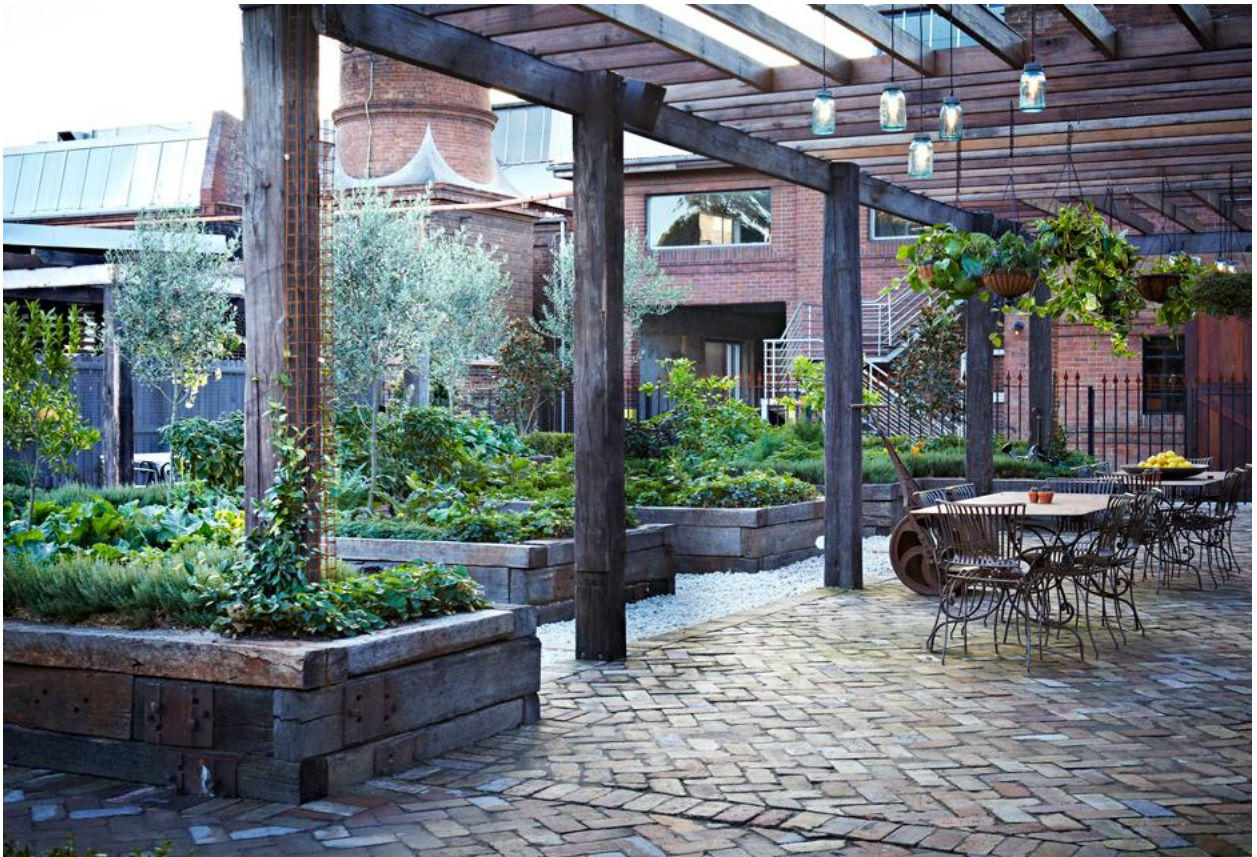
With a holistic approach to food and design; The Grounds offers a wholesome and rustic menu. The kitchen uses sustainable practices including; picking fresh herbs every morning and working with full time horticulturalist to grow seasonal produce for the menu.

The Grounds markets are held on the first weekend of each month in the sprawling café garden. They allow visitors able to enjoy The Grounds brunch and own-roasted coffee whilst exploring of fresh produce and wholesome goods sold direct from the source. The markets also include live music performances, arts and craft activities and a petting zoo

The success of The Grounds is reflected in its large customer base and the waiting time to be seated in an otherwise unremarkable industrial estate in Alexandria.

This type of use, integrated within a centre, could create a real community destination for West Belconnen and could also assist in drawing weekend custom from beyond the trade area. It could provide a counterpoint, albeit on smaller scale to the role of the Old Bus Depot Markets at Kingston Foreshore.









THE LESSONS FOR WEST BELCONNEN

The key lessons and implication for West Belconnen are as follows:

- An operation of this nature would tie neatly into the agricultural heritage of the West Belconnen site
- It would be consistent with the project objectives, particularly:
 - encourage community interactions through imaginative, functional and enjoyable public spaces
 - Ensuring long-term economic viability through design excellence
 - Growing a formal and informal green economy that fosters local jobs and builds regional learning around green innovation and technology
- It could be a highly destinational use that would retain local food and beverage spend, particularly at weekends, and could attract spending from beyond West Belconnen
- Good management is the key to successful food and beverage premises.

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