Eastern Suburbs Economic Profile

Final Report

Prepared for:
Randwick City Council
Waverley Municipal Council
Woollahra Municipal Council

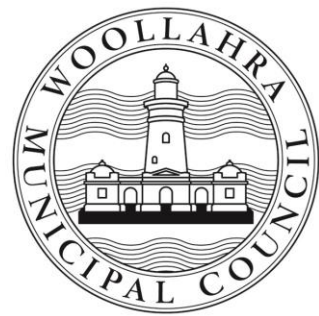**December 2013**

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TABLE OF CONTENTS

1   INTRODUCTION

1.1 Background

This economic profile is a joint initiative of Randwick City Council, Waverley Municipal Council and Woollahra Municipal Council as local government authorities located in the Eastern Suburbs sub-region of the Sydney Metropolitan area. Information and analysis is provided in this study regarding economic activity at local precinct, local government and also at a sub-regional level. Presentation of this profile at a sub-regional level for the Eastern Suburbs allows for the analysis of the wider economic and public policy issues impacting on the area's economic activity.

This study is the first stage in developing an improved understanding of economic activity across the joint Randwick, Waverley and Woollahra local government areas. This profile will form the basis and framework for future joint discussion between these local government authorities on economic development opportunities within the Eastern Suburbs.

1.2 The study area

The Eastern Suburbs study area is a sub-region of the wider Sydney metropolitan area, located east and south-east of the Sydney Central Business District. The Australian Bureau of Statistics identifies the Eastern Suburbs as an SA3 statistical subdivision that includes the local government areas of Waverley, Woollahra and Randwick.

The Eastern Suburbs extends from the peninsula of South Head at Watsons Bay in the north to La Perouse on Botany Bay in the south. The northern part of the Eastern Suburbs comprises the affluent suburbs of Vaucluse, Rose Bay, Darling Point, Dover Heights, Double Bay, Point Piper, Watsons Bay, and Bellevue Hill. Centrally located to the Eastern Suburbs is Centennial Park, surrounded by the suburbs of Woollahra, Paddington, Bondi Junction, Queens Park, Randwick, Kensington, Clovelly and Coogee. To the south, the area includes suburbs such as Maroubra, Matraville, Malabar, Little Bay and La Perouse.

In total, the Eastern Suburbs covers an area of around 58 square kilometres, incorporating 34 suburbs. At the 2011 Census the study area's population was 262,648.

The Eastern Suburbs features an extensive coastline, including some of Sydney's most popular and best-known beaches such as Bondi, Tamarama, Bronte, Clovelly, Coogee, Maroubra, Malabar, Little Bay and La Perouse. The region also borders Sydney Harbour to the north and Botany Bay to the south.

The region's major strategic and economic assets include part of Port Botany, the Randwick Hospitals Complex, and the education facilities of the University of New South Wales and Randwick TAFE. The largest commercial and retail centres in the Eastern Suburbs include the major centre of Bondi Junction, as well as Double Bay, Randwick Junction/The Spot and Maroubra Junction town centres. The Royal Randwick Racecourse in also located in the region.

Edgecliff and Bondi Junction are serviced by rail connecting the Sydney CBD and the rest of the Eastern Suburbs is serviced by an extensive bus network as the main mode of public transport. The Eastern Suburbs light rail is currently in detailed planning phase and is proposed to link the south eastern parts of the area, including the Randwick Hospitals Complex and UNSW, to the Sydney CBD.

The Eastern Suburbs study area and key economic activity precincts are illustrated in Figure 1 below.

FIGURE 1.   EASTERN SUBURBS STUDY AREA AND KEY ECONOMIC PRECINCTS
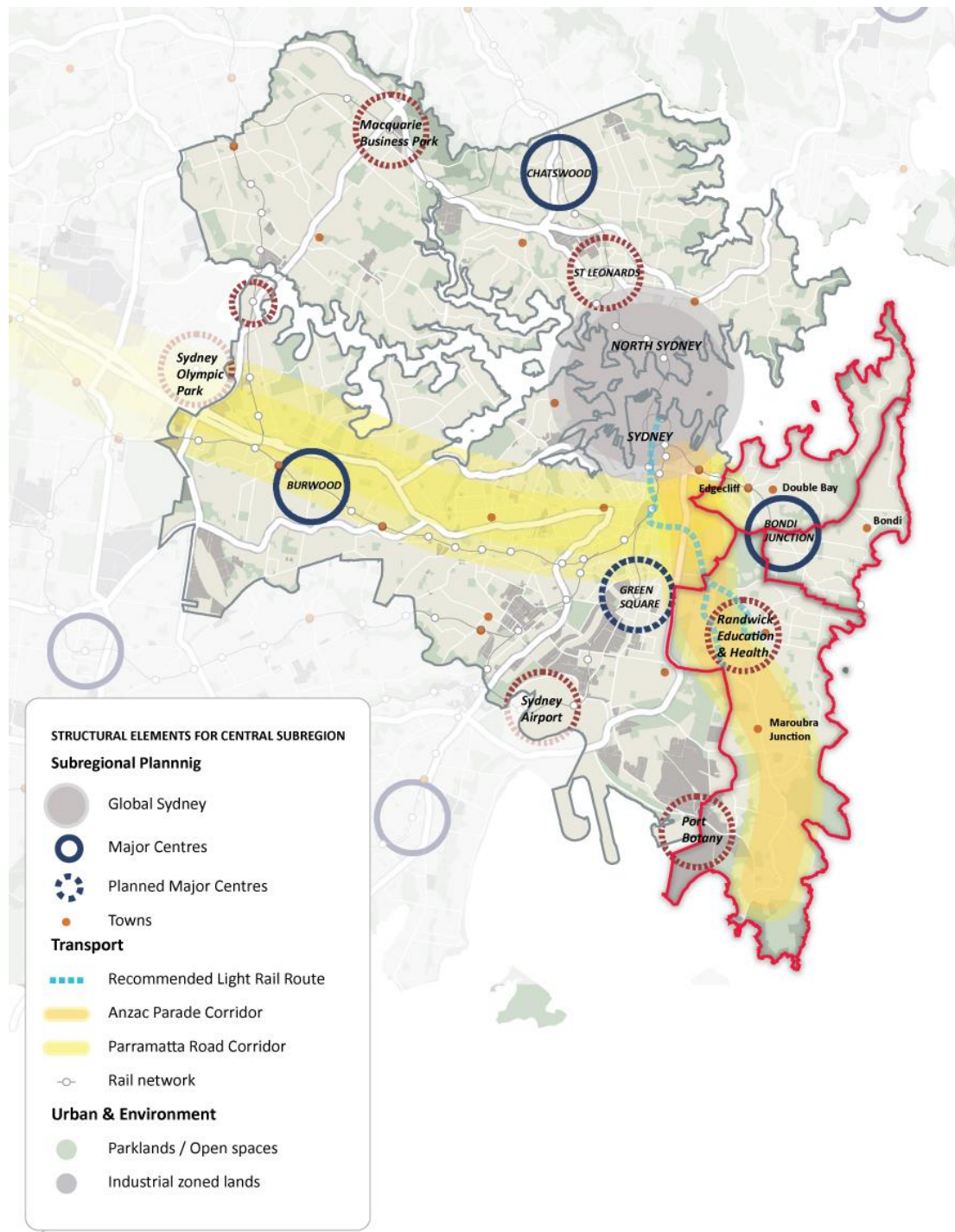
Source: SGS, 2013

1.3   Area and LGA profile

The following tables compare a number of key economic, demographic and social indicators between Randwick, Waverley, Woollahra and the Eastern Suburbs area as a whole. Table 1 presents information about population, age profile and growth. Randwick is the largest LGA of the three with almost 140,000 residents in 2011, more than half the total population of the Eastern Suburbs. Randwick's population is projected to grow at an average rate of 1.1% per year from 2011-31, a higher rate than the other two councils. The age profile was similar across all three LGAs, although in Woollahra there was a relatively

higher proportion of individuals aged 65 and older and a relatively lower proportion of working age people.

TABLE 1. POPULATION AND AGE

Indicator	Randwick	Waverley	Woollahra	Eastern Suburbs
Estimated resident population, 2011	137,757	68,567	56,324	262,648
Projected population growth, 2011-31	33,500	11,600	11,400	56,500
Average annual increase (%)	1.1	0.8	0.9	1.0
Average age, 2011 (yrs)	37.4	37.3	39.9	37.9
Age: < 15 (%)	14.6	14.8	14.9	14.7
15-64 (%)	72.4	73.3	69.1	71.9
65+ (%)	13.0	11.8	16.0	13.3

Source: Randwick City Council, 2013; Department of Planning and Infrastructure, 2013

Table 2 presents information about employment, labour force size and housing. Unemployment is highest in Randwick and lowest in Woollahra. Similarly, median weekly income in Woollahra is over 60% higher than in Randwick, while the median dwelling sale price is 54% higher, reflecting the relative affluence of the area. Median weekly rent for a two bedroom dwelling is slightly higher in Waverley than Woollahra, at $635 per week rather than $630, while rent in Randwick is about 13% cheaper.

TABLE 2. EMPLOYMENT, LABOUR FORCE AND HOUSING

Indicator	Period	Randwick	Waverley	Woollahra	Eastern Suburbs
Labour force (persons)	December Quarter 2012	78,799	39,733	32,925	151,457
Employed persons (estimated)	December Quarter 2012	75,764	38,506	32,213	146,483
Unemployment rate (%)	December Quarter 2012	3.9	3.1	2.2	3.3%
Participation rate (%)	December Quarter 2012	66.9	67.9	68.6	
Median weekly income ($, persons aged 15 and over)	2011	718	973	1149	869
Median dwelling sale price ($)	June Quarter 2013	775,000	850,000	1,196,000	
Median weekly rent for two bedroom dwellings ($)	September Quarter 2013	550	635	630	

Source: Randwick City Council, 2013; ABS Census, 2011; Department of Housing NSW, 2013

1.4 Scope of the study

The scope of this study involves the following:

- Review relevant state/federal strategy and policy frameworks that impact on development in economic activity areas
- Identify the broader trends and drivers for economic development and provide an overview of the macro-economic environment and Sydney's changing economic geography
- Establish a baseline economic profile for the Eastern Suburbs
- Prepare a more detailed profile for each major economic activity area and where applicable major industry sectors
- Use an input-output (IO) model to examine inter-industry relationships and connections
- Outline employment projections for the Eastern Suburbs and economic activity areas for the period till 2031, based on NSW Bureau of Transport (BTS) projections and SGS adjustments following considerations of drivers of economic activity
- Prepare a separate draft economic positioning statement as stage 2 of this project, setting out the broad future strategic directions for the economic development of the area
- Workshop with Council staff to resolve key economic development directions for key economic precincts, and
- Prepare a report including information, workshop discussions and framework for future position of economic development for the study area.

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1.5 Report structure

The remainder of the report follows the following structure:

Section 2   outlines the macro level economic context for the study, highlighting broad and local trends in major industry sectors in the Eastern Suburbs, including education, health and retail industries.

Section 3   reviews the current policy framework relevant to the Eastern Suburbs.

Section 4   presents a baseline analysis of current economic activity in the Eastern Suburbs, with the employment profile and the socio-economic characteristics of local residents with respect to the Sydney GMA context.

Section 5   provides the results from the floorspace audit, detailing the floorspace mix and vacancy rate of each main retail centre.

Section 6   presents a detailed industry and land use profile for each economic activity precinct within the Eastern Suburbs, based on the BTS Journey to Work data and floorspace data from the audit.

Section 7   describes the key inputs to the Retail Gravity Model. The model was used to forecast retail floorspace demand by commodity type for selected centres in the Eastern Suburbs, based on the expenditure growth within their catchment.

Section 8   identifies the employment projections for the region, including discussion of the major projects that will assist the development of the area, the precincts where employment growth is projected and also the industry types where employment growth is expected.

Section 9   Outlines the key findings and framework for the consideration of future economic development strategy, including identification of the strategic directions for future economic development.

2 TRENDS AND DRIVERS

A range of trends and drivers influencing key industries in the region are explored in this section. These trends have implications for land-use and development profiles. An understanding of industry and land use trends as well as a broader understanding of local drivers of employment is essential to inform the development of an economic strategy and economic development actions.

2.1 Global and national trends

The CSIRO's *Our Future World* report identifies six megatrends that will change the way people live. The table below summarises these trends and their implications for the Eastern Suburbs.

TABLE 3. GLOBAL MEGATRENDS THAT WILL SHAPE THE EASTERN SUBURBS (CSIRO)

Trend	Explanation	Implications for the Eastern suburbs
More from less	– The earth has limited supplies of natural mineral, energy, water and food resources essential for human survival and maintaining current quality of life. Economic and population growth will place upward pressure on demand, while resources are being depleted at alarming, unsustainable rates.	– Companies, governments and communities in the Eastern Suburbs will need to find new ways of ensuring quality of life for current and future generations within the confines of the world's limited resources.
Going, going... gone?	– Many of the world's natural habitats, plant species and animal species are in decline or at risk of extinction, and the actions of the next few decades will influence biodiversity on earth for milennia. – Greenhouse gas emissions and climate change will destroy much of what we value in the natural world.	– As a coastal region, the eastern suburbs will need to prepare themselves for rising sea levels, and the effect extreme weather events and changed beach landscapes will have on both quality of life for residents and the current tourism offer.
The silk highway	– Coming decades will see the world economy shift from west to east and north to south, as billions of people in Asia (and to a lesser extent, South America and Africa) transition out of poverty and into the middle income classes. – The new powerhouses of the global economy are China and India.	Economic shift to the east and south will build new export markets, trade relations, business models and cultural ties in the Eastern Suburbs and Australia. – Tourists, investment, innovation and human capital will increasingly flow our of Asian countries and into Australia's economy and society, therefore building strong relationships with Asia is important.
Forever young	– Australia and many other countries that make up the Organisation for Economic Cooperation and Development (OECD) have an ageing population. – Elderly citizens are an asset, providing skills, knowledge, wisdom and mentorship – Challenges associated with an ageing population include a widening retirement sacings gap and escalating healthcare costs.	– An ageing population will change people's lifestyles, the services they demand and the function and structure of the labour market. – As a major health precinct, the Eastern Suburbs is well-positioned to accomodate the healthcare needs of its ageing population. – Appropriate housing, transport and entertainment options will need to continue to be provided for odler people.
Virtually here	– This megatrend explores what might happen in a world of increased connectivity where individuals, communities, governments and businesses are immersed into the virtual world to a much greater extent than ever before.	– Government and business services will need to increasingly be delivered online. – Online retail and teleworking are forecast to grow rapidly and have an impact on the Eastern Suburbs' labour markets, retail models, urban design and transportation systems

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Trend	Explanation	Implications for the Eastern suburbs
Great Expectations	− This is a consumer, societal, demographic and cultural megatrend.It explores the rising demand demand for experiences over products and the rising importance of social relationships. − Increasing expectation that personalised services will meet consumers' unique needs whilst being delivered en masse.	− Implications for retail sector and human service delivery systems of government and private sector organisations. − As incomes grow, both domestic and international tourists will seek higher-end experiences, due to the oversupply of mass consumables.

Source: CSIRO, *Our Future World*, 2012.

2.2 Retail industry trends

Broad trends

The retail landscape is changing. Fluctuating economic trends, accompanied by high levels of debt and low levels of spending, has influenced a change in the behaviour of the retail sector. Other trends in the retail sector over the past decade have included:

− the shift towards longer trading hours, especially weekend trading
− increasing pressure for out-of-centre developments including bulky goods centres located away from traditional centres
− the changing character and function of centres – ethnic themed precincts, 'eat-streets', cafe precincts, fresh food centres, etc, and
− an increasing move towards online retailing.

The trends in retail suggest that a continual real expansion in retail expenditure, on the back of rising living standards and a growing population, cannot be guaranteed. Consumers are currently devoting more of their discretionary expenditure to non-retail items (including services) and to paying off debt. Health expenditure is likely to increase (with an ageing population). Consumers are also 'getting more' for their money, with on-line retailing expanding options, so sales growth is slower.

The retail industry still remains a significant contributor to the Australian economy, according to the Productivity Commission (PC) contributing 4.1 percent of gross domestic product (GDP) and 10.7 percent to employment.[1]

Overall retail turnover in NSW has continued to grow (illustrated in Figure 2), though the dip related to the GFC is clearly evident.

The PC, in its report on retailing, noted a weakening of the growth in sales since the GFC with consumers reducing the proportion of their income spent on retail goods, as they lift their savings rate and spend more on other items such as finance, health, rent and education. The PC noted that national nominal retail trade sales averaged 1.8 percent over the year through 2010 and the first and second quarters of 2011, which was just over one fifth of the average of the nominal growth rate of the economy (7.6 per cent) over the same period.[2]

[1] Productivity Commission 2011, Economic Structure and Performance of the Australian Retail Industry. Inquiry Report, December.
[2] Ibid

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FIGURE 2.   RETAIL TURNOVER NSW, 1982 TO 2012
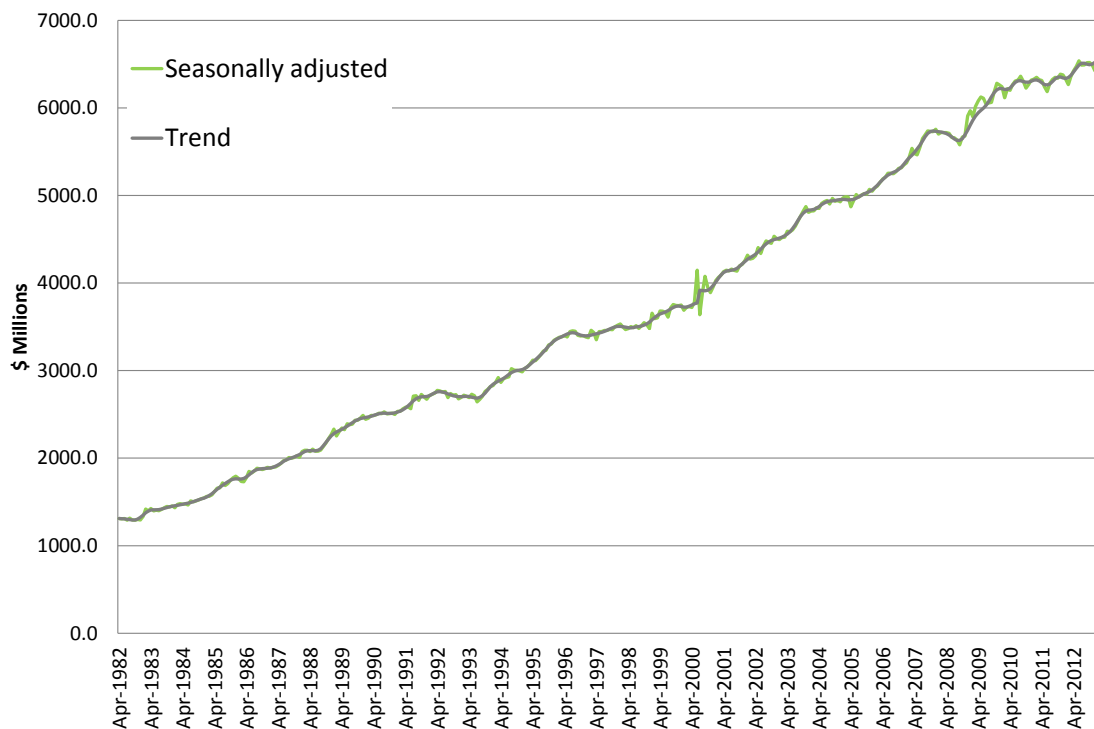
Source: SGS Economics and Planning, 2013 using Australian Bureau of Statistics, 2013 (Catalogue 8501.0 Retail Trade)

Figure 3 illustrates the differing trends between the different retail submarkets, highlighting that food retailing has been following the overall retail expenditure trend with clothing, household and department store retailing experiencing much steadier growth in comparison.

FIGURE 3.   RETAIL EXPENDITURE TRENDS BY SUBMARKET TYPE, $MILLION
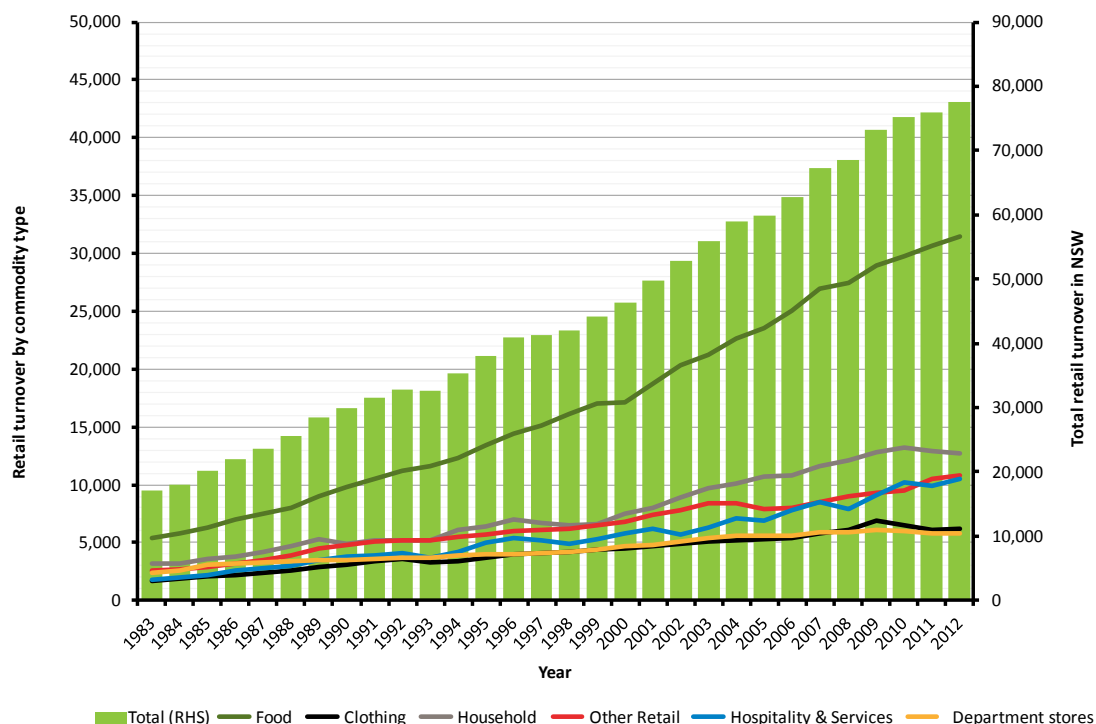
Source: SGS Economics and Planning, 2013 using Australian Bureau of Statistics, 2013 (Catalogue 8501.0 Retail Trade)

Between 2006 and 2011, employment within the retail sector experienced a modest compound average growth rate of 0.5 percent per annum in both Australia and NSW. This is much lower than the total employment growth of 2.0 percent, after years of retail employment growing faster than total employment. Interestingly – and perhaps a sign of things to come given the ageing population – the sector of health care and social assistance overtook retail in 2011 (in both Australia and NSW) as the sector with the greatest share of total jobs.[3]

The PC summarises some of the trends and influences on retail trends as follows:

...annual growth in retail sales has broadly declined from 9.6 per cent per year during the early 1980s to 4.8 per cent per year over the 5 years to 2010. This long-term fall in growth has been largely due to the fall in retail sales as a share of Household Final Consumption Expenditure (HFCE), that is, of what they do spend, consumers are spending relatively less on goods provided by retailers.[4]

Growth of retail sales over the longer term has relied on the willingness of consumers to spend larger shares of their income, as well as increases in the disposable income of the population and population growth. Growth due to the above factors has counterbalanced the decreasing share of consumer spending directed towards the goods sold by retailers. The recent decline in the share of income that is consumed (or the increase in the savings ratio) has further exposed the influence of these broader macroeconomic factors.

The extent to which retail expenditure will pick up and return to its high growth trajectory depends on how these macroeconomic factors 'track'. While population growth is set to remain steady (according to projections), income growth may be subdued -in line with more uncertain economic conditions (in particular a distinct softening of the mining boom) – while the demands on disposable income will increase with an ageing population and no sign yet of a slowing in Australia's relatively high cost economy. On this basis there is unlikely to be a significant short to medium term acceleration in retail expenditure.

Pressure for out-of-centre developments

From a strategic land use planning perspective, bulky goods retail should be located in or adjacent to centres to support the existing retail hierarchy and minimise trip generation. The *NSW Government's Right Place for Business and Service Policy* document (Department of Urban Affairs and Planning, 2001) prescribes that when it is not realistic for bulky goods outlets to be in centres, they should be located in one or two regional clusters and existing clusters should be reinforced. This reduces trip generation, adds to customer choice and can improve the 'pulling power' of these businesses. As such, having defined bulky goods precincts benefits both businesses and customers.

The delivery of stock and the collection of bulky goods by customers require sites with good road access. Main road locations provide both access and exposure. Sites with exposure to high traffic volumes are desired by bulky goods retailers because they enable business promotion. Locations on major arterial roads are preferred.

In some locations across Sydney, bulky goods retailing is moving into industrial areas. This has significant implications. It allows bulky goods developers to achieve considerable competitive advantages associated with cheaper rents (Productivity Commission 2011). The significant difference between the net rental ranges for bulky goods centres compared to major retail centres is highlighted in Figure 4. Bulky goods retailing within industrial precincts can place upwards pressure on rents, potentially forcing industrial land uses to relocate to cheaper areas. Additionally, industrial land users often prefer to be located in an area which has an 'industrial image', and for some it is important to maintain a sense of

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[3] Based on 2006 and 2011 Census data.

[4] Productivity Commission 2011, Economic Structure and Performance of the Australian Retail Industry. Inquiry Report, December.

'address' for existing businesses in industrial areas. Further, increased traffic volumes stemming from bulky goods retail customers might affect access to and from industrial operations in the same area. The location of retailers in out of centre locations has the potential to undermine nearby centres.

FIGURE 4.   AUSTRALIAN RETAIL MARKET INDICATORS

Retail Indicator	CBD Retail	Regional Shopping Centres	Sub-Regional Shopping Centres	Neighbourhood Shopping Centres	Bulky Goods Centres
No. of Centres	123	125	249	919	112
Total Stock (sqm)	1,048,259	7,241,217	4,318,819	4,012,305	2,014,891
Average Size (sqm)	8,552	57,929	17,345	4,366	17,990
5-year Supply (sqm)	78,000	572,000	338,000	442,000	1,170,000
Net Rental Range (/sqm)	$2,750 - $9,000	$950 - $2,250	$550 - $1,150	$250 - $850	$125 - $450
Occupancy Cost Ratio	21.40%	17.90%	13.70%	11.50%	n/a
Average Vacancy Rate	2.30%	1.20%	2.90%	4.40%	7.50%
Prime Yields	5.25% - 8.50%	5.25% - 6.50%	7.00% - 7.75%	7.25% - 8.00%	8.50% - 9.50%
Secondary Yields	n/a	6.50% - 7.50%	7.75% - 10.00%	8.00% - 12.00%	9.50% - 12.00%

Source: Colliers, 2013

Online retailing

Advances in technology have also played a fundamental role in changing the nature of the retail sector:

'The phenomenal growth of online retailing, the rise of mobile retailing, the speed and sophistication of the major national and international retailers, the epic and immersive experiences offered by today's new breed of shopping mall, have all conspired to change today's retail landscape'.[5]

The Productivity Commission's report (2011, p. 73) suggested that domestic and overseas online sales accounted for six per cent of total retail spending in Australia in 2010. Comparatively, online sales in the United Kingdom account for between five and eight percent share of retail sales, while in the United States they account for between nine and 11 percent:

Online retailing is reportedly growing 26 times faster than the high street, as large numbers of consumers continue to switch to buying online (Court, Cushman and Wakefield, 2006).

Online shopping in Australia is becoming more prominent for three main reasons:
− lower prices
− convenience, and
− a wider range of goods to choose from compared to those available from bricks and mortar retailers.

Figure 5 shows the estimated growth in internet commerce.

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[5] Portas, M. (2011). The Portas Review: An independent review into the future of our high streets. Department for Business, Innovation and Skills.

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FIGURE 5.   VALUE OF INTERNET COMMERCE IN AUSTRALIA 2003/04 TO 2009/10
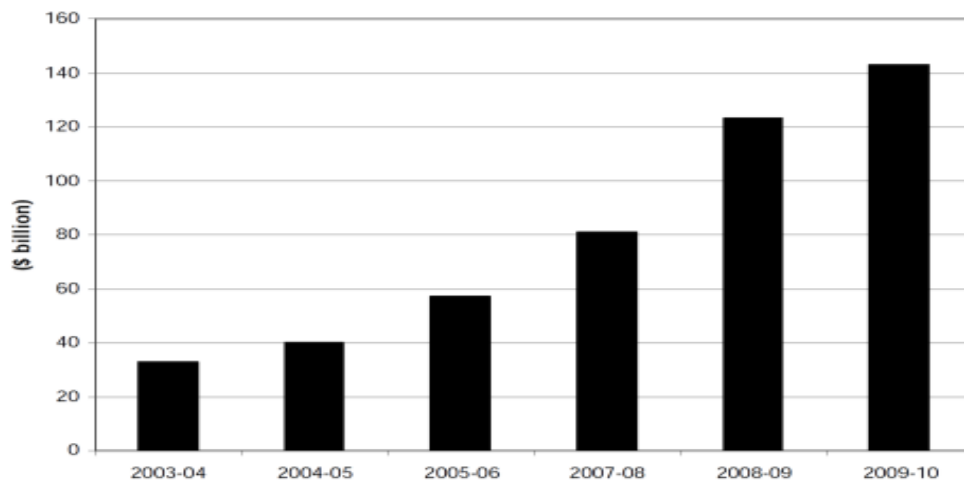
Source: Productivity Commission, 2011

This competitive pressure is forcing 'bricks and mortar' retail stores to react and provide both online and physical stores (referred to as 'clicks and mortar' or 'click on brick') to maintain market share (Productivity Commission 2011). The British Council of Shopping Centres (BCSC) report also highlights that traditional bricks and mortar retailing will increasingly need to adapt and suggests a number of measures including:

− more car parking or free car parking
− easy public transport access
− improve the 'experience of shopping', and
− improved customer service.

An open and competitive – but more certain – planning environment will also assist bricks and mortar retailers to respond to the on-line challenge.

Influx of international retailers

A recent trend in relation to retail has been an influx of international fashion retailers such as Zara, Gap and Top Shop into major centres in Australia. 'Some of these new retailers are not only providing a great point of difference by they are trading at record levels – and at a time when home-grown retail is facing tough times'[6]. This trend is occuring due to weak markets in North America and Europe and a comparatively stable market and high level of disposable income in Australia.

According to Shopping Centre News, international retailers generally look to establish a large flagship store in either Sydney or Melbourne CBD and smaller stores in top performing regional shopping centres with good exposure, higer foot traffic and sales productivity.

The influx of international retailers is expected to continue throughout 2013 with demand for international brands high as a result of the Australian population being exposed to international brands through overseas travel, media andonline shopping.

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[6] Shopping Centre News 2013, Volume 31, Number 1

Local trends

Online retailing will continue to place pressure on jobs within the retail industry...

Online retailing is most likely to have the greatest impact on clothing and accessories, CD/DVD and book retailing where online retailers are able to provide the same goods at much lower price points. Local operators are also at greater risk because their point of differentiation is often service and knowledge, rather than price. Consumers have been known to visit stores for product information then search for the product at a cheaper price (offered by large retailers) online.

Businesses least likely to be influenced include those in the service retail sector such as cafés restaurants and bars. Retailers who offer a genuinely unique product are also less likely to be impacted by online competition.

...however, international retailers are beginning to enter the 'bricks and mortar' retail industry in the Eastern Suburbs...

As highlighted earlier, international retailers look to establish smaller stores alongside flagship stores in the CBD of Sydney or Melbourne. Since opening its flagship store in Sydney CBD, Zara has opened a store in Bondi Junction, taking advantage of space made available by declining retailers. Williams Sonoma and its sub brands including Pottery Barn recently opened in a purpose built building opposite Westfield in Bondi Junction which is the first retail location outside of North America for Williams Sonoma[7]. As a top performing regional shopping centre, Bondi Junction is likely to experience further influx of international retailers with competitive advantages.

Westfield Bondi Junction has retained its position in the 'Big Gun' sector of the retail market despite declines in turnover.

Westfield Bondi Junction had a turnover of $961.3 million in 2013, down 1.2% from $972.8 million in 2012. The shopping centre also experienced a decline in its turnover rate per square metre (down 0.7 percent) and moved down to second spot (behind Broadway Shopping Centre) but still maintains a range over $10,000 per square metre. In terms of the rate of turnover per square metre for specialty stores, Westfield Bondi Junction was ranked fifth (up from sixth in the previous year)[8]. Large shopping centres continue to perform strongly compared to the wider retail sector, particularly Westfield Bondi Junction which has continued its strong performance which has assisted in attracting international retailers as discussed above.

But smaller local retail centres within the Eastern Suburbs may be affected by the competition from large retail centres in the proximity.

Smaller local retail centres may be affected by competition from large retail centres such as the Sydney CBD, Westfield Eastgardens and SupaCentre, located in close proximity to the region.

Retail will need to adapt to changing consumer preference.

As trends change and increasing pressure gets placed on the retail sector, the retail industry will need to adapt to changes, not only associated within online retailing but also changing consumer preferences to ensure that the industry does not decline or impact on employment. This is an area that will require further investigations.

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[7] Shopping Centre News 2012, Volume 30, Number 4.
[8] Ibid

2.3 Demographic trends: an ageing population

Broad trends

Ageing is affected by physical and social environments, health, economic and life experiences as much as it is by chronological age. This is reflected in the range of terms used to describe ageing people, which tend to have different meanings to different people and communities.

An increasing trend in relation to the growing ageing population is a preference for towards ageing in place. Ageing in place recognises that people wish to maintain their independence as long as possible, not having to change their living arrangements in order to receive care and support when it is needed. It also supports the ageing population to stay connected with their community, family and lifestyle. For frail older people it is about providing appropriate in-home and community based care services that makes the most of connections to each person's home, community and way of life.

Many countries worldwide, including Australia, have national ageing strategies based on the ageing principles addressed by the World Health Organisation. These national strategies guide state and local responses to ageing. While each community is different, with specific needs that require addressing, there are some common challenges facing the ageing population and consequently need to be addressed by strategies and policies.

Issues and challenges include:

- ensuring that the right type and amount of facilities and services are provided for the baby boomer generation as they age, noting that this generation will have different demands and needs than previous ageing generations.
- ensuring that the ageing population is provided with education and learning opportunities so that they can continue to be engaged, be involved within the community, and can participate in the workforce for as long as they wish. People should be able to actively participate in the community, regardless of age.
- educating citizens throughout all life stages to ensure that they are aware that choices they make throughout their lives (for example, exercise and diet) can impact how they live in their later years and on the help and services they will require.
- recognising that people should be provided with the facilities and services required for them to be able to age within their community.
- ensuring that there are adequate support networks and services available for carers and volunteers.
- ensuring that the ageing population has knowledge of the facilities and services available to them and that they can easily access these should they wish/ require them. Such services include community transport, health care, mental health and residential care.
- recognising diversity, particularly that the services available to the ageing population have respect to the population, including different cultural and individual needs.

Local trends

Between 2011 and 2036, the Eastern Suburbs population is projected to continue to age. Figure 6 illustrates the population of the Eastern Suburbs in 2011 and the projected population in 2036.

FIGURE 6.

FIGURE 6.   PROJECTED CHANGE IN AGE OF POPULATION IN EASTERN SUBURBS 2011-2036
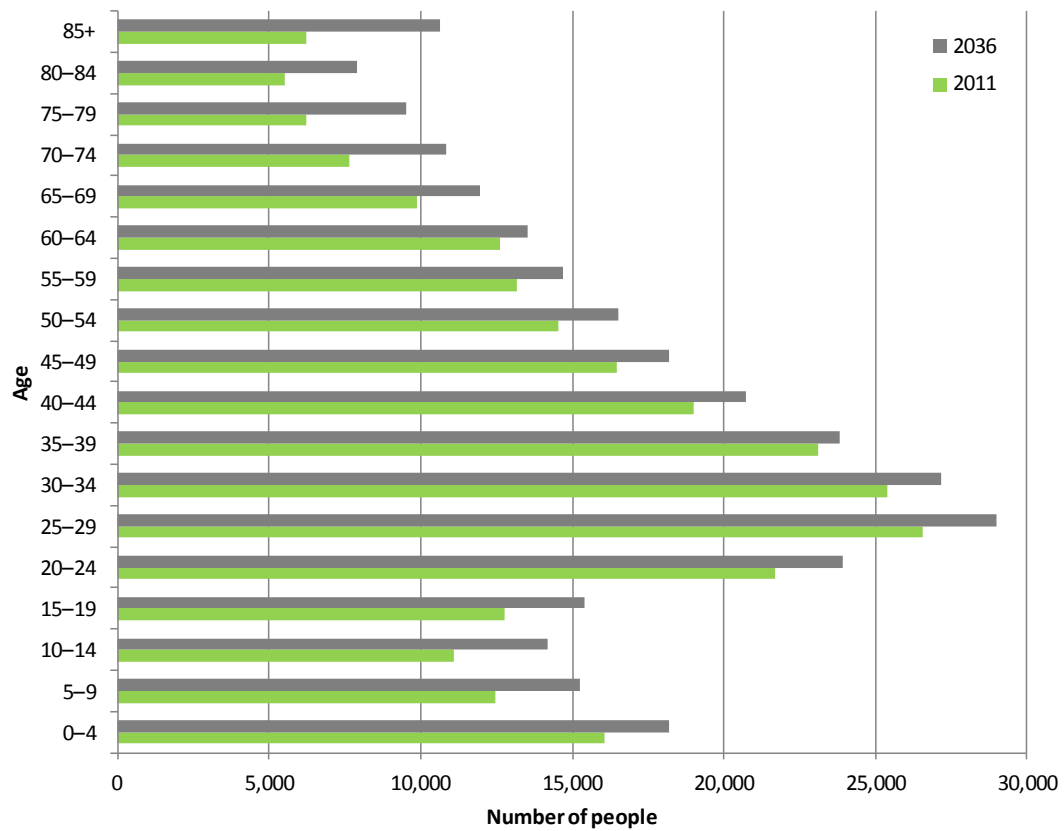
Source: Department of Planning and Infrastructure, 2013 (Population projections by LGA by age).

Figure 7 highlights that the greatest change in the population of the Eastern Suburbs is projected to be the population aged over 65. The population aged above 65 in Eastern Suburbs are projected to increase by over 40 percent from 2011 to 2036.
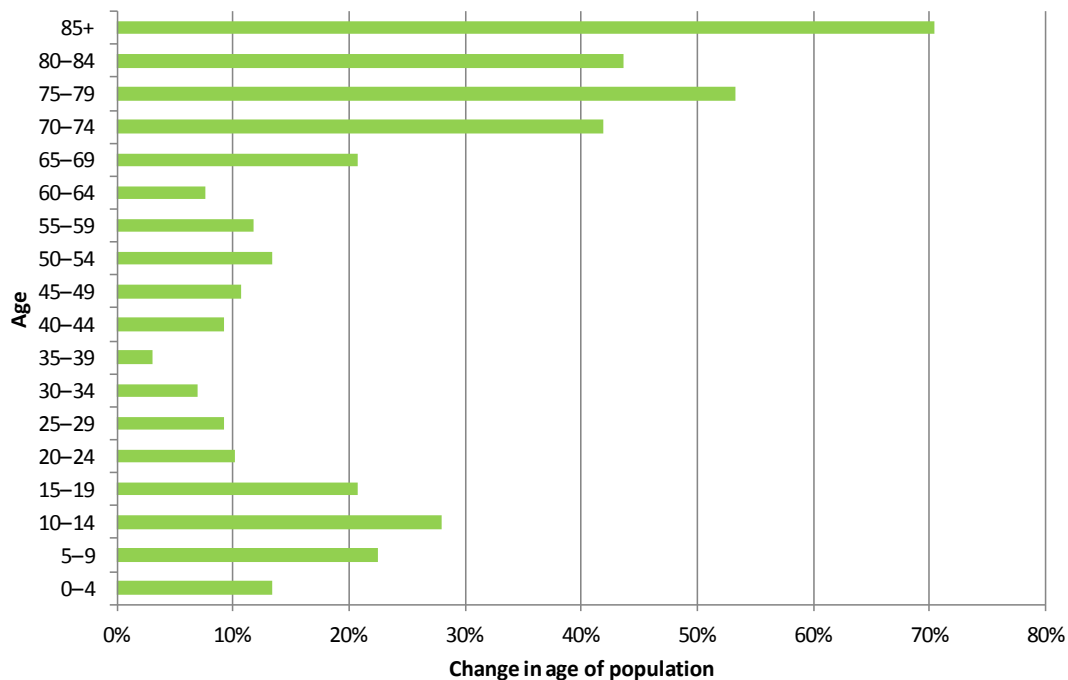
Source: Adapted from Department of Planning and Infrastructure, 2013 (Population projections by LGA by age).

The ageing population combined with an increasing trend towards ageing in place is likely to increase the proportion of retirees living in the Eastern Suburbs and reduce the proportion of residents participating in the workforce. An ageing population will increase the demand for health-related services and increase the number of jobs within these industry sectors which will boost employment within the Randwick Education and Health Precinct. These two trends, combined, will increase the proportion of workers travelling from outside of the Eastern Suburbs to work within the region, decreasing the regions self sufficiency, that is, reducing the proportion of local jobs that are filled by local residents.

2.4   Health and education: magnetic infrastructure

Magnet infrastructure is infrastructure that attracts activities to a location. In the East Subregional Strategy (Draft, DP&I 2007), health and education is said to be infrastructure enabling a centre to distinguish itself from other centres by becoming a Specialised Centre. Magnet infrastructure is concerned with the transformation of centres to enable them to attain their economic and social potential. Specialised centres perform a vital economic and employment role, generate metropolitan-wide benefits and build on, amongst other infrastructure, Sydney's knowledge infrastructure.

Broad trends

Clustering of health-related businesses

The importance of clustering industries is uncontested as it has many positives, including convenience for those using the services. There is value for health-related businesses to concentrate in close proximity to hospitals. This may be in the form of knowledge transfer, labour pooling, input sharing and access to a large market.

The economic foundations necessary for cluster development more generally are regarded to be:

—   availability of skilled and adaptable human resource

- availability of technology, advanced physical and information infrastructure, and
- access to financial capital and supportive taxation and regulatory environment.

As well as providing economic advantages, the consolidation of health and medical related uses in one location has advantages for patients, potentially reducing the need for travel.

Whilst there are numerous examples of clustering of hospitals and other health services, including health research, the Washington State Hospital Association, for example, notes that a cluster of hospitals in Spokane County 'creates the infrastructure to attract and support other health services, such as laboratories, pharmaceutical companies, and physician groups'[9]. Further, there are also close ties between hospitals and nearby colleges and universities with health care programs. Examples in Sydney include the Macquarie University Health and Education Precinct and the Randwick Health and Education Precinct.

Strategic planning is important for identifying the key elements needed to support an industry cluster. Support for cluster development and the building of network partnerships are also deemed important ways through which the cluster development process can be assisted. Advantages of clustering and co-location mean that Randwick continues to become more attractive as a location for health-related businesses.

Education is Australia's largest non-resources export.

Education is Australia's fourth largest export industry and largest non-resources export with a $15 billion revenue in 2012. Despite the sector's strong past performance, Australian universities cannot get complacent - revenue from international students has been falling since 2009. International students make up one fifth of the student body and Australian universities' dependence on international student fees for revenue has made them vulnerable to increased worldwide competition for students. The number of commencing international students has declined by 3.9 per cent between 2011 and 2012.[10] The total number of international students has declined almost 20 per cent since the peak of 472,214 in 2010.[11]

Although Australian universities enjoy a geographical advantage due their proximity to key source markets such as India and Malaysia, the strong Australian dollar has eroded the cost advantage Australian universities once enjoyed over competitors in Canada and the United States. Research by HSBC found that Australia was the most expensive destination for international students in 2012, due to fees and the strong Australian dollar increasing living costs for students.[12] Aggressive media campaigns by universities in Britain, Canada and the United States, as well as increased investment in education in Malaysia, China and other emerging markets has also reduced international student numbers in Australia. As magnet infrastructure, changes in the higher education sector may have an influence on demand for other industries in the eastern suburbs. The recent drop in the Australian dollar will assist in boosting international enrolments as education in Australia becomes more affordable for international students. Each international student contributes an average of $30,000 to the Australian economy and generates 0.3 full-time equivalent jobs[13]. Universities Australia has highlighted that 'at a time of renewed

[9] Washington State Hospital Association (2003) 'The Business of Caring: The Economic Impact of Hospitals in Washington State', Available: http://www.wsha.org

[10] DIICCSRTE 2013, *2012 Full Year Student Summary*, DIICCSRTE, Canberra, viewed 28 August 2013, < http://www.innovation.gov.au/highereducation/HigherEducationStatistics/StatisticsPublications/Documents/2012/2012%20full%20year%20summary.pdf>

[11] AEI 2013, 'International student data 2013,' Australian Education International, viewed 30 August 2013 < https://aei.gov.au/research/International-Student-Data/Pages/InternationalStudentData2013.aspx#Detailed_Monthly>

[12] HSBC 2013, 'Study costs most in Australia,' HSBC 13 August 2013, viewed 30 August 2013 < http://www.hsbc.com/news-and-insight/2013/study-costs-most-in-australia>

[12] Universities Australia, 2013, *International education in Australia more affordable,* media release 10 July 2013.

global economic uncertainty and the decline of the resources boom, the role and importance of international education to Australia's economic future is impossible to over-state'[14].

The International Education Advisory Council estimates Australia will be hosting 520,000 international students by 2020, a 30 per cent increase on today's numbers. The Council estimates this will contribute $19.1 billion to the local economy, which will bring direct benefits to retailers, accommodation providers and community enterprises. [15]

Future trends in the university sector will have an impact on demand.

Research by Ernst and Young identifies five key trends driving changes in which will offer both opportunities and challenges in the higher education sector. [16]

– **Democratisation of knowledge and access.** The traditional role of Western universities as the guardians of "knowledge" has been challenged by increased access to higher education as information is made widely available online and higher education participation rates increase in developing countries.
– **Competitive markets and funding**. Fierce competition for students and funding will continue to intensify, as universities compete for both domestic and international students, as well as government and new sources of funding. Uncapping of enrolments under the Rudd-Gillard government increased competition for domestic students; however, the current government has raised the possibility of reversing the demand-driven model and returning to a system of capped enrolments.
– **Digital technologies**. While universities will likely remain campus-based, courses will be increasingly taught online, for example via Massive Open Online Courses, and digital technologies will be integrated with campus-based learning.
– **Global mobility**. Emerging markets, and the traditional sources of international students, including South Korea, Malaysia and China, will become Australia's global-scale competitors in the international student market, as global university brands and international branch campuses emerge and academic staff and students are increasingly sourced from overseas.
– **Integration with industry**. As industry increasingly offers professional certification, it will begin to compete with universities in the certification of students and the delivery of research and course content, and universities will partner more closely with industry in research activity.

Local trends

The Randwick Health and Education Precinct contains magnet infrastructure that will provide for an ageing population and contribute to the education services export industry.

The Randwick Education and Health precinct provides an opportunity for increased clustering and development of health and education related businesses. Clustering of health-related businesses is valuable due to knowledge transfer, labour pooling, input sharing and access to a large market. The Randwick Education and Health precinct is an example of a current cluster of health and education related businesses within the Eastern Suburbs and this provides a platform for further growth of businesses and hence jobs within this industry sector.

[14] ibid

[15] International Education Advisory Council 2013, *Australia – Educating Globally*, February 2013, p. Ii – 2, viewed 10 October 2013, <https://aei.gov.au/IEAC2/theCouncilsReport/Documents/Australia%20%E2%80%93%20Educating%20Globally%20FINAL%20REPORT.pdf>

[16] Ernst and Young 2013, *University of the Future: A thousand year old industry on the cusp of profound change*, Ernst and Young, Melbourne, viewed 28 August 2013, <
http://www.ey.com/Publication/vwLUAssets/University_of_the_future/$FILE/University_of_the_future_2012.pdf>

The Randwick Hospitals Campus incorporates the Prince of Wales Hospital, Royal Hospital for Women and the Sydney Children's Hospital. The Prince of Wales Hospital employs almost 3,000 staff[17] and is one of two A1 Principal Referral Hospitals catering for the South Eastern Sydney Local Health District which includes nine LGAs[18] and the Royal Hospital for Women is one of two A3 Specialised Referral Hospitals for the region.

The Prince of Wales Hospital is a major teaching hospital affiliated with the University of New South Wales (UNSW), also located in the Randwick Health and Education Precinct. UNSW is one of Australia's leading universities and a member of both the Group of Eight and the prestigious Universitas 21 international network. UNSW is described as 'Australia's first international university, enrolling significant numbers of international students since 1951, with more than 120 countries now represented' (UNSW, 2013). In 2012, UNSW had 50,516 enrolments and 26 percent of these enrolments were international students. This highlights the major contribution that UNSW currently makes and will continue to make towards Australia's education services exports.

Despite significant policy upheaval, UNSW will continue to be a significant higher education provider and valuable piece of magnetic infrastructure.

UNSW is ranked in the top 100 universities in the world, according to world university rankings for 2012-13. Its main campus is located in Kensington, in the Randwick LGA and is a key piece of magnet infrastructure for the eastern suburbs. However, after the Bradley Review was initiated in 2008, the higher education sector experienced major policy upheaval. The Review recommended a demand-driven system for allocating student places to increase levels of higher education attainment in Australia, especially amongst low SES background students. This recommendation has now been implemented through the uncapping of government-supported student places. It also called for increased numbers of students from disadvantaged groups to help meet growing employment demand for people with undergraduate qualifications.

In 2009, the Commonwealth Government committed $5.4 billion of additional funding to higher education over four years, aiming to increase the proportion of 25-34 year olds with a qualification at bachelor level from 32% in 2012 to 40% by 2025. This aims to boost graduate numbers by around 217,000.[19]

In many ways, the shift to a demand-driven policy has been a success. Since numbers were uncapped in 2012, student enrolments have grown significantly. The uncapping of government-funded student enrolments helped cause a 4 per cent increase in the total number of commencing students Australia-wide from 2011 to 2012.[20] Some of this increase can be accounted for by the global financial crisis, which encouraged young people to opt-out of full time work, but the Australian Council for Education Research (ACER) believes that continued interest in higher education is a result of demand-driven policies. The number of commencing students from low SES backgrounds has also increased by 9.1 per cent compared to the same period in 2011.[21]

However, there have also been fears that the uncapping of student enrolments has reduced entry requirements. A recent report from Group of Eight chairman Fred Hilmer recommended setting a minimum ATAR rank of 60, and Higher Education minister Kim Carr has expressed concern for 'appropriate levels of quality in terms of the students that are entering the system'. UNSW has

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[17] South Eastern Sydney Local Health District, 2013.

[18] Sydney (East and Inner), Woollahra, Waverley, Randwick, Botany Bay, Kogarah, Hurstville, Rockdale and Sutherland.

[19] Urbis 2012, *Major changes in higher education models deliver impacts for property sector,* Urbis, viewed 26 August 2013, <http://www.urbis.com.au/think-tank/newsletters/major-changes-in-higher-education-models-deliver-impacts-for-property-sector>

[20] DIICCSRTE 2013, *2012 Full Year Student Summary,*DIICCSRTE, Canberra, viewed 28 August 2013, < http://www.innovation.gov.au/highereducation/HigherEducationStatistics/StatisticsPublications/Documents/2012/2012%20full%20year%20summary.pdf>

[21] Ibid.

SGS Economics & Planning

announced its plans to set a minimum entrance ATAR for all admissions from 2014, arguing it is shifting its focus from size (number of students) to quality of education. Under the new policy, UNSW will not accept students with an ATAR less than 80, which the university says will help curb enrolments and relieve pressure on physical infrastructure. However, Andrew Norton of the Grattan Institute has argued that setting a minimum ATAR would be unfair to many university applicants, disproportionately those from low SES backgrounds.[22] UNSW's new policy has been criticised by the National Union of Students as 'elitist' and argued it risked stigmatising students who received less than 80.

The Bradley Review recommended an increased focus on quality in higher education, and new quality assurance arrangements (TEQSA) were introduced to ensure both domestic and international students have better information about how higher education institutions are performing and the capabilities of graduates. This includes significantly changing the proportion of funding allocated to teaching and learning rather than infrastructure, including administrative support.

2.5 Trends in tourism

Broad trends

The global financial crisis has had an impact on the Australian Tourism industry due to subdued economic growth and the high Australian dollar, influencing trends in both international visitors and the travel patterns of Australian residents. The high value of the Australian dollar places international visitation to Australia at a competitive disadvantage, particularly for the more price-sensitive segments such as low priced leisure package travel, however it also provides a price advantage for Australians travelling overseas for leisure rather than travelling domestically.

Figure 8 highlights that domestic tourism has been declining steadily, whilst inbound international visitors have remained steady and short term outbound Australian residents has been increasing significantly between 2001 and 2011.

FIGURE 8.   INBOUND, OUTBOUND AND DOMESTIC OVERNIGHT VISITORS, 2001-11
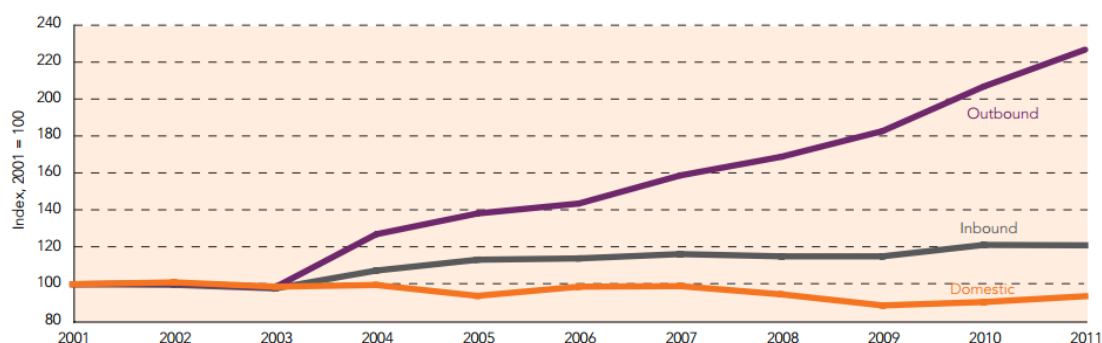
Source: Tourism Research Australia, Travel by Australians, December quarter 2011, Data source: ABS Cat. No. 3401.0

Recently, the number of international tourists from traditional source markets, including the United Kingdom and Europe, has declined due to the European debt crisis, GFC and the affect of the strong Australian dollar. However, the CSIRO forecasts that tourism will emerge as a growth export industry for Australia, due to increased visitation from emerging economies in Asia as incomes grow. China is already the third most common country of residence for short term visitor arrivals into Australia, after New Zealand and the United Kingdom, and its numbers are growing rapidly. Chinese residents are forecast to be the most common visitor to Australia by 2016.[23]

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[22] Norton 2013, 'Keep the caps off! Student access and choice in higher education,' Grattan Institute, Melbourne, viewed 28 August 2013 < http://grattan.edu.au/static/files/assets/205fbc0e/195-Keep-the-caps-off.pdf>

[23] CSIRO 2012, *Our Future World,* p. 13.

Over the last two years, Chinese visitors have accounted for 49 per cent of growth in international visitor numbers and 16 per cent of growth in international visitor nights.[24] Deloitte Access Economics believe this increase is driven by the leisure market, reflecting the rapid growth of the Chinese middle class. However, Chinese visitors tend to stay in Australia for relatively short periods of time. On average, Chinese holiday visitors stayed for 11.1 nights in the year to March 2013, compared to 27.4 nights for other international holiday visitors, but they tend to spend almost twice as much ($212 per day) as the average international holiday visitor ($99 per day).[25] However, since 2008, there has been a shift in total Chinese visitor nights (excluding students) towards smaller cities and regional destinations, such as the Gold Coast and Far North Queensland, and Sydney and Melbourne's share of visitor nights has fallen from 73.1 per cent to 62.8 per cent.[26]

The number of Indian visitors to Australia increased 235 per cent between 2000 and 2010, and is forecast to continue growing.[27] Continued growth in tourism will offer opportunities to strengthen and diversify trade links with Asia.

Local trends

The Eastern Suburbs is a key tourist location however the number of accommodation establishments has been declining.

The Eastern Suburbs is a key tourist location within Sydney. Bondi Beach is a major attraction for international visitors. The key locations for visitors are highlighted in Figure 9.

FIGURE 9.   MAJOR VISITOR ATTRACTIONS IN THE EASTERN SUBURBS

Key Attractions

- Bondi Beach
- Centennial Parklands
- Watsons Bay
- Doyles on the Beach
- Bondi Markets
- Bondi to Coogee coastal walk
- Shopping in Double Bay
- Icebergs Dining Room and Bar
- Learn to Surf
- Marine Discovery Centre
- Botany Bay National Park
- Wylies Baths
- Ritz Theatre
- Centennial Park Equestrian Centre
- Sydney Cricket Ground Museum

Source: Destination NSW, 2013.

Since 2007 the number of hotels, motels and service apartments located in the Eastern Suburbs has been declining (refer to Figure 10). In 2007 the Eastern Suburbs had 39 accommodation establishments and in 2010 there were 32. The growth of creative and informal accommodation, such as couchsurfing and Airbnb, a community marketplace website where people can list their own properties and monetise

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[24] Deloitte Access Economics 2013, *Tourism and Hotel Market Outlook Q2 2013*, July 2013, viewed 9 October <http://www.deloitte.com/view/en_AU/au/industries/realestate/0fc4a0cd9c4ef310VgnVCM2000003356f70aRCRD.htm#>

[25] Ibid.

[26] Ibid.

[27] CSIRO 2012, *Our Future World*, p.13.

their extra space, may also account for some of this decline. According to their website, Airbnb now account have more than 500,000 rentals listed across the world.

FIGURE 10. ACCOMMODATION ESTABLISHMENTS IN THE EASTERN SUBURBS
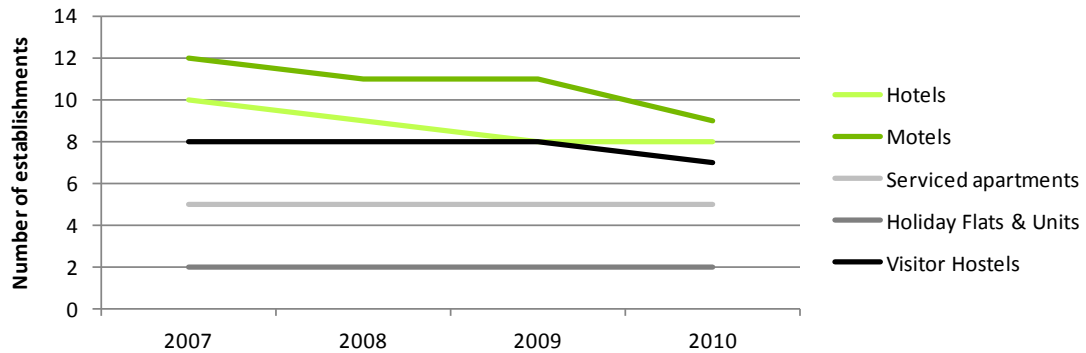
Source: Australian Bureau of Statistics, 1379.0.55.001 National Regional Profile, 2006-2010.

But, Adina Apartment Hotel and InterContinental Sydney Double Bay will soon open in Eastern Suburbs.

As part of the redevelopment of Royal Randwick Racecourse, a new 4-star hotel, branded 'Adina Apartment Hotel', is expected to open in 2015 and will feature 170 apartments. The former Ritz Carlton hotel in Double Bay will also soon become InterContinental Sydney Double Bay, which will provide 140 hotel rooms.

3 CURRENT POLICY FRAMEWORK

This section presents a review of existing relevant policy and strategy likely to impact on development in key employment areas. This includes strategies prepared by Randwick, Woollahra and Waverley Councils, as well as relevant Metropolitan or State level documents. An analysis of the implications of the strategy and policy framework is also provided, as well as identification of all emerging policy directions that might influence economic development.

3.1 NSW 2021

NSW 2021 was released in September 2011 and replaces the State plan as the NSW Government's strategic business plan, setting priorities for action and guiding resource allocation. NSW 2021 is a ten year plan with five strategies and 32 goals to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability, and strengthen local environment and communities.

The five strategies of the NSW 2021 Plan include:

1. Rebuild the economy —restore economic growth and establish NSW as the 'first place in Australia to do business'
2. Return quality services —provide the best transport, health, education, policing, justice and family services, with a focus on the customer
3. Renovate infrastructure —build the infrastructure that makes a difference to both our economy and people's lives
4. Strengthen our local environment and communities —improve people's lives by protecting natural environments and building a strong sense of community, and
5. Restore accountability to government —talk honestly with the community, return planning powers to the community and give people a say on decisions that affect them.

The six goals aligned with the Government's number one priority to rebuild the economy include:

1. Improve the performance of the NSW economy
2. Rebuild State finances
3. Drive economic growth in regional NSW
4. Increase the competitiveness of doing business in NSW
5. Place downward pressure on the cost of living, and
6. Strengthen the NSW skill base.

In order to deliver these strategies and goals a number of delivery mechanisms were established including the requirement to prepare local and regional action plans. The Eastern Sydney Regional Action Plan is discussed in detail below.

3.2 Eastern Sydney & Inner West Regional Action Plan

The Eastern Sydney and Inner West Regional Action Plan was released in December 2012. The region includes Ashfield, City of Botany Bay, Burwood, Canada Bay, Canterbury, City of Sydney, Leichhardt, Marrickville, Strathfield, as well as Randwick, Waverley and Woollahra local government areas.

The Regional Action Plan aligns with the NSW 2021 Plan and identifies seven priorities for the NSW Government for the Eastern Sydney region, including:

1. More efficient and reliable transport
2. Grow the economy of the region
3. Provide more affordable housing options
4. Build liveable and sustainable cities
5. Provide more support for vulnerable members of the community and reduce the high concentration of homelessness
6. Improve community safety and reduce alcohol related violence and antisocial behaviour, and
7. Improve access to healthcare for vulnerable populations and improve support for an ageing population.

Relevant priority actions that may influence economic development include:

– Implement Industry Action Plans to support key industry sectors within the region,
– Enhance the capacity of employment lands through the development of a new Metropolitan Strategy and subregional delivery plans, and
– Support the Central Sydney, Darlinghurst and Randwick Health and Medical Research Hubs.

FIGURE 11:   EASTERN SYDNEY AND INNER WEST REGIONAL ACTION PLAN
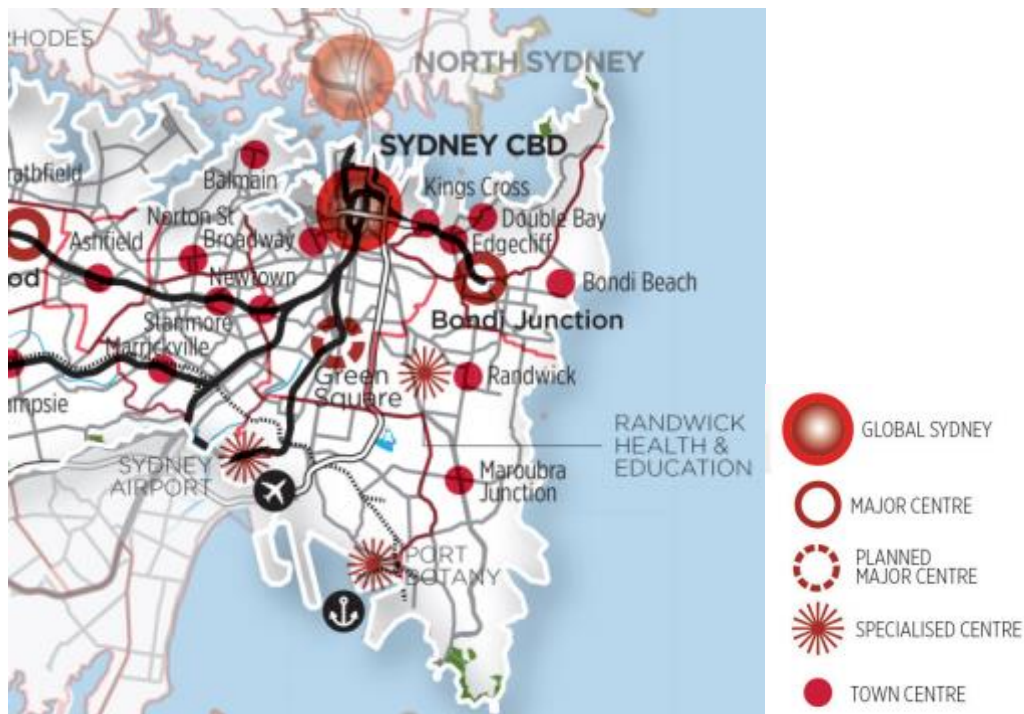
Source: NSW Government, 2012

3.3 Metropolitan Plan for Sydney 2036

The Metropolitan Plan for Sydney 2036 was released in December 2010, updating the earlier City of Cities strategy from 2005. The Strategy continues a strong emphasis on encouraging development within existing and planned new centres in order to generate economic multipliers, promote efficient use of infrastructure, and encourage active and amenable public places.

The Strategy contains nine strategic directions and 45 key policy settings. The key directions and actions in the Metropolitan Plan for Sydney 2036 relevant to Randwick, Waverley and Woollahra LGAs are:

− Strengthening a city of cities
    o Make Sydney a more resilient, compact, connected, multi–centred and networked city
    o Support key economic gateways with integrated land use, infrastructure and transport planning
    o Plan to grow global businesses, investment, innovation and research & development
− Growing and renewing centres
    o Focus activity in accessible centres
    o Plan for centres to grow and change over time
    o Plan for urban renewal in identified centres
    o Support clustering of businesses and knowledge–based activities in Major Centres and Specialised Centres
− Growing Sydney's economy
    o Plan for 760,000 new jobs
    o Support high growth and high value industries through clustering

FIGURE 12.   METROPOLITAN PLAN FOR SYDNEY 2036
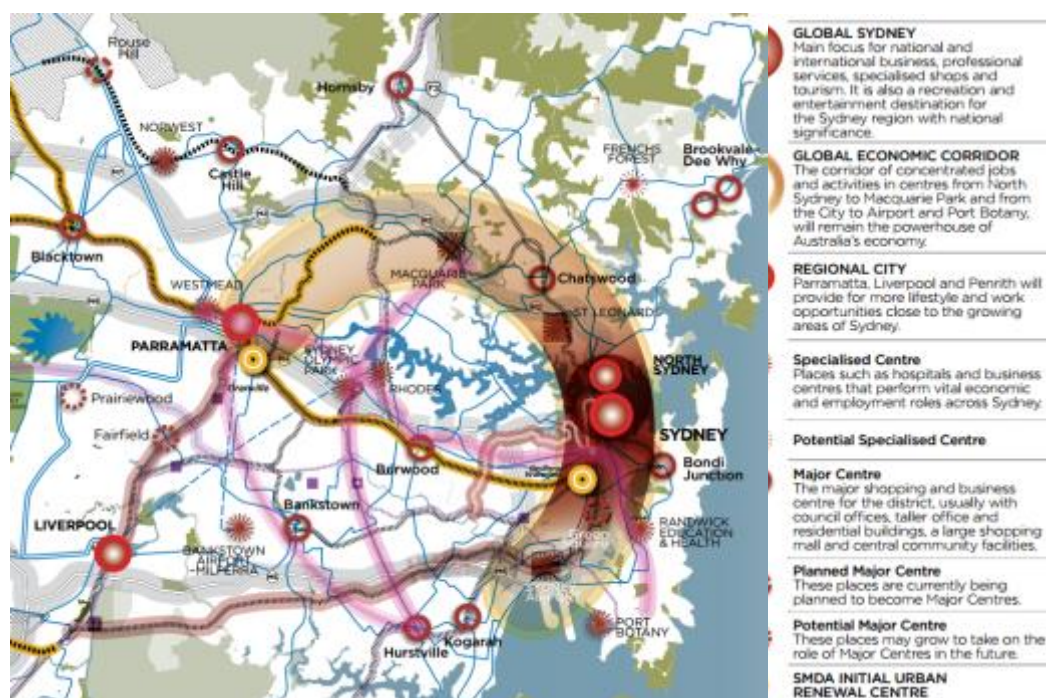
Source: Department of Planning, 2010

3.4   Draft Metropolitan Strategy for Sydney to 2031

The Draft Metropolitan Strategy for Sydney to 2031 was released in March 2013. Once the current draft strategy is finalised later in 2013 this will replace the Metropolitan Plan for Sydney 2036.

The Draft Strategy proposes six new subregions, with groups of councils that share similar challenges for delivering the outcomes sought by the Strategy. The sub-regions are based on an assessment of the population and economic catchments of council areas. Randwick, Waverly, and Woollahra LGAs are within the Central Subregion, along with Ashfield, Botany Bay, Burwood, Canada Bay, Hunters Hill, Lane Cove, Leichhardt, Marrickville, Mosman, North Sydney, Ryde, Strathfield, Sydney (City of), and Willoughby (refer Figure 6).

FIGURE 13.   CENTRAL SUBREGION
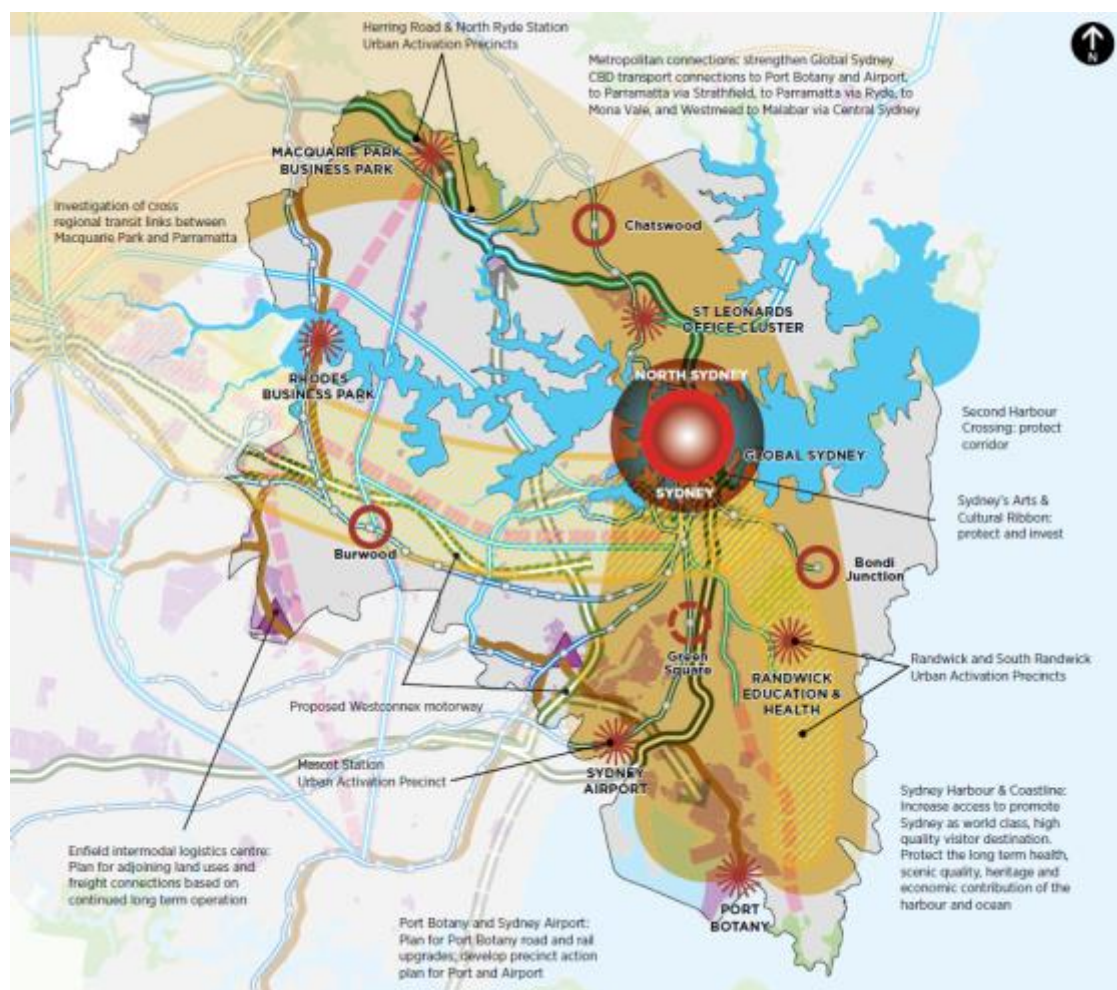
Source: Department of Planning and Infrastructure, 2013

The Draft Strategy outlines population, housing and employment targets for each subregion. Targets for the Central Subregion are shown at Table 4.

Central Subregion	Current	Target to 2021 (2011 - 2021)	Target to 2031 (2011 - 2031)
Population	1,144,000	1,280,000 (136,000)	1,385,000 (242,000)
Housing	534,000	616,000 (82,000)	672,000 (138,000)
Employment	998,000	1,113,000 (135,000)	1,228,000 (230,000)

Source: NSW Government – Draft Metropolitan Strategy for Sydney 2031, 2013

Economic growth for the Central Subregion is focused around strategic centres and specialised precincts, including:

− Bondi Junction Major Centre
  − enhance its primary focus for major retail, office and services provision
  − retain a commercial core and provide opportunities for new office development, and
  − provide capacity for at least 2,000 additional jobs to 2031.

− Port Botany (& environs) Specialised Precinct
  − develop and support as Australia's premier international trade gateway and land/sea freight access and associated industrial areas
  − improve rail freight handling capacity and manage the impacts of freight growth on the transport system, and
  − provide capacity for at least 4,000 additional jobs in 2031.

− Randwick Education & Health Specialised Precinct
  − intensify the existing cluster of education and health activity around the University of NSW, Prince of Wales Hospital and Sydney Children's Hospital
  − integrate with multi-functional aspects of Randwick Racecourse
  − provide opportunities for increased student and short-term housing
  − provide capacity for at least 6,000 additional jobs in 2031, and
  − Improve public transport access to Sydney CBD.

− Anzac Parade Corridor
  − facilitate delivery of Urban Activation Precincts at Randwick and Anzac Parade
  − investigate for growth in housing and employment, supported by improved transport connections with Central Sydney and Randwick Education and Health Specialised Precinct, as identified in the Long Term Transport Master Plan, and by cross-regional connections to Port Botany and Sydney Airport, and
  − improve public transport access to the major sporting and entertainment precinct at Moore Park.

3.5 Draft East Subregional Strategy

The Draft East Subregional Strategy is a NSW Government initiative developed to implement its "2005 Metropolitan Strategy – City of Cities: A Plan for Sydney's Future". The Strategy was released in 2007 and translates objectives of the NSW Government's Metropolitan Strategy and State Plan to the local level.

This will be superseded by more recent (draft) metropolitan planning as this is adopted later in 2013.

The Draft East Subregion comprises Botany Bay, Randwick, Waverley and Woollahra Local Government Areas. The Strategy establishes targets of 20,000 new dwellings and 25,000 new jobs by 2031. Each local government area must contribute to meeting these targets in their LEP. The employment capacity target of 25,000 additional jobs includes 5,900 for Randwick LGA, 2,200 for Waverley and 300 for Woollahra.

Key directions and actions in the Draft East Subregional Strategy relevant to Randwick, Waverley and Woollahra LGAs are listed in Table 5.

TABLE 5. EAST SUBREGIONAL STRATEGY KEY DIRECTIONS AND ACTIONS

Key Directions		Key Actions
Support and strengthen the nation's economic gateways	–	Implement expansion of Port Botany.
	–	Protect strategic Employment Lands relating to Port Botany and Sydney Airport.
	–	Plan for an intermodal terminal network in Sydney.
	–	Investigate options to improve road links to/from Port Botany.
Consolidate and strengthen the Randwick health and education specialised centre	–	Establish a Planning Partnership for the Randwick Education and Health Specialised Centre.
	–	Establish the Randwick Medical Research precinct.
	–	Promote the Randwick Specialised Centre as a centre of biomedical and bioengineering research and development.
	–	Identify future locations for housing to accommodate students and hospital workers.
Support future role of retail centres	–	Investigate appropriate locations for future retail uses in centres, Business Development Zones and Enterprise Corridors.
Improve housing choice	–	Plan for sufficient zoned land to accommodate housing targets.
	–	Apply subregional METRIX planning tool to assist councils in undertaking local housing market analysis.
	–	Develop initiatives to provide for affordable housing.
Improve east/west public transport access	–	Introduce new bus corridors and support existing Strategic Bus Corridors through a package of measures.
	–	Investigate and protect corridors for higher capacity modes.
Protect and promote scenic quality and tourism	–	Promote key tourist and visitor destinations in the East Subregion and identify future visitor accommodation and facility demands.
	–	Manage the impacts of tourism on the natural environment.
	–	Continue to improve environmental quality and bush restoration programs of coastal and other reserves.
	–	Investigate long–term use of Malabar Headland for future open space and conservation purposes.
	–	Recognise and enhance the nightlife and entertainment clusters.

Source: NSW Government – Draft East Subregional Strategy, 2007

Centres Hierarchy

The Draft East Subregional Strategy identifies a hierarchy of activity centres located within the subregion. These include Specialised Centres, Major Centres, Town Centres, Villages, Small Villages, and Neighbourhood Centres.

Specialist Centres are defined as areas containing major airports, ports, hospitals, universities, research and business activities. These perform a vital economic and employment role, which generate metropolitan–wide benefits.

Port Botany is identified as a specialised centre (refer Figure 7), and planning for improved links between Sydney Airport, Port Botany and the distribution and manufacturing industries is a priority of the strategy. The strategy directs that employment land around Sydney Airport and Port Botany be enhanced and protected from pressure to rezone for alternative uses (including residential development).

According to the Draft East Strategy the Centre currently employs 11,200 workers and is expected to grow to around 15,100 workers by 2031.

The strategy also highlights other key directions that will affect these employment lands, including:
- Identification of a rail corridor to ensure that land use activities adjoining the freight rail line at Port Botany do not preclude future opportunities for expansion
- Introduction of intermodal terminals at strategic locations within Sydney metropolitan area
- Specification of sufficient employment land for bus terminals (in light of anticipated expansion of the bus network)
- Identification of opportunities for industrial development in areas with good access to the orbital network
- Growth in demand for bulky goods outlets, which need to be assessed with respect to net community benefits, and
- Extension of the M4 East motorway, likely to impact upon port-related traffic.

FIGURE 14.   PORT BOTANY SPECIALISED CENTRE

Source: Department of Planning, 2007

FIGURE 15.   RANDWICK EDUCATION AND HEALTH SPECIALISED CENTRE

Source: Department of Planning, 2007

The region surrounding the University of New South Wales (UNSW) and Randwick Hospitals (including Prince of Wales Hospital, Prince of Wales Private, Royal Hospital for Women and the Children's Hospital) is also identified as a specialised centre (refer Figure 9). According to the Draft East Strategy, the centre currently employs 9,800 workers and is expected to grow to around 12,100 workers by 2031.

The strategy seeks a master plan for the whole site, to bring together major stakeholders to look at long-term integration and coordination of activities. It also notes that planning for the specialised centre should consider the long–term opportunity for nearby centres, particularly Randwick, Kensington and Kingsford, and Randwick Racecourse, to contribute to a more intense node for research, employment and business.

A Major Centre is defined as a major shopping and business centre serving immediate subregional residential population usually with a full scale shopping mall, council offices, taller office and residential buildings, central community facilities and a minimum of 8,000 jobs. Bondi Junction is identified as the Major Centre for the East Subregion (refer Figure 16). According to the Strategy the centre currently employs 9,800 workers and is expected to accommodate an additional 4,400 jobs by 2031. The Strategy

suggests that Waverley Council is already undertaking a planning review for Bondi Junction CBD to support its role as a Major Centre.

FIGURE 16.   BONDI JUNCTION MAJOR CENTRE

Source: Department of Planning, 2007

Town Centres are defined as having one or two supermarkets, community facilities, medical centre, and schools, contain between 4,500 and 9,500 dwellings, and are usually a residential origin than employment destination. Bondi, Double Bay, Eastlakes, Edgecliff, Maroubra Junction, and Randwick are all identified as Town Centres.

Villages are defined as a strip of shops and surrounding residential area within a 5 to 10 minute walk - contains a small supermarket, hairdresser, and takeaway food shops, and contain between 2,100 and 5,500 dwellings. Coogee, Kensington, Kingsford, Oxford Street, Paddington and Rose Bay are all identified as Villages.

Small Villages are defined as a small strip of shops and adjacent residential area within a 5 to 10 minute walk, and contain between 800 and 2,700 dwellings. **Neighbourhood Centres** are defined as one or a small cluster of shops and services, and contain between 150 and 900 dwellings.

Economic and Enterprise Corridors

The Strategy notes that the Global Economic Corridor extends south to Sydney Airport and Port Botany, falling within the East Subregion and encompassing extensive industrial areas and two of the key international transport gateways. The Strategy recognises that this Corridor drives Sydney's wealth generation and its economic role must be protected and strengthened.

The Strategy also notes that parts of Gardeners Road and Anzac Parade act as an Enterprise Corridor, providing low cost accommodation for a range of local and regional services that benefit from high levels of passing traffic (i.e. car yards, retailing, light industry and offices) and serve as a buffer between residential development and the road.

The Draft East Subregion Strategy will be updated in partnership with the community and local councils in 2014, following the finalisation of the draft Metropolitan Strategy for Sydney to 2031.

NSW Economic Development Framework

NSW will be increasingly affected by long term global trends including:
- Intensified competition from emerging economies like China and India
- Rising energy costs
- ICT-driven disruptive innovations that occur at a pace and magnitude that disrupts established ways of value creation, social interactions and doing business e.g. social media and smart phones.
- Demographic changes, especially ageing and the pace of population growth

The *NSW Economic Development Framework* sets out actions required to deliver a globally competitive, dynamic, resilient, innovative, productive and growing economy in NSW.

Significantly for the health and education precincts located in the eastern suburbs, the Framework identifies key measures to encourage growth in these areas, including strategies to attract international students, and supporting the development and commercialisation of medical devices in NSW through the medical device fund program.

The Framework is consistent with the economic growth goals outlined in *NSW 2021*, and is built on five key principles to position business and industry in NSW for long-term global competitiveness through innovation and productivity, including:
- Demonstrating leadership: advocating for NSW industries in national forums, finding new solutions to economic pressures, anticipating opportunities and challenges in the Asian Century, including attracting international students (including establishing a new agency to coordinate promotion, marketing and policy development for international education in NSW, and establishing a charter of service for international education providers) and skilled workers and leveraging NSW's multicultural strengths to further trade and investment from Asia
- Reducing costs and providing greater certainty for industry: improving NSW procurement processes to make it easier for all businesses to compete for NSW government contracts, improving planning processes, cutting red tape for businesses
- Collaborating to drive innovation and competitiveness: better aligning education outcomes to industry needs, strengthening networks and collaboration between industry and the research sector, improving the capabilities of NSW businesses through access to research and government data
- Investing in critical infrastructure: planning for new infrastructure. developing regional infrastructure for growth, investing in smart infrastructure, including piloting smart work hubs o help businesses take advantage of the productivity opportunities offered by high speed broadband and new work practices
- Raise the global profile of Sydney and NSW: positioning Sydney as a global talent hub, making it easier to attract internationally mobile skilled workers and international investment and engagement.

The Framework is accompanied by Industry Action Plans for manufacturing, professional services, international education and research and the digital economy, which flesh out the key principles outlined above. It reinforces creative and knowledge-driven industries as the key drivers of long-term growth in NSW, for example by promoting broad digital adoption in businesses.

3.6 Local Government Plans

The Randwick City Plan (2013)

The Randwick City Plan aims to direct these influences and manage environmental, social and economic change across the City during the next 20 years for the benefit of the Randwick City community. This Plan reflects the community's long term aspirations and needs, and outlines the clear directions Randwick City Council will take to shape Randwick's future.

The Plan comprises six broad interrelated themes:

1. Responsible management
2. A sense of community
3. Places for people
4. A prospering city
5. Moving around, and
6. Looking after our environment.

Under each of the themes above, the Plan sets out specific outcomes, future directions as well as actions to achieve these outcomes.

Waverley Together 3 (2013)

Waverley's 12-year community strategic plan, Waverley Together 3, is the Council's third strategic plan since 2006 and reflects the Waverley community's long-term priorities and aspirations for the future, and forms the foundation for all Council operations and subsequent plans.

The strategic plan sets out the specific directions, strategies, targets and indicators necessary for achieving the following:

– Sustainable community
– Sustainable living
– Sustainable environment, and
– Sustainable governance.

Woollahra 2025 (2010)

Woollahra 2025 was adopted by Council in April 2010. The Strategic Plan was developed in consultation with the Woollahra community and presents a 15 year vision structured around five (5) broad interrelated themes, each of which is supported by a range of Goals and Strategies (refer Table 6).

TABLE 6.   WOOLLAHRA 2025 THEMES, GOALS & KEY PERFORMANCE INDICATORS

Theme	Goal		Key performance indicator
Community well being	1.	A connected and harmonious community.	Community capacity.
	2.	A supported community.	
	3.	A creative and vibrant community.	
Quality places and spaces	4.	Well planned neighbourhoods.	Community satisfaction with the built environment and convenience of getting around.
	5.	Liveable places.	
	6.	Getting around.	
A healthy environment	7.	Protecting our environment.	Woollahra LGA carbon footprint.
	8.	Sustainable use of resources.	Community satisfaction with the natural environment.
Local prosperity	9.	Community focused economic development.	Employment figures and vacancy rates in commercial areas.
Community leadership and participation	10.	Working together.	Community satisfaction with Council leadership and service provision.
	11.	Well managed Council.	

Source: Woollahra Municipal Council, Woollahra 2025, 2010

Woollahra 2025 identifies the following local, state, national and global trends and challenges to be addressed over the next 10 to 20 years, including:

- The Metropolitan Strategy: The NSW Government Metropolitan Strategy has set targets for Woollahra to create an additional 2,900 dwellings and 300 jobs in the area by 2031.
- Development pressures: Development pressures must be balanced with the need to maintain our mostly low rise mixed urban form, our vibrant villages, architecture and heritage and our parks and green open space.
- Ageing infrastructure: Like many inner urban areas, Woollahra experiences the problem of ageing infrastructure, particularly in relation to our harbour and foreshores, community facilities, roads, footpaths and stormwater drains.
- Housing choice: Increasing housing costs are changing the demographic mix in Woollahra, with this comes a challenge to maintain economic diversity in our neighbourhoods.
- Climate change: The impacts of climate change that will affect us locally in many ways pose a large challenge.
- Greater pressures on natural resources: Ongoing drought conditions, increasing demands for resources, and diminishing capacity for sending waste to landfill sites, have forced changes in the way we use resources, especially water and energy. Such changes highlight the need to find ways of conserving and reusing scarce resources.
- Population changes: Our population is ageing, requiring increased access to adaptable housing, accessible facilities and appropriate services. By 2025 Woollahra is predicted to have over 25% of residents aged 65 years and over. We also have an increased number of young children and families affected by a shortage of children's services in the area. High forecast population growth adjoining Woollahra also places pressure on use and access to local public spaces, facilities and limited open space.
- Connecting communities: Living within safe, connected and accessible neighbourhoods is increasingly more important to us, including the need to easily access a range of integrated transport options. The challenges highlighted above reflect the challenges facing the NSW Government and are in accordance with the priorities of the NSW State Plan.

3.7   Implications of the policy framework

While the NSW Government is reforming the state planning system and developing new strategy the implications for Randwick, Waverley and Woollahra local government areas remain relatively minimal. The strategy and policy review has revealed substantial similarities between previous and current draft

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document and has highlighted a significant focus on employment related land uses and major economic precincts as part of what is now known as the Central Subregion.

The Draft Metropolitan Strategy for Sydney to 2031 proposes an increase of 242,000 people, 138,000 dwellings, and 230,000 jobs within the Central Subregion between 2011 and 2031. Economic growth is likely to be concentrated in the Specialised Centres and Major Centres identified in the Draft Metropolitan Strategy – in the industrial lands around Port Botany, the precinct incorporating UNSW and the Randwick Hospital Campuses, the precinct surrounding the Bondi Junction Major Centre, and along the Anzac Parade corridor.

Specifically the Draft Metropolitan Strategy for Sydney to 2031 identifies the following growth targets for Randwick, Waverly and Woollahra, including:

- additional 2,000 jobs by 2031 within the Bondi Junction Major Centre;
- additional 4,000 jobs by 2031 within the Port Botany (& environs) Specialised Precinct;
- additional 6,000 jobs by 2031 within the Randwick Education & Health Specialised Precinct; and
- Significant growth and investment along the Anzac Parade corridor.

4   ECONOMIC PROFILE

4.1   Employment and industry

Industry profile

In 2011, there were 79,793 jobs within the Eastern Suburbs of Sydney. Figure 17 illustrates employment by industry category (1-digit ANZSIC[28]) for all people who work within the Eastern Suburbs (Randwick, Waverley and Woollahra local government areas) compared to the Greater Sydney Metropolitan Area (Sydney GMA) in 2011. Health care (18 percent) and education (17 percent) are the two major industries of employment within the Eastern Suburbs, followed by retail trade (11 percent) and accommodation and food services (9 percent). The dominance of health care and education is evident in comparison to the Sydney GMA.

FIGURE 17.   INDUSTRY EMPLOYMENT 2011
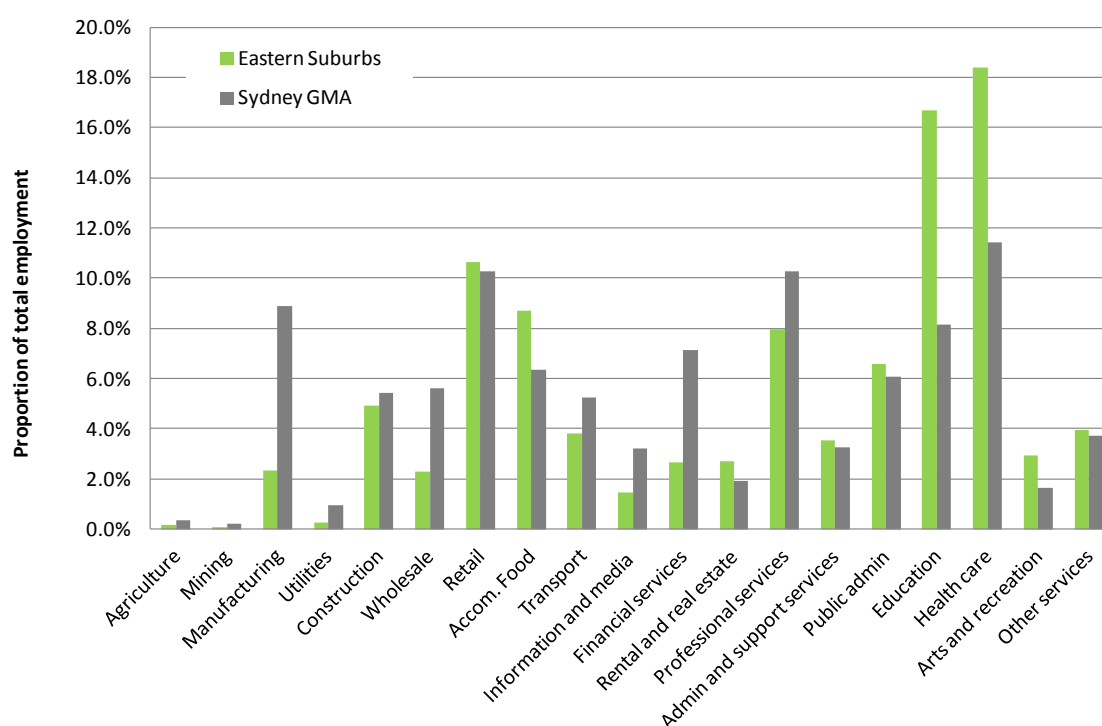
Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

The change in industry of employment between 2006 and 2011 is illustrated in Figure 18. During this period, the Eastern Suburbs experienced significant growth in mining (33 percent), however this is a relatively small industry of employment in the Eastern Suburbs and absolute growth was low. The following industries experienced significant growth of between 15 and 19 percent:

− Administrative and Support Services
− Education and Training
− Health Care and Social Assistance

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[28] The Australian and New Zealand Standard Industrial Classification (ANZSIC), which has been developed by ABS for use in the compilation and analysis of industry statistics in Australia and New Zealand.

– Arts and Recreation Services, and

– Transport.

However, compared to the Sydney GMA, the Eastern Suburbs has experienced a lower rate of job growth in the health care and professional services industry.

Significant declines were experienced in manufacturing and utilities (which includes Electricity, Gas, Water and Waste Services). Comparatively, the Sydney GMA has experienced growth within most industry sectors with significant growth in:
– Professional services
– Health care, and
– Arts and recreation services.

FIGURE 18.   CHANGE IN INDUSTRY OF EMPLOYMENT, 2006-2011
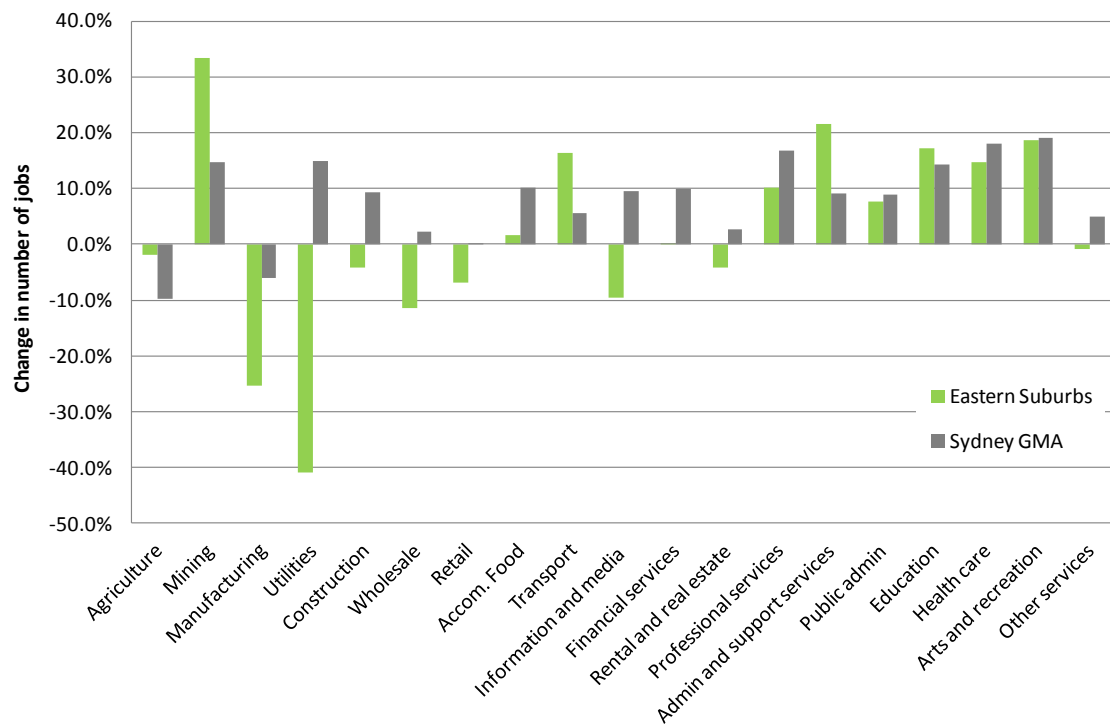
Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

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Industry forecasts

Figure 19 shows the forecast change in employment between 2011 and 2031 for both the Eastern Suburbs and Sydney GMA, according to the *BTS Small Area Employment Forecasts*. The Eastern Suburbs is projected to experience the strongest growth in employment within:

- Professional services (49 percent)
- Health care (46 percent), and
- Education (35 percent).

The significant growth projected for mining is not reflected in absolute growth which is around 40 jobs. Utilities and manufacturing are projected to continue to experience a decline. The Sydney GMA is predicted to experience widespread growth with the most significant growth in professional services (58 percent)and health care (40 percent) also with declines in utilities (-35 percent), manufacturing (-21 percent) and agriculture (-18 percent).

FIGURE 19.   FORECAST INDUSTRY EMPLOYMENT CHANGE, 2011 TO 2031
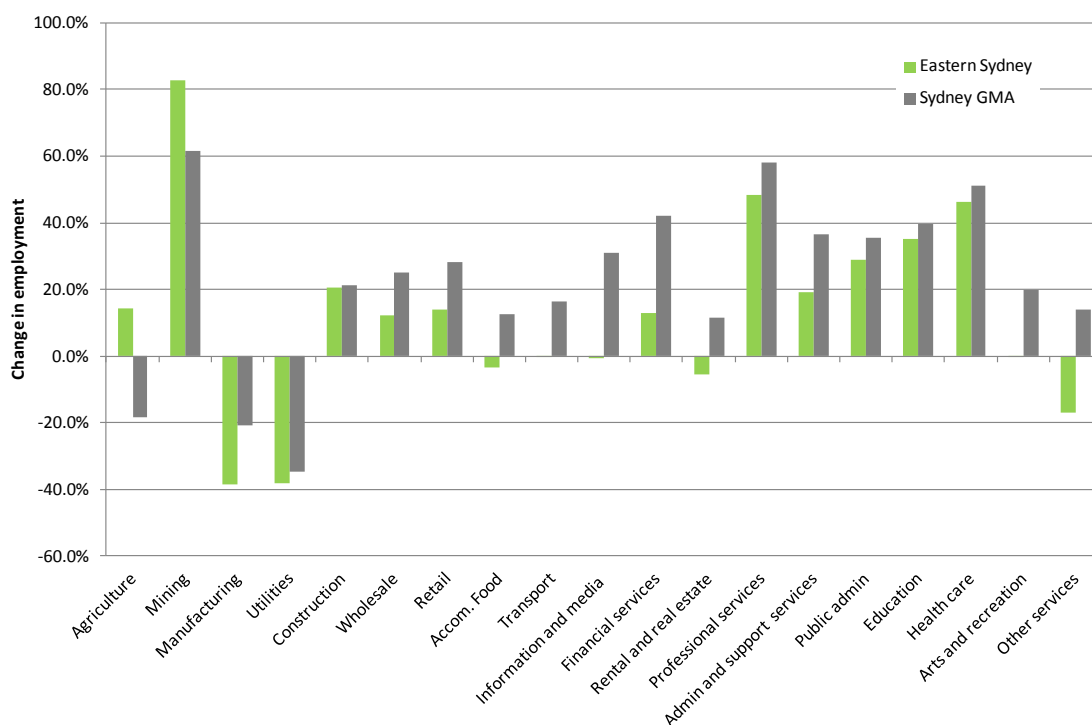
Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Employment Forecast data, 2012
Note: BTS Employment Forecasts contain higher employment counts than the Journey to Work data. The difference is about 13% and is due to census under-enumeration which the BTS accounts for when producing its employment forecasts.

Table 7 details the forecast absolute and percentage change in employment by industry for the LGAs within the Eastern Suburbs between 2011 and 2031.

TABLE 7. FORECAST INDUSTRY EMPLOYMENT CHANGE (ABSOLUTE AND % CHANGE), 2011 TO 2031

	Randwick		Waverley		Woollahra		Eastern Suburbs	
	Absolute	%	Absolute	%	Absolute	%	Absolute	%
Agriculture, Forestry & Fishing	6	8%	7	19%	12	19%	25	14%
Mining	11	157%	10	83%	17	63%	38	83%
Manufacturing	-571	-36%	-183	-45%	-151	-43%	-905	-39%
Electricity, Gas, Water & Waste Services	-94	-29%	-51	-56%	-28	-68%	-173	-38%
Construction	355	15%	329	25%	376	26%	1,060	21%
Wholesale Trade	119	14%	76	11%	52	10%	247	12%
Retail Trade	11	0%	956	20%	463	17%	1,430	14%
Accommodation & Food Services	-149	-4%	-101	-4%	-77	-3%	-327	-4%
Transport, Postal & Warehousing	490	17%	-308	-63%	-187	-69%	-5	0%
Information Media & Telecommunications	75	17%	-46	-11%	-36	-12%	-7	-1%
Financial & Insurance Services	49	7%	14	2%	268	25%	331	13%
Rental, Hiring & Real Estate Services	-58	-7%	-68	-10%	-18	-2%	-144	-6%
Professional, Scientific & Technical Services	1,360	52%	1,010	45%	1,016	48%	3,386	48%
Administrative & Support Services	95	8%	405	32%	113	14%	613	19%
Public Administration & Safety	1,003	32%	285	24%	282	25%	1,570	29%
Education & Training	4,108	45%	256	13%	269	13%	4,633	35%
Health Care & Social Assistance	7,441	60%	874	29%	-180	-8%	8,135	46%
Arts & Recreation Services	-138	-10%	67	8%	66	9%	-5	0%
Other Services	-173	-12%	-221	-22%	-196	-20%	-590	-17%
Total	14,104	18%	3,429	19%	2,209	19%	19,742	18%

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Employment Forecast data, 2012

Economic specialisation

A Location Quotient (LQ) is calculated by dividing the proportion of local jobs within a particular industry by the proportion of jobs within that industry in a benchmark area. If the proportion of jobs in a local industry is higher than that of the benchmark area, the industry will show a location quotient of greater than 1. This may indicate that the local industry is relatively strong with local specialisation, and suggests that the industry is 'export focused', possibly serving markets outside just the local area.

A LQ analysis was conducted and used to produce the growth-share analysis illustrated in Figure 20. Growth-share analysis involves an assessment of the relative size and specialisation of key industries, or industry clusters, and their recent change relative to the benchmark total growth in employment. Progression can be understood and assessed by comparing the recent relative growth against the benchmark, specialisation and size of key industries. Analysing industries or clusters in this way assists in the understanding of appropriate policies to guide their further growth and development, or to prioritise actions for economic development facilitation across various industry sectors.

The LQ is shown on the horizontal axis, while the change in employment from 2006 to 2011 on the vertical axis. The size of the marker represents the relative size of the industry within the Eastern Suburbs. The north-eastern quadrant shows specialised industries experiencing growth in employment, while the north-western quadrant shows employment growth and low specialisation. The bottom half of the diagram shows industries experiencing a decline in employment with the south-eastern quadrant indicating high specialisation and the south-western quadrant indicating low specialisation.

FIGURE 20.   GROWTH SHARE ANALYSIS FOR EASTERN SUBURBS COMPARED TO SYDNEY GMA
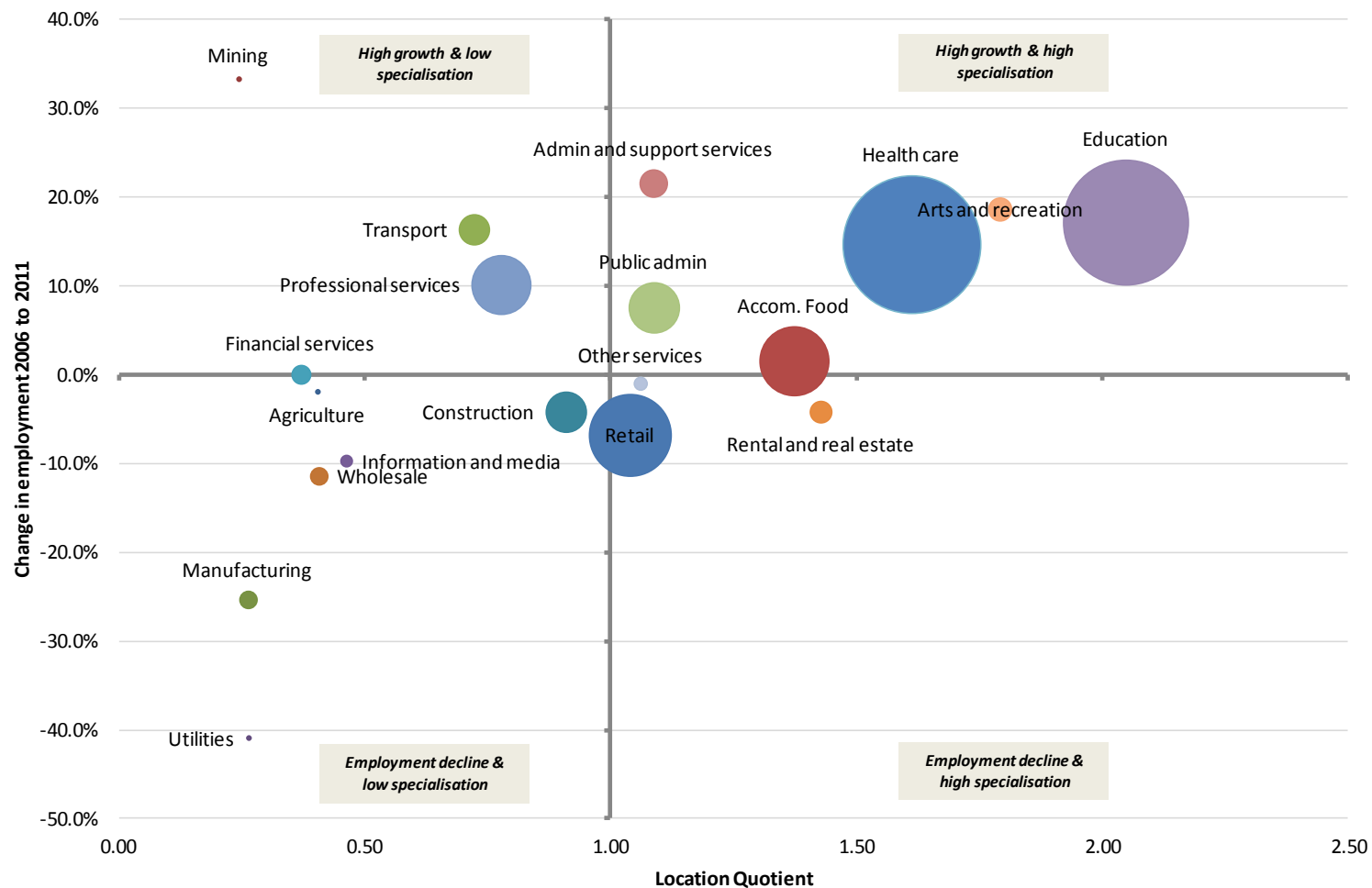
Source: SGS Economics and Planning, 2013

In contrast to Sydney GMA, the Eastern Suburbs has significant economic specialisation in health care and education with high growth in these industries which employ a large proportion of the workforce in the Eastern Suburbs. On the other hand, the Eastern Suburbs is less specialised in professional services and financial services (compared to the Sydney GMA), although these industries experienced some growth between 2006 and 2011.

An LQ analysis was also conducted for the 4-digit ANZSIC health and education sectors to highlight the specific industries which the Eastern Suburbs has a specialisation in.

In terms of health (refer to Table 8), the Eastern Suburbs has a significant economic specialisation in other health services with a high LQ and strong growth experienced between 2006 and 2011. The Eastern Suburbs also has a significant economic specialisation in hospitals and ambulance services with a high LQ.

TABLE 8. LOCATION QUOTIENT, 4 DIGIT HEALTH CARE INDUSTRIES

4 Digit ANZSIC	% jobs in 2011 Eastern Suburbs	%jobs in 2011 GMA	LQ	Job growth 2006-11 in Eastern Suburbs
Other Health Care Services, nec	0.053%	0%	123.03	333%
Aged Care Residential Services	1.116%	0.016%	71.65	96%
Other Allied Health Services	0.447%	0.016%	27.84	76%
Medical Services, nfd	0.007%	0%		67%
Child Care Services	0.793%	0.016%	49.22	57%
Optometry and Optical Dispensing	0.109%	0.003%	36.50	40%
Chiropractic and Osteopathic Services	0.053%	0.003%	18.23	39%
Specialist Medical Services	0.393%	0.009%	46.06	38%
Dental Services	0.315%	0.011%	28.81	21%
Other Residential Care Services	0.062%	0.001%	68.29	18%
Other Social Assistance Services	0.498%	0.011%	46.92	17%
Ambulance Services	0.058%	0%	135.64	13%
Pathology and Diagnostic Imaging Services	0.249%	0.003%	71.83	10%
Hospitals (except Psychiatric Hospitals)	6.532%	0.012%	566.76	6%
Physiotherapy Services	0.121%	0.003%	34.94	6%
Psychiatric Hospitals	0.008%	0%		0%
Other Health Care Services, nfd	0%	0%		0%
Residential Care Services, nfd	0.005%	0%	33.65	0%
Social Assistance Services, nfd	0.117%	0.003%	42.22	-1%
General Practice Medical Services	0.676%	0.015%	45.24	-4%
Allied Health Services, nfd	0.005%	0.000%		-33%
Medical and Other Health Care Services, nfd	0.226%	0.002%	92.17	-48%
Hospitals, nfd	0.008%	0%		-63%

Source: SGS Economics and Planning calculation, based on ABS Place of Work data, 2013

In terms of education (refer to Table 9) the Eastern Suburbs has a particularly significant economic specialisation in higher education associated within UNSW, alongside specialisations in technical and vocational education and training and secondary education.

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TABLE 9. LOCATION QUOTIENT, 4-DIGIT EDUCATION INDUSTRIES

4 Digit ANZSIC	% jobs in 2011 Eastern Suburbs	%jobs in 2011 GMA	LQ	Job growth 2006-11 in Eastern Suburbs
Educational Support Services	0.013%	0.001%	22.94	233%
Sports and Physical Recreation Instruction	0.222%	0.008%	26.19	81%
Tertiary Education, nfd	0.012%	0.001%	22.71	80%
Technical and Vocational Education and Training	0.541%	0.004%	142.89	35%
Combined Primary and Secondary Education	0.302%	0.037%	8.16	22%
Higher Education	7.336%	0.001%	5287.95	22%
Primary Education	0.980%	0.014%	70.12	9%
Secondary Education	0.998%	0.009%	108.09	1%
Preschool and School Education, nfd	0.092%	0.002%	38.13	0%
Arts Education	0.143%	0.004%	39.34	-5%
Adult, Community and Other Education, nec	0.207%	0.012%	17.20	-13%
Preschool Education	0.124%	0.003%	48.37	-25%
Special School Education	0.016%	0.001%	14.42	-33%
School Education, nfd	0.009%	0.001%	13.59	-81%
Adult, Community and Other Education, nfd	0%	0%		-100%

Source: SGS Economics and Planning, 2013

Shift-share analysis

Shift-share analysis is one way to account for the competitiveness of a region's industries and to analyse the local economic base. It paints a picture of how well the region's current industries are performing by systematically examining the national, local, and industrial components of employment change. A shift-share analysis provides a dynamic account of total regional employment growth that is attributable to growth of the national economy, a mix of faster or slower than average growing industries, and the competitive nature of the local industries. This analysis clearly identifies those industries that benefit from local competitive advantages and those that suffer from local growth impediments.

A shift-share analysis was conducted for the Eastern Suburbs against Sydney GMA to determine the extent to which job growth can be attributed to unique regional factors and how much is due to broader trends within the Sydney GMA. The jobs growth for Eastern Suburbs and Sydney GMA are shown in Table 10.

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TABLE 10. EASTERN SUBURBS AND SYDNEY GMA JOB GROWTH, 1 DIGIT ANZSIC

	Eastern Suburbs		Sydney GMA	
	2006	2011	2006	2011
Agriculture, Forestry and Fishing	103	102	14,835	11,629
Mining	30	43	11,569	17,098
Manufacturing	2,280	1,855	217,599	217,381
Electricity, Gas, Water and Waste Services	297	194	20,174	24,189
Construction	3,776	4,255	162,688	178,493
Wholesale Trade	1,897	1,773	114,831	121,036
Retail Trade	8,388	8,570	236,920	249,849
Accommodation and Food Services	6,282	7,104	133,896	159,168
Transport, Postal and Warehousing	2,396	3,090	115,099	129,365
Information Media and Telecommunications	1,210	1,154	60,552	66,447
Financial and Insurance Services	1,931	2,000	131,001	147,727
Rental, Hiring and Real Estate Services	2,068	2,054	40,877	42,915
Professional, Scientific and Technical Services	5,319	6,070	185,445	221,087
Administrative and Support Services	2,126	2,818	73,535	85,323
Public Administration and Safety	4,496	5,142	127,649	143,773
Education and Training	10,430	12,810	164,728	192,912
Health Care and Social Assistance	11,771	14,198	227,464	281,132
Arts and Recreation Services	1,807	2,301	31,211	38,418
Other Services	2,939	3,117	84,715	93,122
Total	69,546	78,650	2,154,788	2,421,065

Source: SGS Economics and Planning, 2013.

The shift-share analysis includes the following elements.

– **Sydney Growth Effect** (SG) displays the overall growth of the greater Sydney economy over 2006-11. This is the share of local job growth that can be attributed to growth of the national economy. Specifically, if the nation as a whole is experiencing employment growth, ('a rising tide lifts all boats'), one would expect total Sydney growth to exert a positive growth influence on the local area.

– **Expected Change** is the rate of growth of the particular industry at the benchmark level. It is the change that you would expect to see occurring in both the study and benchmark regions, all other things being equal. This is the share of local job growth that can be attributed to the region's mix of industries. This second factor is the change in a local industry that would be attributable to the growth or decline of the industry in broader Sydney.

– **Industrial Mix Effect** (IM) represents the industry growth rate for the benchmark region (Sydney GMA) accounting for broader growth. The IM removes (or isolates) the effect of overall growth in the Sydney GMA economy by subtracting the overall growth from the industry growth. For example, professional, scientific and technical services grew by 19% between 2006 and 2011, but once the Sydney GMA growth of 12% is accounted for, then it grew by only 7%.

– **Regional Competitive Shift** (CS) explains how much of the change in a given industry is due to some unique competitive advantage that the region possesses, because the growth cannot be explained by broader trends in that industry or the economy as whole. It is the total industry growth in Eastern Suburbs minus the change you would expect in that industry (expected change) given the benchmark rates. We observe that even during periods of general prosperity, some regions and still

some industries grow faster than others do. This is usually attributed to some local comparative advantage such as natural resources, linked industries, or favourable local labour situations. The local component aids in identifying a local area's economic strengths. This element of the analysis is a representation of how a region's competitive position can contribute to regional job growth.

– The total column is the total amount of growth by industry in Eastern Suburbs from 2006-11.

As indicated in Table 11, the Eastern Suburbs has marginal comparative / competitive advantages for a number of industries including administrative and support services, transport, postal and warehousing, education and training and arts and recreation services. The competitive advantage in agriculture is skewed by a small base employment number. Despite being specialised in health, the Eastern Suburbs has not matched the broader rate of growth experienced within this industry in the greater Sydney region.

TABLE 11. EASTERN SUBURBS SHIFT-SHARE ANALYSIS, 1 DIGIT ANZSIC

Industry	Sydney Growth	Industrial Mix (IM)	Expected Change	Competitive Shift (CS)	Total
Agriculture, Forestry and Fishing	12%	-34%	-22%	21%	-1%
Mining	12%	35%	48%	-4%	43%
Manufacturing	12%	-12%	0%	-19%	-19%
Electricity, Gas, Water and Waste Services	12%	8%	20%	-55%	-35%
Construction	12%	-3%	10%	3%	13%
Wholesale Trade	12%	-7%	5%	-12%	-7%
Retail Trade	12%	-7%	5%	-3%	2%
Accommodation and Food Services	12%	7%	19%	-6%	13%
Transport, Postal and Warehousing	12%	0%	12%	17%	29%
Information Media and Telecommunications	12%	-3%	10%	-14%	-5%
Financial and Insurance Services	12%	0%	13%	-9%	4%
Rental, Hiring and Real Estate Services	12%	-7%	5%	-6%	-1%
Professional, Scientific and Technical Services	12%	7%	19%	-5%	14%
Administrative and Support Services	12%	4%	16%	17%	33%
Public Administration and Safety	12%	0%	13%	2%	14%
Education and Training	12%	5%	17%	6%	23%
Health Care and Social Assistance	12%	11%	24%	-3%	21%
Arts and Recreation Services	12%	11%	23%	4%	27%
Other Services	12%	-2%	10%	-4%	6%
Total	12%	0%	12%	1%	13%

Source: SGS Economics and Planning, 2013.

A shift-share analysis was also conducted for the top 20 4-digit ANZSIC industries of employment in the Eastern Suburbs.

TABLE 12. EASTERN SUBURBS AND SYDNEY GMA JOB GROWTH, 4 DIGIT ANZSIC

	Eastern Suburbs		Sydney GMA	
	2006	2011	2006	2011
Higher Education	4,501	5,494	21,111	25,975
Hospitals (except Psychiatric Hospitals)	4,905	5,172	59,369	63,827
Cafes and Restaurants	2,252	2,289	31,482	34,657
Combined Primary and Secondary Education	1,118	1,655	10,754	16,353
Takeaway Food Services	906	1,471	26,560	35,865
Real Estate Services	1,344	1,466	17,581	19,950
Clothing Retailing	1,321	1,409	17,606	19,718
Primary Education	1,264	1,404	31,371	34,154
Aged Care Residential Services	927	1,342	21,208	27,823
Secondary Education	1,481	1,238	28,779	28,708
House Construction	1,248	1,145	20,264	19,628
Child Care Services	718	1,104	13,097	19,842
Supermarket and Grocery Stores	1,130	1,100	34,415	36,970
Hairdressing and Beauty Services	1,058	1,069	13,149	14,740
Defence	818	1,015	11,262	11,619
Local Government Administration	946	1,012	18,438	19,805
General Practice Medical Services	1,037	980	14,778	15,186
Management Advice and Related Consulting Services	706	974	13,734	18,423
Other Allied Health Services	585	885	6,981	10,152
State Government Administration	1,135	872	23,216	25,998
Total	29,400	33,096	435,155	499,393

Source: SGS Economics and Planning, 2013.

As indicated in Table 13, the Eastern Suburbs has marginal comparative / competitive advantages for a number of 4-digit industries including takeaway food services, aged care residential services and defence.

TABLE 13. EASTERN SUBURBS SHIFT-SHARE ANALYSIS, 4 DIGIT ANZSIC

Industry	Sydney Growth	Industrial Mix (IM)	Expected Change	Competitive Shift (CS)	Total
Higher Education	15%	8%	23%	-1%	22%
Hospitals (except Psychiatric Hospitals)	15%	-7%	8%	-2%	5%
Cafes and Restaurants	15%	-5%	10%	-8%	2%
Combined Primary and Secondary Education	15%	37%	52%	-4%	48%
Takeaway Food Services	15%	20%	35%	27%	62%
Real Estate Services	15%	-1%	13%	-4%	9%
Clothing Retailing	15%	-3%	12%	-5%	7%
Primary Education	15%	-6%	9%	2%	11%
Aged Care Residential Services	15%	16%	31%	14%	45%
Secondary Education	15%	-15%	0%	-16%	-16%
House Construction	15%	-18%	-3%	-5%	-8%
Child Care Services	15%	37%	52%	2%	54%
Supermarket and Grocery Stores	15%	-7%	7%	-10%	-3%
Hairdressing and Beauty Services	15%	-3%	12%	-11%	1%
Defence	15%	-12%	3%	21%	24%
Local Government Administration	15%	-7%	7%	0%	7%
General Practice Medical Services	15%	-12%	3%	-8%	-5%
Management Advice and Related Consulting Services	15%	19%	34%	4%	38%
Other Allied Health Services	15%	-3%	12%	-35%	-23%
State Government Administration	15%	0%	15%	-2%	13%
Total	15%	0%	15%	-2%	13%

Source: SGS Economics and Planning, 2013.

4.2   Socio economic characteristics

Household income

The median weekly household income of the Eastern Suburbs is significantly higher than that of the Sydney GMA (refer to Table 14). The Eastern Suburbs has also experienced a greater growth in incomes between 2006 and 2011, 30 percent, compared to 23 percent within the Sydney GMA.

TABLE 14. MEDIAN WEEKLY HOUSEHOLD INCOME

Geographic region	2006	2011	Change 2006-2011	Proportionate change 2006-2011
Randwick	$1,185	$1,577	$392	33.1%
Waverley	$1,446	$1,912	$466	32.2%
Woollahra	$1,917	$2,398	$481	25.1%
Eastern Suburbs	$1,516	$1,962	$446	29.4%
Sydney GMA	$1,176	$1,447	$271	23.0%

Source: Adapted from Australian Bureau of Statistics, 2006 and 2011

Figure 21 illustrates the weekly incomes of households within the Eastern Suburbs compared to the Sydney GMA. The chart shows the Eastern Suburbs has a much higher proportion of high income earners, with the 16 percent of households earning an income of $3,000 or more per week.

FIGURE 21.   WEEKLY HOUSEHOLD INCOME, 2011
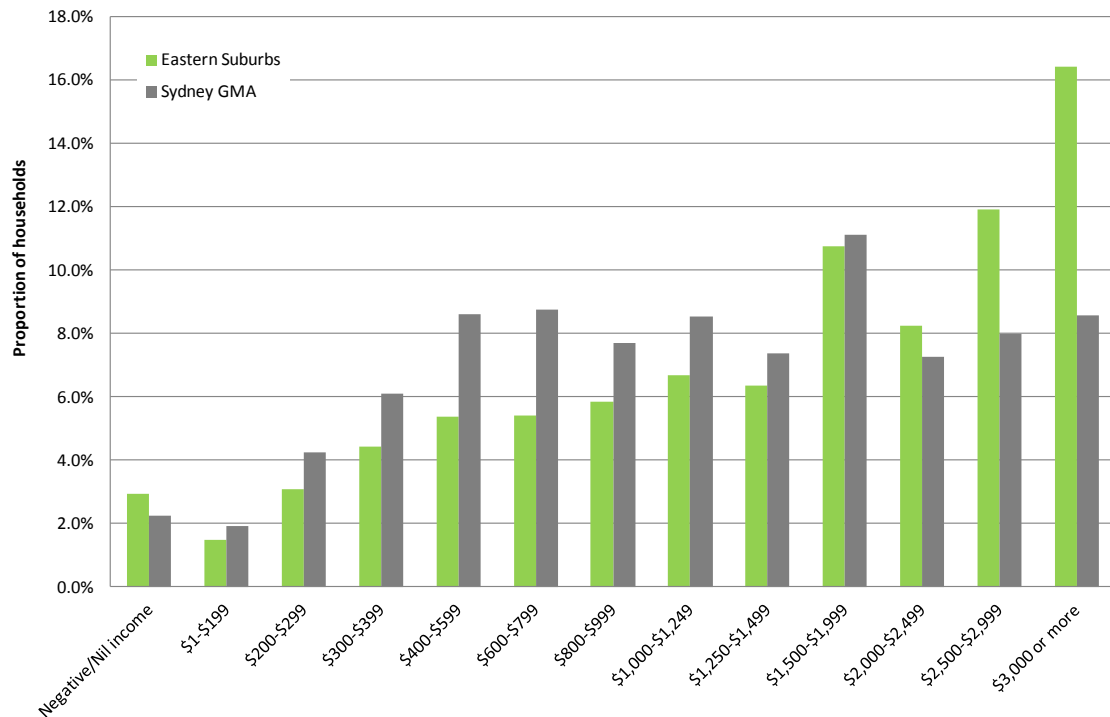
Source: SGS Economics and Planning, 2013, using Australian Bureau of Statistics Census of Population and Housing, 2006 and 2011

Occupations

The occupations of residents within the Eastern Suburbs and Sydney GMA have been illustrated Figure 22. There is a significantly high proportion of professionals within the Eastern Suburbs (37 percent) accompanied by a large proportion of managers (17 percent) and administrative workers (14 percent). Comparatively, the Sydney GMA has a similar distribution of occupations; however, compared to the Eastern Suburbs, the Sydney GMA has a lower proportion of professionals (26 percent) but a higher proportion of labourers and machine operators.

FIGURE 22. OCCUPATION OF RESIDENTS, 2011
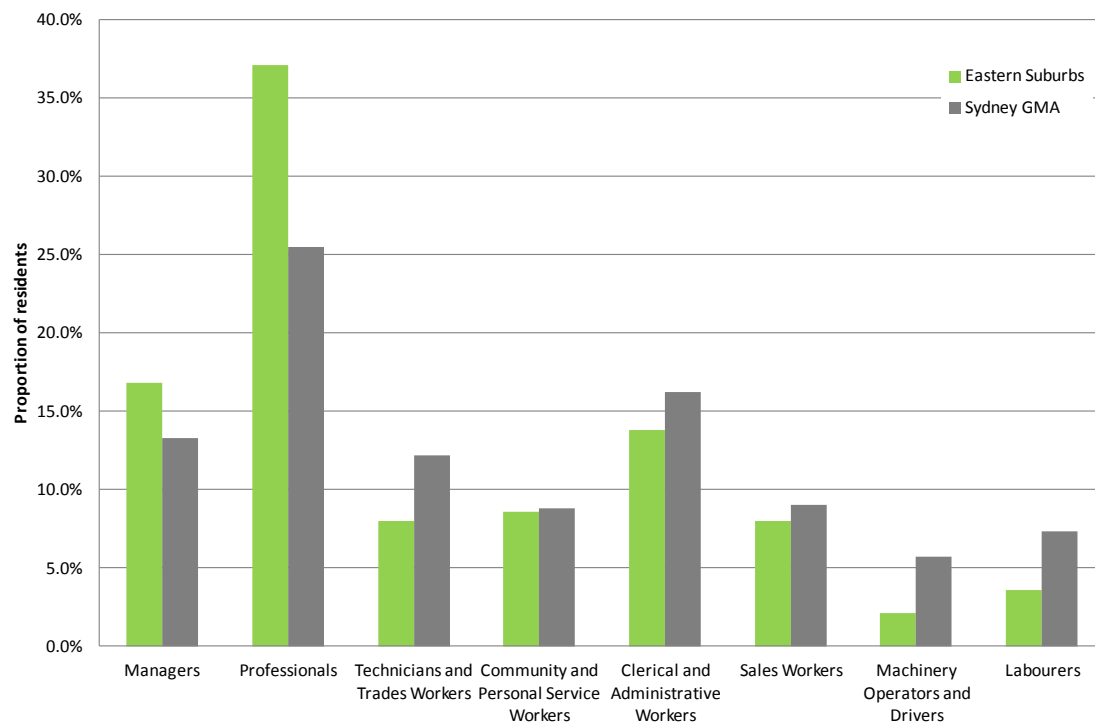
Source: SGS Economics and Planning, 2013, using Australian Bureau of Statistics Census of Population and Housing 2011

Figure 23 highlights that the growth of the proportion of professionals within the Eastern Suburbs and the wider Sydney GMA. Once again, the Eastern Suburbs has experienced a much higher growth in knowledge intensive occupations, such as managers and professionals, compared to Sydney GMA.

FIGURE 23. CHANGE IN OCCUPATIONS, 2006-2011
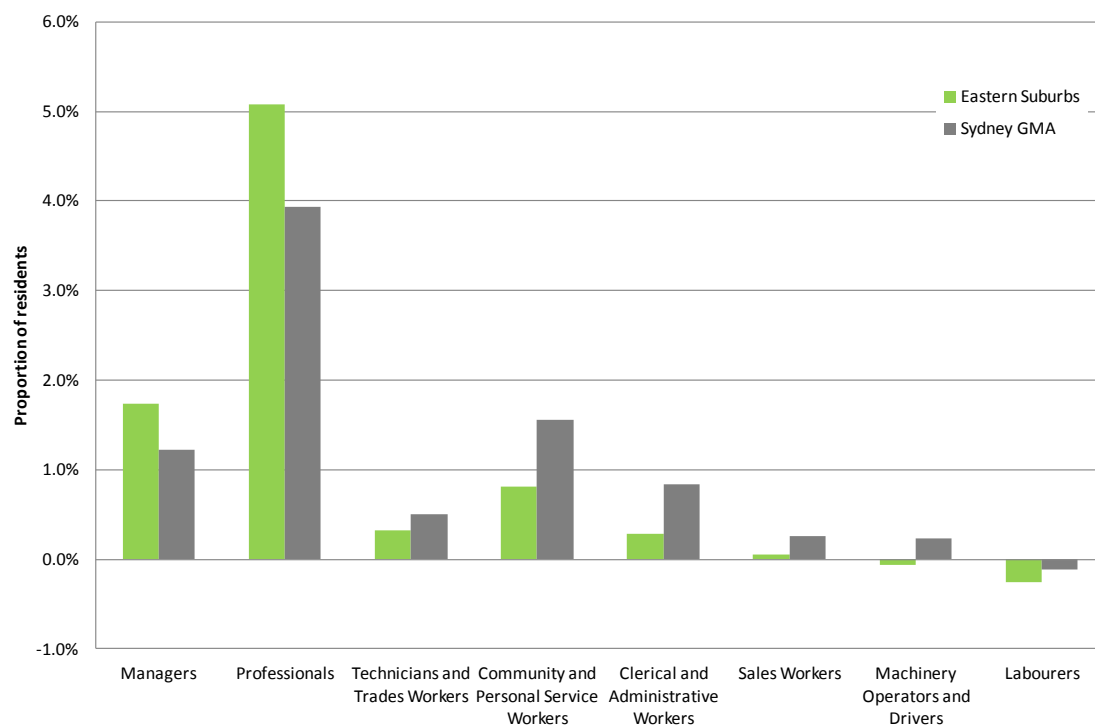
Source: SGS Economics and Planning, 2013, using Australian Bureau of Statistics Census of Population and Housing, 2006 and 2011

Education attainment

Around 48 percent of residents of the Eastern Suburbs have a post-secondary qualification, compared to 39 percent within Sydney GMA. As illustrated in Figure 24, a high proportion of residents in the Eastern Suburbs have a Bachelor Degree (22 percent). Within the broader Sydney GMA, there is a relatively equal distribution between Bachelor Degrees (14 percent) and Certificate Level qualifications (12 percent).

FIGURE 24.   EDUCATION ATTAINMENT LEVEL, 2011
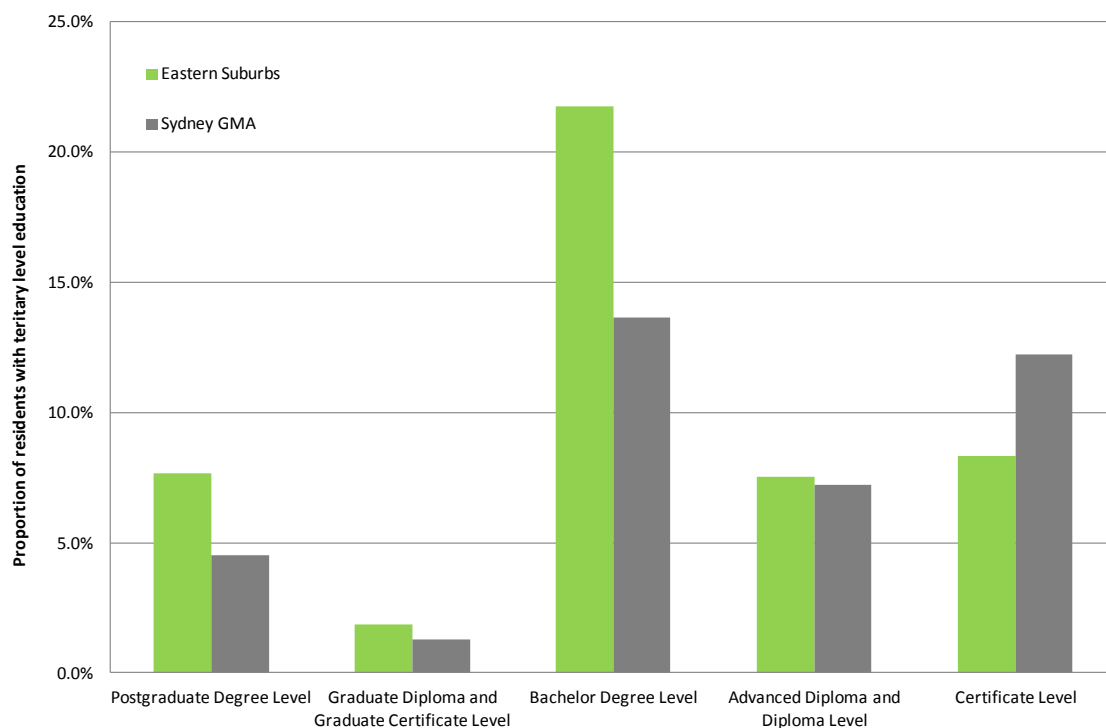
Source: SGS Economics and Planning, 2013, using Australian Bureau of Statistics Census of Population and Housing, 2006 and 2011

4.3   Accessibility

Place of Work

Figure 25 illustrates the employment distributions across Sydney. The map highlights that jobs within the Eastern Suburbs are concentrated within two major centres of employment; Bondi Junction and the Randwick Health and Education Precinct. The origin of these workers is further analysed below.

FIGURE 25. PLACE OF WORK
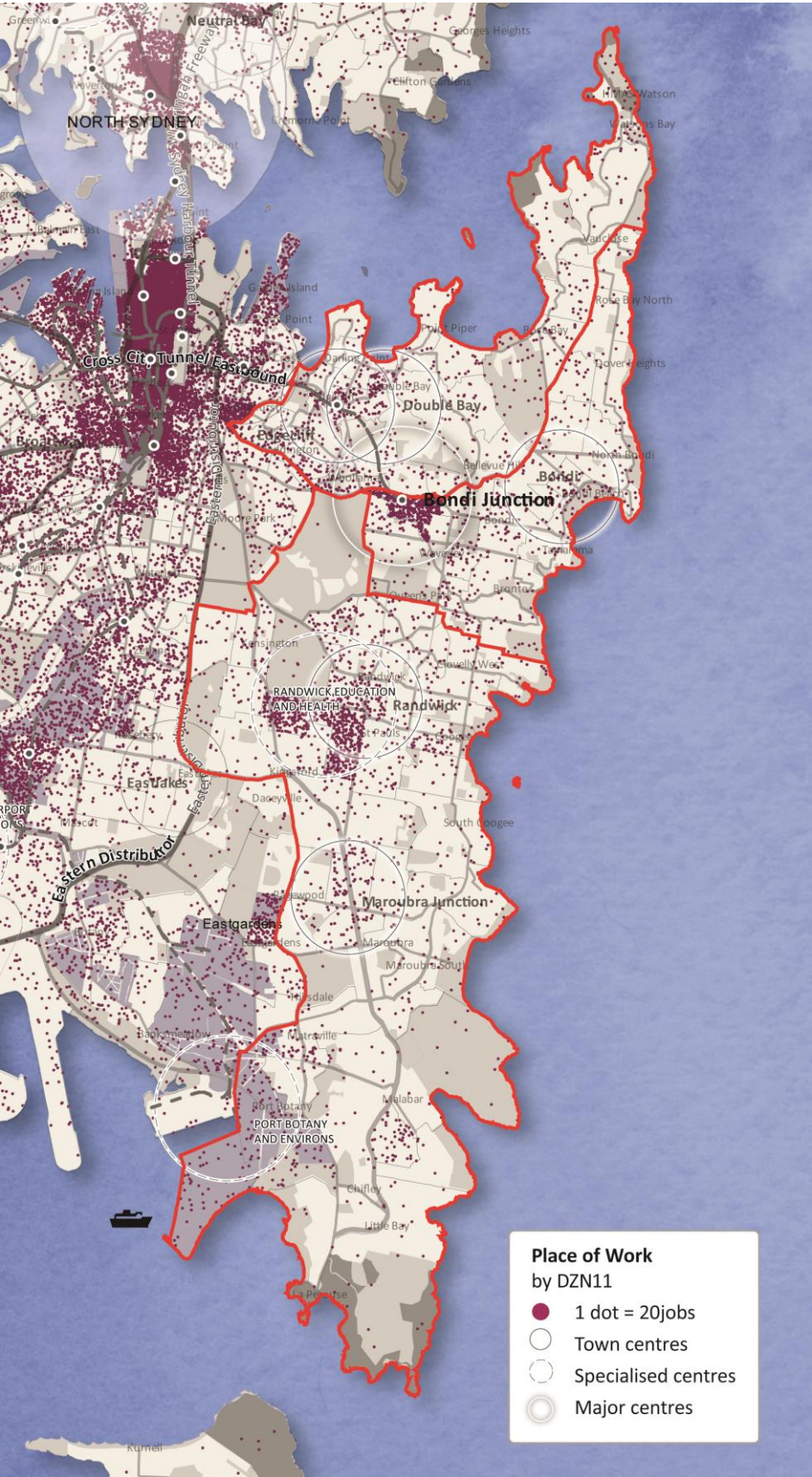
Source: SGS Economics and Planning, 2013, using ABS Place of Work data

Figure 26 illustrates the industry of employment of residents living in Eastern Suburb by place of work, within the Eastern Suburbs and the rest of the Sydney GMA (excluding Eastern Suburbs). The graph illustrates that a large proportion of residents who work outside the Eastern Suburbs are employed within professional, scientific and technical services and financial and insurance services industries. More than half of the residents who work outside the Eastern Suburbs are employed within the City of Sydney LGA, which has a large concentration of professional and financial service jobs.

FIGURE 26.   INDUSTRY OF EMPLOYMENT BY PLACE OF WORK, 2011
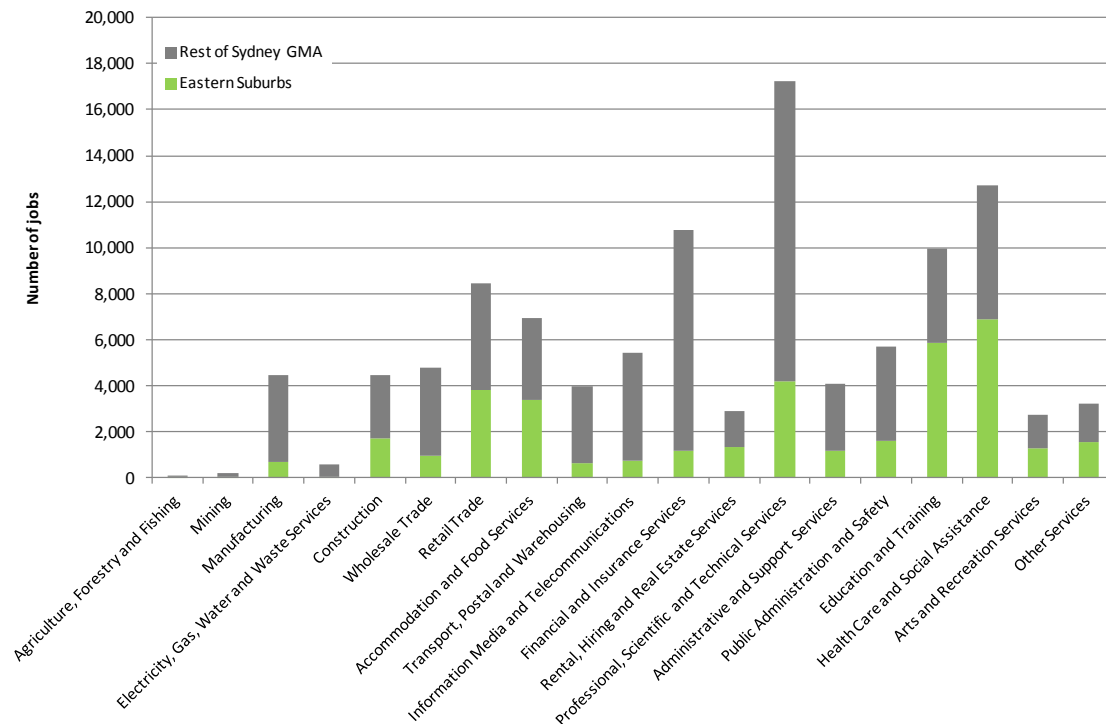
Source: SGS Economics and Planning, 2013, using Australian Bureau of Statistics Census of Population and Housing 2011.

Figure 27 illustrates the occupations of Eastern Suburbs by place of work, within the Eastern Suburbs or outside of the Eastern Suburbs (rest of Sydney GMA). The chart highlights that the majority of residents who work outside of the Eastern Suburbs are professionals or managers. These workers are primarily working within the City of Sydney LGA where there is a high concentration of these occupations.

FIGURE 27.   OCCUPATION BY PLACE OF WORK, 2011
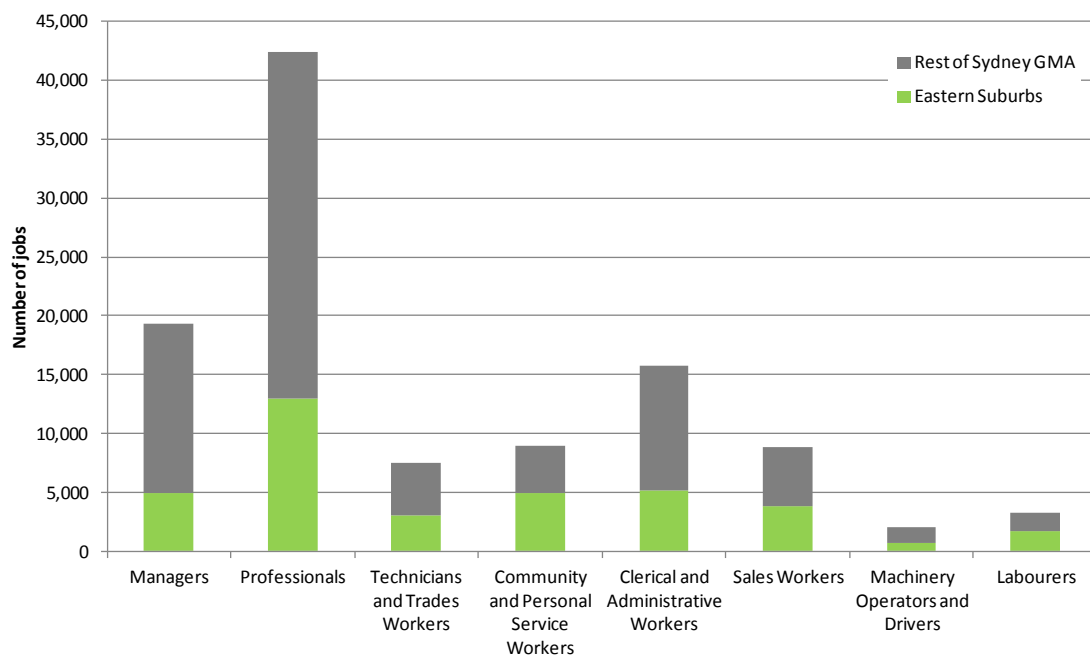
Source: SGS Economics and Planning, 2013, using Australian Bureau of Statistics Census of Population and Housing 2011.

Employment self-containment and self-sufficiency

Employment self-containment and self-sufficiency, as shown in Table 15, was assessed by examining BTS Journey to Work data for employment 'origin' and 'destination' pairs.

Self-containment is defined as the percentage of employed local residents who are employed within the local boundary, such as an LGA (or other applicable region). It is focused on the local residents. For the Eastern Suburbs, the employment self-containment rate refers to the proportion of the local resident workforce that would also work in the Eastern Suburbs.

Randwick LGA has a higher self-containment ratio that the Waverly and Woollahra, but the Eastern Suburbs as a whole has a higher self-containment ratio of 0.34, that is, 34 percent of employed residents in Eastern Suburbs work within the Eastern Suburbs.

Self-sufficiency on the other hand refers to the proportion of local jobs that are filled by local residents in a particular area. The focus here is on jobs, rather than residents. For the Eastern Suburbs, the employment self-sufficiency rate refers to the proportion of local jobs that are filled by the local resident workforce.

The self-sufficiency ratio for Randwick (0.40) is higher than the other LGAs and the Eastern Suburbs. Within the Eastern Suburbs, 37 percent of local jobs are occupied by residents of the Eastern Suburbs.

TABLE 15. EMPLOYMENT SELF-CONTAINMENT AND SELF-SUFFICIENCY IN EASTERN SUBURBS[29]

Area	Residents employed locally (A)	Total employed residents (B)	Local jobs (C)	Self-containment ratio (A/B)	Self-sufficiency ratio (A/C)
Randwick	16,734	62,631	42,224	0.27	0.40
Waverley	7,389	33,801	20,874	0.22	0.35
Woollahra	6,501	29,322	19,467	0.22	0.33
Eastern Suburbs	42,557	125,754	82,565	0.34	0.37

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

The relationship between self-containment and self-sufficiency can be illustrated by thinking of types of areas in Sydney. The City of Sydney has a very high number of jobs compared to the number of resident workers. As a result its self-containment rate is high (a high proportion of the resident workforce also have jobs in the City of Sydney). However, given the number and range of jobs and its resident workforce, its self-sufficiency rate is low (it relies on incoming workers to fill those jobs).

This situation is mirrored somewhat (albeit in a much less extreme way) in the LGAs with Regional Cities (Campbelltown, Liverpool, Penrith), Major Centres (e.g. Blacktown) or specialised centres as these are also employment destinations. Suburban locations without major employment destinations will tend to have much lower self-containment rates as the resident workforce commutes to employment destinations elsewhere.   Self-sufficiency will tend to be higher as the lower number of local jobs can be filled by the local resident workforce.

Journey to Work patterns have also been mapped to illustrate the patterns described above for the two major centres of employment in the Eastern Suburbs (Bondi Junction and the Randwick Health and Education Precinct).

Figure 28 shows the number of residents who live in the Eastern Suburbs and work in Bondi Junction. The map illustrates that a high proportion of people who work in Bondi Junction travel from within the major centre and suburbs within close proximity to the centre.

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[29] For each LGA, a resident was considered to be employed locally if they were employed within the same LGA in which they live. For the Eastern Suburbs, a resident was considered to be employed local if they were a resident of either Randwick, Waverley and Woollahra, and were employed in any of those three LGAs

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FIGURE 28.   JOURNEY TO WORK TO BONDI JUNCTION

JTW Origin SA1
to Bondi Junction
(persons)

●	80+	(0)
●	50-55	(1)
●	45-50	(3)
●	40-45	(2)
●	35-40	(1)
●	30-35	(6)
●	25-30	(8)
●	20-25	(18)
●	15-20	(78)
●	10-15	(203)
●	5-10	(643)
●	< 5	(67)
—	Suburbs SSC11	
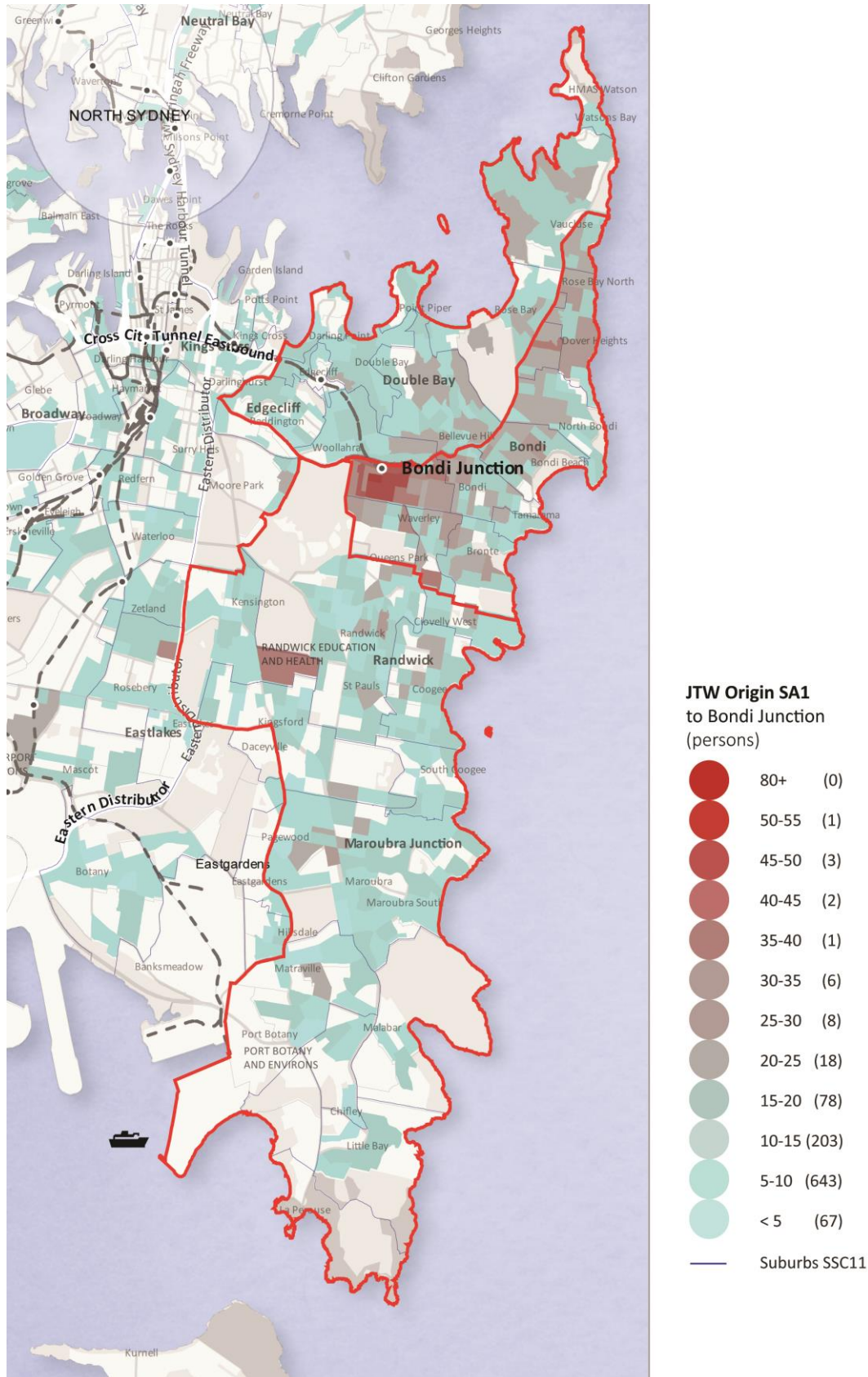
Source: SGS Economics and Planning, 2013, using BTS Journey to Work data, 2013

Figure 29 shows the number of residents who live in the Eastern Suburbs and work in the Randwick Health and Education Precinct. The map illustrates that a high proportion of people who work in the precinct live in Randwick or the adjacent suburbs. A high proportion of residents also travel from the suburbs around Maroubra and the south of the eastern Suburbs to work in this precinct.

FIGURE 29.   JOURNEY TO WORK TO RANDWICK HEALTH AND EDUCATION PRECINCT

JTW Origin SA1
to Randwick Edu &
Health (persons)

●	80+	(1)
●	60-85	(1)
●	45-50	(2)
●	40-45	(3)
●	35-40	(3)
●	30-35	(8)
●	25-30	(20)
●	20-25	(40)
●	15-20	(84)
●	10-15	(195)
●	5-10	(819)
●	< 5	(109)
—	Suburbs SSC11	
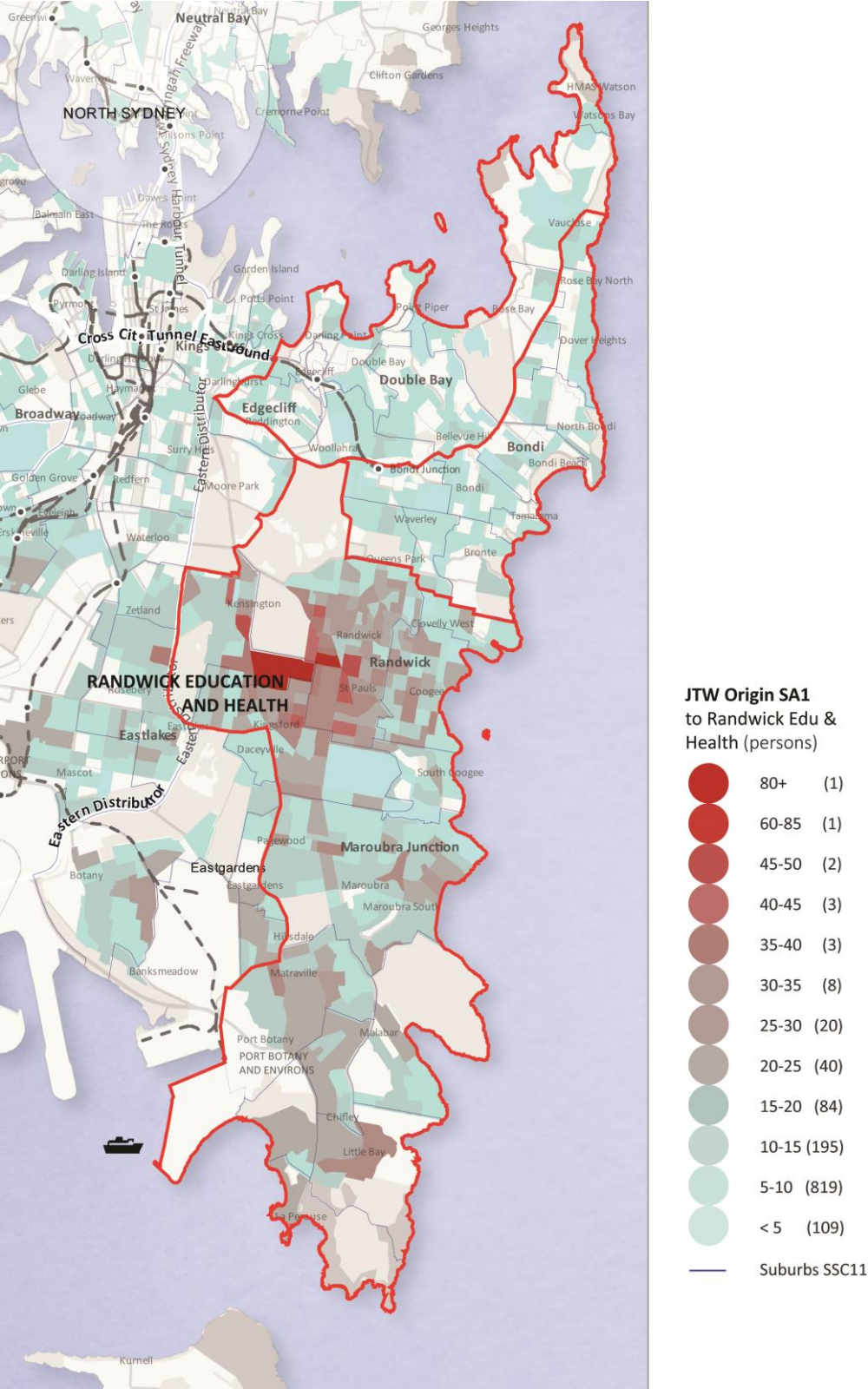
Source: SGS Economics and Planning, 2013, using BTS Journey to Work data, 2013

Travel mode

Figure 30 illustrates that majority of Eastern Suburbs residents that work within the Eastern Suburbs travel to work by private transport (62 percent). 22 percent of residents travel by active forms of transport (walking and cycling) and 15 percent travel by public transport.

FIGURE 30.   TRAVEL MODE FOR RESIDENTS WORKING WITHIN EASTERN SUBURBS
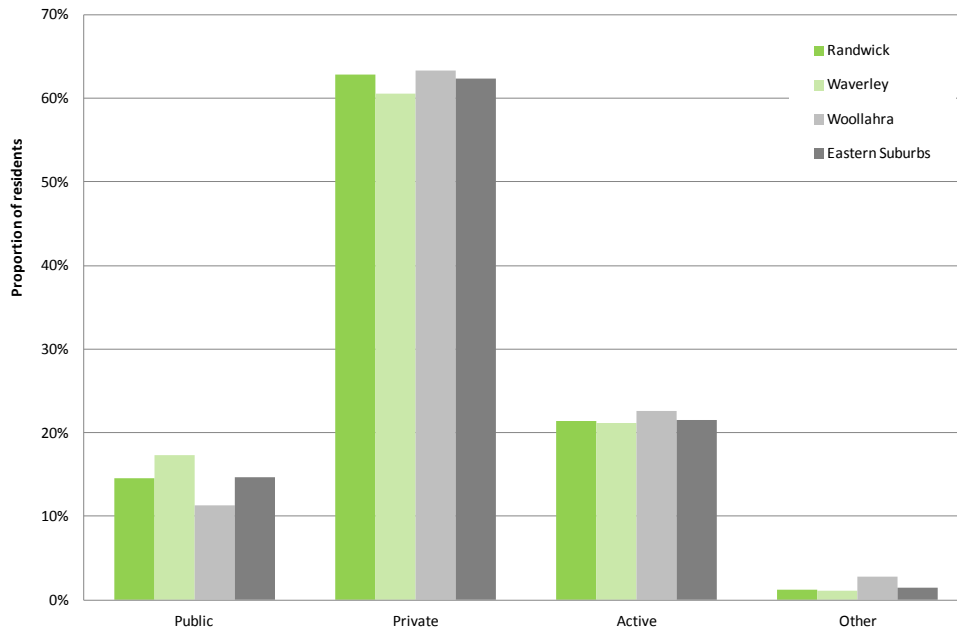
Source: SGS Economics and Planning, 2013, using Bureau of Transport Statistics 2013

Comparatively, Figure 31 illustrates that a significant proportion of Eastern Suburbs residents who work outside the Eastern Suburbs also travel by private transport (53 percent), however there is a significant proportion of residents using public transport (40 percent) to travel to work.

FIGURE 31.   TRAVEL MODE FOR RESIDENTS WORKING OUTSIDE EASTERN SUBURBS
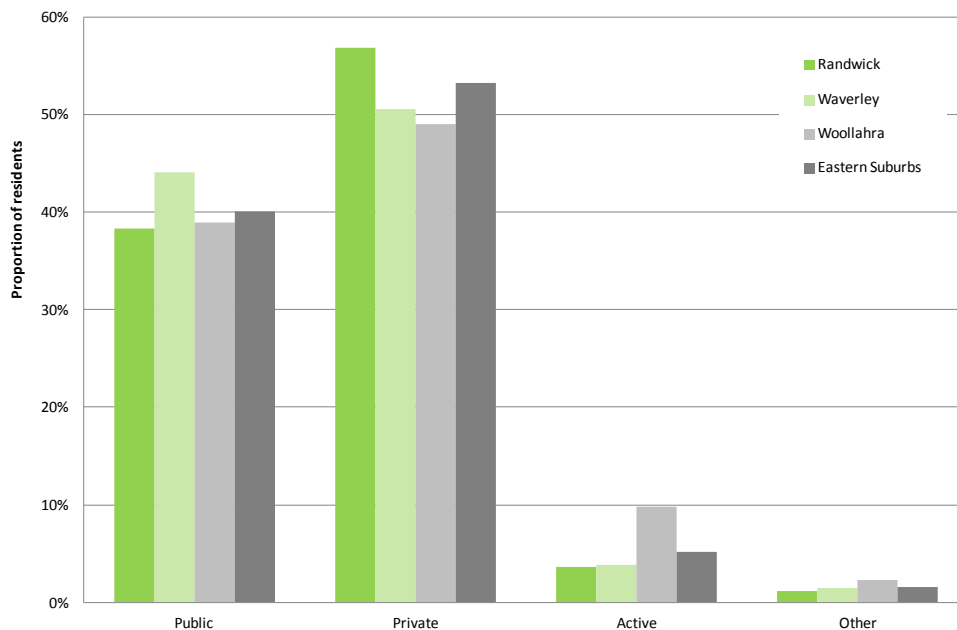
Source: SGS Economics and Planning, 2013, using Bureau of Transport Statistics 2013

Job Accessibility

Figure 32 and Figure 33 illustrate the proportion of jobs accessible to residents across Sydney within 45 minutes by car and public transport respectively. The first map highlights that residents within the Eastern Suburbs have access to a high proportion of jobs. Residents living in the western half of the Eastern Suburbs have access to around 45 to 50 percent of jobs in Sydney with a small proportion to the north west of the Eastern Suburbs (around Paddington) experiencing access to 50 to 55 percent of jobs within Sydney. Residents living in the eastern half of the Eastern Suburbs have access to 40 to 45 percent of jobs in Sydney. The slightly lower proportion of job accessibility in the eastern half of the Eastern Suburbs is due to the additional distance required to travel from this area to the major employment areas across Sydney. Overall, however, residents living within the eastern Suburbs are able to access a higher proportion of jobs within 45 minutes via car in comparison to the middle and outer suburbs of Sydney.

The second map illustrates the proportion of jobs accessible to residents of Sydney within 45 minutes via public transport. Residents living within the Eastern Suburbs of Sydney have access within 45 minutes via public transport to around 30-35 percent of jobs in Sydney. As above, residents living within the western half of the Eastern Suburbs experience greater job accessibility than residents living in the eastern half of the Eastern Suburbs. Residents within the north west of the Eastern Suburbs (around Paddington) have access within 45 minutes via public transport to 50 to 55 percent of jobs in Sydney. Whilst residents living within the Eastern Suburbs of Sydney have relatively high job accessibility, residents living within central Sydney and along the railway line between Parramatta and Sydney CBD have a access to a higher proportion of jobs within 45 minutes via public transport.

FIGURE 32.   JOB ACCESSIBILITY VIA CAR

Job Accessiblity (%) 2011
45mins by car

- > 55
- 50-55
- 45-50
- 40-45
- 35-40
- 30-35
- 25-30
- 20-25
- 15-20
- 10-15
- 5-10
- < 5
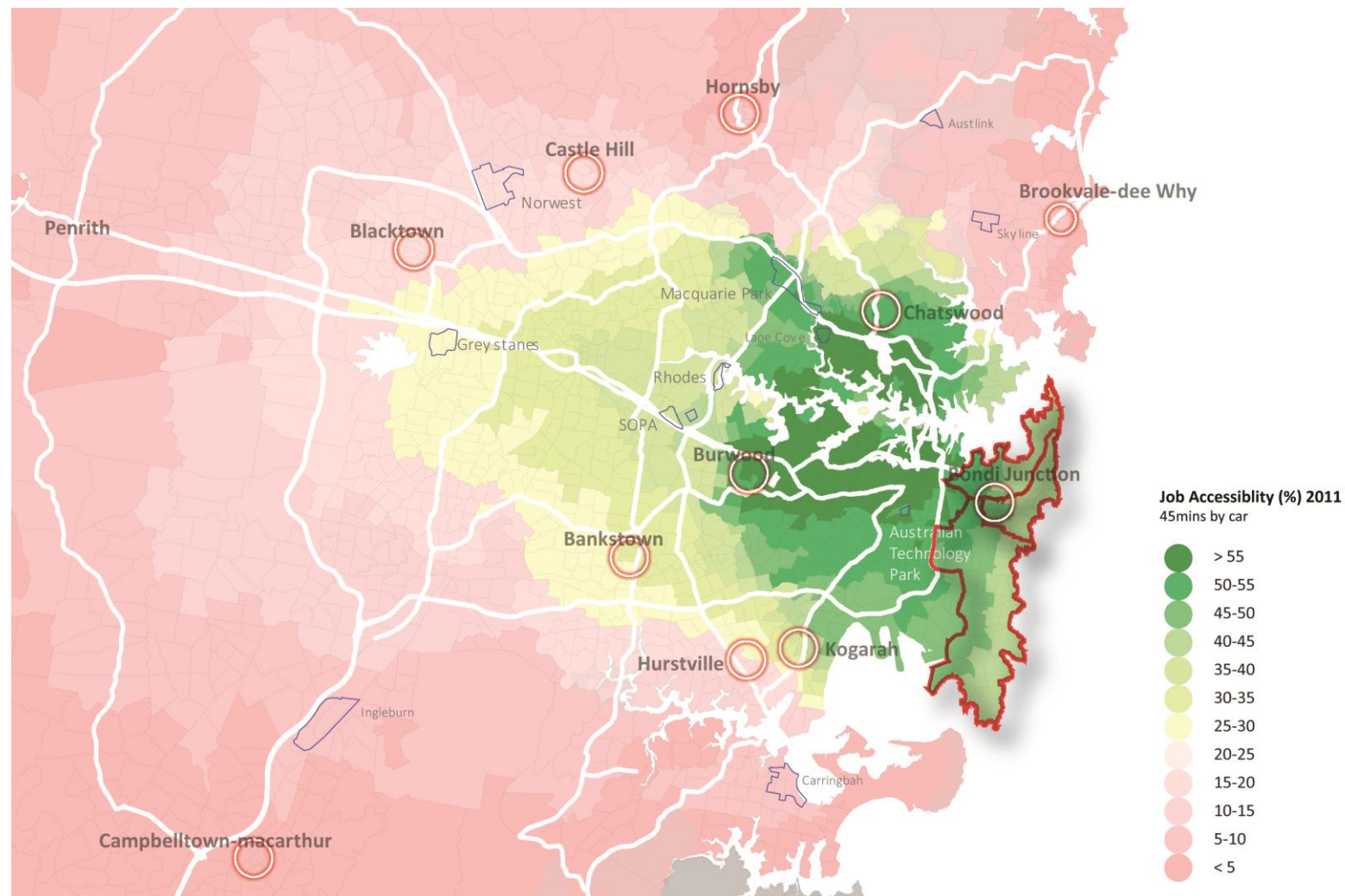
Source: SGS Economics and Planning, 2013

FIGURE 33.   JOB ACCESSIBILITY VIA PUBLIC TRANSPORT
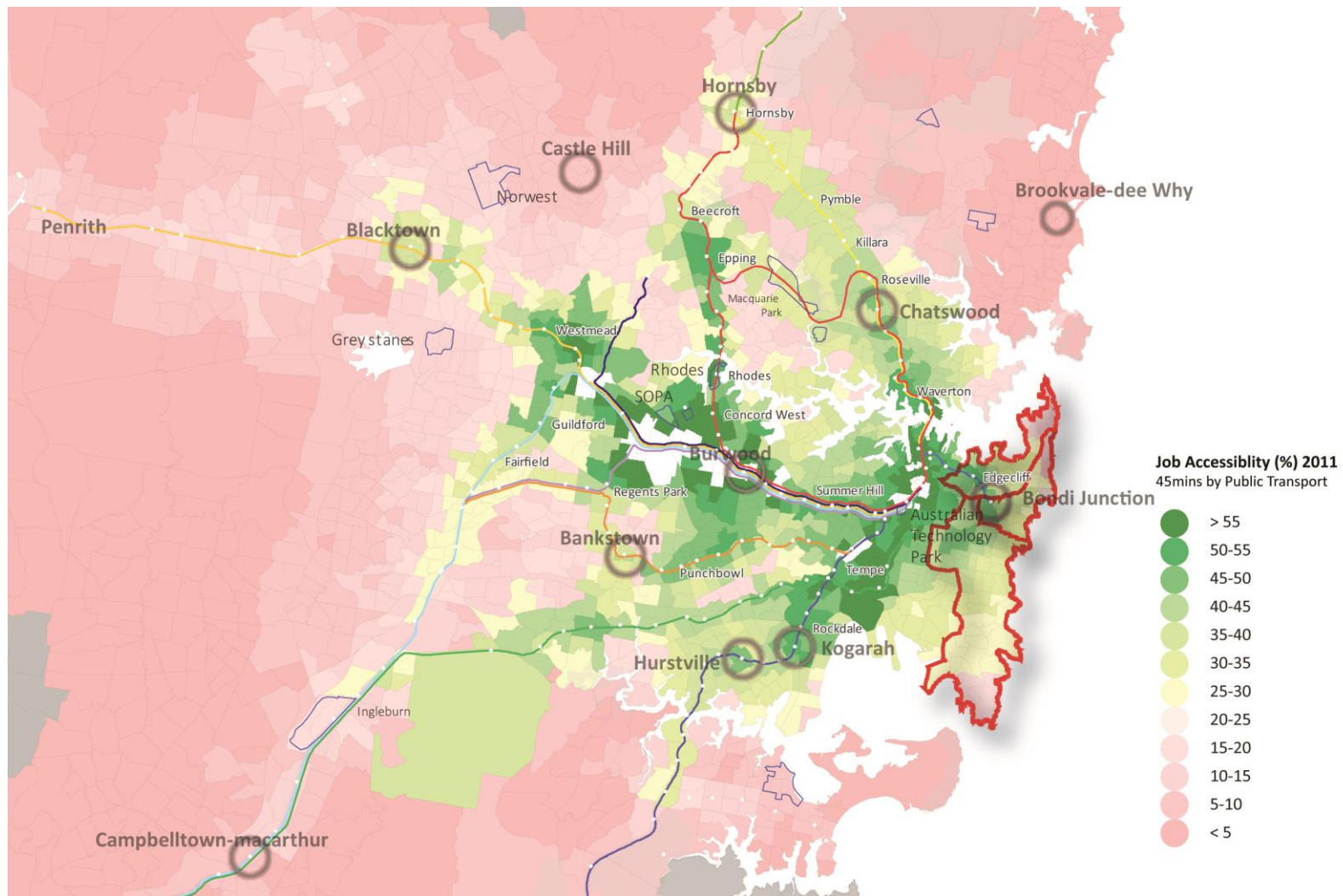
Source: SGS Economics and Planning, 2013

4.4   Inter-industry linkages

SGS has simulated a regional input output (IO) table for the Eastern Suburbs. The IO Table is derived from the National Input Output Table published by the ABS (Cat. No. 5209.0) and represents all the buyer-supplier linkages in the regional economy.

Using widely accepted techniques, SGS has translated the regional IO Table into value added, employment and output multipliers for each of the 19 industries included in the economy. These are shown in Table 16 and can be interpreted as follows:

−   Value Added Multipliers – for every extra dollar of output generated in Financial and Insurance Services, around $1.1 is attributable to increases in wages, salaries and supplements, and gross operating surplus in all sectors.

−   Employment Multipliers – each additional $1 million of output/ investment in Education and Training industry will be associated with the generation of 11 jobs.

−   Output Multipliers – for every additional dollar earned or invested directly into the Education industry in Eastern Suburbs, the level of overall output increases by $1.5.

Table 16 highlights the industries which are most integrated in terms of buyer and supplier linkages within the region (those with the top five multipliers).

TABLE 16. VALUE ADDED, EMPLOYMENT AND OUTPUT MULTIPLIERS SORTED BY VALUE ADDED MULTIPLIERS, 19 INDUSTRY DIVISIONS

	Output	Employment	Value added
Financial and Insurance Services	1.473	4	1.097
Education and Training	1.522	11	1.080
Retail Trade	1.577	12	1.016
Health Care and Social Assistance	1.478	11	0.951
Administrative and Support Services	1.648	7	0.916
Public Administration and Safety	1.551	8	0.915
Rental, Hiring and Real Estate Services	1.397	2	0.911
Professional, Scientific and Technical Services	1.672	7	0.889
Transport, Postal and Warehousing	1.525	5	0.869
Wholesale Trade	1.553	6	0.865
Mining	1.416	3	0.790
Electricity, Gas, Water and Waste Services	1.379	4	0.775
Accommodation and Food Services	1.465	10	0.773
Information Media and Telecommunications	1.437	5	0.766
Construction	1.759	6	0.759
Other Services	1.453	11	0.759
Agriculture, Forestry and Fishing	1.353	5	0.729
Arts and Recreation Services	1.446	8	0.686
Manufacturing	1.359	4	0.499

Source: SGS Economics & Planning calculations, 2013

Focusing on the highlighted results, it is evident that from a value adding perspective (wealth generation), the top five contributors are Financial and Insurance, Education and Training, Retail Trade,

Health Care and Social Assistance, Administrative and Support Services. This is not surprising, given that Education and Training and Health Care and Social Assistance are the two major industries of employment within the Eastern Suburbs.

On the other hand, the relative low output and employment multipliers, compared to other economic regions, are due to the fact that the economy in Eastern Suburbs heavily relies on a range of goods and services that are provided by businesses located outside the region.

4.5   Implications

The education and health care industries have high employment, high growth and high specialisation within the Eastern Suburbs of Sydney.

Health care and education are the two major industries of employment within the Eastern Suburbs, accounting for 34 percent of jobs within the Eastern Suburbs. The dominance of health care and education is evident in comparison to the broader Sydney metropolitan area where health and education only account for around 19 percent of jobs.

Both health and education sectors of employment experienced strong growth in the Eastern Suburbs between 2006 and 2011 of 15-20 percent. Health and education are projected to continue to experience significant growth in employment between 2011 and 2031 in the Eastern Suburbs, particularly health care which is expected to experience growth of 46 percent over the next 20 years alongside an emerging professional services industry. However, the rate of job growth in these main industries of Eastern Suburbs is lower compared to the Sydney GMA.

The Eastern Suburbs has a high specialisation in both health and education, particularly compared to the greater Sydney region which reflects both the high employment and high growth experienced between 2006 and 2011.

Eastern Suburbs residents are characterised by high household incomes and high levels of tertiary education.

The median weekly household income for the Eastern Suburbs in 2011 was $1,962. Not only is the median income for the Eastern Suburbs significantly higher (more than $500 per week) than the median for the broader Sydney metropolitan region, it is also growing at a higher rate. Almost 50 percent of the Eastern Suburbs population are tertiary educated, compared to 39 percent within the Sydney GMA.

This trend is also apparent with a large proportion of professionals and other white collar workers residing in the Eastern Suburbs and the proportion of residents employed in these occupations is growing. Around 37 percent of workers employed within the Eastern Suburbs are employed as professionals and this has been growing strongly since 2006.

The Eastern Suburbs has a low level of self-containment with high leakages within the professional and financial services industries.

Employment within the Eastern Suburbs is concentrated within the major employment centres (Bondi Junction and the Randwick Education Precinct). These two centres have a high concentration of retail, health and education employment and this is reflected by high levels of self-containment within these industries.

Comparatively, Eastern Suburbs residents employed in professional and financial services are largely employed within the adjacent City of Sydney LGA where there is a high concentration of these industries of employment. These industries employ the largest proportion of residents and thus contribute to the high leakages and low levels of self-containment. This is also apparent in relation to other occupations with a high proportion of professionals employed outside the Eastern Suburbs.

The Eastern Suburbs also benefits from a high degree of accessibility to jobs, particularly via car.

Residents of the Eastern Suburbs have access to around 50 percent of jobs in Sydney within 45 minutes via car. The proximity of the Eastern Suburbs to the Sydney CBD has contributed to this high job accessibility, because there is a high concentration of jobs within the CBD.

Residents have a relatively high accessibility to jobs when travelling via public transport, however, this varies depending on where they live, particularly whether they live along a major transport route.

The major industries of employment within the Eastern Suburbs are also the largest contributors to wealth generation in this region.

Finance, health care, education, retail and administration and support services are the largest contributors from a value-adding perspective. As indicated by the regional multipliers, every extra dollar of output produced in Financial and Insurance Services is likely to generate around $1.1 in wages, salaries and supplements, and gross operating surplus across all sectors in Eastern Suburbs. This shows that these industries not only contribute to the largest proportion of jobs within the Eastern Suburbs but also to the wealth generation within the regional economy.

5 ECONOMIC ACTIVITY IN CENTRES

A floorspace survey has been carried out for six major retail/commercial centres within the Eastern Suburbs. The six centres comprise:

− Bondi Junction
− Bondi Beach
− Randwick Junction and The Spot
− Maroubra Junction
− Double Bay, and
− Oxford Street, Paddington.

The boundaries of these precincts are illustrated on the map overleaf:

FIGURE 34.   RETAIL CENTRES AUDITED
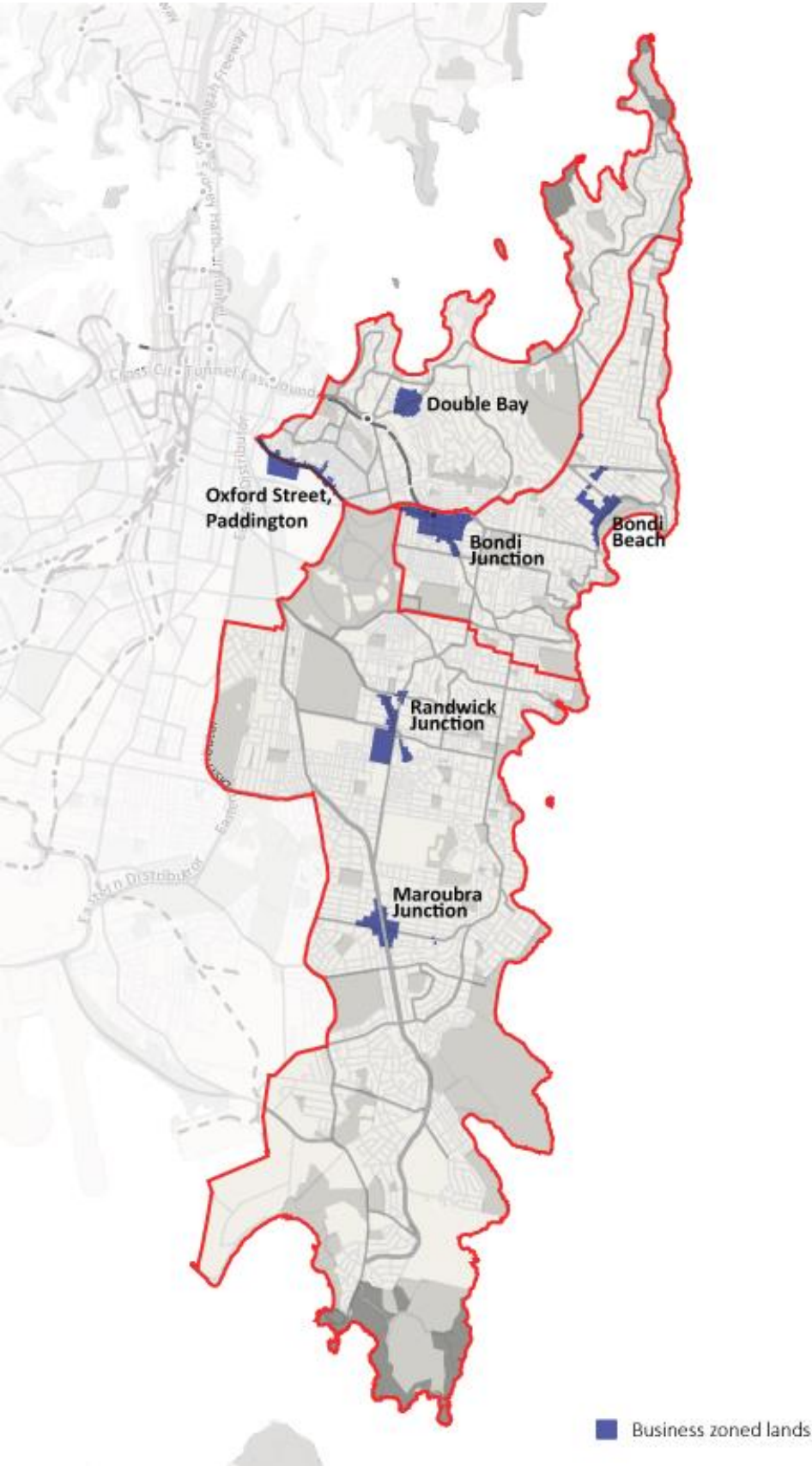
Source: SGS, 2013

5.1 Audit Method

The floorspace audit was completed using a method developed by SGS in associated with the Department of Planning and Infrastructure. Three levels of information are collected about each lot within the six centres:

	Data Collected	Source of Data
Level 1.	Zoning, size of lot	Cadastre with land use zoning layers provided by the Eastern Suburbs Councils
Level 2	Digitised building outlines and building footprint	GIS base for on-ground verification (digitised building outlines using aerial photographs provided by councils)
Level 3	Building size, Broad Land Use Category and the proportion of building footprint occupied by each business	On-ground field survey

The field survey built on the Level 1 and Level 2 data inputted via GIS. The field and internal survey included directly recording the SGS Broad Land Use Category of each business and the proportion of the building footprint occupied by each business.

− **Level 1 data** – was used to identify the land parcels to be audited. *Business zones* were used to identify the extent of each retail centre.

− **Level 2 data** – From geo-referenced aerial images provided by Council, building footprints within each of the six centres were digitised. The respective zoning information from the cadastre layer addressed in Level 1 was added to these building records.

− **Level 3 data** – involved site by site visits and building auditing. In this stage, the surveyor assigned an SGS Broad Land Use Category (BLCs) to each business. The floorspace of each business was estimated through recording the percentage of building footprint occupied by that business.

A full description and examples of each BLC is provided in Appendix 1.

In addition to the on-foot assessment carried out for the street fronting businesses and retailers, the internal floorspace of the enclosed shopping centres was audited through the use of online floor plans and store directories. The total amount of audited floorspace within each shopping centre was capped at the respective Gross Leasable Area (GLA) published in the PCA Shopping Centre Database.

The four enclosed shopping centres include Westfield Bondi Junction, Eastgate Bondi Junction, Royal Randwick Shopping Centre and Pacific Square Maroubra.

The floorspace data collected through the audit is compiled and its integrity checked for errors before being analysed. The aim of the audit is ultimately to describe each of retail and commercial centre by:

− current use
− broad land use category
− vacant floorspace, and
− vacancy rate.

The data generated is highly detailed and can be updated in future surveys or, desirably, it could become a platform on which 'real time' data from Council development applications could be included.

5.2 Broad Land Use Categories

Broad Land Use Categories (BLC) describe the possible function of the land and existing built form, as well as the actual employment activity. Assessing land use in terms of BLCs allows for the consideration of the future character of an area.

The BLC codes used in this floorspace audit are shown below in Table 15. A full description of each BLC, together with some examples, is provided in the Appendix 1.

Since another purpose of the audit is to provide accurate floorspace estimates for the retail modelling (see section 7), the retail use has been broken down into nine commodity/store types. These retail categories are broadly in line with the ABS Retail ANZSIC categories.

TABLE 17. BROAD LAND USE CATEGORIES (BLCS)

BLC Code	BLC Name
Retail	
S	Full-line Supermarket
OS	Other Super
OF	Other Food
DS	Departmental Stores
DDS	Discounted Department
CF	Clothing & Footwear
HH	Household Goods
OR	Other Retail
RC	Restaurants/Cafes/Takeaways
Non Retail	
O	Offices
LSI	Light Service Industrial
LHE	Local Health and Education
DL	Dispersed Local
SR	Service Retail
Other	
V	Vacant
UC	Under-construction

Source: SGS, 2013

5.3 Floorspace by centre

Overall, approximately **768,845** square metres of developed floorspace was recorded within the six retail centres. Around 40 percent of the audited floorspace is for office uses. Table 18 summarises the total audited floorspace and vacancy rate within each centre.

Bondi Junction Major Centre accounts for approximately 43 percent of the recorded floorspace. This is largely due to the Westfield Bondi Junction (which has around 102,000 sqm GLAR) and high volumes of office uses within the centre.

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TABLE 18. TOTAL FLOORSPACE OF ALL PRECINCTS, SQM

Centres	Bondi Beach	Bondi Junction	Double Bay	Maroubra	Oxford St	Randwick	Total
Total audited	98,106	329,455	88,541	78,407	94,816	92,960	768,845
Retail	28,161	164,171	23,469	24,883	32,488	36,633	309,805
Non-retail	66,116	158,171	37,823	50,669	53,092	53,195	419,066
Under construction	292	117	16,000*	605	908	0	17,922
Vacant	3,537	6,996	11,248**	2,249	8,329	3,132	35,492
Vacancy rate (%)	3.6%	2.1%	12.7%	2.9%	8.8%	3.4%	4.6%

Source: SGS, 2013.
*Note Double Bay under construction floorspace has been adjusted to reflect council's recommended figures.
**Note: Double Bay vacancy rate reflects vacant building floorspace at the time of audit in June 2013

The vacancy rate of a centre provides a general indicator of its viability and trading performance. The average vacancy rate of 5 percent across all centres is considered a normal benchmark based on natural attrition and turnover of businesses. However, a vacancy rate of greater than 10 percent is a sign that there may be trading problems in a centre.

Based on the benchmarks above, Bondi Beach, Bondi Junction, Maroubra Junction and Randwick appear to be functioning well, while Double Bay has a high vacancy rate of 12.7 percent. However, much of the vacant floorspace will soon be replaced by the newly refurbished hotel at 33 Cross Street, known as the InterContinental Sydney Double Bay, with an estimated floorspace of 4,400 square metres. In addition, Oxford Street, Paddington has a relatively moderately-high vacancy rate (8.8%), which can be seen as a sign of weaker trading performance compared to other centres.

The following table provides a break-down of total floorspace by BLC.

TABLE 19. AUDITED FLOORSPACE BY BLC AND CENTRE, SQM

Description	Bondi Beach	Bondi Junction	Double Bay	Maroubra Junction	Oxford St	Randwick/ The Spot	Total
Retail uses							
Full-line Supermarket	727	15,592	1,672	4,817	124	1,612	24,545
Other Super	1,545	4,897	450	2,236	213	2,718	12,058
Other Food	1,414	2,439	793	2,778	768	2,352	10,544
Departmental Stores		36,948					36,948
Discounted Department		11,871				1,270	13,141
Restaurants & Cafes	15,098	27,276	7,579	7,047	7,729	16,758	81,487
Clothing and Footwear	4,942	29,368	8,935	608	15,124	2,883	61,861
Household Goods	793	8,060	1,334	278	2,754	628	13,847
Other Retail	3,643	27,720	2,706	7,120	5,775	8,412	55,374
Total retail	28,161	164,171	23,469	24,883	32,488	36,633	309,805
Non-retail uses							
Offices	3,028	90,862	21,874	11,209	25,880	14,686	167,539
Light Service Industrial	215	581					796
Local Health and Education	1,223	14,918	3,092	16,668	3,719	6,918	46,538
Dispersed Local	56,326	19,954	2,112*	12,738	17,088	13,164	121,383
Service Retail	5,325	31,855	10,745	10,053	6,406	18,427	82,811
Total non-retail	66,116	158,171	37,823	50,669	53,092	53,195	419,066
Other							
Vacant	3,537	6,996	11,248**	2,249	8,329	3,132	35,492
Under Construction	292	117	16,000*	605	908		17,922
Total Other	3,829	7,114	27,248	2,854	9,236	3,132	53,414
Grand Total	**98,106**	**329,455**	**88,541**	**78,407**	**94,816**	**92,960**	**782,285**

Source: SGS, 2013.
*Note Double Bay under construction floorspace has been adjusted to reflect council's recommended figures.
**Note: Double bay vacancy rate reflects vacant building floorspace at the time of audit in June 2013

Figure 35 compares the total floorspace of the retail and non-retail uses across the six centres. The dark grey area represents the amount of floorspace that is currently vacant or under construction.

FIGURE 35.   AUDITED FLOORSPACE, SQM
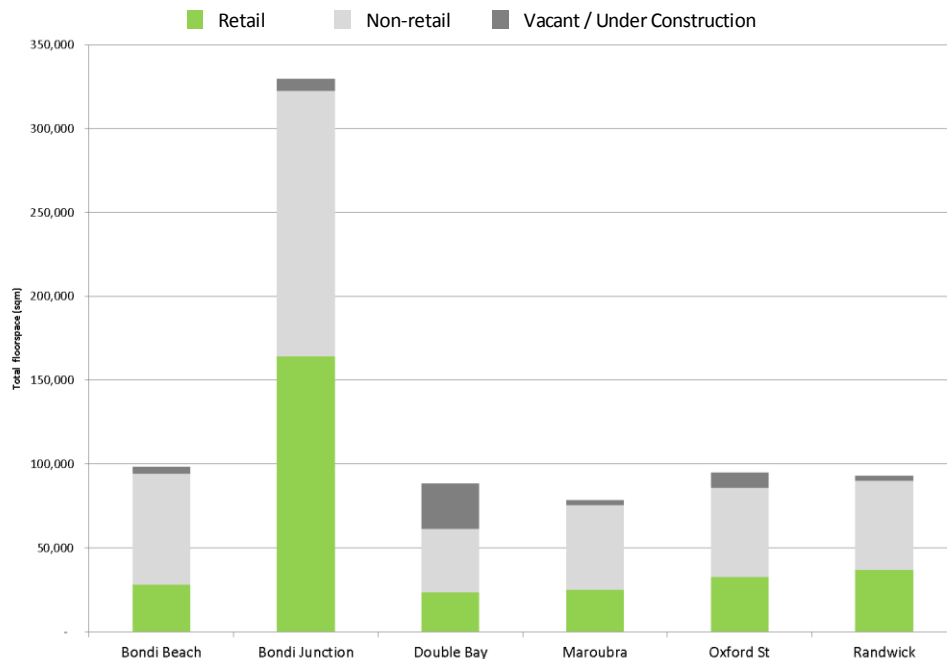
Source: SGS, 2013

Figure 36 breaks down the overall floorspace across six audited centres by BLC. It indicates that within the retail BLCs, restaurants and cafés has the highest share of floorspace, followed by clothing and footwear and other retail. Also, almost all of these centres (except Bondi Beach) in Eastern Suburbs provide a high volume of Office floorspace, followed by Disperse Local.

FIGURE 36.   BLC SHARE OF AUDITED FLOORSPACE ACROSS SIX CENTRES, SQM
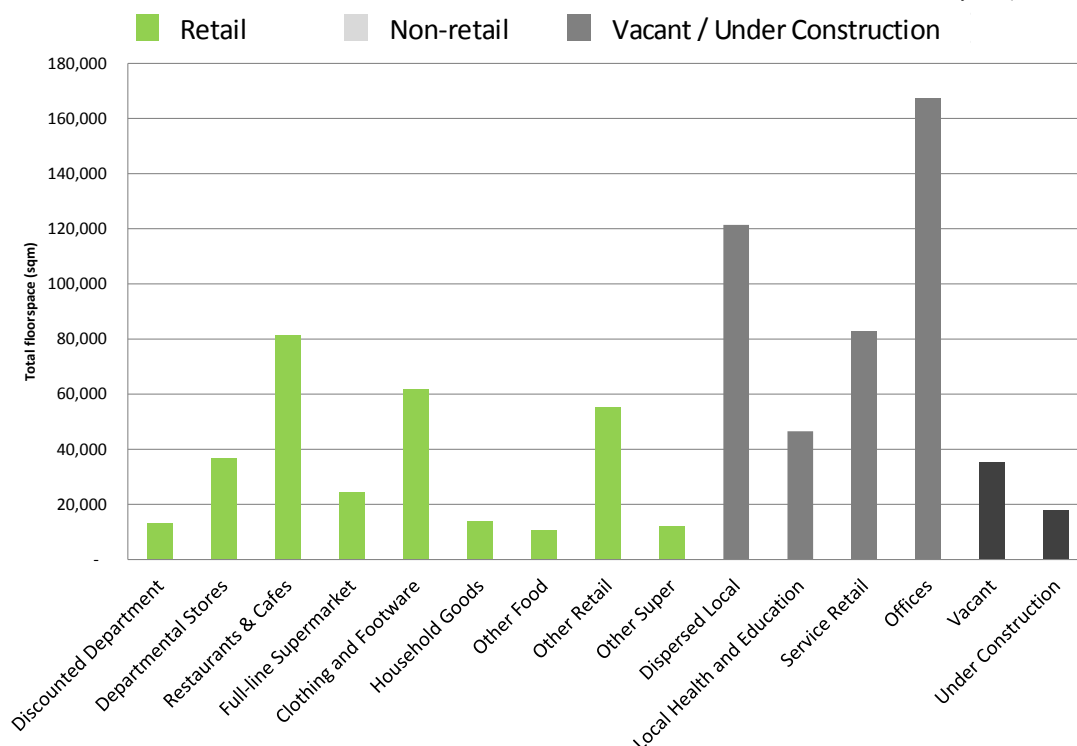
Source: SGS, 2013

6   PRECINCT PROFILES

The purpose of the precinct by precinct analysis is to prepare a detailed industry profile for each economic activity precinct within the Eastern Suburbs, based on the 2011 Census Place of Work data and BTS Journey to Work data. The analysis provides an understanding of the roles and functions of each precinct within the subregional context. The precincts analysed below include:

Major Centre:
—   Bondi Junction (major centre)

Town Centres:
—   Bondi Beach (town centre)
—   Double Bay (town centre)
—   Randwick Junction/The Spot (town centre)
—   Maroubra Junction (town centre)
—   Edgecliff (town centre)

Villages:
—   Oxford Street, Paddington (village)
—   Coogee (village)
—   Kensington (village)
—   Kingsford (village)
—   Rose Bay (village)

Small Villages:
—   Bondi Road (small village)
—   Matraville (small village)
—   Queen Street, Woollahra (small village)

Specialised Centre
—   Randwick Health and Education Precinct (specialised centre)
—   Port Botany and environs

6.1 Bondi Junction

Bondi Junction is a major centre within the Waverley LGA, containing a concentration of retail and commercial floorspace surrounding the train station (refer to Figure 37). There are over 90,000 square metres of office space in the centre (refer to Figure 38). A range of retail types are located in the centre which reflects the large shopping centres which contain a diverse range of retail stores. The ratio of retail to non-retail floorspace within this precinct is relatively equal.

In terms of jobs, there is a high proportion of retail jobs located in this centre (refer to 39). Despite this, retail experienced marginal decline between 2006 and 2011. Also a significant proportion of jobs in this precinct are within the health care sector, associated with the private hospital and other medical centres.

FIGURE 37.   BUSINESS ACTIVITIES IN BONDI JUNCTION

Source: SGS Economics and Planning, 2013

FIGURE 38.   FLOORSPACE BY BLC IN BONDI JUNCTION

	Full-line super	Disct. Dept.	Depart mental	Restau rants café	Clothg footwr	Househ old	Other foods	Other retail	Other super	Offices	Light svc indust.	Local health & edu	Dispers local	Service retail	Vacant	Under constru ction
Bondi Junction	15,592	11,871	36,948	27,276	29,368	8,060	2,439	27,720	4,897	90,862	581	14,918	19,954	31,855	6,996	117
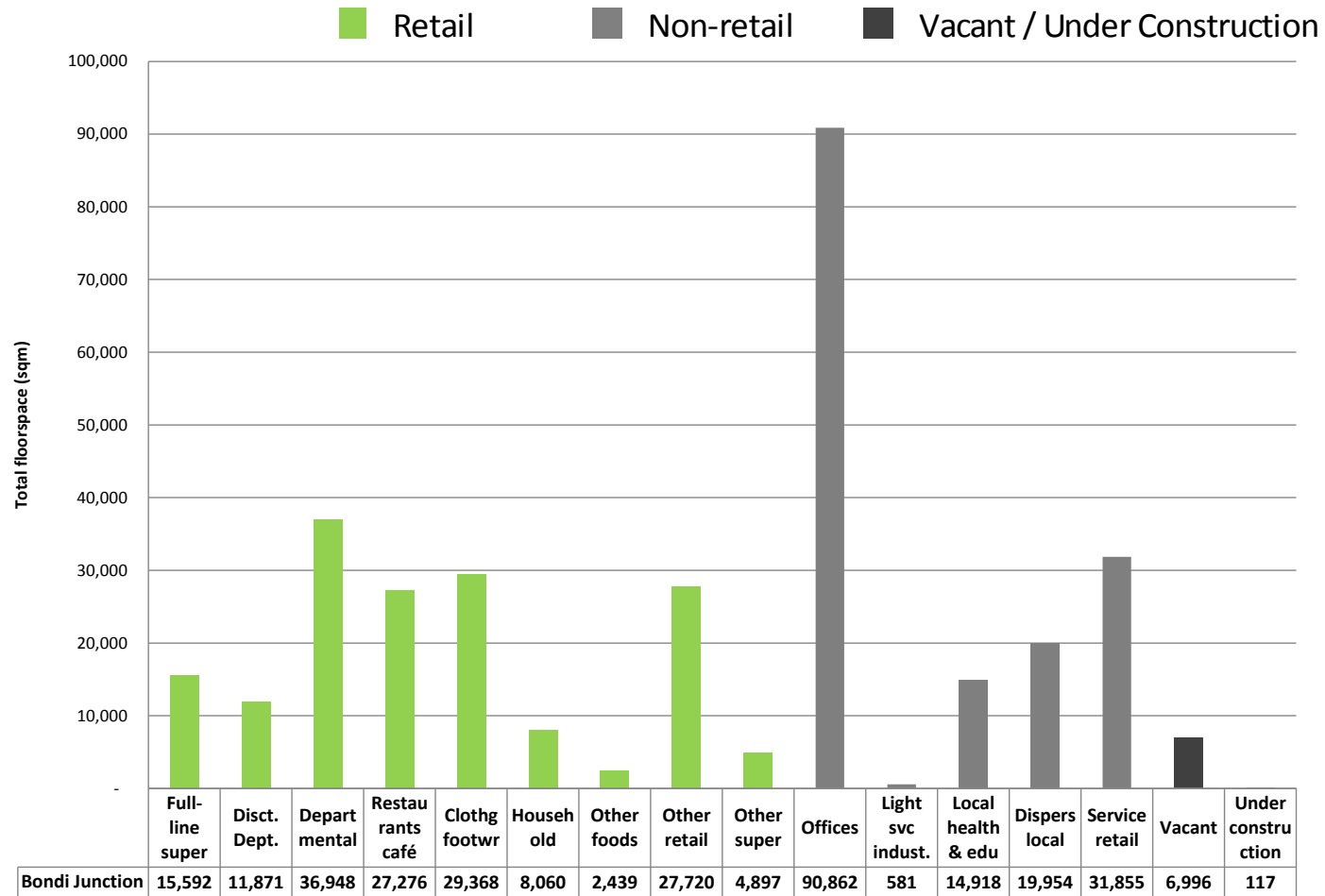
FIGURE 39.   EMPLOYMENT BY INDUSTRY, BONDI JUNCTION 2006-2011
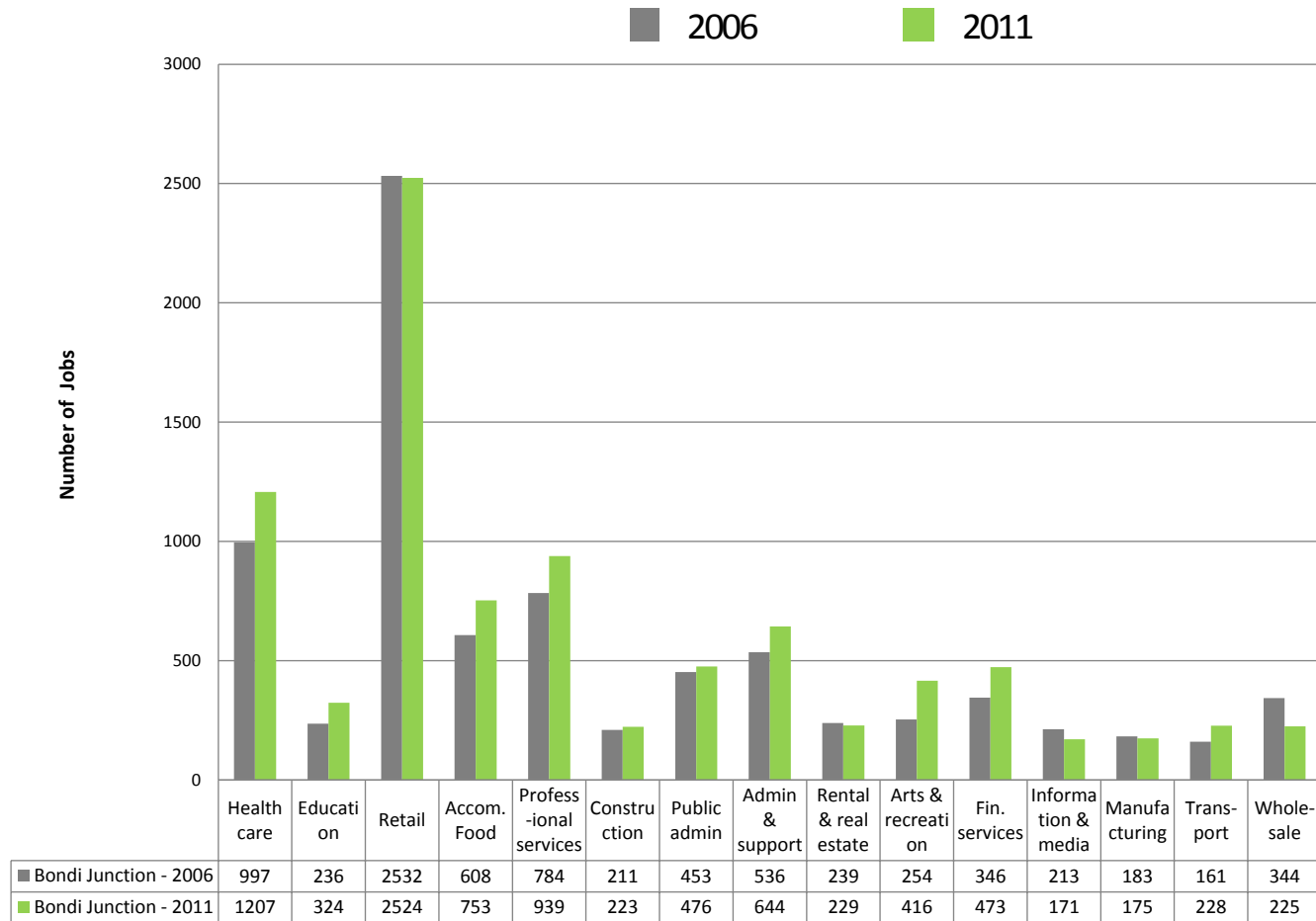
	Health care	Education	Retail	Accom. Food	Profess-ional services	Constru-ction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufa-cturing	Trans-port	Whole-sale
Bondi Junction - 2006	997	236	2532	608	784	211	453	536	239	254	346	213	183	161	344
Bondi Junction - 2011	1207	324	2524	753	939	223	476	644	229	416	473	171	175	228	225

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.2 Bondi Beach

The retail and commercial floorspace at Bondi Beach, Waverley LGA, is focused along Campbell Parade, where there is a concentration of tourist related uses including cafes and restaurants (refer to Figure 40) and accommodation which is classified as dispersed local (refer to Figure 41). Due to the large proportion of accommodation uses, there are a high proportion of non-retail uses within this centre.

In terms of employment, accommodation and food services is the largest industry of employment and experienced significant growth between 2006 and 2011 (refer to Figure 42).

FIGURE 40.   BUSINESS ACTIVITIES AT BONDI BEACH

Source: SGS Economics and Planning, 2013

FIGURE 41.   FLOORSPACE BY BLC, BONDI BEACH

	Full-line super	Restaurants café	Clothg footwr	Household	Other foods	Other retail	Other super	Offices	Light svc indust.	Local health & edu	Dispers local	Service retail	Vacant	Under construction
Bondi Beach	727	15,098	4,942	793	1,414	3,643	1,545	3,028	215	1,223	56,326	5,325	3,537	292
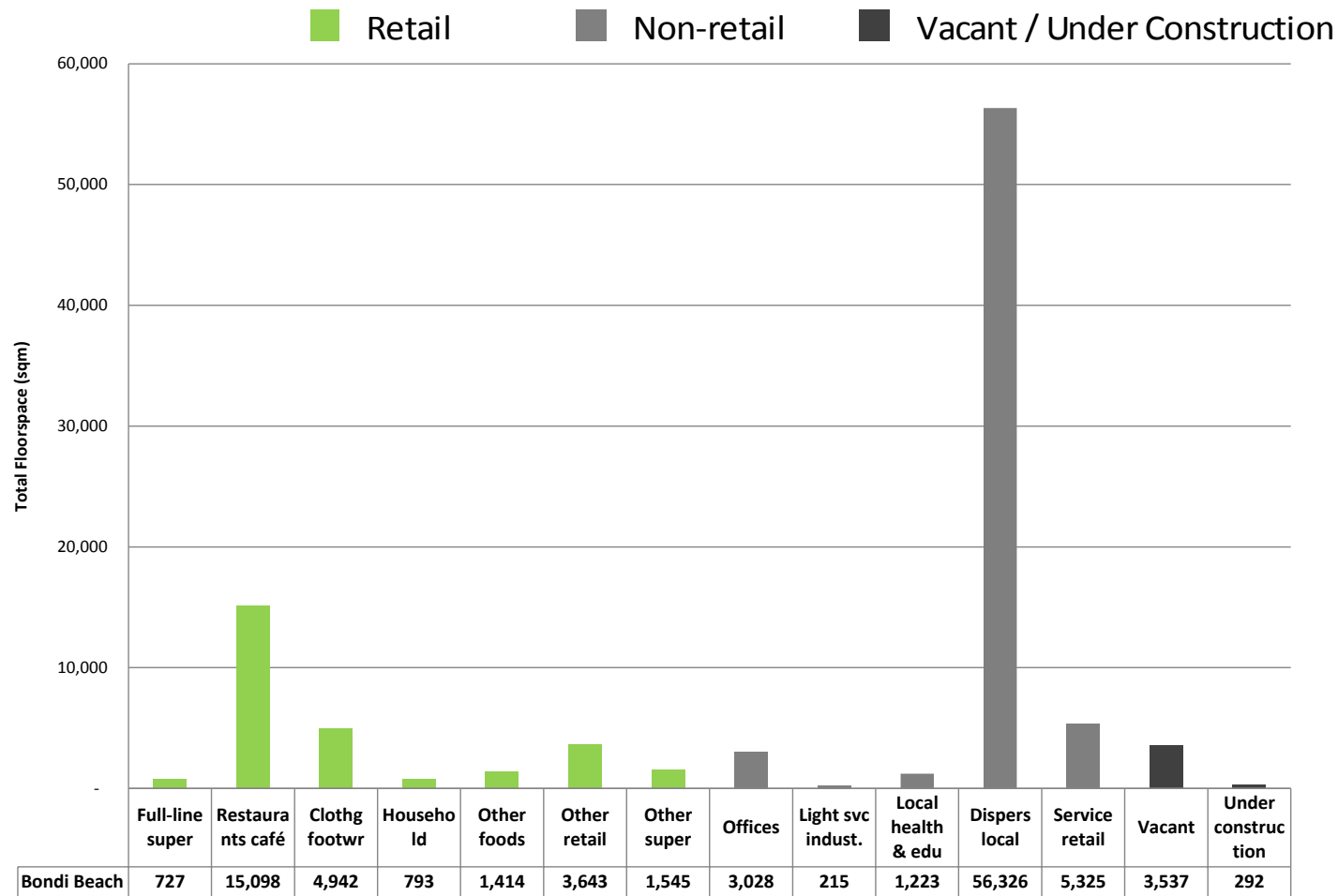
Source: SGS Economics and Planning, 2013

FIGURE 42.   EMPLOYMENT BY INDUSTRY, BONDI BEACH 2006-2011
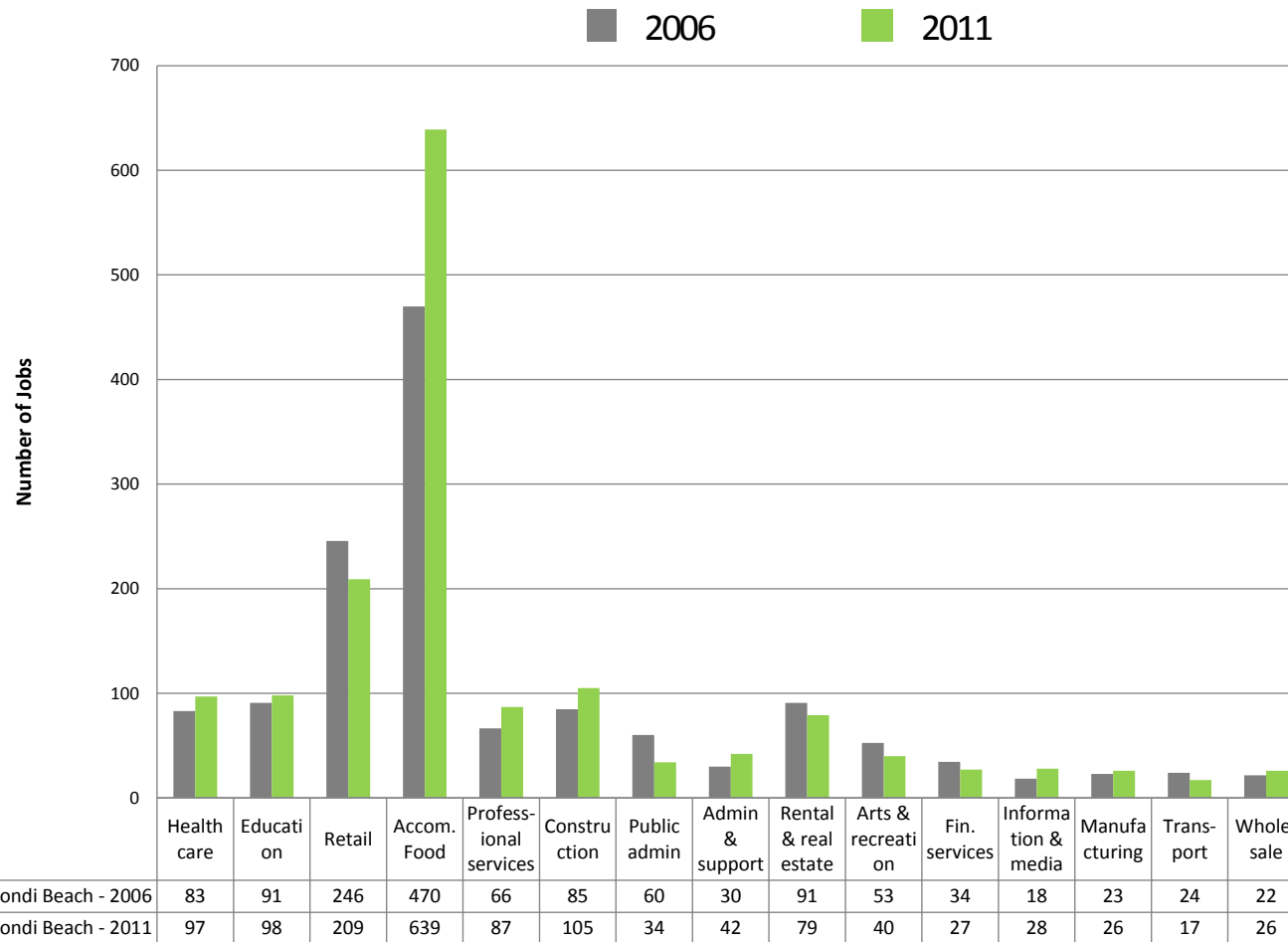
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Whole-sale
Bondi Beach - 2006	83	91	246	470	66	85	60	30	91	53	34	18	23	24	22
Bondi Beach - 2011	97	98	209	639	87	105	34	42	79	40	27	28	26	17	26

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.3 Double Bay

Double Bay is located 4.5 kilometres from the within Woollahra LGA. Figure 43 highlights the large proportion of clothing and footwear retailing which is clustered in the north west of the precinct. There is also a large proportion of office floorspace located within this precinct (around 22,000 square metres) which is equal to the entire retail floorspace within the survey area (refer to Figure 44). A high vacancy rate of 13 percent is currently recorded, which equates to approximately 11,000 square metres. However, much of the vacant floorspace will soon be replaced by the newly refurbished hotel at 33 Cross Street, known as the InterContinental Sydney Double Bay. An estimated 4,400 square metres of floorspace will be occupied by the new establishment, providing 140 hotel rooms, a ballroom for up to 300 guests, an all-day restaurant, Club InterContinental, cafe, lounge and bar, rooftop pool and bar and underground parking.

In terms of employment, the two major industries of employment are retail and accommodation and food services which despite this both experienced declines between 2006 and 2011 (refer to Figure 45). Health care services such as General Practice, Dental and Specialist Medical also play a significant role within Double Bay.

FIGURE 43.   BUSINESS ACTIVITIES IN DOUBLE BAY

Source: SGS Economics and Planning, 2013

FIGURE 44.   FLOORSPACE BY BLC, DOUBLE BAY

| | Retail | Non-retail | Vacant / Under Construction |

Double Bay	Full-line super	Restaurants café	Clothg footwr	Household	Other foods	Other retail	Other super	Offices	Local health & edu	Dispers local	Service retail	Vacant	Under construction
Double Bay	1,672	7,579	8,935	1,334	793	2,706	450	21,874	3,092	2,112	10,745	11,248	16,000
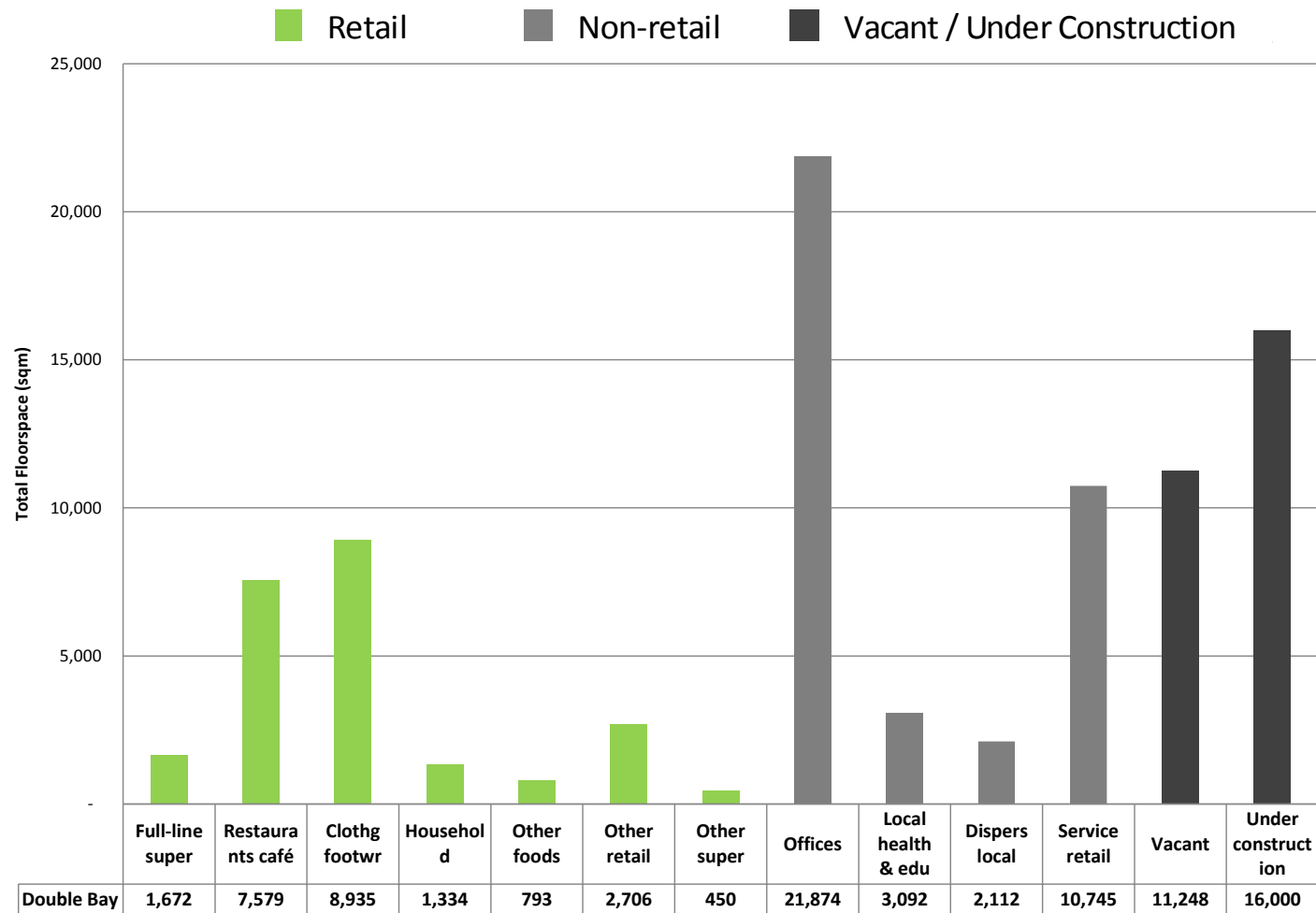
Source: SGS Economics and Planning, 2013

FIGURE 45.   EMPLOYMENT BY INDUSTRY, DOUBLE BAY 2006-2011
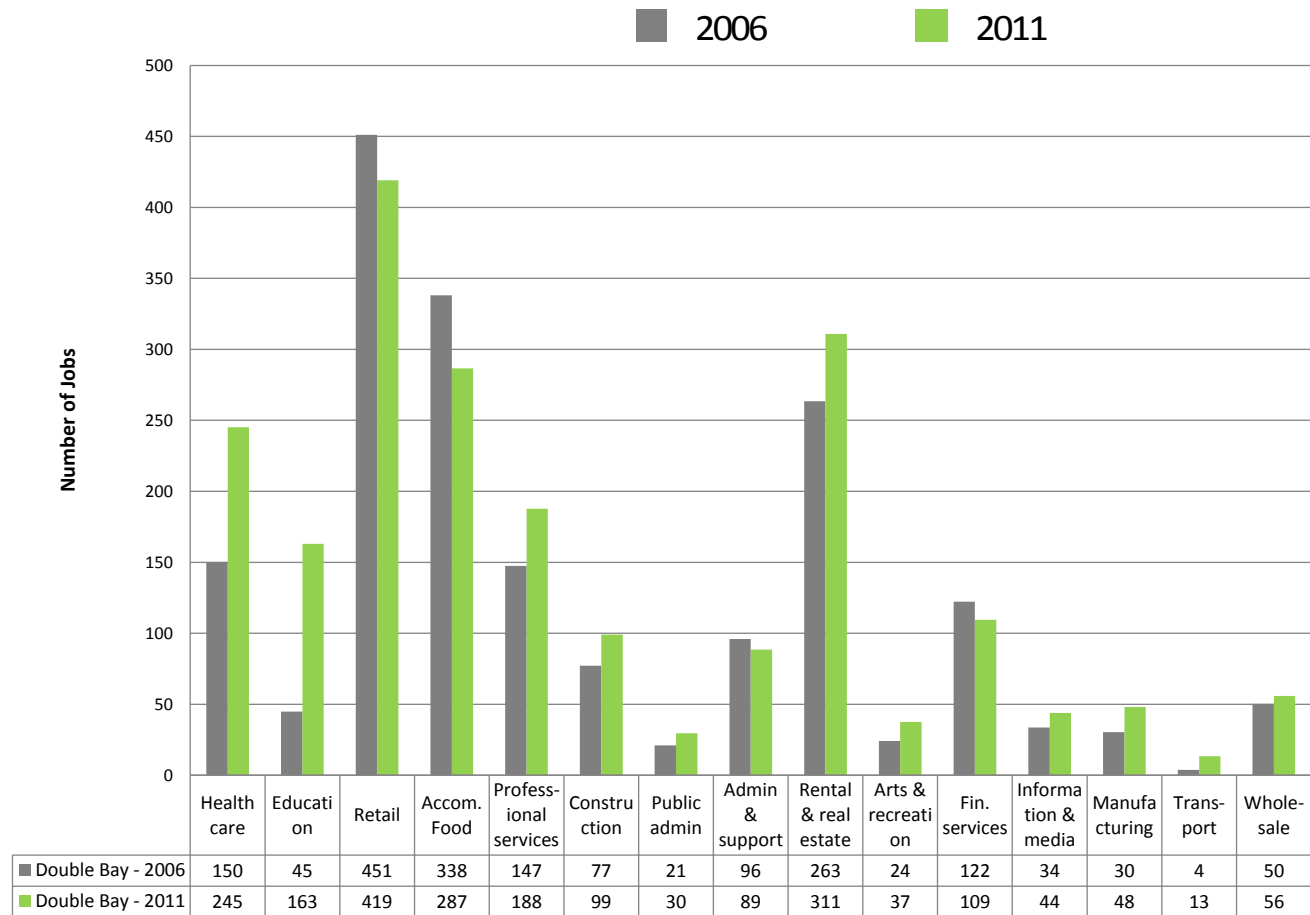
	Health care	Educati on	Retail	Accom. Food	Profess- ional services	Constru ction	Public admin	Admin & support	Rental & real estate	Arts & recreati on	Fin. services	Informa tion & media	Manufa cturing	Trans- port	Whole- sale
Double Bay - 2006	150	45	451	338	147	77	21	96	263	24	122	34	30	4	50
Double Bay - 2011	245	163	419	287	188	99	30	89	311	37	109	44	48	13	56

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.4   Randwick Junction and The Spot

Randwick Junction town centre, Randwick LGA, is an area of strip retail along Belmore Road in Randwick between Alison Road and High Street. There is a variety of retail located along Belmore Road, particularly supermarkets, cafes and service retail (refer to Figure 46). The Spot is a nearby cluster of cafes and restaurants at the junction of St Pauls St and Perouse Road in Randwick (refer to Figure 46).

In terms of retail, these two areas contain a high proportion of restaurant and cafe floorspace, however there is a large proportion of non-retail floorspace in these precincts, particularly service retail, dispersed local and office space uses (refer to Figure 47).

In terms of employment, there are a high proportion of jobs within retail, accommodation and food, as well as health care industries (refer to Figure 48). General Medical Practice also appears to play a significant role within the centre.

FIGURE 46.   BUSINESS ACTIVITIES AT RANDWICK JUNCTION/THE SPOT

Source: SGS Economics and Planning, 2013

FIGURE 47.   FLOORSPACE BY BLC, RANDWICK JUNCTION/THE SPOT

	Full-line super	Disct. Dept.	Restaura nts café	Clothg footwr	Househol d	Other foods	Other retail	Other super	Offices	Local health & edu	Dispers local	Service retail	Vacant
Randwick	1,612	1,270	16,758	2,883	628	2,352	8,412	2,718	14,686	6,918	13,164	18,427	3,132
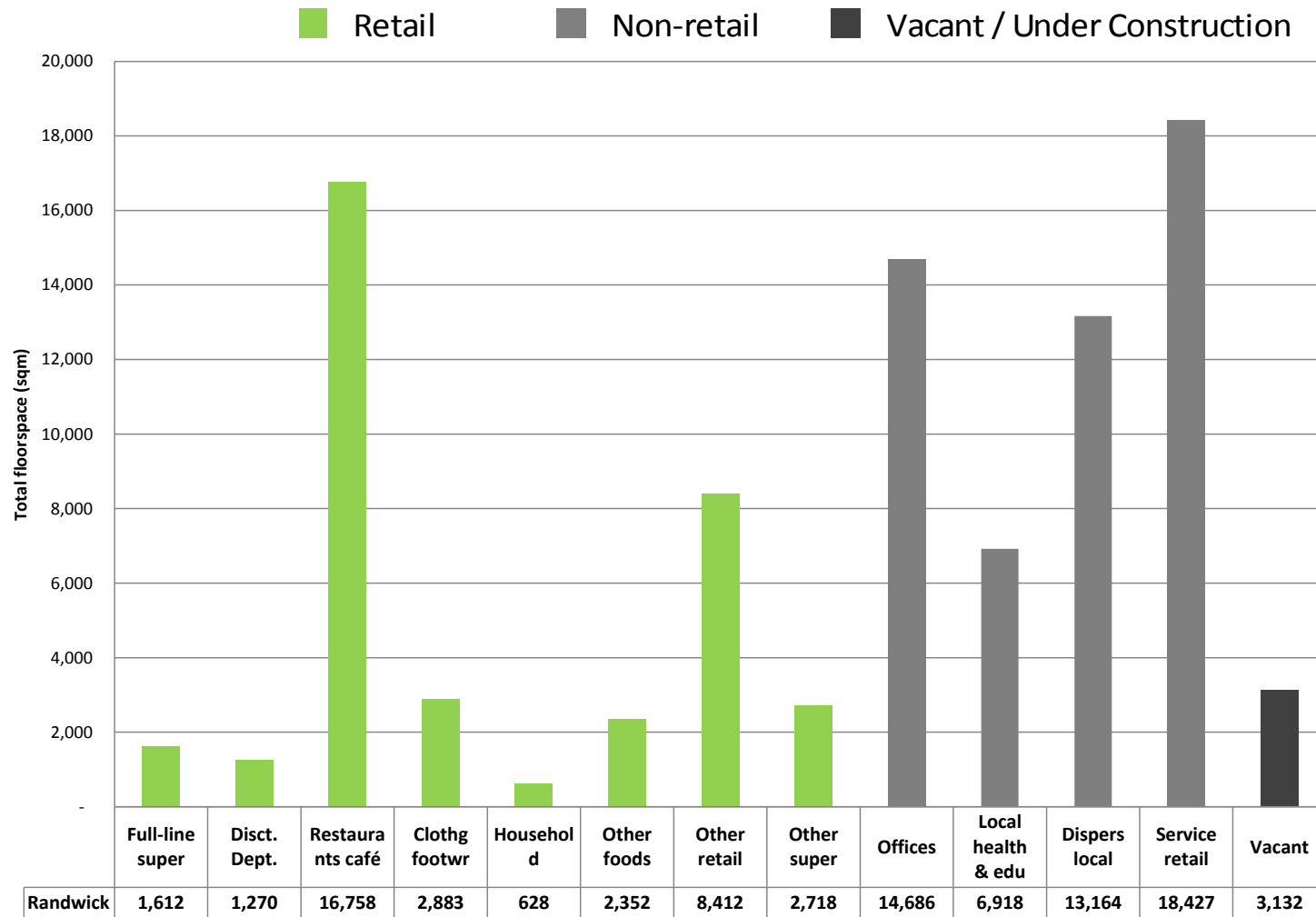
FIGURE 48.   EMPLOYMENT BY INDUSTRY, RANDWICK JUNCTION/THE SPOT 2006-2011
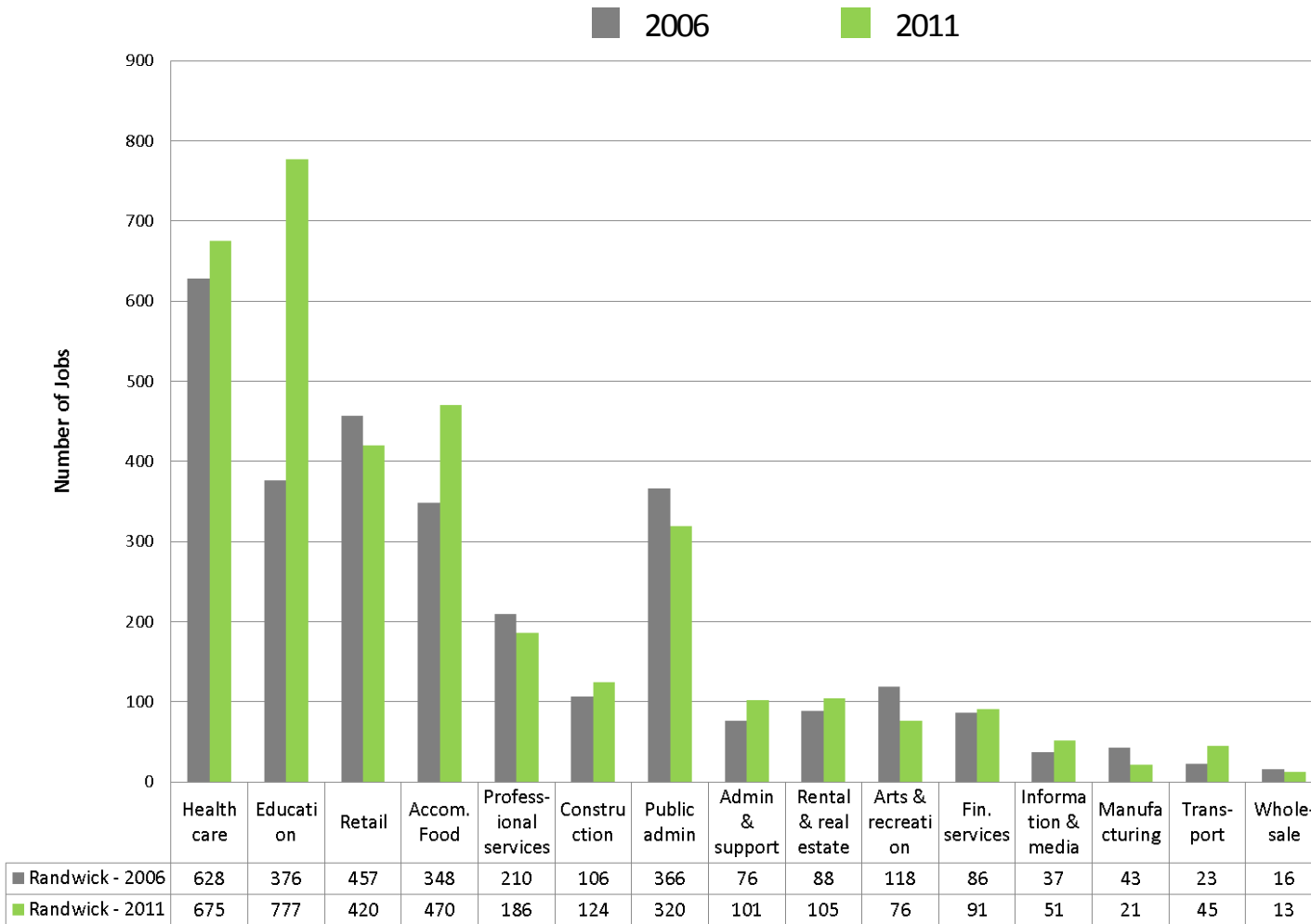
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Wholesale
Randwick - 2006	628	376	457	348	210	106	366	76	88	118	86	37	43	23	16
Randwick - 2011	675	777	420	470	186	124	320	101	105	76	91	51	21	45	13

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.5 Maroubra Junction

Maroubra Junction, in Randwick LGA, is a town centre located on Anzac Parade at the intersection of Maroubra Road. The Town Centre is located 8 km to the south of Sydney CBD. A variety of retail and commercial floorspace uses are located in Maroubra Junction (refer to Figure 49). As highlighted in Figure 50, there is a concentration of local non-retail uses including health and education and dispersed local and service retail, alongside commercial floorspace.

In terms of jobs, the largest industry of employment is retail, followed by health, reflecting the high proportion of health and dispersed uses and concentration of retail through the Pacific Square shopping complex. These two industries also experienced significant growth between 2006 and 2011.

FIGURE 49.   BUSINESS ACTIVITIES AT MAROUBRA JUNCTION

Source: SGS Economics and Planning, 2013

FIGURE 50.   FLOORSPACE BY BLC AT MAROUBRA JUNCTION

	Full-line super	Restaura nts café	Clothg footwr	Househol d	Other foods	Other retail	Other super	Offices	Local health & edu	Dispers local	Service retail	Vacant	Under construct ion
Maroubra	4,817	7,047	608	278	2,778	7,120	2,236	11,209	16,668	12,738	10,053	2,249	605
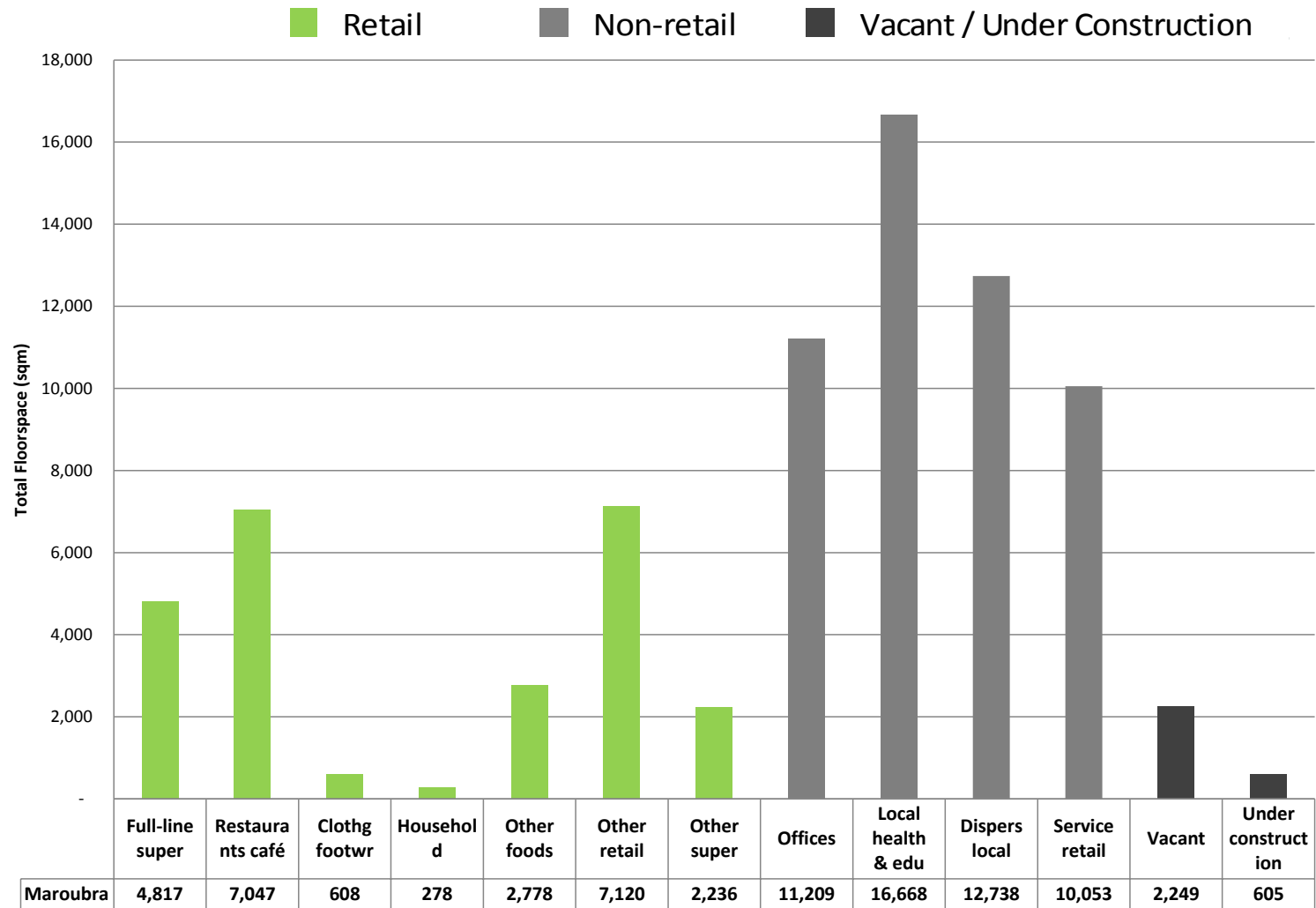
Source: SGS Economics and Planning, 2013

FIGURE 51. EMPLOYMENT BY INDUSTRY, MAROUBRA JUNCTION 2006-2011
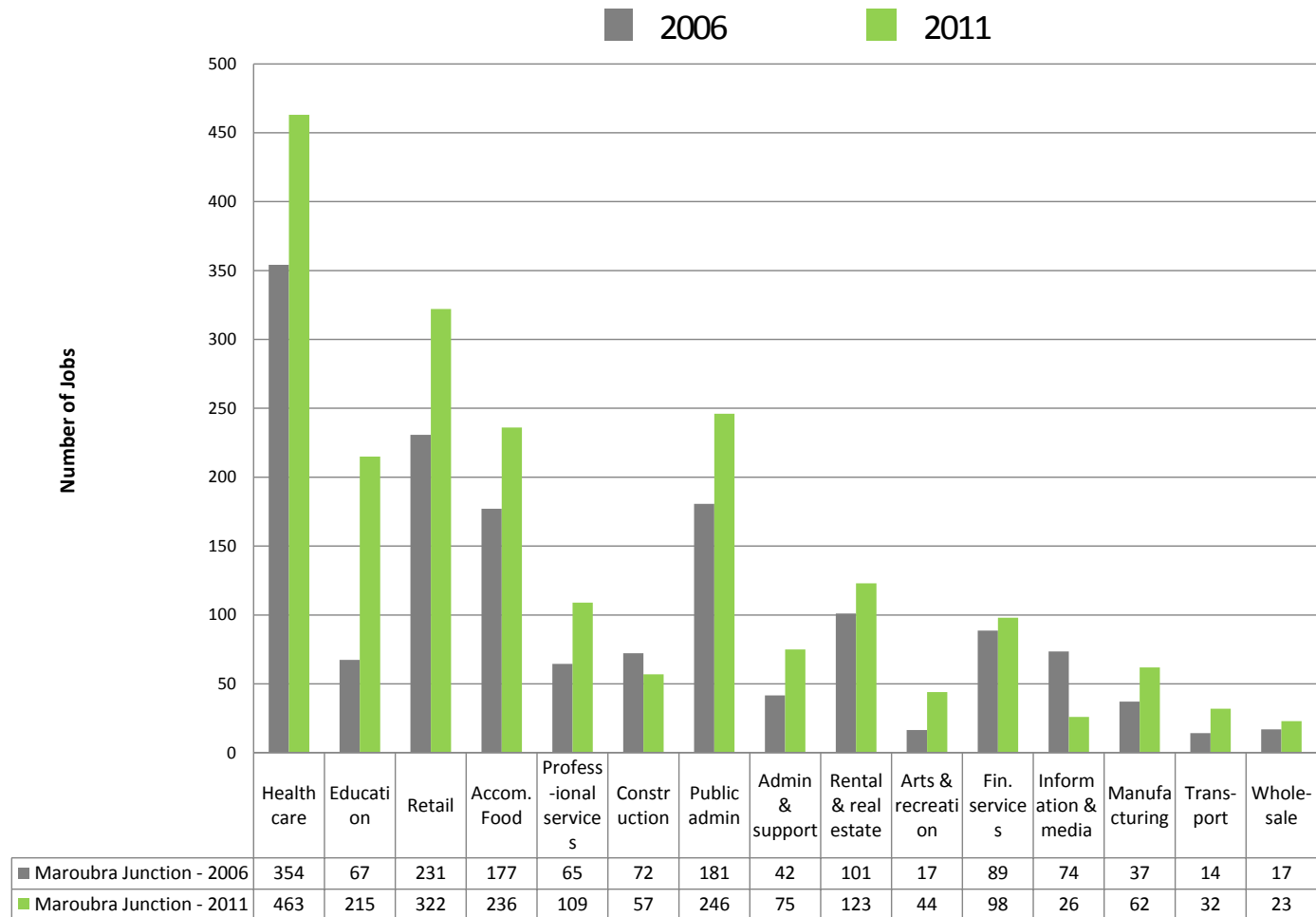
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Wholesale
■ Maroubra Junction - 2006	354	67	231	177	65	72	181	42	101	17	89	74	37	14	17
■ Maroubra Junction - 2011	463	215	322	236	109	57	246	75	123	44	98	26	62	32	23

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.6 Edgecliff

Edgecliff is a town centre in Woollahra LGA, with retail and commercial uses concentrated around the railway station. There is a concentration of health, professional services and retail trade jobs within this centre. These major industries of employment also experienced significant growth between 2006 and 2011 (refer to Figure 53).

FIGURE 52.   EDGECLIFF RETAIL AND COMMERCIAL PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 53. EMPLOYMENT BY INDUSTRY, EDGECLIFF 2006-2011
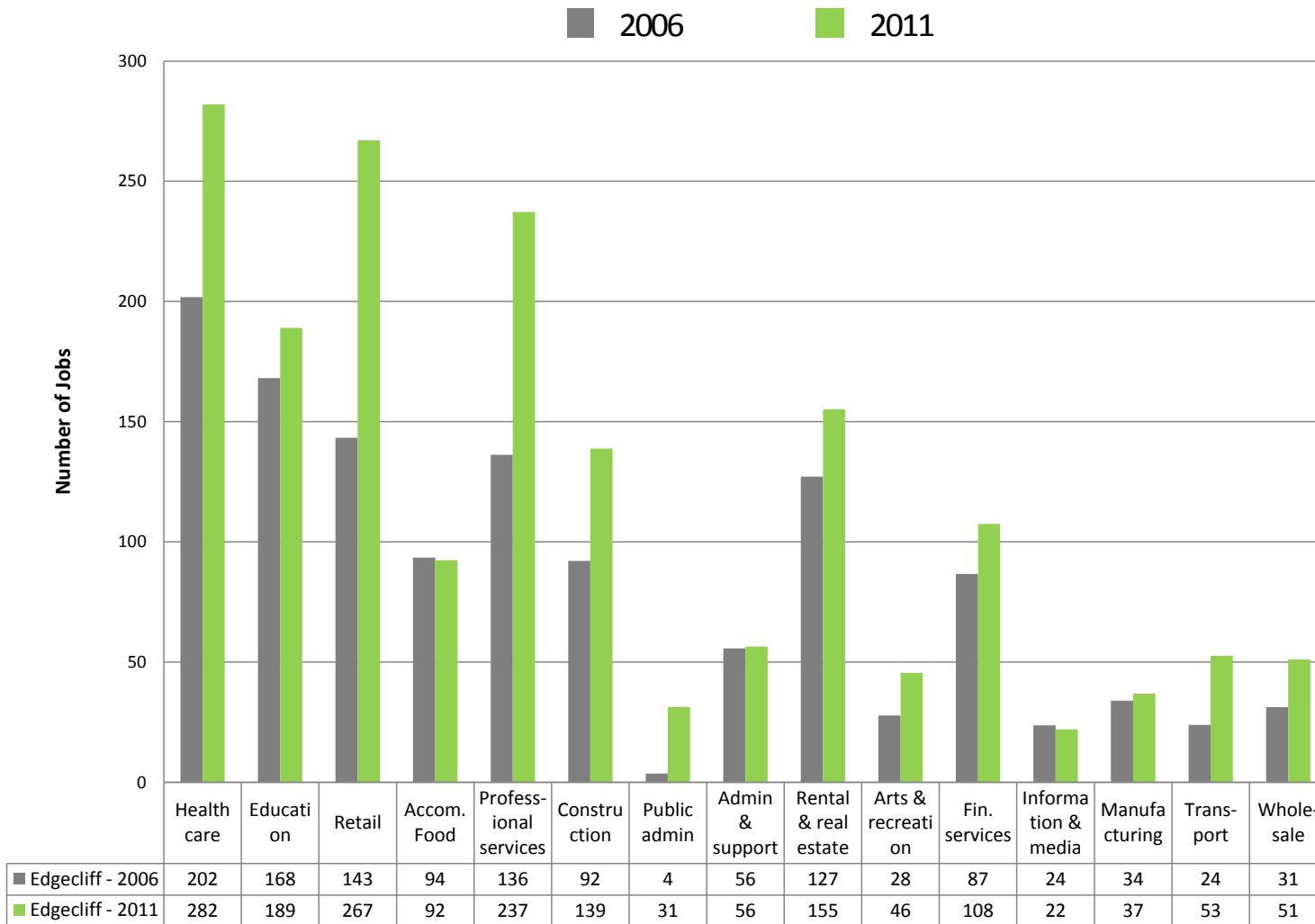
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Whole-sale
Edgecliff - 2006	202	168	143	94	136	92	4	56	127	28	87	24	34	24	31
Edgecliff - 2011	282	189	267	92	237	139	31	56	155	46	108	22	37	53	51

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.7 Oxford Street, Paddington

Oxford Street, Paddington, is located within Woollahra LGA, approximately three kilometres south east of the CBD. There are significant clusters of clothing and footwear retailing at the northern and southern ends of the precinct (refer to Figure 54). There are a number of vacancies to the north and south of precinct.

The proportion of retail and non-retail floorspace in Oxford Street reflects the average for the Eastern Suburbs with around 35 percent retail and 56 percent non-retail. The dominant retail type is clothing and footwear retailing, however office space is the predominant land use overall with more than 25,000 square metres of floorspace within the precinct (refer to Figure 55). Retail trade is the largest industry within this precinct (refer to Figure 56). The largest growth was experienced in retail trade and accommodation and food between 2006 and 2011.

FIGURE 54. BUSINESS ACTIVITIES ALONG OXFORD STREET, PADDINGTON

Source: SGS Economics and Planning, 2013

FIGURE 55.   FLOORSPACE BY BLC, OXFORD STREET

FIGURE 55.   FLOORSPACE BY BLC, OXFORD STREET

	Full-line super	Restaura nts café	Clothg footwr	Househol d	Other foods	Other retail	Other super	Offices	Local health & edu	Dispers local	Service retail	Vacant	Under construct ion
Oxford St	124	7,729	15,124	2,754	768	5,775	213	25,880	3,719	17,088	6,406	8,329	908
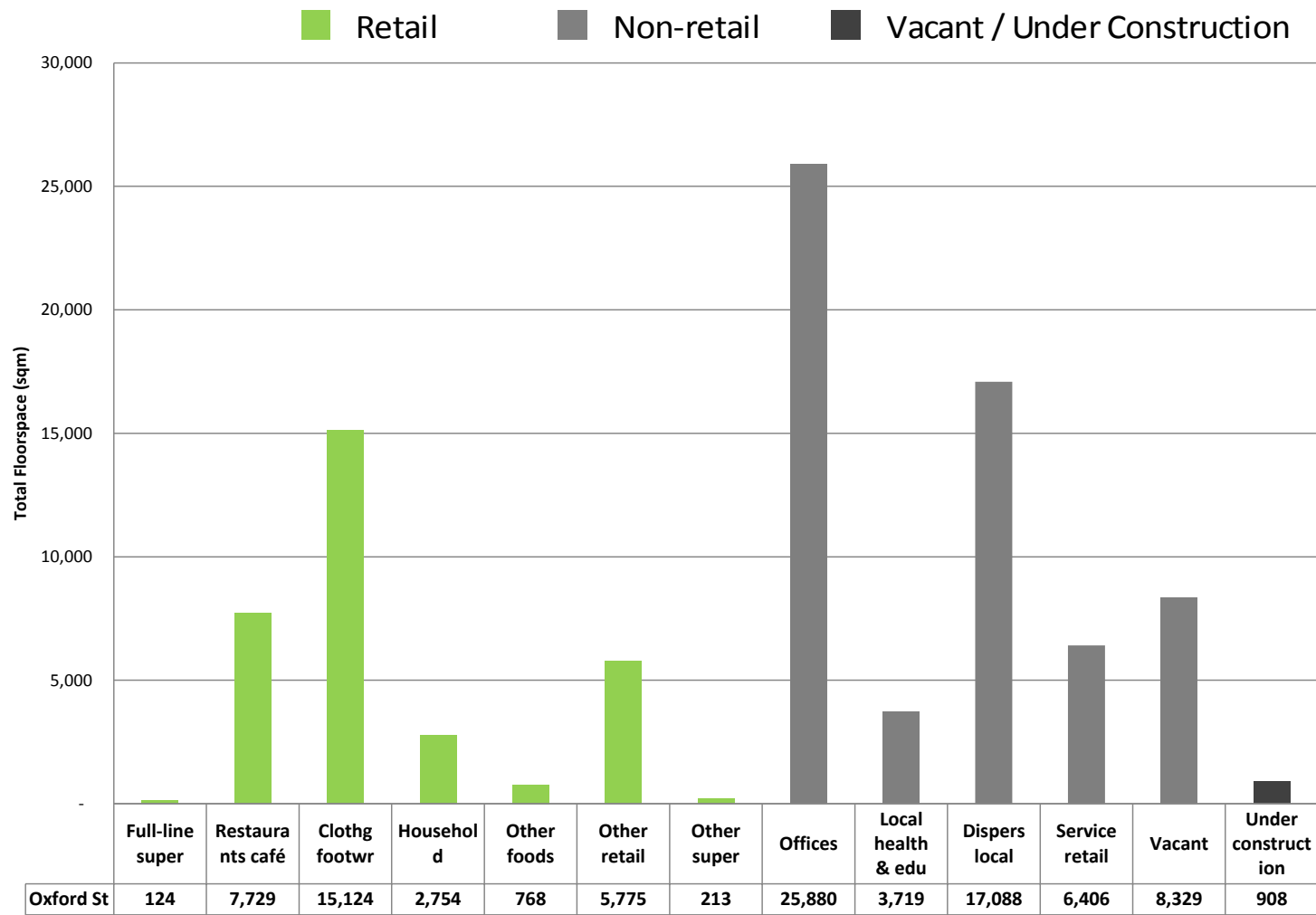
Source: SGS Economics and Planning, 2013

FIGURE 56.   EMPLOYMENT BY INDUSTRY, OXFORD STREET 2006-2011
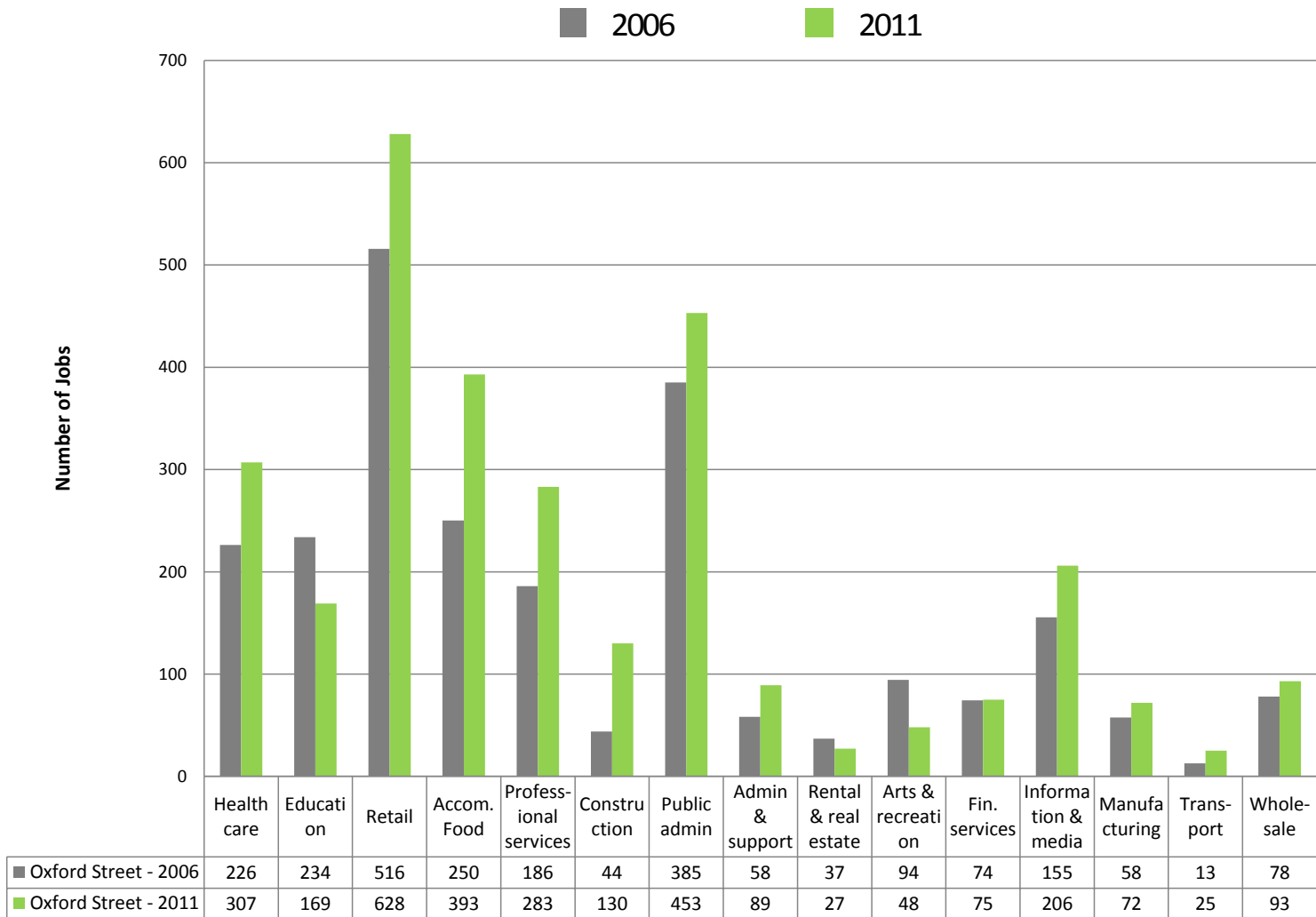
	Health care	Educati on	Retail	Accom. Food	Profess-ional services	Constru ction	Public admin	Admin & support	Rental & real estate	Arts & recreati on	Fin. services	Informa tion & media	Manufa cturing	Trans-port	Whole-sale
Oxford Street - 2006	226	234	516	250	186	44	385	58	37	94	74	155	58	13	78
Oxford Street - 2011	307	169	628	393	283	130	453	89	27	48	75	206	72	25	93

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.8 Coogee Beach

Coogee Beach, in Randwick LGA, is a popular destination for residents and tourists and contains a concentration of accommodation, cafes and foods. In terms of employment, growth has been in retail trade and accommodation and food which are both the major industries of employment (refer to Figure 58).

FIGURE 57.   COOGEE BEACH RETAIL PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 58. **EMPLOYMENT BY INDUSTRY, COOGEE BEACH 2006-2011**
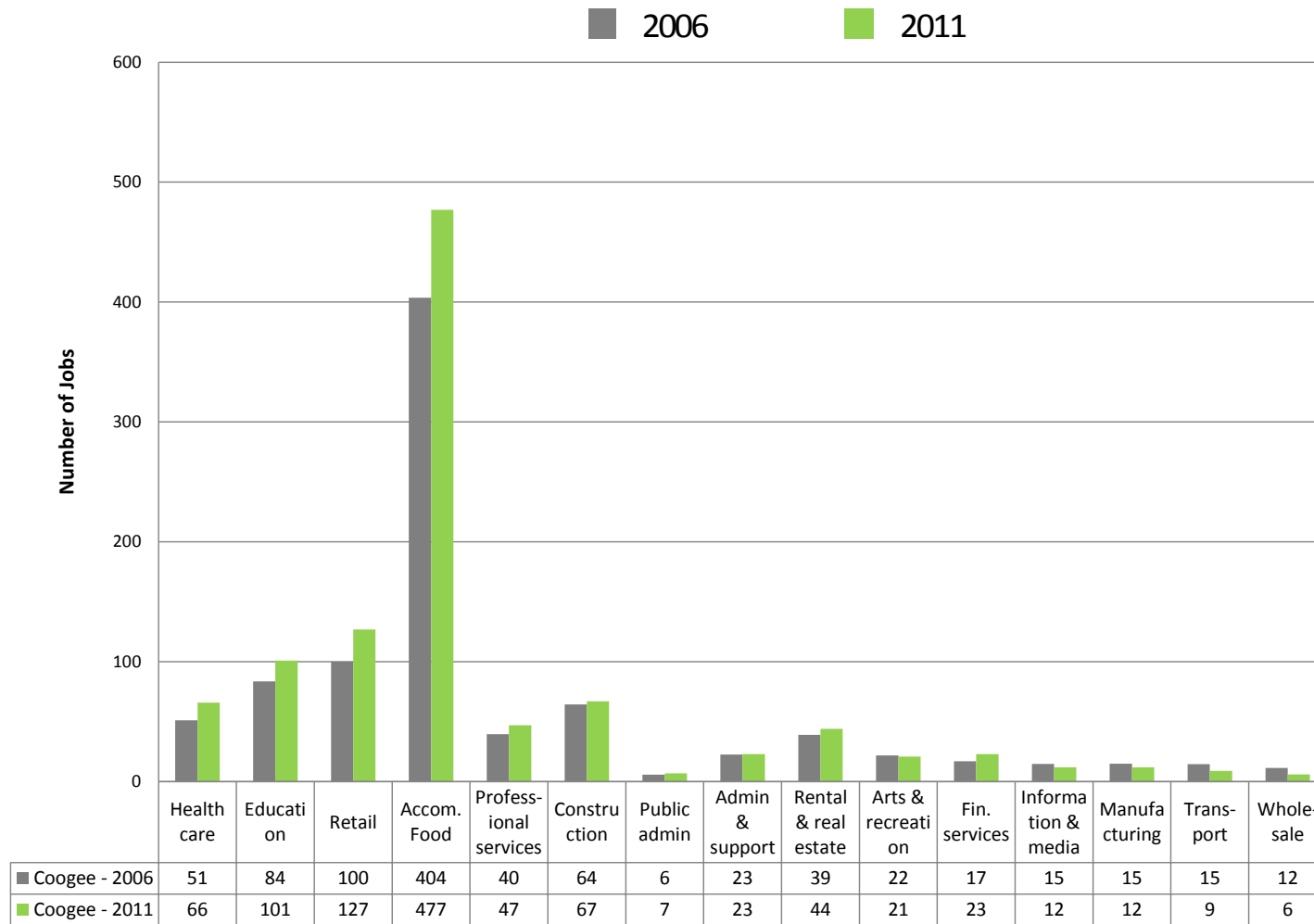
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Whole-sale
Coogee - 2006	51	84	100	404	40	64	6	23	39	22	17	15	15	15	12
Coogee - 2011	66	101	127	477	47	67	7	23	44	21	23	12	12	9	6

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.9 Kensington

Kensington town centre, in Randwick LGA, is a north/south retail strip on Anzac Parade, with a business zone stretching from Carlton Street (north) to Todman Avenue (south). There are a high proportion of retail and food service jobs within this town centre, however retail experienced a decline in jobs between 2006 and 2011 (refer to Figure 60).

FIGURE 59.   KENSINGTON RETAIL AND COMMERCIAL PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 60. EMPLOYMENT BY INDUSTRY, KENSINGTON 2006-2011
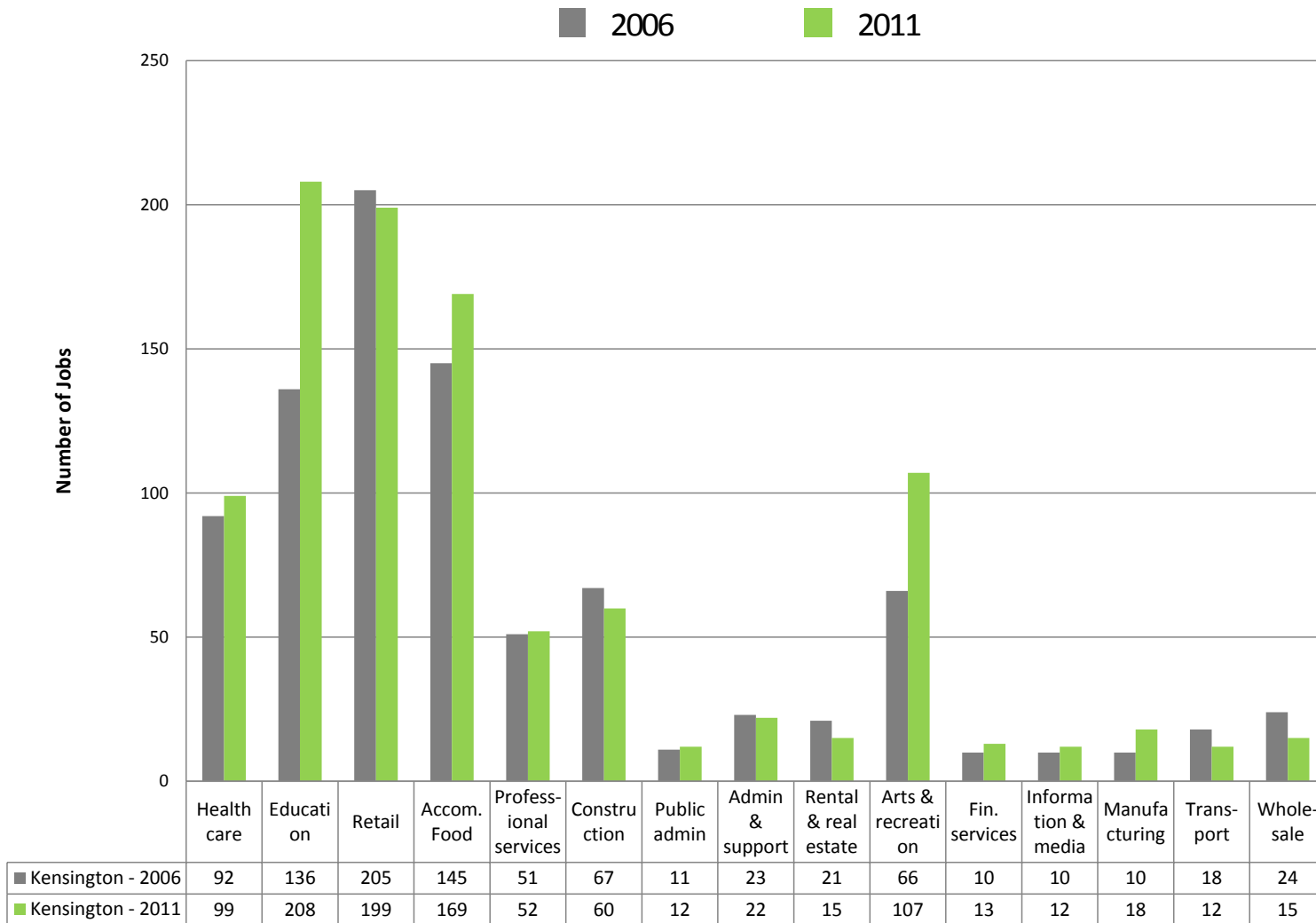
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Whole-sale
Kensington - 2006	92	136	205	145	51	67	11	23	21	66	10	10	10	18	24
Kensington - 2011	99	208	199	169	52	60	12	22	15	107	13	12	18	12	15

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.10 Kingsford

Kingsford is a village centre located along Anzac Parade to the south of UNSW (refer to Figure 61). The precinct contains a concentration of accommodation and food service jobs associated with the concentration of restaurants and bars (refer to Figure 62) and there has been growth within this industry sector since 2006.

While there are a variety of businesses, the centre is particularly characterised by a large number of Asian restaurants. Most buildings along the Anzac Parade frontage are mixed-use, with commercial activities taking place mainly on street-level and residential dwellings above. This commercial strip has one IGA supermarket and a number of bank branches. The strip is generally popular at night due to the mix of eating options.

FIGURE 61.   KINGSFORD RETAIL AND COMMERCIAL PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 62.   EMPLOYMENT BY INDUSTRY, KINGSFORD 2006-2011

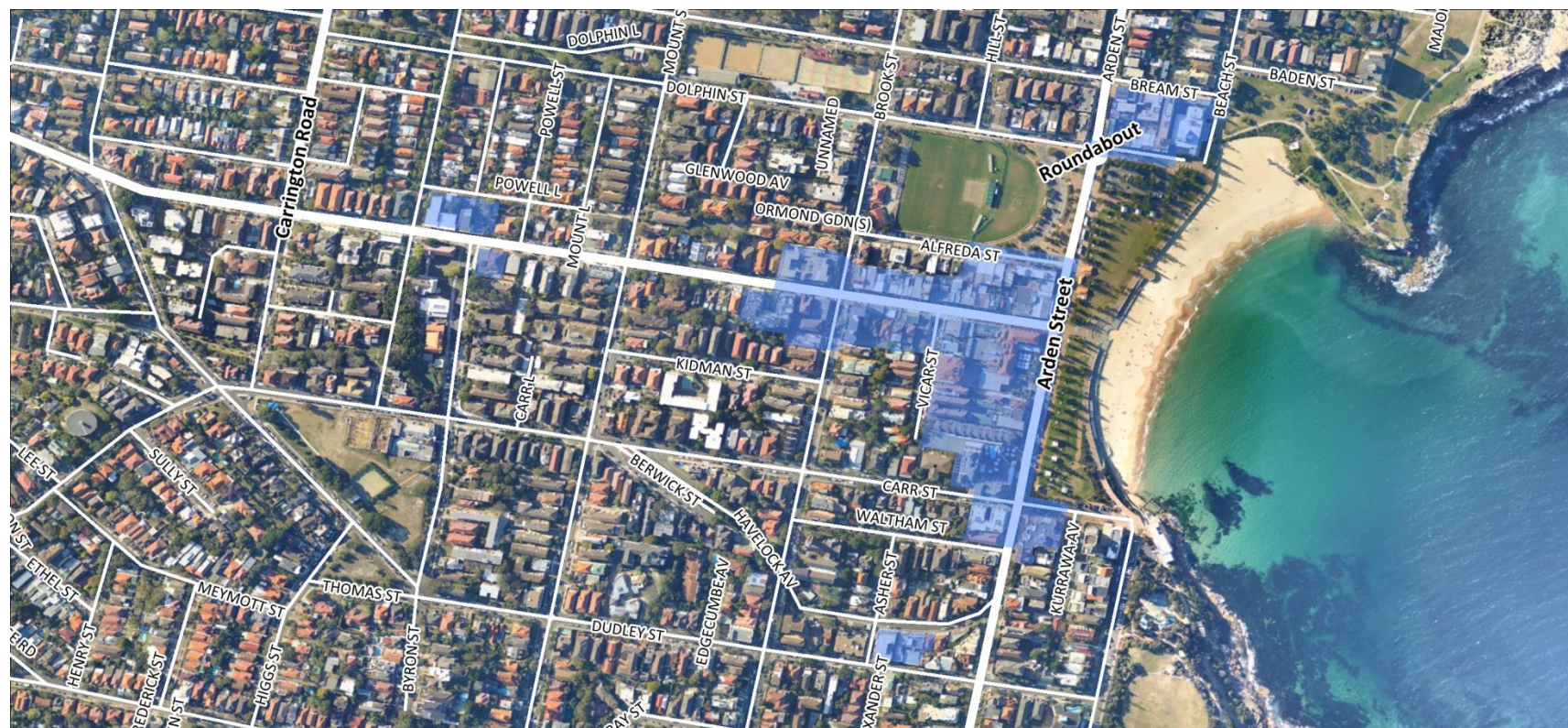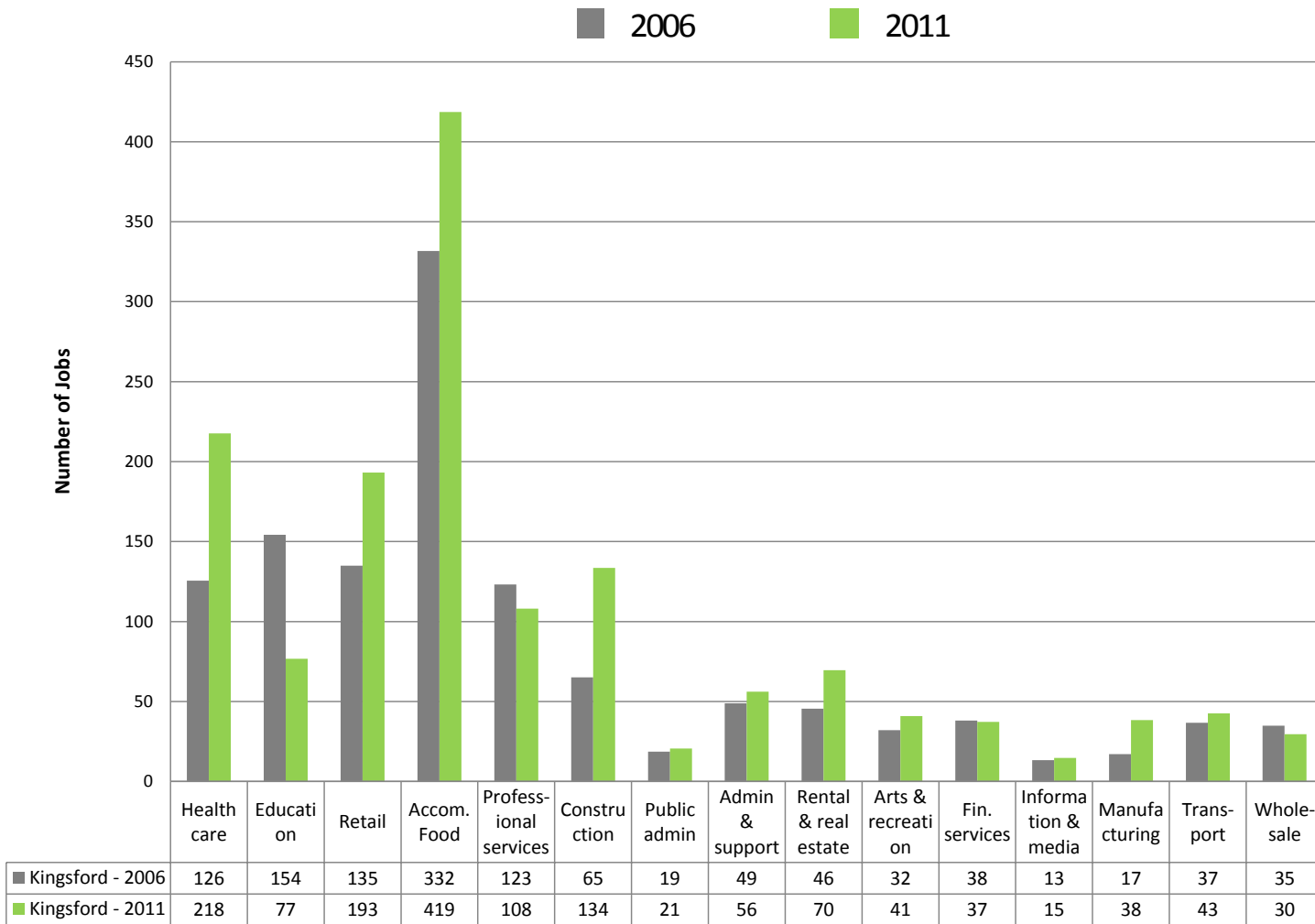|	Health care	Educati on	Retail	Accom. Food	Profess- ional services	Constru ction	Public admin	Admin & support	Rental & real estate	Arts & recreati on	Fin. services	Informa tion & media	Manufa cturing	Trans- port	Whole- sale
Kingsford - 2006	126	154	135	332	123	65	19	49	46	32	38	13	17	37	35
Kingsford - 2011	218	77	193	419	108	134	21	56	70	41	37	15	38	43	30

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.11 Rose Bay

Rose Bay is a village located along New South Head Road in Woollahra LGA (refer to Figure 63). There are a range of jobs located in this precinct including retail, health, accommodation and food services and professional services (refer to Figure 64). Almost all key industries within Rose Bay have experienced a contraction in employment from 2006 to 2011, except rental and real estate.

FIGURE 63.   ROSE BAY RETAIL AND COMMERCIAL PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 64.   EMPLOYMENT BY INDUSTRY, ROSE BAY 2006-2011
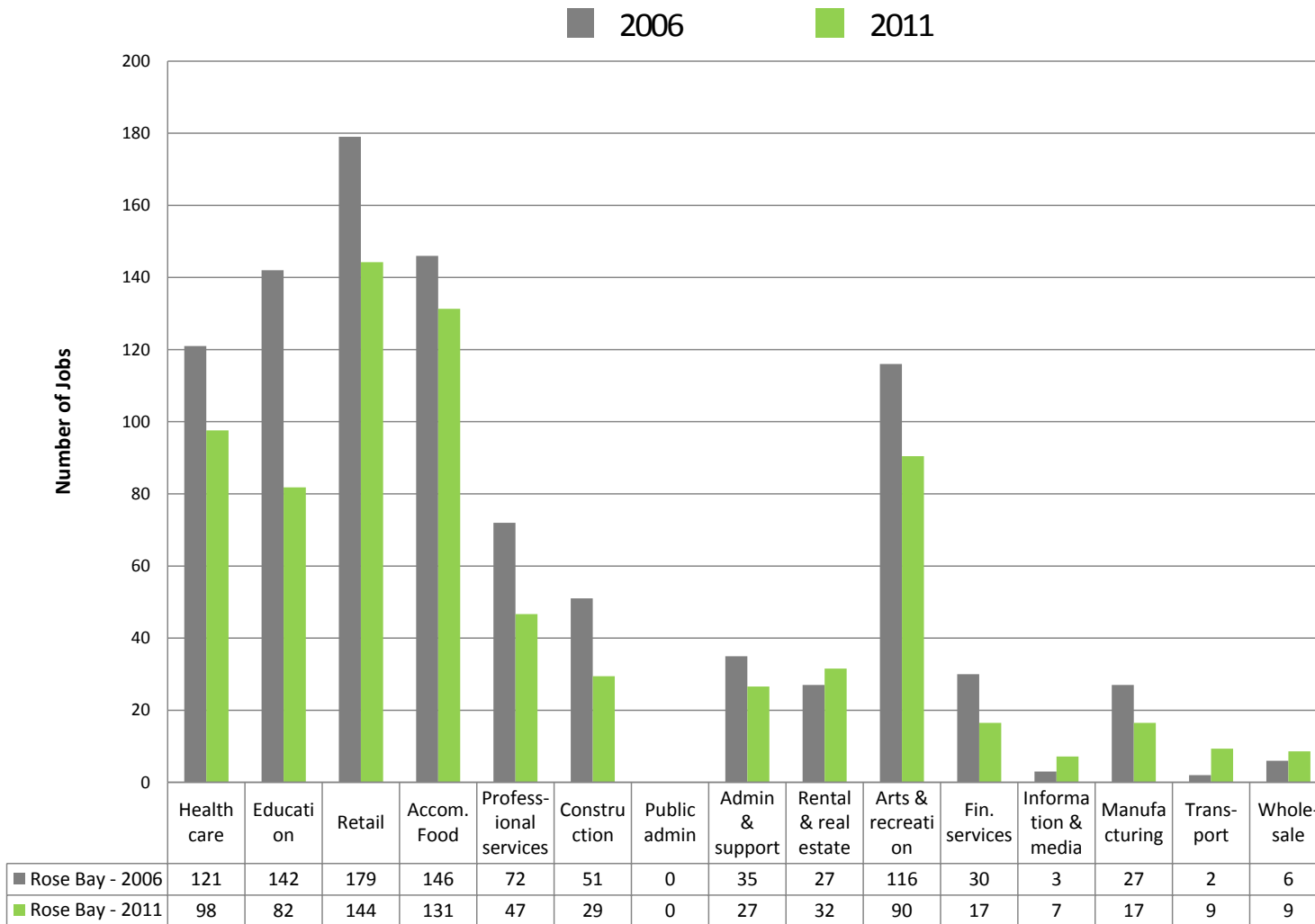
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Whole-sale
Rose Bay - 2006	121	142	179	146	72	51	0	35	27	116	30	3	27	2	6
Rose Bay - 2011	98	82	144	131	47	29	0	27	32	90	17	7	17	9	9

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.12 Bondi Road

Bondi Road, Waverly LGA, is a small neighbourhood precinct of strip retail in Bondi (refer to Figure 65). There is a concentration of retail and food service jobs within this precinct accompanied by health care and professional service jobs. Strong growth was experienced in retail and food service jobs between 2006 and 2011, particularly in the supermarket and liquor retailing.

FIGURE 65.   BONDI ROAD SHOPPING PRECINCT
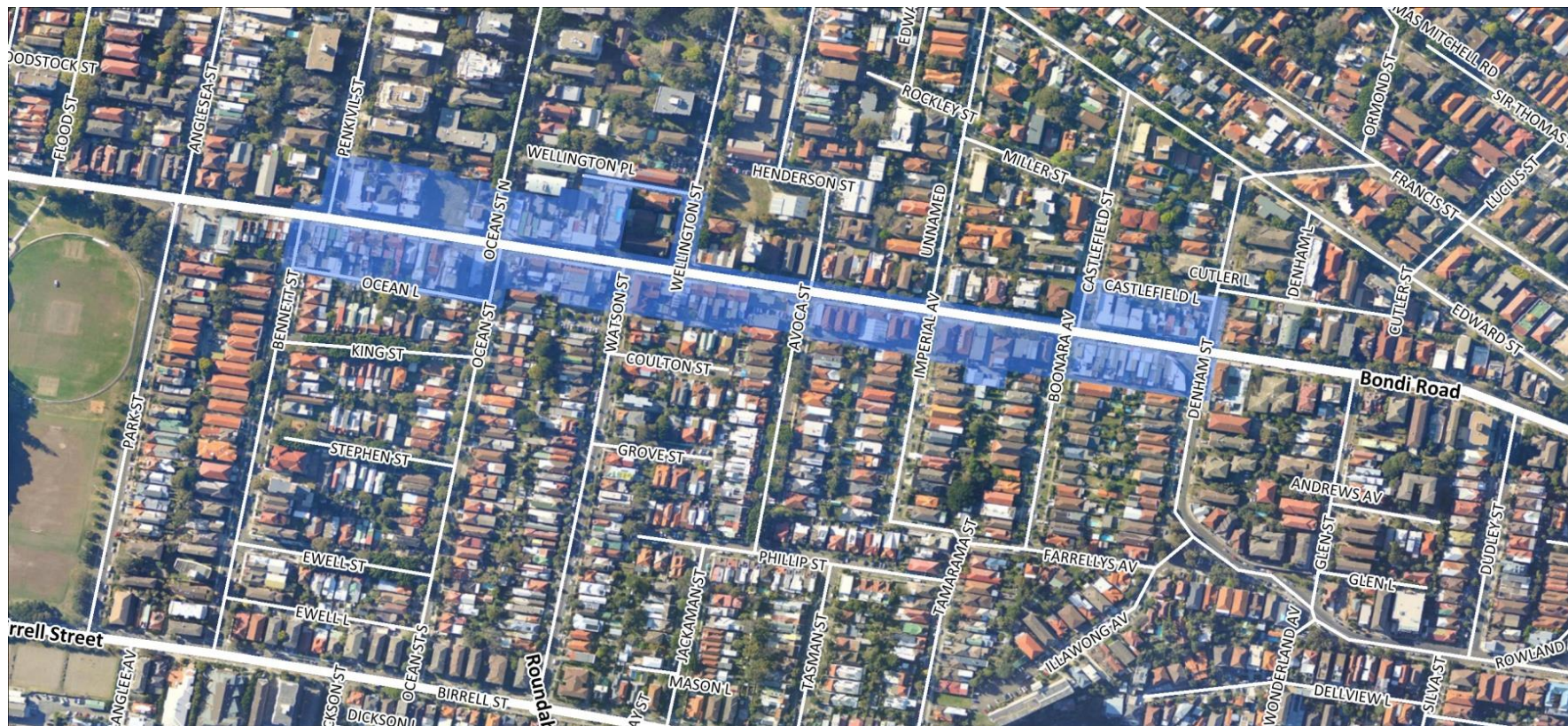
Source: SGS Economics and Planning, 2013

FIGURE 66. **EMPLOYMENT BY INDUSTRY, BONDI ROAD 2006-2011**
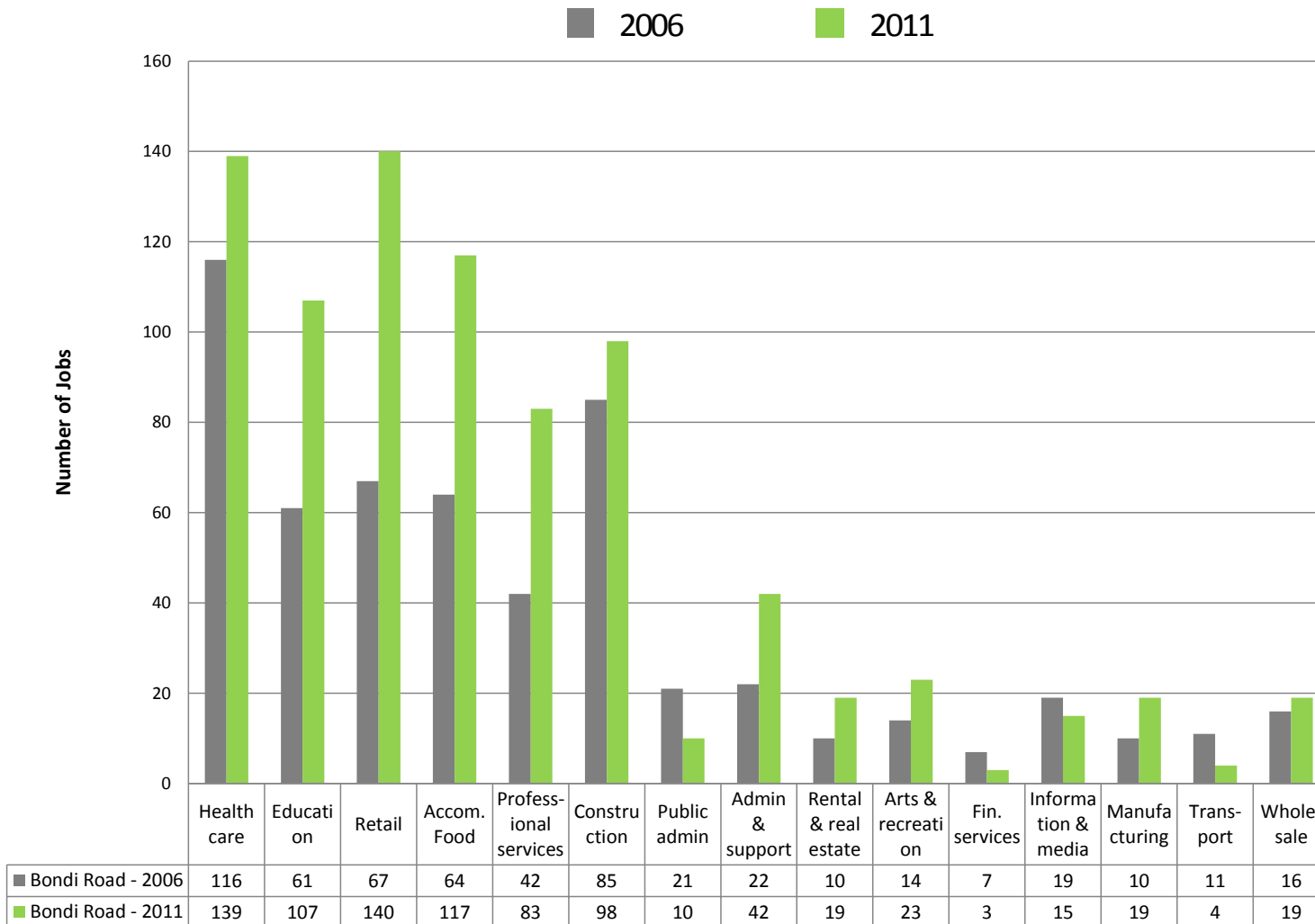
	Health care	Educati on	Retail	Accom. Food	Profess- ional services	Constru ction	Public admin	Admin & support	Rental & real estate	Arts & recreati on	Fin. services	Informa tion & media	Manufa cturing	Trans- port	Whole- sale
Bondi Road - 2006	116	61	67	64	42	85	21	22	10	14	7	19	10	11	16
Bondi Road - 2011	139	107	140	117	83	98	10	42	19	23	3	15	19	4	19

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.13 Matraville

Matraville is a small village located along Bunnerong Road in Randwick LGA (refer to Figure 67). Within this precinct there is a concentration of retail and accommodation and food jobs. Both industries experienced a decline between 2006 and 2011 (refer to Figure 68).

Aside from retail and food services, there is a range of jobs located in this precinct including health care, public administration and wholesale, which have experienced a positive growth in employment since 2006.

FIGURE 67.   MATRAVILLE SHOPPING PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 68.   EMPLOYMENT BY INDUSTRY, MATRAVILLE 2006-2011
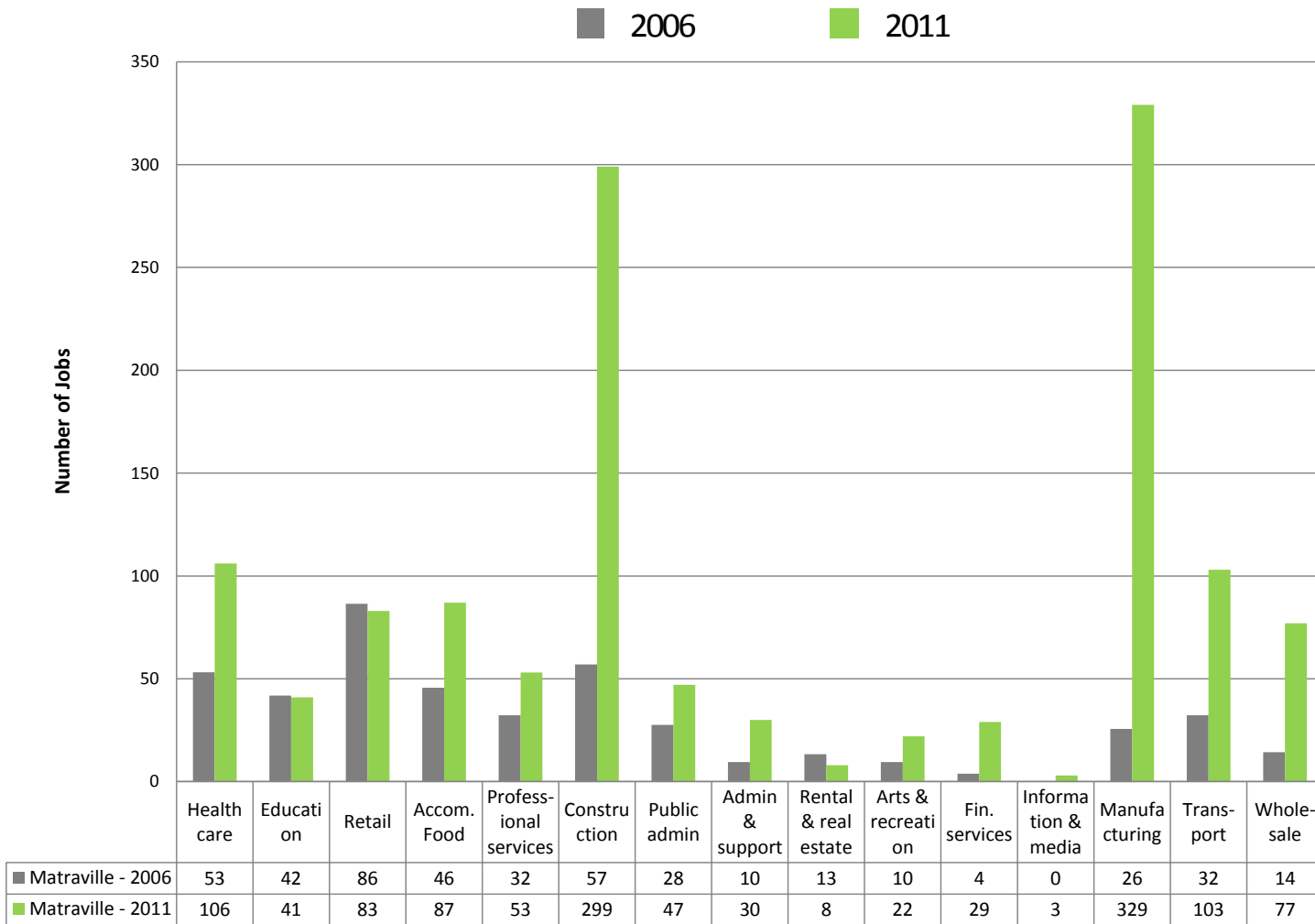
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Whole-sale
Matraville - 2006	53	42	86	46	32	57	28	10	13	10	4	0	26	32	14
Matraville - 2011	106	41	83	87	53	299	47	30	8	22	29	3	329	103	77

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.14 Queen Street, Woollahra

Queen Street is a small village located in Woollahra LGA. The precinct contains a range of jobs in retail, health, accommodation and food services, with growth occurring in all these industries between 2006 and 2011 (refer to Figure 69).

FIGURE 69.   QUEEN STREET WOOLLAHRA RETAIL AND COMMERCIAL PRECINCT

Source: SGS Economics and Planning, 2013

FIGURE 70.   **EMPLOYMENT BY INDUSTRY, QUEEN STREET 2006-2011**
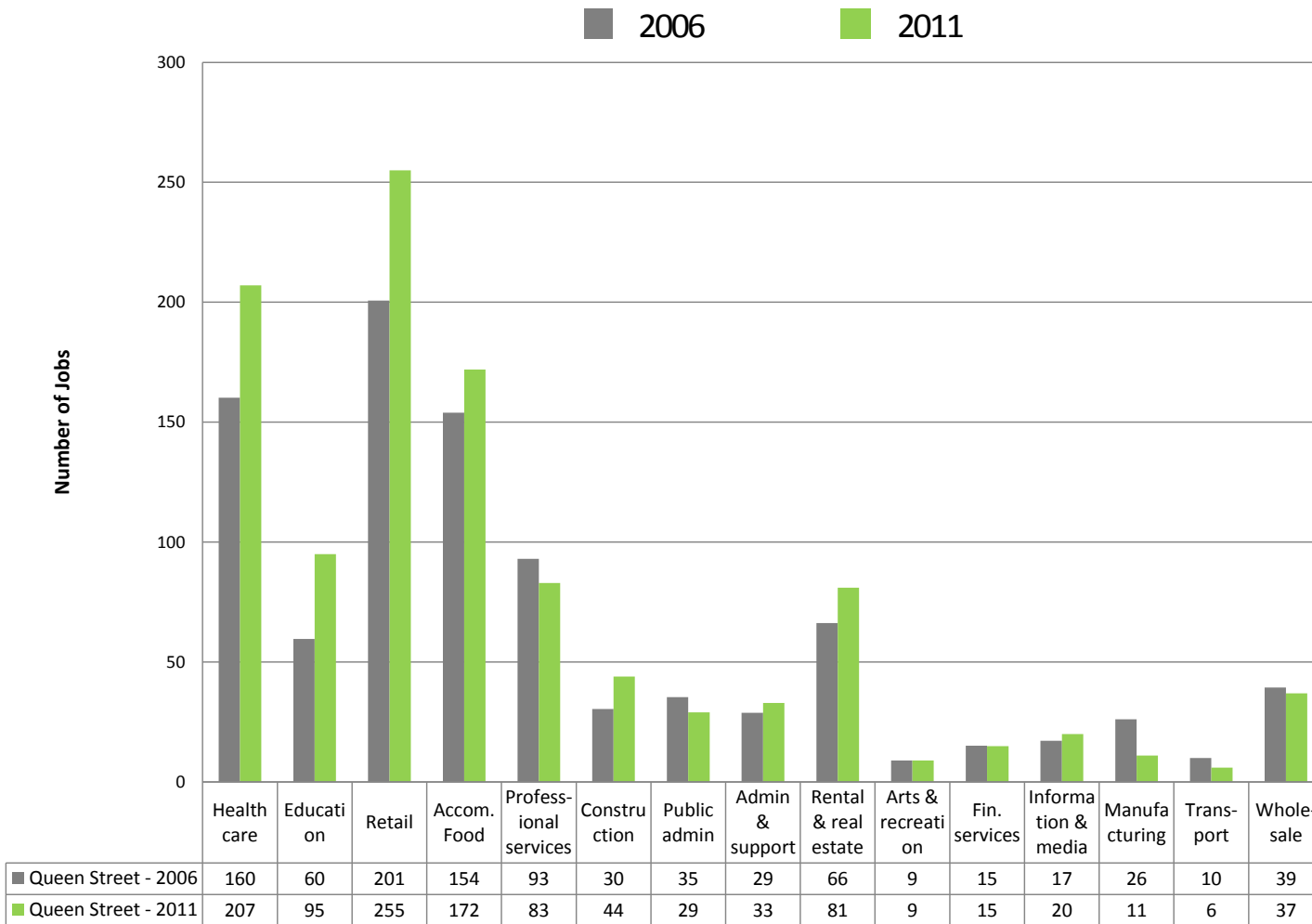
	Health care	Education	Retail	Accom. Food	Professional services	Construction	Public admin	Admin & support	Rental & real estate	Arts & recreation	Fin. services	Information & media	Manufacturing	Transport	Wholesale
Queen Street - 2006	160	60	201	154	93	30	35	29	66	9	15	17	26	10	39
Queen Street - 2011	207	95	255	172	83	44	29	33	81	9	15	20	11	6	37

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

6.15 Randwick Health and Education

The Randwick Health and Education Precinct is a specialised centre in Randwick LGA where there is a concentration of education and health-related institutions and businesses including the University of NSW and Prince of Wales Hospital, Royal Hospital for Women and the Children's Hospital (refer to Figure 71). According to the *draft Metropolitan Strategy for Sydney to 2031*, the centre is expected to accommodate additional 6,000 jobs by 2031. As highlighted in Figure 72, there is a significant concentration of health and education jobs and this has been growing.

FIGURE 71.   RANDWICK HEALTH AND EDUCATION PRECINCT

Source: SGS Economics and Planning, 2013

	Health care	Education	Retail	Accom. Food	Profess-ional services	Constru-ction	Public admin	Admin & support	Rental & real estate	Arts & recreati-on	Fin. services	Informa-tion & media	Manufa-cturing	Trans-port	Whole-sale
Randwick H&E - 2006	4253	3706	44	68	223	63	80	27	3	73	9	9	6	7	23
Randwick H&E - 2011	4979	4974	55	166	332	96	115	63	6	42	33	10	18	0	44

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013
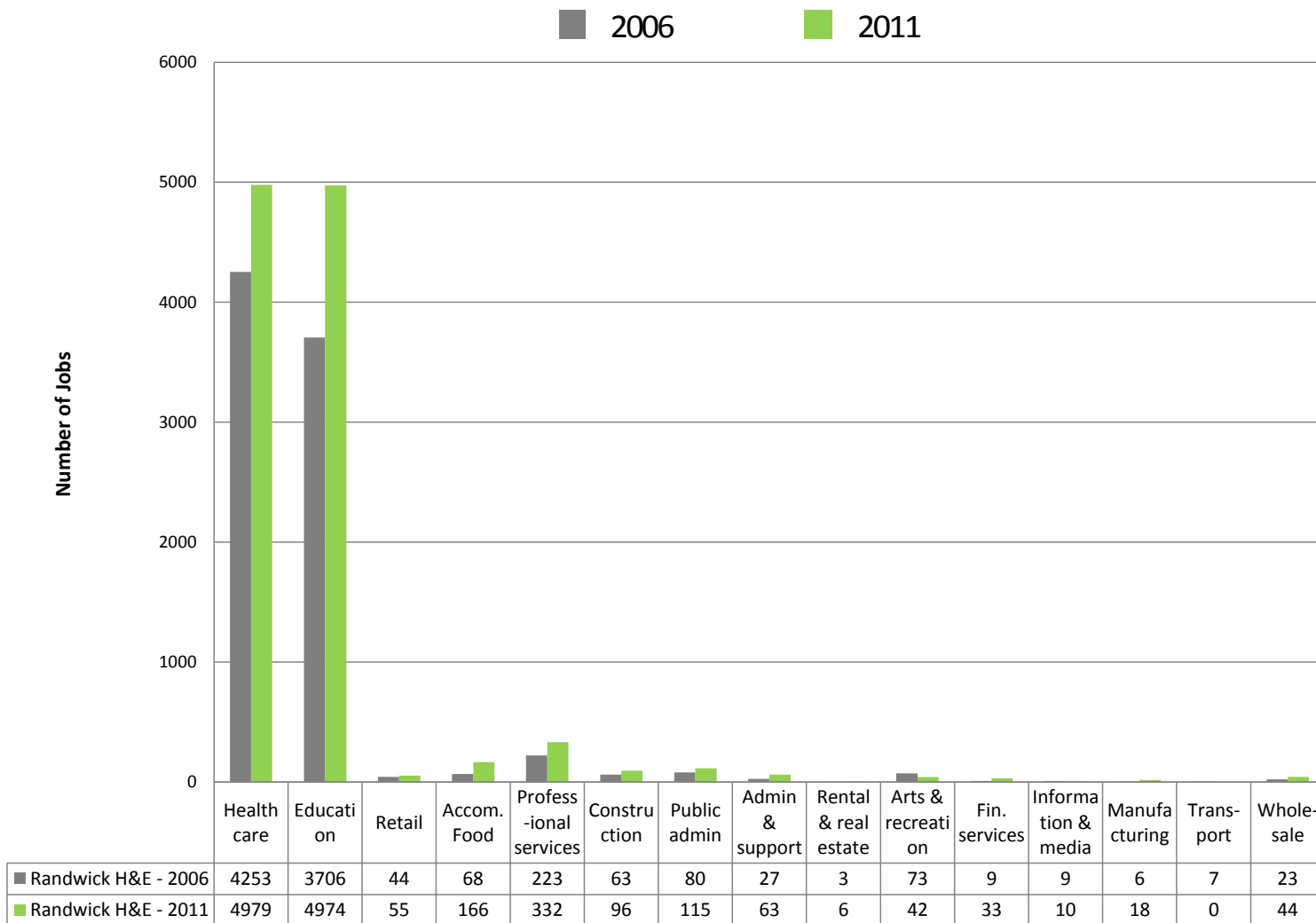
6.16 Port Botany and Environs

Port Botany and Environs comprises the Port facilities and the adjoining industrial lands in both Randwick and Botany LGAs. The precinct was identified as a specialised centre in the *Draft Subregional Strategy.* Employment in the region is less dense than the Randwick Health and Education Precinct and is also more distant from dense residential settlements. However, the precinct is well serviced by a good network of State roads linking the industrial lands to other parts of Sydney (including the CBD), which facilitates quite efficient transport of goods to and from the Port. The adjoining industrial lands also provide a location for local light and freight and logistics industries.

The part of the precinct that falls within the Randwick LGA is illustrated in Figure 73. According to the BTS Journey to Work data, this part of the specialised centre has a high concentration of transport and manufacturing jobs.

FIGURE 73.   PORT BOTANY AND ENVIRONS – RANDWICK PART ONLY

Source: SGS Economics and Planning, 2013

FIGURE 74.   EMPLOYMENT BY INDUSTRY, PORT BOTANY AND ENVIRONS 2006-2011
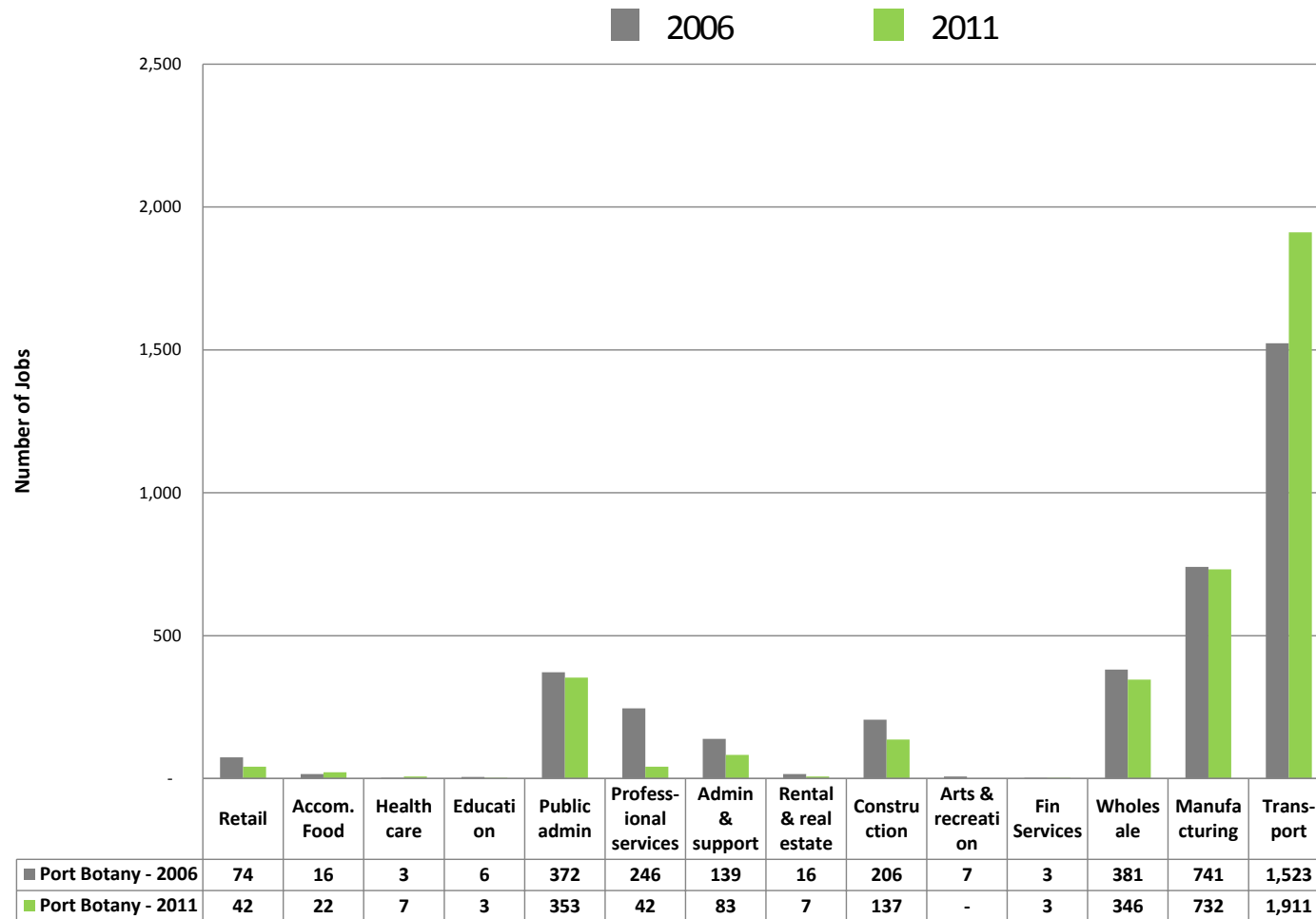
	Retail	Accom. Food	Health care	Education	Public admin	Profess-ional services	Admin & support	Rental & real estate	Constru-ction	Arts & recreation	Fin Services	Wholes ale	Manufa cturing	Trans-port
Port Botany - 2006	74	16	3	6	372	246	139	16	206	7	3	381	741	1,523
Port Botany - 2011	42	22	7	3	353	42	83	7	137	-	3	346	732	1,911

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013

7 RETAIL FLOORSPACE PROJECTION

7.1 Retail Gravity Model

The SGS Retail Gravity Model distributes the available retail expenditure using a gravity distributional mechanism. The Model looks at the likelihood or propensity of a particular person to gravitate towards a retail centre within a defined retail system and estimates how much of a person's household goods retail expenditure will be spent at a particular centre based on two opposing forces:

- **An attracting force** – if all retail centres were at your doorstep people will still have a preference to visit one centre over the other. This is a result of floorspace (as shoppers tend to enjoy greater variety and choice), the quality of the retailers, the price, the supplementary businesses (for example cinemas, entertainment) and so on.

- **A detracting force** – this is generally represented as how far away the centre is. Given the associated costs of travel (all other things equal between two centres) a shopper will try and shop at the closer centre.

These two forces determine the market pull of a particular centre which is then used to determine how much of each resident's retail expenditure (that is, market share) will be spent at that particular centre. For a group of residents within the same Travel Zone (TZ), the market pull of a centre is calculated as follows:

$$\text{Market Pull} = \frac{\text{Attraction Force}}{\text{Detracting Force}}$$

$$= \frac{('Attractiveness' \text{ of the centre}) * (Floorspace \text{ of the centre})}{(Travelling \text{ time from the customer to the centre})^2}$$

As described above, the "attractiveness" measures of a wide range of factors that make a shopper prefer one centre over another. All these factors are captured in the actual current performance of the centre.

The market share, or per cent of expenditure that is likely to be spent at a particular centre, is then calculated as follows:

$$\text{Market Share} = \frac{(Market \text{ Pull of Centre X})}{Sum \text{ of} (Market \text{ Pull to all Centres within the Model})}$$

As opposed to making assumptions to try to directly calculate the relative "attractiveness" of each centre, the 'attractiveness' of a centre is determined within the model, using the estimated retail turnover as a basis and working backwards to find the "attractiveness" value at the present time.

The model inputs and outputs, in the context of the current study, are summarised in Figure 75.

FIGURE 75.   MODEL INPUTS AND OUTPUTS
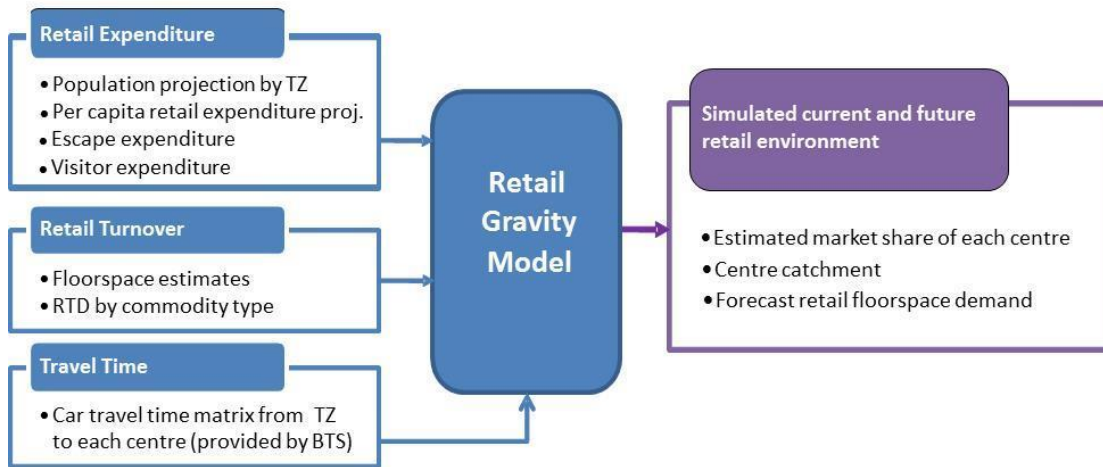
Source: SGS, 2013

In this study the small neighbourhood centres were excluded from the retail calculations. The model included the following centres:

Major Centre:
– Bondi Junction (major centre)

Town Centres:
– Bondi Beach (town centre)
– Double Bay (town centre)
– Randwick Junction/The Spot (town centre)
– Maroubra Junction (town centre)
– Edgecliff (town centre)

Villages:
– Oxford Street, Paddington (village)
– Coogee Beach(village)
– Kensington (village)
– Kingsford (village)
– Rose Bay (village)

Small Villages:
– Bondi Road (small village)
– Matraville (small village)
– Queen Street, Woollahra (small village)

7.2 Model Inputs

Resident retail expenditure

Population forecast

Table 20 shows a 10-year population forecast for the Eastern Suburbs. This is based on the *DP&I 2010 Interim Population Projections*, which was used by BTS to prepare their *Small Area Population Forecasts*. According to the DP&I, the resident population in Eastern Suburbs is forecast to grow at an Annual

Average Growth Rate (AAGR) of 0.68% from 2011-2021. This is slower than the observed growth rate (1.1%) in NSW from 2006 to 2011[30].

TABLE 20. POPULATION EASTERN SUBURBS, 2011-2021

Year	Indicator
2011	261,100
2021	279,350
Difference (Persons)	18,250
Difference (%)	6.99%
AAGR	0.68%

Source: Department of Planning and Infrastructure and SGS Economics and Planning Calculations, 2013

Resident Income Profile

The resident retail expenditure has been based on a per-capita basis derived from the national average and adjusted for the income profile of households living in the Eastern Suburbs.

The following table compares the weekly household income profile of the Eastern Suburbs with the national average.

TABLE 21. PROPORTION OF HOUSEHOLDS IN EACH WEEKLY INCOME BRACKET 2011

Area	Low Income Range	Second Income Range	Third Income Range	Fourth Income Range	Upper Income Range
	$0-$599	$600-$999	$1,000 - $1,499	$1,500 - $2,499	$2,500 or more
Australia	23.7%	18.1%	16.8%	21.6%	19.8%
New South Wales	24.2%	17.8%	16.1%	20.8%	21.1%
Eastern Suburbs	18.1%	12.2%	13.2%	19.0%	37.5%

Source: ABS Census, 2011

It shows that the Eastern Suburbs has a much higher proportion of households in the 'upper' income band and a lower proportion in the 'lower' income band than the national average. Higher average incomes imply a higher than average per capita expenditure on retail goods and services.

Per-Capita Retail Expenditure Forecast and Income-Based Adjustment

Next, the income distribution at the Eastern Suburbs has been applied to the 2009/2010 National Household Expenditure Survey data (by income bracket and retail type) to derive expenditure at the local level. The average expenditure at the national level is then compared to the average of the derived expenditure at the local level. This forms the basis for the variation in expenditure (by retail type) between Australia and the Eastern Suburbs.

Using time series data in the ABS Retail Turnover quarterly release, per-capita national retail expenditure by retail type has been extrapolated to derive projected five-yearly national forecasts from 2016 to 2042. The average variation in expenditure (by retail type) between Australia and the Eastern Suburbs is then applied to the national retail forecast to derive precinct level projections.

As an example of the outcome of this process, the table below shows the per-capita expenditure comparison for 2016. The 'Total' column in Table 22 shows that, on average, each Eastern Suburbs resident is estimated to spend around $13,290 on retail goods and services in 2021. This is about $1600 higher than the average spending of residents nationally. For this assessment, it should be noted that all values are in 2012 dollars.

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[30] ABS (2013) Census of Population and Housing

TABLE 22. PER CAPITA RETAIL EXPENDITURE 2021, IN 2012 DOLLARS

Area	Super markets	Other Food	Depart. Stores	Clothing	Household Goods	Other Retail	Hospitality & Services	Total
Australia	$3,759	$844.95	$766	$870	$2,094	$1,612	$1,610	$11,557
NSW	$3,759	$845	$755	$866	$1,939	$1,470	$1,537	$11,172
Eastern Suburbs	$4,135	$929	$905	$1,054	$2,444	$1,879	$1,945	$13,290

Source: SGS, 2012 based on ABS Retail Trade time series

Total Retail Expenditure Forecasts

The following table shows the projected expenditure by retail category[31] of residents at Eastern Suburbs from 2011 to 2021. By 2021, the total retail expenditure generated by residents within the Eastern Suburbs is forecast to reach approximately $3.71 billion, which is 19 percent higher than the total resident expenditure available in 2011.

TABLE 23. TOTAL RESIDENT EXPENDITURE BY COMMODITY TYPE, IN 2012 DOLLARS (MILLION)

Year	Super market	Other Food	Depart. Stores	Clothing	Household Goods	Other Retail	Hospitality & Services	Total
2011	$970.8 M	$213.1 M	$247.4 M	$261.7 M	$542.0 M	$442.4 M	$433.7 M	$3,111.2 M
2016	$1,105.0 M	$252.6 M	$250.9 M	$281.3 M	$617.8 M	$508.2 M	$504.6 M	$3,520.4 M
2021	$1,155.1 M	$259.6 M	$252.9 M	$294.3 M	$682.6 M	$524.9 M	$543.3 M	$3,712.7 M
AAGR (2011-2021)	1.8%	2.0%	0.2%	1.2%	2.3%	1.7%	2.3%	1.8%

Source: SGS Economics and Planning Calculations

Escape expenditure

Of the total retail expenditure generated by the local residents, some proportion is likely to be spent at the centres outside the Eastern Suburbs (i.e. the leakage). This leakage has been estimated by examining the origin patterns of the shopping and social/recreation trips that leave the Eastern Suburbs.

The following table shows that, on average, 23 percent of the shopping trips and 25 percent of the social/recreation trips originated from the Eastern Suburbs leave the region. These are weighted average of the proportion of escape trips originated from each LGA within the Eastern Suburbs. The resident population in each LGA has been used as the weighting.

TABLE 24. PROPORTION OF THE SHOPPING AND SOCIAL/RECREATION TRIPS THAT LEAVE THE EASTERN SUBURBS, BY ORIGIN

Origin	Shopping trips	Social and recreation trips
Randwick	29%	28%
Waverley	12%	20%
Woollahra	20%	21%
Weighted Average of the above	23%	25%

Source: SGS calculations based on the data from the BTS Household Travel Survey, 2013

As shown in Table 25, we have applied the 23 percent to the total resident retail expenditure in Food and Clothing to estimate the likely escape expenditure.

---

[31] Note that since the national forecasts are by retail type, we apply the average variation in expenditure by type to derive local forecasts.

Due to the limited bulky goods retailers within the Eastern Suburbs, most of the resident expenditure in Household Goods is likely to be spent at the adjacent locations outside the Eastern Suburbs, including the Supa Centre Moore Park and bulky goods clusters along the O'Riordan Street in Alexandria.

As a result, the estimated escape expenditure in Household Goods represents the difference between the total turnover of Household Goods (see later sections) and the resident retail expenditure available within the Eastern Suburbs.

In addition, the percentage of the escape expenditure in Hospitality and Services is estimated based on the halved share of social/recreation trips that leave the Eastern Suburbs (i.e. 24.5%/2=12%).

TABLE 25. ESCAPE RETAIL EXPENDITURE BY COMMODITY TYPE, IN 2012 DOLLARS

Year	Food	Clothing	Household goods	Other Retail	Hospitality and services	Total
% escaped	23%	23%	67%	0%	12%	1.9%
2011	$272 M	$79 M	$450 M	$0 M	$52 M	$853 M
2016	$312 M	$84 M	$505 M	$0 M	$61 M	$962 M
2021	$325 M	$87 M	$552 M	$0 M	$65 M	$1,030 M

Source: SGS calculations based on the data from the BTS Household Travel Survey, 2013

Visitor Retail Expenditures

The Eastern Suburbs features some of the most spectacular beaches and tourism attractions in Sydney, which are also adjacent to a number of the retail centres. Therefore, in addition to the retail expenditure generated by the local residents, the region would attract a considerable amount of retail expenditures from intrastate, interstate and international visitors.

The table below shows that the domestic and overseas visitors generated around $7.5 billion retail expenditure within the Sydney Tourism Region in 2010/11.

TABLE 26. TOTAL VISITOR EXPENDITURE WITHIN SYDNEY TOURISM REGION, IN 2012 DOLLARS (MILLION)

	Domestic (including day and overnight visitors)	Overseas visitors	Total visitors
Food and drink	$1,799	$3,024	$4,823
Shopping	$1,094	$1,595	$2,689
Total retail expenditure (A)	$2,893	$4,618	$7,511

Source: Tourism Research Australian, 2010/11

Due to the lack of available local tourism statistics, we have attributed a proportion of the total visitor expenditure within the Sydney Tourism Region (TR) to the Eastern Suburbs. This proportion is estimated based on the share of visitor trips from outside Sydney TR that entered the Eastern Suburbs.

Based on the *2010/11 BTS Household Travel Survey*, around 3.8 percent of the domestic visitor trips and 5.2 percent of the international visitor trips to the Sydney TR would enter the Eastern Suburbs. It should be noted that the International Visitor Survey undertaken by Tourism Research Australia may provide a better estimate of the visitors nights stayed by international visitors at Eastern Suburbs, due to its larger sample size. This survey does not measure the number of visitor trips, which has been used to proportion the visitor expenditure within the Sydney Tourism Region to Eastern Suburbs.

Applying these percentages to the total visitor expenditure within the Sydney TR suggests that the Eastern Suburbs would capture $349 million retail expenditure generated by the domestic and international visitors every year. The calculation is shown in the table below.

TABLE 27. ESTIMATED VISITOR RETAIL EXPENDITURE PER ANNUM WITHIN THE EASTERN SUBURBS, IN 2012 DOLLARS (MILLION)

		Domestic (including day and overnight visitors)	Overseas visitors	Total
Total expenditure within the Sydney Tourism Region	(A)	$2,893	$4,618	$7,511
% of total visitor trips that entered the Eastern Suburbs	(B)	3.8%	5.2%	
Total retail expenditure within the Eastern Suburbs	(A)/(B)	$109	$240	$349

Source: SGS estimate, 2013

In order to understand the tourism expenditure at an individual centre, we have distributed the total visitor expenditure in the Eastern Suburbs to various centres, based on the following two factors:

− The number of persons employed in the accommodation industry within and around each centre, and
− The size of the centre.

Table 28 shows the estimated visitor expenditure by centre. It is estimated that Bondi Junction is likely to capture close to 40 percent of the total visitor expenditures spent within the Eastern Suburbs.

TABLE 28. ESTIMATED VISITORS EXPENDITURE BY CENTRE, IN 2012 DOLLARS (MILLION)

Centre	Total visitor expenditure
Bondi Road	2.5 M
Bondi Beach	88.9 M
Bondi Junction	134.6 M
Coogee Beach	36.9 M
Double Bay	11.4 M
Edgecliff	0.2 M
Kensington	1.4 M
Kingsford	23.6 M
Maroubra Junction	6.0 M
Matraville	0.0 M
Oxford Street	10.7 M
Queen Street Woollahra	4.1 M
Randwick Junction/The Spot	26.6 M
Rose Bay	1.2 M
Watsons Bay	1.1 M
Total	349.3 M

Source: SGS estimates, 2013

'Injection' from Sydney residents outside the Eastern Suburbs

The Eastern Suburbs is a popular shopping destination for not only domestic and international visitors but also the residents living outside the Eastern Suburbs. The expenditure generated by residents from outside the Eastern Suburbs is estimated based on the following equation:

$$
\begin{aligned}
&\textit{Expenditure injection to the Eastern Suburbs}\\
&\quad = \textit{Turnover of retail centres in Eastern Suburbs} - \textit{Visitor retail expenditure}\\
&\quad - \textit{Resident retail expenditure} + \textit{Escape resident expenditure}
\end{aligned}
$$

All the variables in the equation (which are also inputs to the Gravity Model) above have been discussed in the earlier sections, except the centre turnover, which is discussed below.

SGS
Economics
& Planning

Retail Floorspace by Centre

For all the audited retail centres, the retail floorspace has been sourced directly from the land audit data.

However, where a centre has not been audited in this study, the ABS Place of Work data and a series of floorspace per job benchmarks are used to estimate the amount of retail floorspace within that centre.

The ABS Place of Work (POW) data provides employment data by 4-digit ANZSIC industry at the Destination Zone (DNZ) level. Using the retail employment data within the relevant DNZs, we have estimated the jobs by retail BLC in each centre[32].

The benchmarks used to convert jobs to floorspace are provided in the table below. These ratios have been developed by SGS, using the previous land audit data.

TABLE 29. ASSUMED BENCHMARKS— FLOORSPACE PER JOB

Retail categories	Floorspace per job ratio
Supermarket	30 m²
Other	39 m²
Department Stores	57 m²
Clothing	40 m²
Household goods	30 m²
Other Retail	57 m²
Hospitality	30 m²

Source: SGS, 2013

Table 30 shows the estimated retail floorspace for the selected centres. By far, the largest centre is Bondi Junction with more than 164,000 square metres of retail floorspace, followed by Randwick Junction/The Spot and Oxford Street.

TABLE 30. ESTIMATED RETAIL FLOORSPACE BY CENTRE AND COMMODITY TYPE

Centre	Food	Clothing	Household goods	Other Retail	Hospitality	Total
Bondi Road	3,180 m²	321 m²	360 m²	1,995 m²	2,790 m²	8,646 m²
Bondi Beach	3,686 m²	4,942 m²	793 m²	3,643 m²	15,098 m²	28,161 m²
Bondi Junction	22,928 m²	45,641 m²	24,333 m²	43,993 m²	27,276 m²	164,171 m²
Coogee Beach	1,857 m²	642 m²	210 m²	2,337 m²	5,580 m²	10,626 m²
Double Bay	2,915 m²	8,935 m²	1,334 m²	2,706 m²	7,579 m²	23,469 m²
Edgecliff	3,564 m²	521 m²	600 m²	1,710 m²	1,110 m²	7,505 m²
Kensington	438 m²	241 m²	3,120 m²	1,767 m²	1,530 m²	7,096 m²
Kingsford	1,677 m²	201 m²	1,560 m²	3,591 m²	8,130 m²	15,159 m²
Maroubra Junction	9,831 m²	608 m²	278 m²	7,120 m²	7,047 m²	24,883 m²
Matraville	468 m²	0 m²	630 m²	1,995 m²	1,140 m²	4,233 m²
Oxford St	1,104 m²	15,124 m²	2,754 m²	5,775 m²	7,729 m²	32,488 m²
Queen Street Woollahra	1,722 m²	4,130 m²	930 m²	4,446 m²	3,540 m²	14,768 m²
Randwick/The Spot	6,682 m²	3,306 m²	1,051 m²	8,835 m²	16,758 m²	36,633 m²
Rose Bay	2,643 m²	481 m²	1,140 m²	4,332 m²	3,570 m²	12,166 m²
Watsons Bay	117 m²	0 m²	0 m²	171 m²	2,730 m²	3,018 m²
Total	62,813 m²	85,093 m²	39,093 m²	94,415 m²	111,607 m²	393,021 m²

Source: SGS Economics and Planning calculations, 2013

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[32] A concordance between the retail BLCs and 4-digit ANZSIC industries:
http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8501.0Explanatory%20Notes1May%202013?OpenDocument

Turnover Estimates by Centre

To estimate the retail turnover by commodity type within each centre, we have applied a set of different retail turnover densities (RTDs) to the floorspace estimates above.

The RTD is a measure for the trading performance of a retail centre and is expressed as dollars per square metre of retail floorspace. To estimate the centre-specific RTDs across a range of commodity types, we have used the following sources:

−   Shopping Centre News Magazines, including *2013 Big Guns*, *2012 Little Guns* and *2012 Mini Guns*
−   Shopping Centre Council Database, 2010
−   Urbis Retail Averages, and
−   Floorspace vacancy rate (an indicator for the centre performance).

The following table shows the average of those RTDs that have been applied to floorspace in various centres. However, it is important to note that each centre's RTD is different; for example, we have used much higher RTDs for Bondi Junction than that for the Randwick Royal Shopping Centre.

TABLE 31. AVERAGE RETAIL TURNOVER DENSITY ACROSS THE RETAIL CENTRES, IN 2012 DOLLARS (PER SQM)

	Retail Turnover Density (Weighted by Floorspace)
Supermarket	$14,720
Other Food	$11,554
Department Stores	$4,258
Clothing	$6,637
Household goods	$5,963
Other Retail	$6,955
Hospitality	$8,949

Source: SGS estimates based on various published retail data, 2013

Table 32 shows the estimated turnover by centre and commodity which is the result of multiplying the floorspace by centre's RTD.

TABLE 32. ESTIMATED CENTRE TURNOVER, IN 2012 DOLLARS (MILLION)

Centre	Food	Clothing	Household goods	Other Retail	Hospitality	Total
Bondi Road	$27.5	$1.3	$1.6	$13.3	$19.4	$63.0
Bondi Beach	$31.5	$20.1	$3.5	$24.2	$105.0	$184.3
Bondi Junction	$388.8	$357.4	$142.3	$282.4	$336.0	$1,507.0
Coogee Beach	$16.7	$2.6	$0.9	$15.5	$38.8	$74.6
Double Bay	$26.5	$36.4	$5.9	$18.0	$52.7	$139.5
Edgecliff	$32.0	$2.1	$2.7	$11.4	$7.7	$55.9
Kensington	$4.9	$1.0	$12.4	$11.3	$12.9	$42.5
Kingsford	$17.8	$0.9	$6.2	$23.0	$68.5	$116.4
Maroubra Junction	$140.0	$4.1	$1.6	$53.1	$52.9	$251.7
Matraville	$4.7	$0.0	$2.5	$12.8	$9.6	$29.6
Oxford St Queen Street	$11.2	$64.3	$11.0	$37.0	$65.1	$188.6
Woollahra	$17.5	$17.6	$3.7	$28.5	$29.8	$97.1
Randwick/The Spot	$79.0	$15.4	$5.2	$51.3	$152.5	$303.2
Rose Bay	$23.6	$2.0	$5.1	$28.8	$24.8	$84.2
Watsons Bay	$1.2	$0.0	$0.0	$1.1	$23.0	$25.3
Total	$822.9	$525.0	$204.6	$611.6	$998.7	$3,162.9

Source: SGS Economics and Planning calculations

Travel time matrices

The travel time matrix is sourced from the Bureau of Transport Statistics and has been used in the Gravity Model to determine the travel time from the travel zone where the local resident lives to the retail centres.
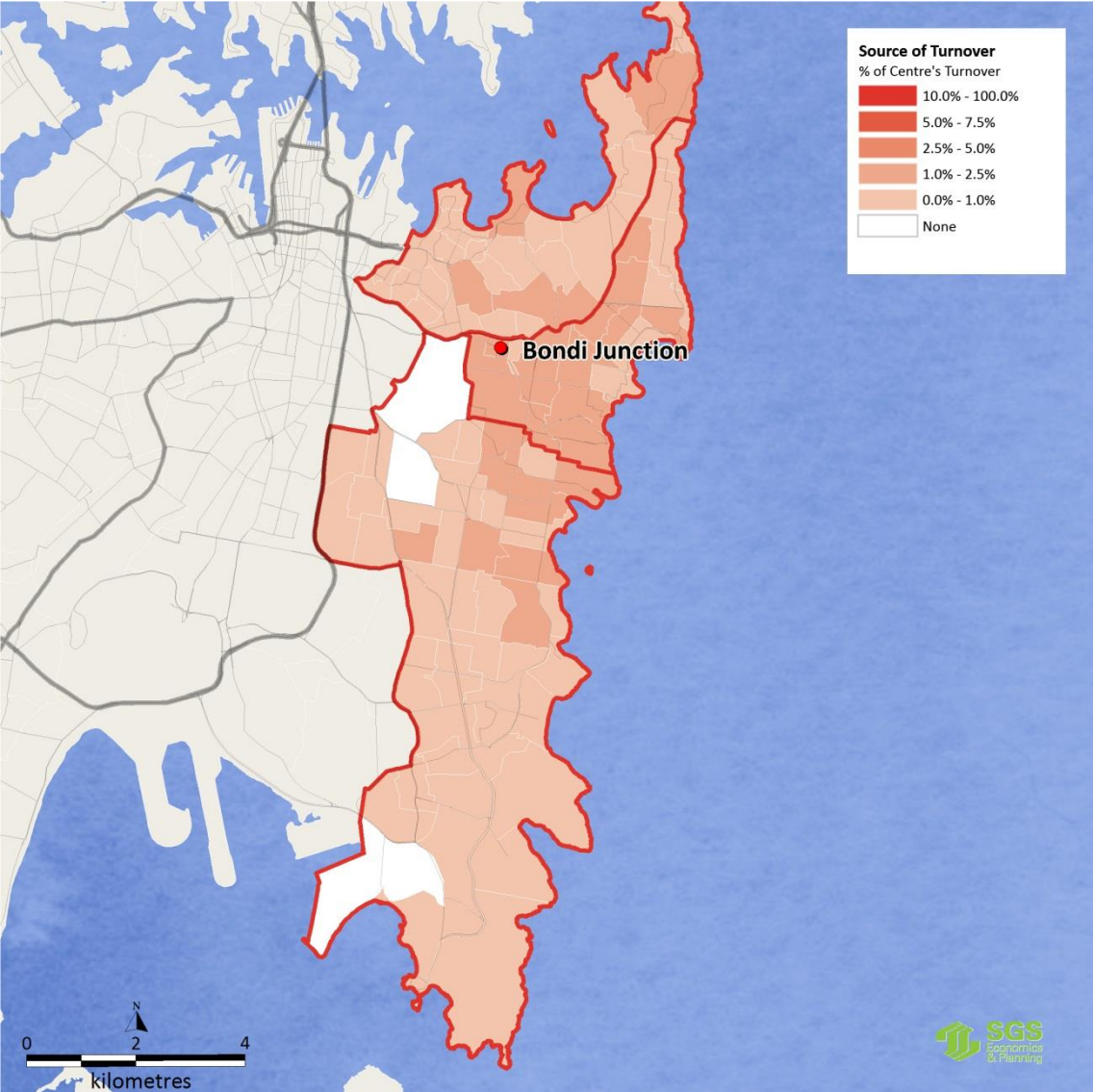
7.3 Retail centre catchment

Using the inputs described in the previous section, the current retail environment in the Eastern Suburbs is simulated in the Gravity Model. The simulated retail environment specifies the market share of each retail centre (that is how much of the resident retail expenditure in each TZ is spent at each centre), which is then used to draw the centre catchment.

For example, Figure 76 and Figure 77 illustrate the origin of resident retail expenditure at Bondi Junction and Maroubra Junction, in terms of the percentage of total centre's turnover.

As expected for a major centre, Bondi Junction has a very broad trade area, which covers most parts of the Woollahra and Waverly LGA as well as the northern part of the Randwick LGA. The TZs within these areas also contain a relatively even share of the resident retail expenditure in Bondi Junction.

On the other hand, Maroubra Junction has a relatively local catchment and the majority of resident retail expenditure in the centre is sourced from the South Randwick area. In particular, expenditure comes from surrounding areas such as Maroubra North, Maroubra, Maroubra West and Matraville. Further away from Maroubra Junction, there are lower proportions of resident retail expenditure being captured by the centre. For instance, the map shows that a relatively small proportion of total retail turnover in Maroubra Junction is sourced from the TZs in the suburbs of Kingsford and Randwick, as residents living in these areas would spend most of their retail expenditure at Randwick Junction/The Spot or the Kingsford centre.

FIGURE 76.   SOURCE OF TURNOVER, ALL COMMODITIES— BONDI JUNCTION

Source: SGS Economics and Planning calculations

FIGURE 77.   SOURCE OF TURNOVER, ALL COMMODITIES— MAROUBRA JUNCTION
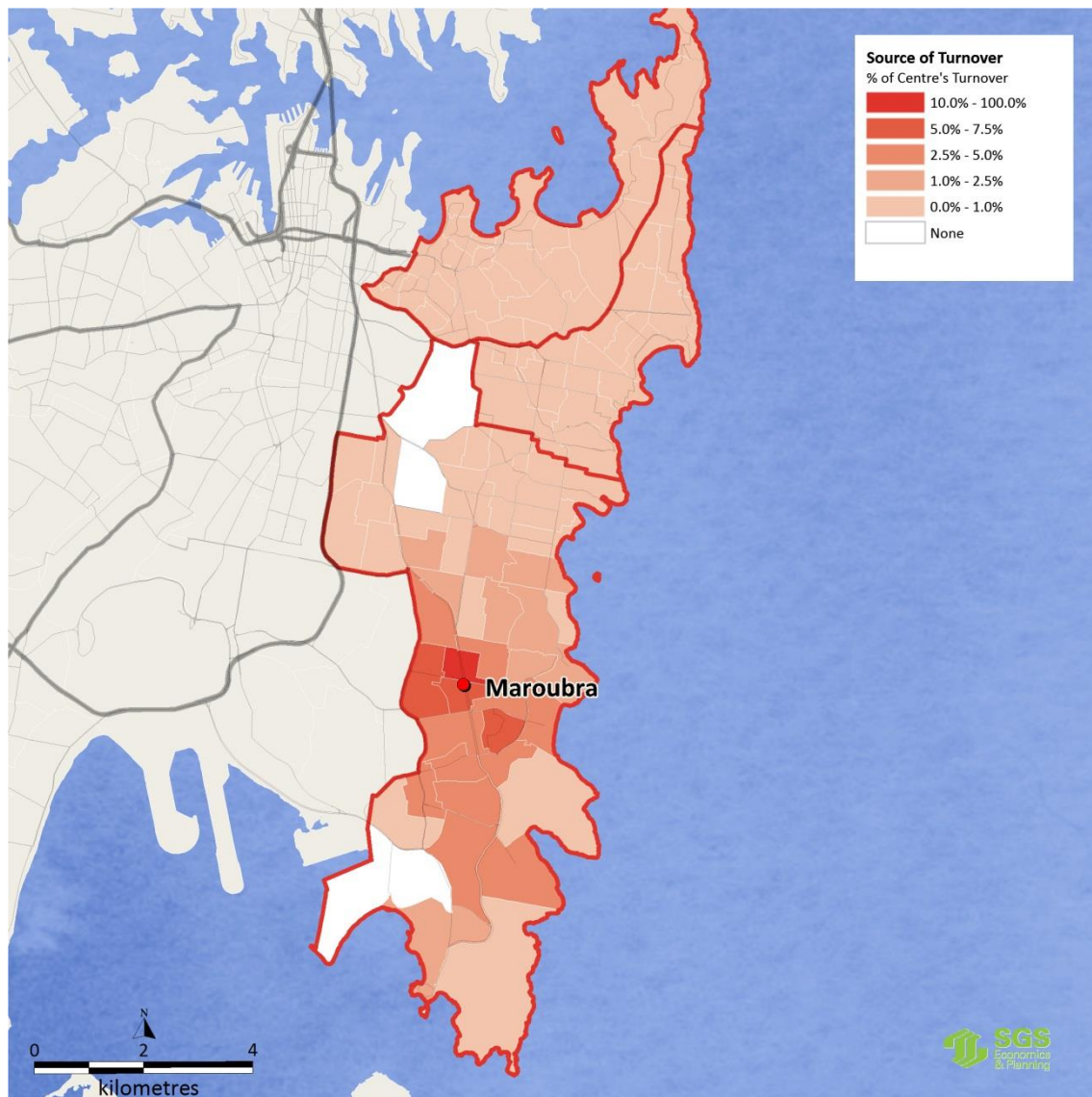
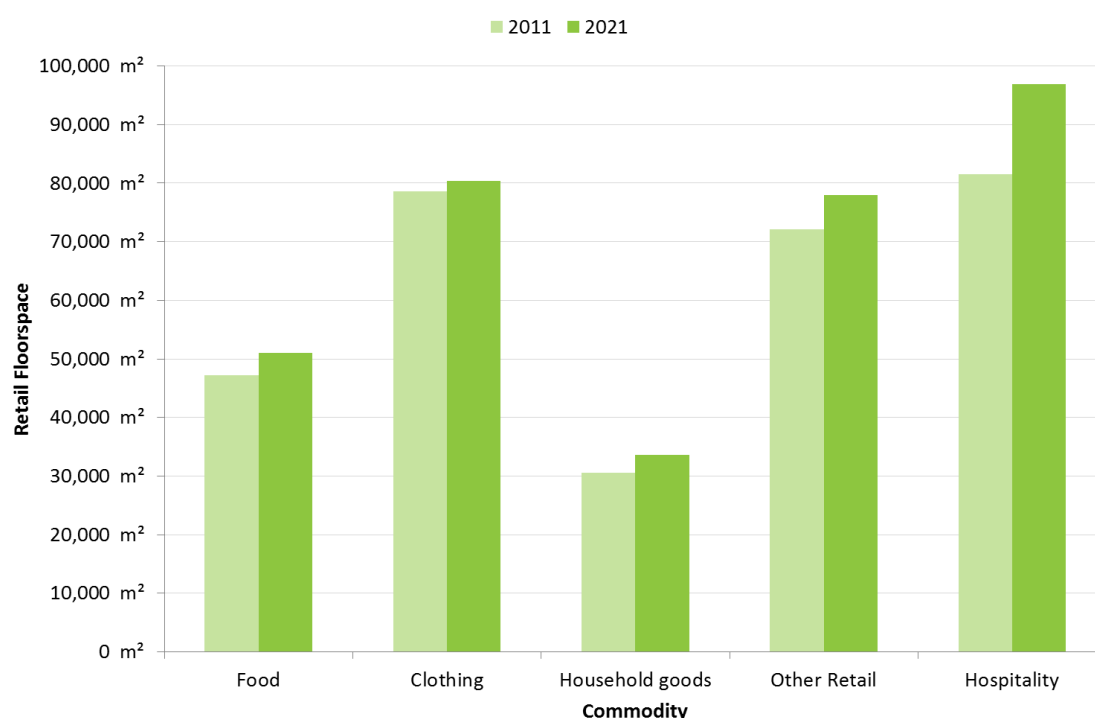Source: SGS Economics and Planning calculations

Note that the catchment maps for all six retail centres audited in this study are included in Appendix 2. These maps also indicate the estimated source of retail turnover by commodity type in each of the six centres.

7.4 Future Floorspace Requirements

Having estimated the catchment of each of the selected retail centres, we were able to forecast the growth in the retail expenditure 'pool' available to each centre. The projected retail expenditure by commodity type has been used in conjunction with the indexed RTDs[33] and current actual floorspace to arrive at estimates of retail floorspace demand by commodity type for the selected centres in the Eastern Suburbs.

The following chart shows the demand for retail floorspace (by commodity group) in the largest six centres (Bondi Beach, Bondi Junction, Double Bay, Maroubra Junction, Oxford St and Randwick Junction/the Spot) for the period between 2011 and 2021. It is estimated that the demand for hospitality floorspace would register the highest growth. This will be followed by other retailing. Note that the amount of retail floorspace in 2011 in the chart below does not take into account the vacant floorspace.

FIGURE 78.   FUTURE DEMAND FOR FLOORSPACE BY COMMODITY— SELECTED CENTRES
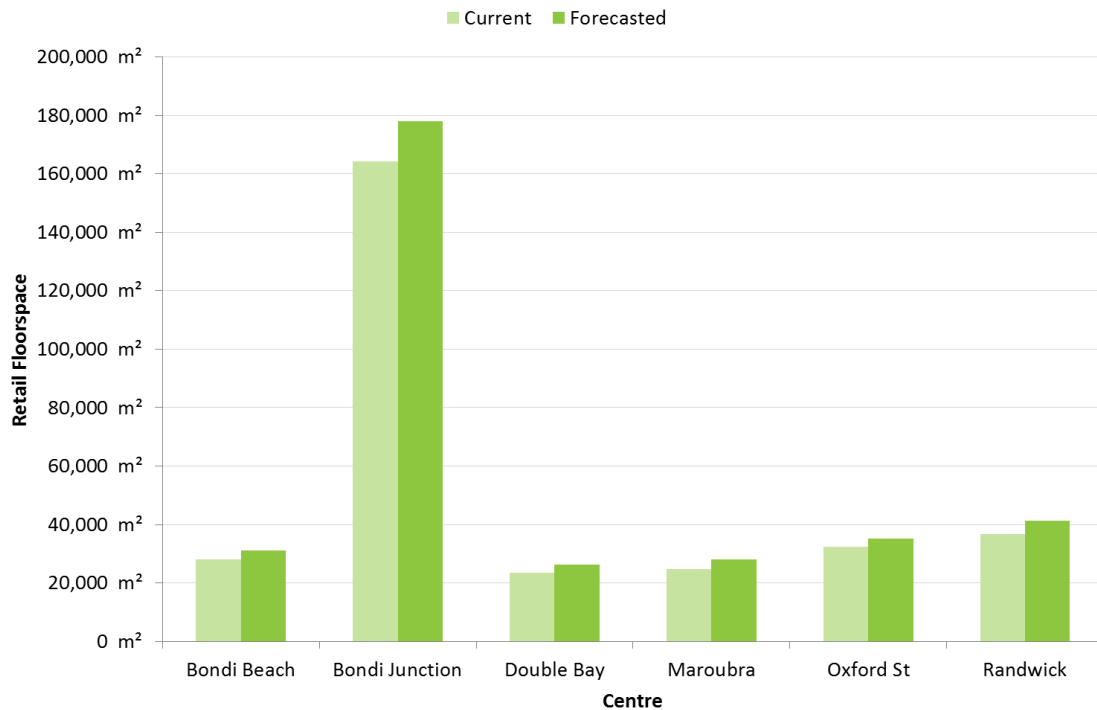

Source: SGS Economics and Planning, Based upon the SGS Retail Model

In addition to forecasting demand by commodity group, we have forecast future demand for retail floorspace in the individual centres. This forecast is based on the assumption that the current market share of each centre would be perpetuated into the future.

Table 33 and Figure 79 show the retail floorspace forecast to 2021. According to this forecast, the demand for retail floorspace at Bondi Junction will increase by more than 13,700 square metres by 2021, whereas the other major retail centres are expected to experience a relatively moderate growth. In fact, the projected growth in retail demand for both Oxford Street and Double Bay can be easily accommodated by the current vacancy in both centres.

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[33] It is assumed that the RTD in various centres would grow in 2012 dollars at a rate of 1% per annum.

FIGURE 79. RETAIL FLOORSPACE FOR SELECTED CENTRES— CURRENT VS FORECASTED IN 2021

Source: SGS Economics and Planning, Based upon the SGS Retail Model

TABLE 33. FUTURE FLOORSPACE DEMAND FOR SELECTED CENTRES, 2021

	Current (excluding vacant floorspace)	Forecasted	Increase
Bondi Beach	28,161 m²	31,079 m²	2,918 m²
Bondi Junction	164,171 m²	177,902 m²	13,731 m²
Double Bay	23,469 m²	26,400 m²	2,930 m²
Maroubra Junction	24,883 m²	28,042 m²	3,158 m²
Oxford St	32,488 m²	35,274 m²	2,786 m²
Randwick Junction/the Spot	36,633 m²	41,284 m²	4,651 m²

Source: SGS Economics and Planning, Based upon the SGS Retail Model

8   EMPLOYMENT FORECAST

First, this section documents the assumptions and method used by BTS to prepare their small area employment projection for the Eastern Suburbs. Any major projects that are likely to contribute to future employment generation in Eastern Suburbs are then described where information is publicly available.

Lastly, we have discussed the implications of the boarder trends and drivers (see section 2) for future employment in the Eastern Suburbs, especially in the major industry sections such as retail, health and education.

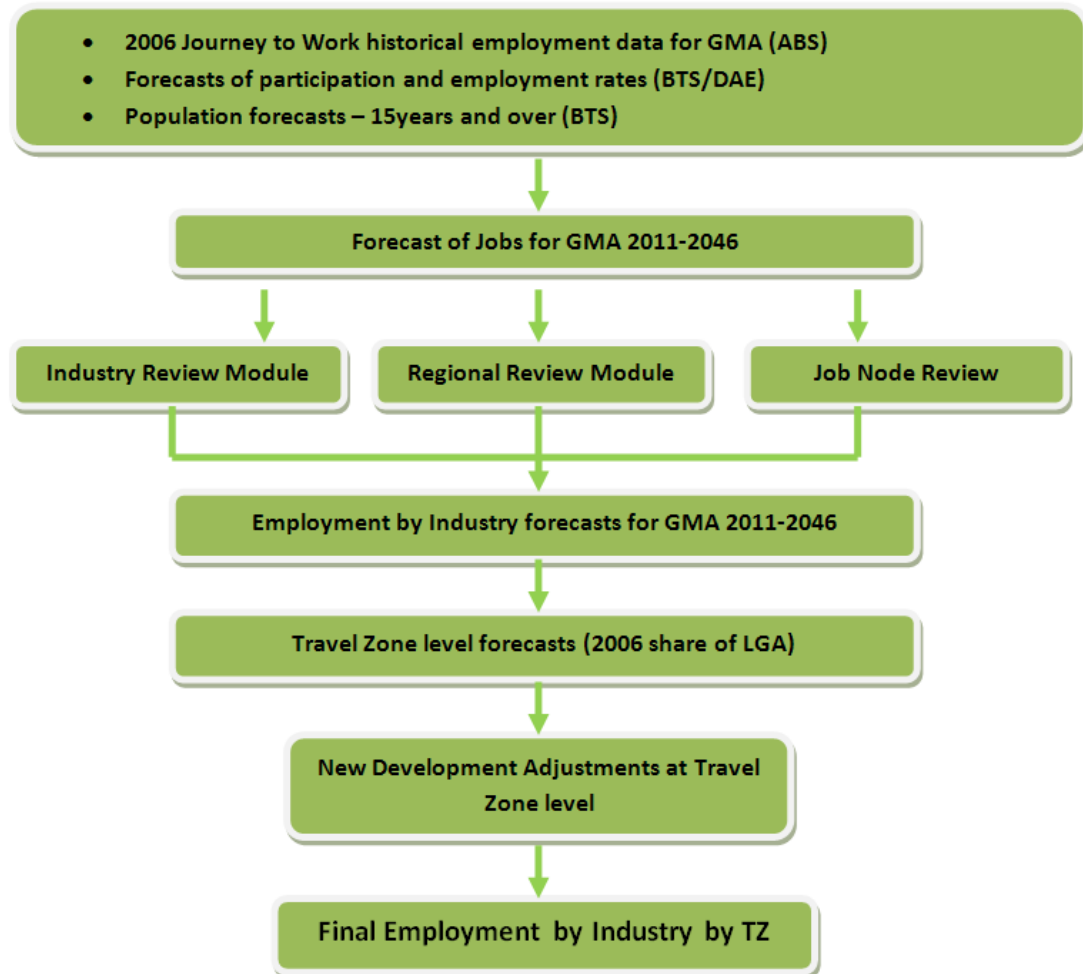## 8.1   BTS employment forecast

Method

The August 2012 Release of Employment Forecasts for the GMA produced by the Bureau of Transport Statistics (BTS) provides forecasts for jobs in the GMA. Data obtained from a variety of different sources has been used by the BTS Small Area Employment Forecasting Model (SAEFM) to develop a set of industry projections for Sydney GMA at the 'travel zone' level. Some of these include:

- Australian Bureau of Statistics (ABS) Census data
- BTS August 2012 Release Population forecasts (based on Department of Planning and Infrastructure's 2010 Interim Population Projections), and
- BTS August 2012 Release Workforce Forecasts.

Each industry has a set of employment projections for the short (2011) and long term (2046) on available information and analysis. The first step in the employment forecasting estimation is to determine the total jobs in the GMA for each forecast year. The Industry Review Module, the Regional Review Module and the Job Node Review Module are used to disaggregate the total employment projections to produce employment forecasts by industry, which are then distributed to the BTS travel zones.

The final step in the employment forecasting process involves reviewing the travel zone level trend based forecasts, and adjustments are made to account for planned major developments which are expected to bring about significant employment change. It is important to note that although no adjustments were made to travel zones in the Randwick, Waverley and Woollahra LGAs, forecasts for two travel zones in the neighbouring SLA of Botany Bay were revised upwards to account for expected growth in employment as a result of Port Botany expansion. These developments include the Discovery Cove Industrial Park and Caltex Sydney Terminal. Industrial developments in the East Sub-Region will have direct impact for future employment generation in the Eastern Suburbs.

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FIGURE 80.   BTS EMPLOYMENT PROJECTION METHOD

- 2006 Journey to Work historical employment data for GMA (ABS)
- Forecasts of participation and employment rates (BTS/DAE)
- Population forecasts – 15years and over (BTS)

Forecast of Jobs for GMA 2011-2046

Industry Review Module

Regional Review Module

Job Node Review

Employment by Industry forecasts for GMA 2011-2046

Travel Zone level forecasts (2006 share of LGA)

New Development Adjustments at Travel Zone level
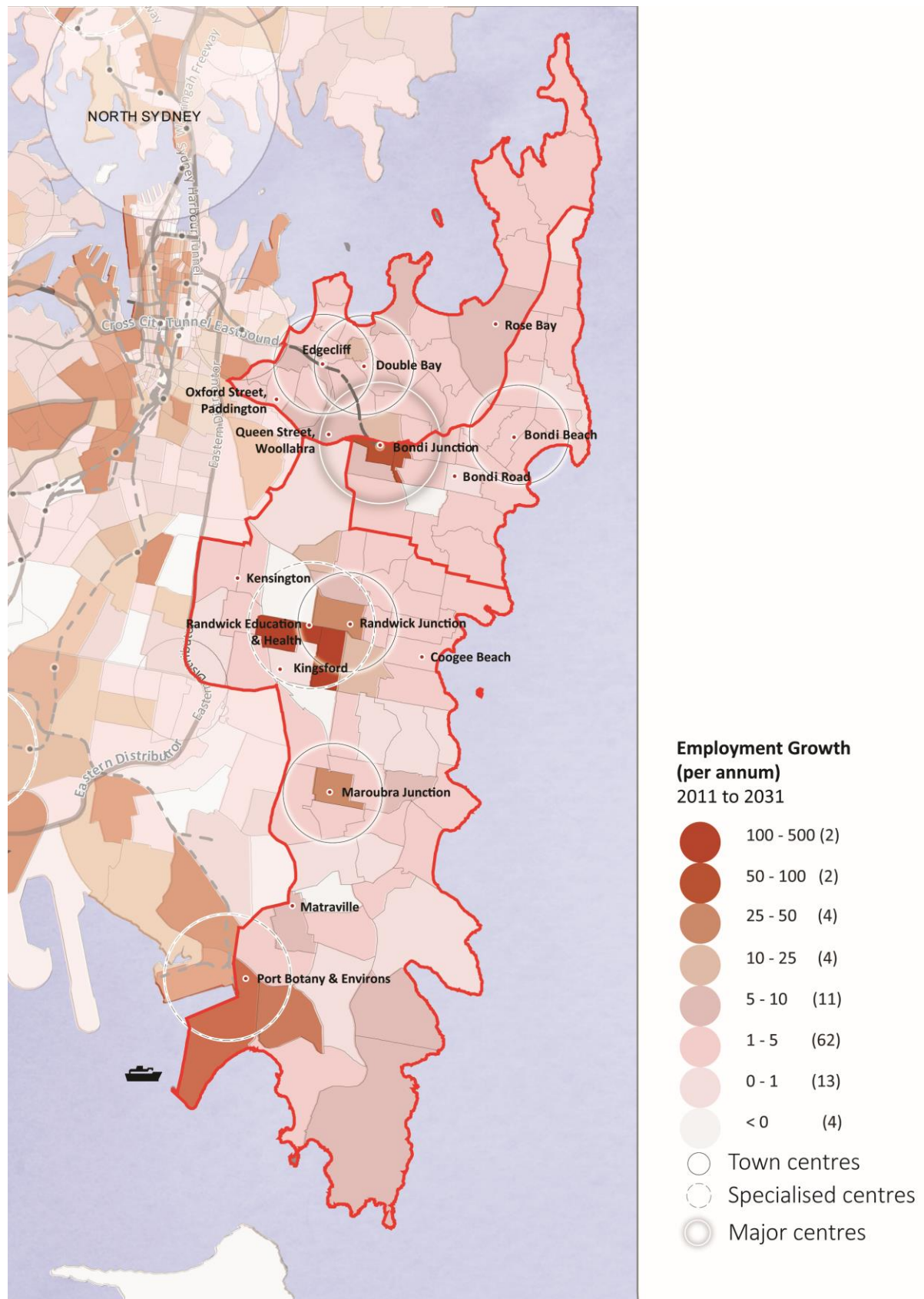
Final Employment by Industry by TZ

Source: BTS Small Area Employment Forecast Technical Paper, 2012

Employment forecast by TZ

The map below illustrates the average annual employment growth for the travel zones within the Eastern Suburbs as well as those in the neighbouring areas.

Compared to the Sydney CBD, the employment growth in the Eastern Suburbs is expected to be moderate, with an increase of around 20,000 jobs (or 1% per annum) over 20 years. Within the region, most of the job growth is forecast to occur within the major and specialised centres.

FIGURE 81.   FORECAST EMPLOYMENT GROWTH PER ANNUM

Employment Growth (per annum)
2011 to 2031

- 100 - 500 (2)
- 50 - 100 (2)
- 25 - 50 (4)
- 10 - 25 (4)
- 5 - 10 (11)
- 1 - 5 (62)
- 0 - 1 (13)
- < 0 (4)

○ Town centres
○ Specialised centres
◎ Major centres

Source: SGS Economics and Planning calculations, using 2012 Bureau of Transport Small Area Employment Forecast
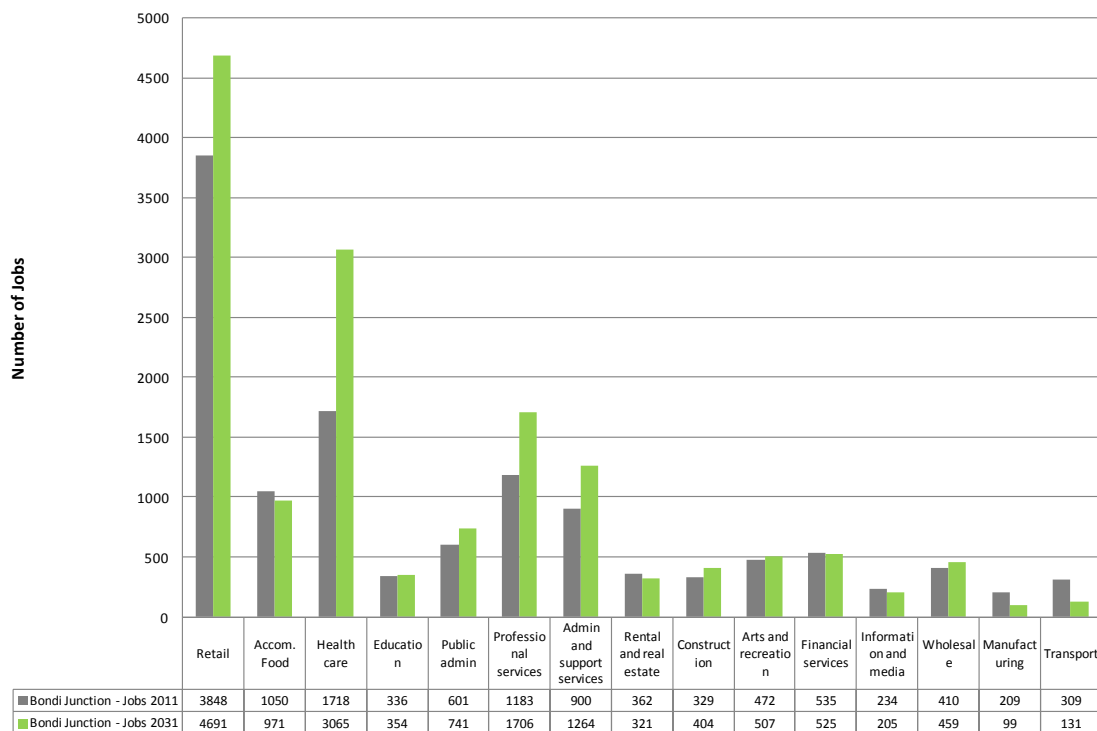
Employment forecasts for key employment precincts

Based on the TZ-level employment forecasts, we have estimated job growth by industry in the three main precincts within Eastern Suburbs, including Bondi Junction, Randwick Health and Education and Port Botany and Environs (only the part in Randwick LGA).

Figure 82, Figure 83 and Figure 84 show a continuation of the historical strong job growth in major industries of Eastern Suburbs, such as health, education and retail. The forecast employment growth for both Bondi Junction and Randwick Health and Education precincts is expected to exceed the job target identified in the *draft Metropolitan Strategy for Sydney to 2031*.
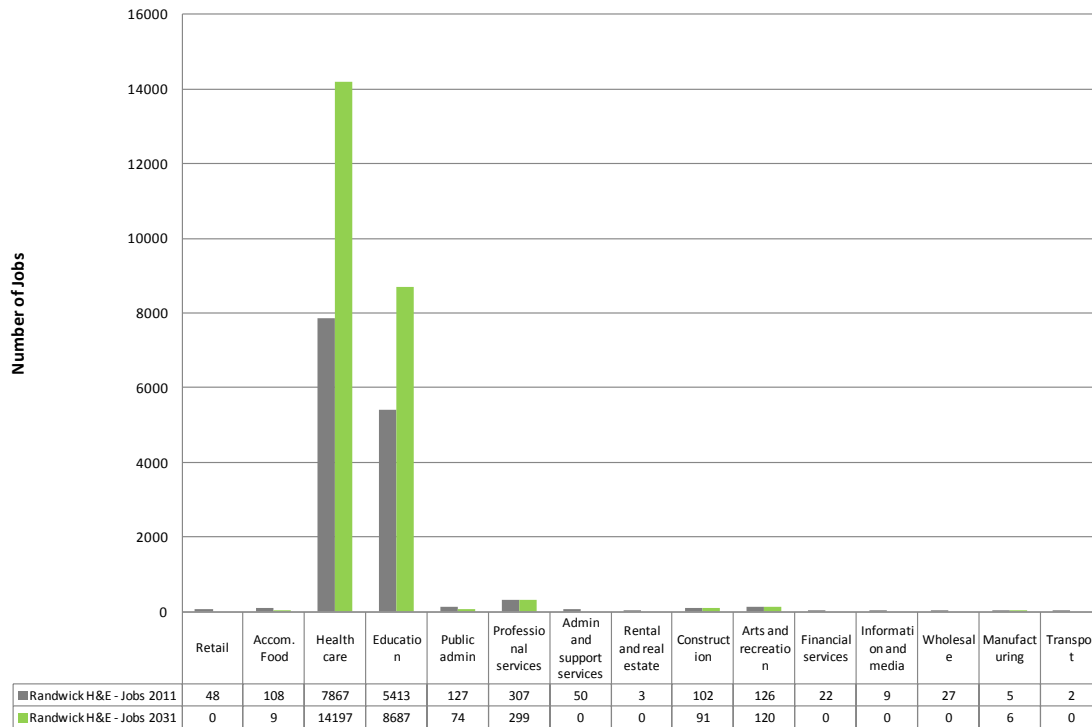
On the other hand, the manufacturing jobs within the Port Botany and Environs are forecast to experience a decline in line with the historical trend observed between 2006 and 2011.

FIGURE 82. EMPLOYMENT FORECAST BY INDUSTRY, BONDI JUNCTION 2011-2031

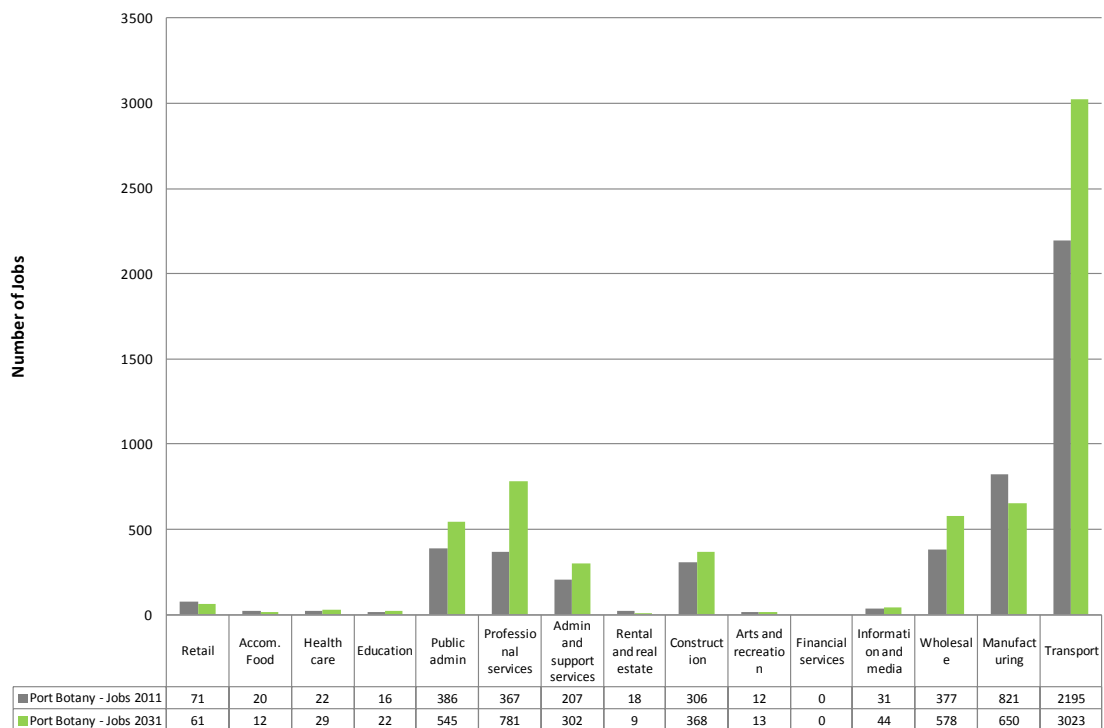|	Retail	Accom. Food	Health care	Education	Public admin	Professional services	Admin and support services	Rental and real estate	Construction	Arts and recreation	Financial services	Information and media	Wholesale	Manufacturing	Transport
Bondi Junction - Jobs 2011	3848	1050	1718	336	601	1183	900	362	329	472	535	234	410	209	309
Bondi Junction - Jobs 2031	4691	971	3065	354	741	1706	1264	321	404	507	525	205	459	99	131

Source: SGS Economics and Planning calculations, using 2012 Bureau of Transport Small Area Employment Forecast

FIGURE 83. EMPLOYMENT FORECAST BY INDUSTRY, RANDWICK HEALTH AND EDUCATION 2011-2031

	Retail	Accom. Food	Health care	Education	Public admin	Professional services	Admin and support services	Rental and real estate	Construction	Arts and recreation	Financial services	Information and media	Wholesale	Manufacturing	Transport
■ Randwick H&E - Jobs 2011	48	108	7867	5413	127	307	50	3	102	126	22	9	27	5	2
■ Randwick H&E - Jobs 2031	0	9	14197	8687	74	299	0	0	91	120	0	0	0	6	0

Source: SGS Economics and Planning calculations, using 2012 Bureau of Transport Small Area Employment Forecast

FIGURE 84. EMPLOYMENT FORECAST BY INDUSTRY, PORT BOTANY AND ENVIRONS (PART WITHIN RANDWICK LGA) 2011-2031

	Retail	Accom. Food	Health care	Education	Public admin	Professional services	Admin and support services	Rental and real estate	Construction	Arts and recreation	Financial services	Information and media	Wholesale	Manufacturing	Transport
■ Port Botany - Jobs 2011	71	20	22	16	386	367	207	18	306	12	0	31	377	821	2195
■ Port Botany - Jobs 2031	61	12	29	22	545	781	302	9	368	13	0	44	578	650	3023

Source: SGS Economics and Planning, 2013 using Bureau of Transport Statistics Journey to Work data, 2013
Note these only accounts for the jobs in the part of the Port Botany and Environs precinct that falls within the Randwick LGA.

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8.2   Major projects

The major planned development projects that will contribute to employment generation in the Eastern Suburbs are now examined. Developments in the Randwick Education and Health Specialised Centre will play a key role for generating jobs in the study area.

Randwick Education and Health Specialised Centre

The Randwick Education and Health Specialised Centre (precinct) is a major employment hub in the north of the Randwick LGA. The precinct is anchored by the University of New South Wales (UNSW), Prince of Wales Hospital, Royal Hospital for Women and the Children's Hospital. This precinct is a part of the 'Global Economic Corridor' (as expanded in the draft metropolitan strategy) with significant 'knowledge clusters' and provides concentration of economic activity. The precinct accounts for almost 40 percent of jobs within Randwick City. Employment growth is expected to continue, especially in the education and training, and health care and social assistance sectors with ageing population and advances in health research and treatment.

Key trends that will facilitate economic and employment growth in the precinct include (Randwick City Council, 2010):

– UNSW campus will strengthen its role in education and research. Improving access to higher education will extend demand for university services and accommodation. Approximately 140,000 to 200,000 square metres of additional floorspace will be required for health and education campuses.

– Randwick Health Campus will strengthen its role in health services, teaching and research. Health-care services will benefit from synergies offered by location near existing health services. Approximately 30,000 sqm of additional floorspace will be required for associated health services around the Health Campus.

– Intensification of activity in the Central Area of the precinct for education, health and research uses.

– Increasing health/medical and research activities along Barker Street and High Street (East) will continue to support long term growth for health, education and research employment in the precinct.

– The West End and East End of the precinct can provide for cultural, recreational, leisure and retail/café uses. Furthermore, redevelopment of Royal Randwick Racecourse will also allow for a broad range of uses on this High Street frontage.

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FIGURE 85.   RANDWICK EDUCATION AND HEALTH SPECIALISED CENTRE

Source: Randwick City Council, 2011

Redevelopment of Port Botany Container Terminal

Redevelopment of the Port Botany Container Terminal is another key project that will impact on employment growth in (and adjoining) the Sub-region (particularly in Botany Bay LGA). The project (which is accounted for by the BTS in its employment projections) involves expansion, redevelopment and automation of port facilities and will deliver safety improvements, increased capacity and increased productivity. Developments such as Discovery Cove Industrial Park and Caltex Sydney Terminal as a result of the Port Botany expansion will provide impetus for industrial businesses to locate in this precinct. This may have an adverse impact on employment in the Eastern Suburbs for industries such as transport, postal and warehousing, wholesale trade and other services.

Proposed Light Rail project

The Long Term Transport Master Plan proposes a number of changes to improve access at Circular Quay, including a light rail line to run from Circular Quay to the Eastern Suburbs via the CBD. The CBD and

South East Light Rail project to extend along George and Alfred Street will reduce demand for bus services. The CBD bus network will be overhauled and integrated with the proposed light rail network. Investment in the light rail project by the NSW Government will support employment growth in the Eastern Suburbs.

The proposed project would be built through Sydney CBD to Randwick and Kingsford to reduce congestion and revitalise the city. Aside from the transport benefits, light rail can also assist in improved urban and economic outcomes.

The sub-section below provides a broad overview of benefits that flow from light rail, since a business case for CBD and South East Light Rail is yet to be developed. The summary includes a case study of Melbourne which demonstrates the potential impact on level and type of employment in a light rail corridor.

In many parts of the world, light rail has delivered the following benefits:

– **Increased residential densities and urban renewal:** New developments and greater population densities can make areas near light rail more vibrant and active. Light rail infrastructure provides a sense of permanence, encouraging developers to invest in new commercial, mixed use and residential projects.
– **Increased tourist branding:** Light rail can add to a city's branding and tourism potential. There are many examples both nationally and internationally where cities have taken advantages of traditional and new light rail networks as a tourism offer. Melbourne's tourist tram is an attraction on its own; it provides a free city circle service to tourists and locals alike in a restored Melbourne tram carriage. San Francisco's tram network is famous throughout the world; much of the city's tourism offer focuses on this infrastructure.
– **Cost competitiveness:** Development of light rail is cost competitive as it is built using the existing road network. By using pre-existing infrastructure, costs such as reclaiming land and the construction of roads and tunnels are minimised.
– **Increased pedestrian circulation:** Some cities have geographical disadvantages in effectively circulating the population from one side of the CBD to another. Cities such as Sydney are elongated, and require the use of public transport to move people up and down the length of the CBD. The proposed light rail can effectively perform this function. Light rail can also help to activate different parts of the CBD that are not easily walkable from central locations.

In addition to the benefits described above, introduction of light rail can also impact the structure of an economy and generate employment along the corridor, in particular in the business service sector.

The Department of Transport (WA) commissioned SGS to undertake the Urban Economic and Property Assessment for the Perth Metropolitan Area Express. The project involved analysis of potential employment impacts of the proposed light rail project.

Table 34 presents a summary of research findings from a case study on the impacts of light rail along a combined Lygon Street and Nicholson Street tram corridor in Melbourne. The results suggest employment in Business Services (including Professional, Scientific and Technical services, financial services, Real estate services etc.) is expected to increase along light rail corridors as connectivity to the CBD increases.

This is also driven by firms searching for less expensive land elsewhere. In the case study undertaken in Melbourne, we have found that many industrial firms have departed from the inner suburbs and relocated to industrial estates on the fringe of the city. The higher land values in the inner suburbs resulting from the light rail would be directly influenced by the improved accessibility to the city. This however, only appears to occur within the first 4-5 kilometres of the CBD with reductions in employment further along the corridor, as illustrated in the table below.

TABLE 34. ESTIMATED BUSINESS SERVICES JOBS IN LIGHT RAIL CORRIDOR IN MELBOURNE

Distance (km) to CBD	1996	2001	2006	2011	AAGR (96-11)
2.5	1,119	1,220	1,381	1,647	2.6%
4.5	854	910	884	978	0.9%
6.5	349	340	222	217	-3.1%
8.5	116	111	67	18	-11.7%
Total	2,439	2,581	2,554	2,860	1.1%

Source: SGS calculations based on 2011 Census

Urban Activation Precincts

The Eastern Suburbs encompasses two of the eight Urban Activation Precincts recently announced by the NSW Premier, as an important component of a package of wider housing delivery and job initiatives. These Urban Activation Precincts aim to deliver more homes in places with access to infrastructure, transport, services and jobs. The two Urban Activation Precincts in the Eastern Suburbs include Randwick and Anzac Parade South.

The Randwick Urban Activation Precinct encompasses a vibrant community that includes the University of New South Wales, Prince of Wales Hospital, Randwick Children's Hospital, Randwick Racecourse and the National Institute of Dramatic Art.

The introduction of light rail is a catalyst for urban renewal in this precinct. The Randwick precinct includes the local centres of Kingsford, Kensington and Randwick and encompasses the light rail routes to both Randwick and Kingsford. Investigations are focussing on areas within a five-minute walk (400m radius) of the proposed light rail stops.

The Anzac Parade South Urban Activation Precinct covers areas within a 10-minute walk (800m radius) of four key areas – Maroubra Junction, Duffys Corner, Malabar and Little Bay, as well as the whole length of the Anzac Parade corridor south of Kingsford.

Growth in these precincts is aimed at creating new jobs, increased housing choices, enhanced public spaces and improved transport connections and providing more people with the opportunity to live, work, be educated, shop and socialise in the one area.

However, little information is publicly available regarding the likely employment generation of these precincts.

8.3 Implications of broad trends and drivers

Key trends and drivers identified in Section 2 that will influence industries in the region are:

- Growth of online retail
- Ageing population
- Growing demand for education services and education exports, and
- Declining trends in tourism.

Retail

The growth of online retail will continue to put pressure on the local retail sector in the Eastern Suburbs. However the influx of international retailers into Australia, and the strong position of Westfield Bondi Junction in the 'Big Gun' sector of retail will continue to support local retail employment. Cafes, restaurants and bars that are part of the service retail sector, and retailers who offer unique products are unlikely to be influenced by the growth of online retail. Proposed developments around the Royal

Randwick Racecourse, in the West End and East End precincts of the Randwick Education and Health Specialised Centre, will provide further employment opportunities in retail, cultural and recreational businesses. BTS forecast growth of an additional 3,992 retail trade jobs at an average annual growth rate of 1.66 percent to 2036 in the Eastern Suburbs. Most of this growth is anticipated to occur in the Waverley LGA, due to concentration and growth of retail businesses in the Bondi Junction precinct.

Health and education

The ageing population over the next two decades will continue to create strong demand for health-related services in the Eastern suburbs. Population forecasts (DP&I 2010 Interim Population Projection) for the Eastern Suburbs suggest that rate of growth for 65+ residents will be higher than the rate of overall population growth (1.4 per cent per annum compared to 0.60 per cent). This ageing population will support employment in the healthcare and social assistance sectors, as it is a population driven industry. Furthermore, the clustering of health and education related businesses in the precinct due to 'magnet infrastructure' will provide a platform for further growth of employment in these sectors. BTS forecast strong growth in healthcare and social assistance and education and training sectors in the Eastern Suburbs, particularly Randwick LGA to 2036. Healthcare and social assistance employment is expected to grow by 9400 (or 1.7 percent per annum) in the Eastern Suburbs. Randwick LGA is expected to accommodate most of this growth (by around 8800 employees or 2.1 per cent per annum). Employment in Randwick Education and Health Precinct is also expected to grow strongly in line with Australia's growing education services exports.

Tourism

Employment in the tourism sector is likely to face challenges in the future in light of recent trends. Subdued economic growth and relatively high Australian dollar have influenced both international visitation numbers as well as travel patterns of Australian residents. Furthermore, there has been a decline in accommodation establishments in the Eastern Suburbs between 2007 and 2010. Therefore this industry will need to adapt to changing consumer preferences, and position itself to capitalise from developments around Royal Randwick Racecourse to ensure it maintains local employment.

An economic positioning statement will be prepared (separate document) that will identify a framework for the next stage, the preparation of strategies for economic development.

9   KEY FINDINGS & STRATEGY FRAMEWORK

9.1   Key findings

In conclusion, information from the economic profile for the Eastern Suburbs identifies a number of key characteristics of economic activity:

- The education and health care industries have high employment, high growth and high specialisation.
- Eastern Suburbs residents are characterised by high household incomes and high levels of tertiary education.
- The Eastern Suburbs has a low level of self-containment with high leakages within the professional and financial service industries out of the region (including to the Sydney CBD).
- The Eastern Suburbs benefits from a high degree of accessibility to jobs, particularly via car, and further increases in accessibility when the light rail link is completed.
- The major industries of employment within the Eastern Suburbs (finance, health care, education, retail and administration and support services) are also the largest contributors to wealth generation in this region.

In addition, BTS forecasts that employment in the Eastern Suburbs is expected to experience a moderate growth of around 20,000 jobs (or 1% per annum) over 20 years. This job growth is forecast to occur within a number of major and specialised centres. The main precincts within the Eastern Suburbs for job growth include Bondi Junction, Randwick Health and Education and Port Botany and Environs (only the part in Randwick LGA).

The region has historically strong job growth in major industries such as health, education and retail and this pattern is projected to continue.

The forecast employment growth for both Bondi Junction and Randwick Health and Education precincts is expected to exceed the job target identified in the *draft Metropolitan Strategy for Sydney to 2031*. On the other hand, the manufacturing jobs within the Port Botany and Environs are forecast to experience a decline in line with the historical trend observed between 2006 and 2011.

In addition, key trends and drivers that would affect future employment growth in the region are:

- Growth of online retail
- Ageing population
- Growing demand for education services and education exports, and
- Declining trends in tourism.

These characteristics and projections for employment, as well as the projections for additional retail centre floorspace demand, should be considered in the preparation of an economic positioning statement for the Eastern Suburbs. This economic positioning statement will be able to identify economic development projects that will benefit the Eastern Suburbs region as a whole.

9.2 Strategy framework

The framework for economic development can be structured based on the range of potential 'roles' for local government in achieving economic development. In addition a framework would seek to achieve a range of transformational actions for the regional economy as well as those that reinforce and strengthen existing businesses and employment hubs.

Competitive advantage

Historically, regions and nations depended on comparative advantage. Comparative advantage depends on cost advantages and proximity to raw materials and infrastructure relative to other localities or regions. With reduced trade barriers, more labour-intensive, lower-technology production is taking place in countries with an abundance of low-cost labour, whilst advanced economies with higher labour costs, and more developed skills and physical capital, concentrate on the production of high-value, knowledge-based goods and services. For most industry sectors, this has led to a shift to competitive advantage. Competitive advantage is crucial to the production of these high-value, knowledge-based goods and services. It places an emphasis on efficiencies in the means of production, with a focus on 'value factors' related to performance and quality. These value factors include research and development, labour productivity, technology, skills base, quality of life, and social capital.

Regions and localities require a number of 'pre-conditions' for competitiveness, and hence local economic prosperity:

- Efficient and effective infrastructure including good physical and functional links that support social, cultural and economic interaction and exchange
- A quality living environment
- An appropriately skilled and flexible workforce
- Connectedness between members of local value chains, i.e. Strong links between business, government, research and learning institutions to support innovation, and
- A supportive governance structure including ready access to business support services.

To function and develop, local economies need a wide range of capital inputs, an enabling and competitive environment, and markets for the sales and exchange of ideas, products, goods and services. Regions and localities can fulfil these requirements in several ways. These include:

- Improving the efficiency and effectiveness of transactions
- Increasing population
- Increasing consumption
- Value adding to production, services and logistics systems
- Closing the waste cycle and converting waste to resources, and
- Increasing exports and reducing imports.

Framework for local government 'roles'

There are four basic 'roles' or economic development models that Local Government can adopt to encourage local economic development. Different councils may have different responsibilities. Hence council would not necessarily need to 'choose' any one of these types of roles and in fact, the best outcomes may be achieved with a mix of activities that cut across some or all of these broad classifications. The appropriate role depends on a number of factors such as pre-existing organisational relationships, the local industrial structure, the relative level of social and economic prosperity, identified priorities for the future, available funding for economic development initiatives and local personalities. The caveat to all of this is that the limited power and resources of local government can make it difficult to implement these roles.

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In understanding these roles and functions, we can start to think about appropriate responses to the many issues and challenges currently facing the economic development of the Eastern Suburbs area.

- **Stimulator/Promoter**: This is where Council could take specific action to induce business creation or expansion. This can be undertaken through a branding and marketing role or by direct intervention to protect or support a particular industry sector. An example here could be using an underutilised Council building or land.
- **Facilitator**: This can take the form of providing an 'enabling' environment for local development by delivering a streamlined development approval process and by providing a clear policy statement focusing the Council's development objectives.
- **Co-ordinator:** Here, Council takes the role of co-ordinating the provision of infrastructure or services for which it is not directly responsible but which are required for new business development. This co-ordinating role would generally be undertaken in partnership with other government agencies, private sector representatives and / or community interest groups. For example, the Council's the role in assisting the co-ordination of the proposed light rail expansion to Randwick.
- **Entrepreneur/Developer:** Here, Council would become directly involved in development activities, either as a sole operator or in partnership arrangements with the private or public sector. The joint venture between Woollahra Council and Woolworths for the supermarket development in Double Bay is an example.

Economic development 'horizons'

The three Councils have set out economic development visions for the area in a number of documents. These include a range of actions to promote economic development. While it may be appropriate that Councils are ambitious in their policy making and have a view to the 'transformation' of the Eastern Suburbs economy, local economic development also requires a practical focus, with due emphasis on 'readily deliverable' projects.

Achieving 'visionary' as well as the 'pragmatic' economic development outcomes can be considered using a framework with three horizons (devised by Baghai, Coley and White 1999). Application of this framework, formulated for commercial business planning, to public policy will promote robust and sustainable city economies as it will simultaneously plan for three horizons or agendas.

- **First horizon**: The first horizon is concerned with protection of the enterprise's existing core business. The focus here is on cost control and ensuring that the current customer base is retained by continuing to offer reliable quality.
- **Second horizon**: In planning to the second horizon, the enterprise looks for ways to incrementally leverage its current core businesses to expand its customer base. This often involves diversification into related product streams, or providing value added services to existing products, such as improved after sales service. These improvements can be thought of as 'organic innovations'; 'building on what we know we do well'.
- **Third horizon**: Planning to the third horizon requires the enterprise to lift its sights to contemplate new opportunities which might be quite distant from current core business, but which draw on the competencies, skills and endowments which underpin current activities. This is the horizon where the enterprise seeks to 'reinvent itself'.

A business (or in this case city economy) which is preoccupied with the first horizon is likely to become moribund and wither, as competitors inevitably devise more compelling offers for their customer base. On the other hand, businesses which are caught up in only 'blue sky' thinking (horizon three) are likely to become vulnerable to challenge on the basics, losing the market share required to underwrite innovation projects. Thus all three horizons must be addressed for a healthy economic future, and all three horizons require equal weight even though they vary considerably.

These horizons have been proposed as part of the framework for economic development of the Eastern Suburbs. Readily achievable projects are typically concerned with protecting existing competitive

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strengths, or with capturing near term diversification / value adding opportunities. They therefore fit the definitions for horizon 1 and horizon 2 initiatives. The more ambitious (usually, but not necessarily, longer term) initiatives amongst the Councils policies can be incorporated under horizon 3.

I the context of the Eastern Suburbs, horizon 1 initiatives may consolidate the Councils current economic performance and horizon 2 measures may tap into organic diversification opportunities to enhance this performance. However, horizon 3 strategies are required to be completed simultaneously to ultimately achieve a transformation into a superior economic performance category.

9.3 Economic positioning & strategic directions

The current strategy framework at the metropolitan level focuses on growing the economy by supporting and strengthening existing employment areas (centres, industrial lands and specialised precincts) improving social equity and environmental sustainability by improving and increasing housing choice and providing more efficient and reliable public transport. This means ensuring capacity at existing employment precincts for future commercial development, identifying areas for higher density residential development and lobbying for improved public transport services, such as the light rail extension.

Economic growth is likely to be concentrated in the Specialised Centres and Major Centres identified in the Draft Metropolitan Strategy – in the industrial lands around Port Botany, the precinct incorporating UNSW and the Randwick Hospital Campuses, the precinct surrounding the Bondi Junction Major Centre, and along the Anzac Parade Corridor.

The current economic profile sees the Eastern Suburbs playing an important role in the Sydney metropolitan economy. The area includes three significant economic nodes:

- **Randwick health and education precinct**. The region surrounding the University of NSW (UNSW) and Randwick Hospitals (including Prince of Wales Hospital, Prince of Wales Private, and Royal Hospital for Women and the Children's Hospital) is also identified as a specialised centre. An additional 6,000 jobs by 2031 is proposed by the Draft Metropolitan Strategy.
- **Bondi Junction**. Bondi Junction is identified as the Major Centre for the East Subregion. An additional 2,000 jobs by 2031 is proposed by the Draft Metropolitan Strategy.
- **Port Botany and environs**. Major gateway infrastructure and considerable freight and logistics business cluster designated as a specialised centre with an additional 4,000 jobs, by 2031, in the draft Metropolitan Plan.

When thinking of the local economy and employment, it is useful to separate economic activity into 'local population related activity' and 'strategic activity'. Local population related activity is closely linked to the growth (or decline) of local resident numbers. Local retail activity is the most obvious example, where retail businesses grow or shrink depending on the level of population (and thus expenditure) within a local catchment area. Strategic activity is more closely linked to the existence of strategic assets and infrastructure and these activities tend to serve a very broad (i.e. not strictly local) catchment. Heath and education are the obvious strategic industries in the Eastern Suburbs and here a range of business activities are linked to the existence of the University and Hospital.

The education and health care industries have high employment, high growth and high specialisation within the Eastern Suburbs. Health care and education are the two major industries of employment within the Eastern Suburbs, accounting for 34 percent of jobs within the Eastern Suburbs. The dominance of health care and education is evident in comparison to the broader Sydney metropolitan area where health and education only account for around 19 percent of jobs. Both health and education experienced significant growth in the Eastern Suburbs between 2006 and 2011 of 15-20 percent. Health and education are projected to continue to experience the strongest in employment between 2011 and 2031 in the Eastern Suburbs of around 46 percent and 35 percent, respectively. However, the projected job growth rates in these main industries are lower compared to those for the Sydney GMA.

The major industries of employment within the Eastern Suburbs are also the largest contributors to wealth generation in this region. Finance, health care, education, retail and administration and support services are the largest contributors from a value-adding perspective. As indicated by the regional multipliers, every extra dollar of output produced in Financial and Insurance Services is likely to generate around $1.1 in wages, salaries and supplements, and gross operating surplus across all sectors in Eastern Suburbs. This shows that these industries not only contribute to the largest proportion of jobs within the Eastern Suburbs but also to the wealth generation within the regional economy. While the bulk of this employment type will naturally gravitate to CBD locations (which can clearly be seen in self-containment patterns for the Eastern Suburbs), there are opportunities to cater for resident workers in these sectors who work from home or operate home businesses.

Given the high level of specialisation in health and education, the strong national growth in these industry categories, and the obvious strategic in assets in the existing of the University and Hospital, these are good targets for future growth. Both are also significant drivers of local economies development with the ability to act as catalysts for the local economy.

While strategic industries have great importance for local economic development, local population-driven activity should not be neglected. A growing population will require growth in local retail and services in accessible locations. There is also cross-over with strategic activities in some cases. Tourist trade is a good example, where the provision of retail and services responds to both local resident needs and the needs of visitors from outside the region.

The concept of the four roles for Local Government in local economic development and the 'three horizons' approach to balancing visionary and pragmatic strategies have been used as the framework for future economic development strategy formulation.

The following matrix illustrate the strategic framework described earlier can be applied to formulate strategies.

TABLE 33. STRATEGIC DIRECTIONS MATRIX

LG ROLES	1ST HORIZON	2ND HORIZON	3RD HORIZON
Stimulator / promoter	Strategy 1 Strategy 2	Strategy 3	Strategy 4
Facilitator		Strategy 5	Strategy 6
Co-ordinator		Strategy 7	
Entrepreneur / developer			Strategy 8

A range of strategic directions for Eastern Suburbs have been identified below. . These are not intended to be fully formed strategies and actions for the region but instead broad directions for strategies emerging from the economic profile. These could form a starting point for preparation of a strategy, and would require engagement with key regional stakeholders in their further development.

- Focus on supporting employment growth in strategic sectors such as education and health care, with links to Randwick education and health facilities.
- Support location of employment growth at key hubs including Bondi Junction, Randwick Health and Education Precinct and centres.
- Growth in retail floor space demand will be opportunity to reinforce convenient and high amenity centres.

- Attraction of tourist and visitor expenditure in the region based on location and environment should be further investigated.
- Capture greater share of employment in financial and insurance sector by promoting local opportunity for home business and home based workers, convenient access for regional offices to the CBD and seek potential price and amenity advantages over other non-CBD locations.
- Protect employment at existing major employment hubs, including Port Botany and environs

It should be noted that a number of these may be currently being addressed in one or all of the Eastern Suburbs LGAs. But these provide the basis for further strategy development and joint action from the three eastern Suburbs Councils.

APPENDIX 1 – BLC DESCRIPTIONS

BLC Code	BLC Name	Descriptions	Example Uses/S
Retail			
S	Full-line Supermarket		Coles, Woolworth, IGA, Franklins, Foodworks, etc
OS	Other Super		Harris Farm, other groceries
OF	Other Food		Butcher, bakery, liquor etc.
DS	Departmental Stores		David Jones, Myer
DDS	Discounted Department		Kmart, Big W, Target, etc
CF	Clothing & Footwear		
HH	Household Goods		Harvey Norman, furniture shops
OR	Other Retail		Newsagency, bookstores, sports/camping, CD store, toys/game, pharmacies
RC	Restaurants & Cafes		Cafes, restaurants, and takeaway Food Services
Non Retail			
O	Offices	Office buildings that are independent (i.e. are not ancillary to another use on site) and likely to accommodate a significant number of administration staff	Banks, Architectural Surveying Services
LSI	Light Service Industrial	Car service and repair; joinery, construction and building supplies; and domestic storage. Typically does not interfere with the amenity of the neighbourhood via pollution.	Automobile Repairs Plumbers Building supplies Panelbeaters
LHE	Local Health and Education	Smaller scale education or health uses such as schools, training centres, community college, aged care facilities, day surgery	Nursing homes Training centres Pre, Primary schools Sports and Recreational Services Secondary Schooling
DL	Dispersed Local	Social and community services, trades construction, other 'nomads'	Police/ Fire/Ambulance Services Childcare Religious Services Veterinarians, doctors, physios, chiros, dentists etc Funeral Services Cultural and Community Services (Libraries, Museums, Parks and Gardens) Accommodation

SR	Service Retail		Accountants
			Real Estate Agent
			Hairdressing and Beauty Services
			Diet and Weight Reduction Centre Operation
			Laundry and Dry-Cleaning Services
			Other Personal Services n.e.c.

| Other			
V	Vacant		Includes all vacant offices, retail, and dispersed buildings
	Carpark		

APPENDIX 2 - ORIGIN OF RETAIL TURNOVER OF THE MAIN CENTRES

The maps in this section illustrate the origin (as % of the centre's turnover) of resident retail expenditure by commodity type and total expenditure in the following audited centres:

- Bondi Beach
- Bondi Junction
- Double Bay
- Maroubra Junction
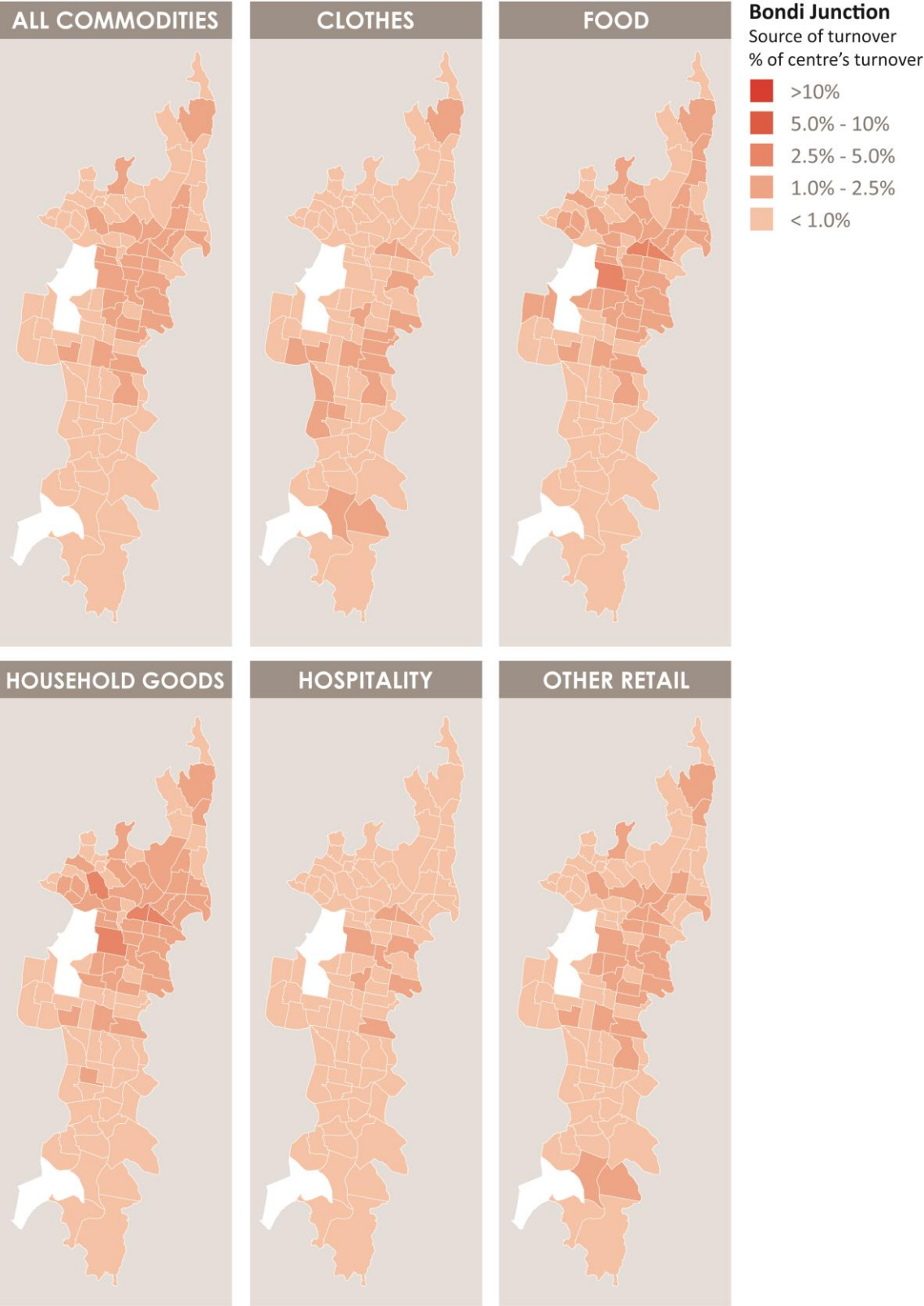- Oxford St, Paddington
- Randwick junction and the Spot

Bondi Beach

FIGURE 86. SOURCE OF TURNOVER — BONDI BEACH

Bondi Beach
Source of turnover
% of centre's turnover

- >10%%
- 5.0% - 10%
- 2.5% - 5.0%
- 1.0% - 2.5%
- < 1.0%
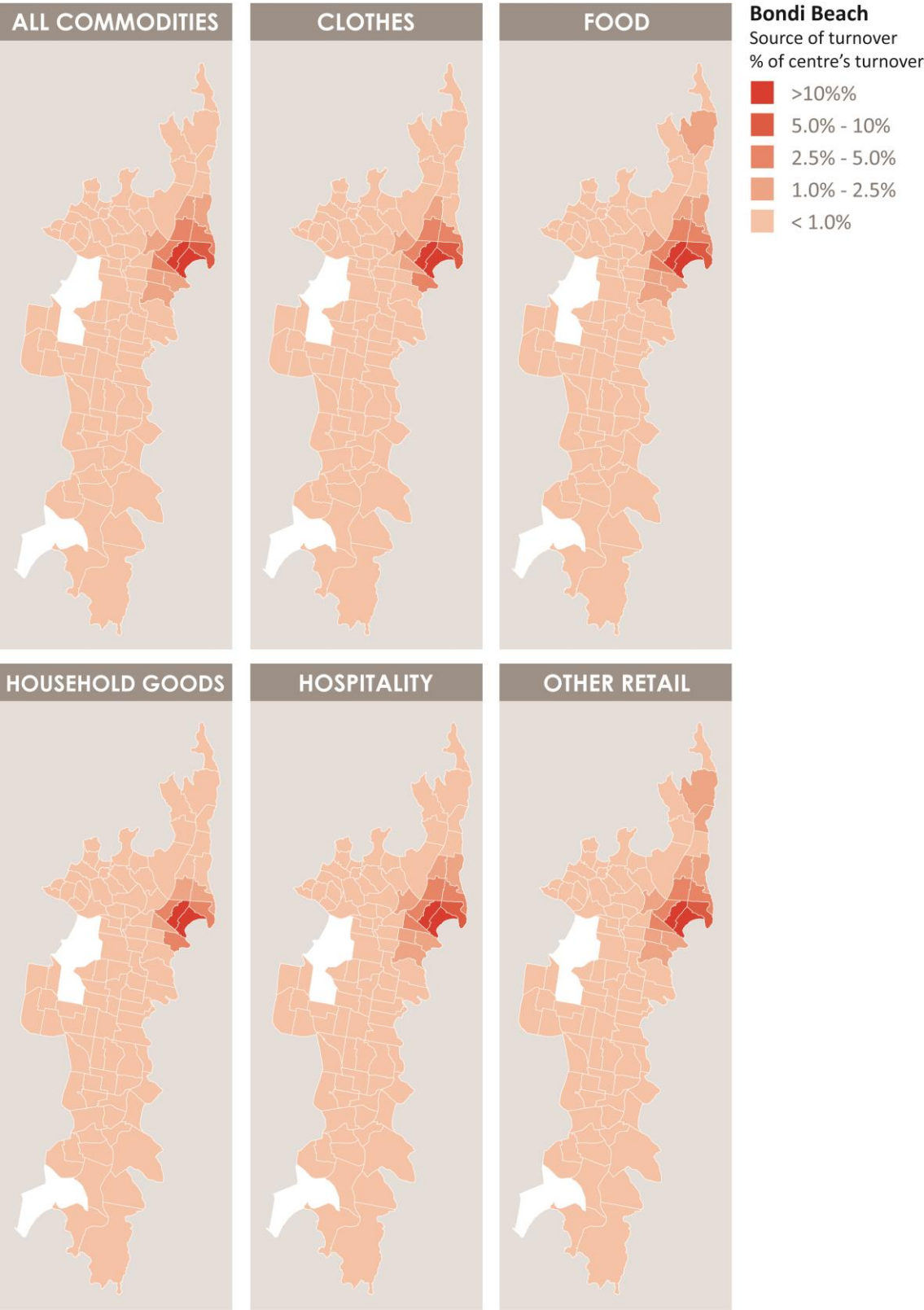
Source: SGS Economics and Planning calculations

Bondi Junction

FIGURE 87.   SOURCE OF TURNOVER— BONDI JUNCTION

Bondi Junction
Source of turnover
% of centre's turnover

- >10%
- 5.0% - 10%
- 2.5% - 5.0%
- 1.0% - 2.5%
- < 1.0%

ALL COMMODITIES

CLOTHES

FOOD

HOUSEHOLD GOODS

HOSPITALITY

OTHER RETAIL

Source: SGS Economics and Planning calculations

Double Bay

FIGURE 88.   SOURCE OF TURNOVER — DOUBLE BAY

Double Bay
Source of turnover
% of centre's turnover

- >10%
- 5.0% - 10%
- 2.5% - 5.0%
- 1.0% - 2.5%
- < 1.0%
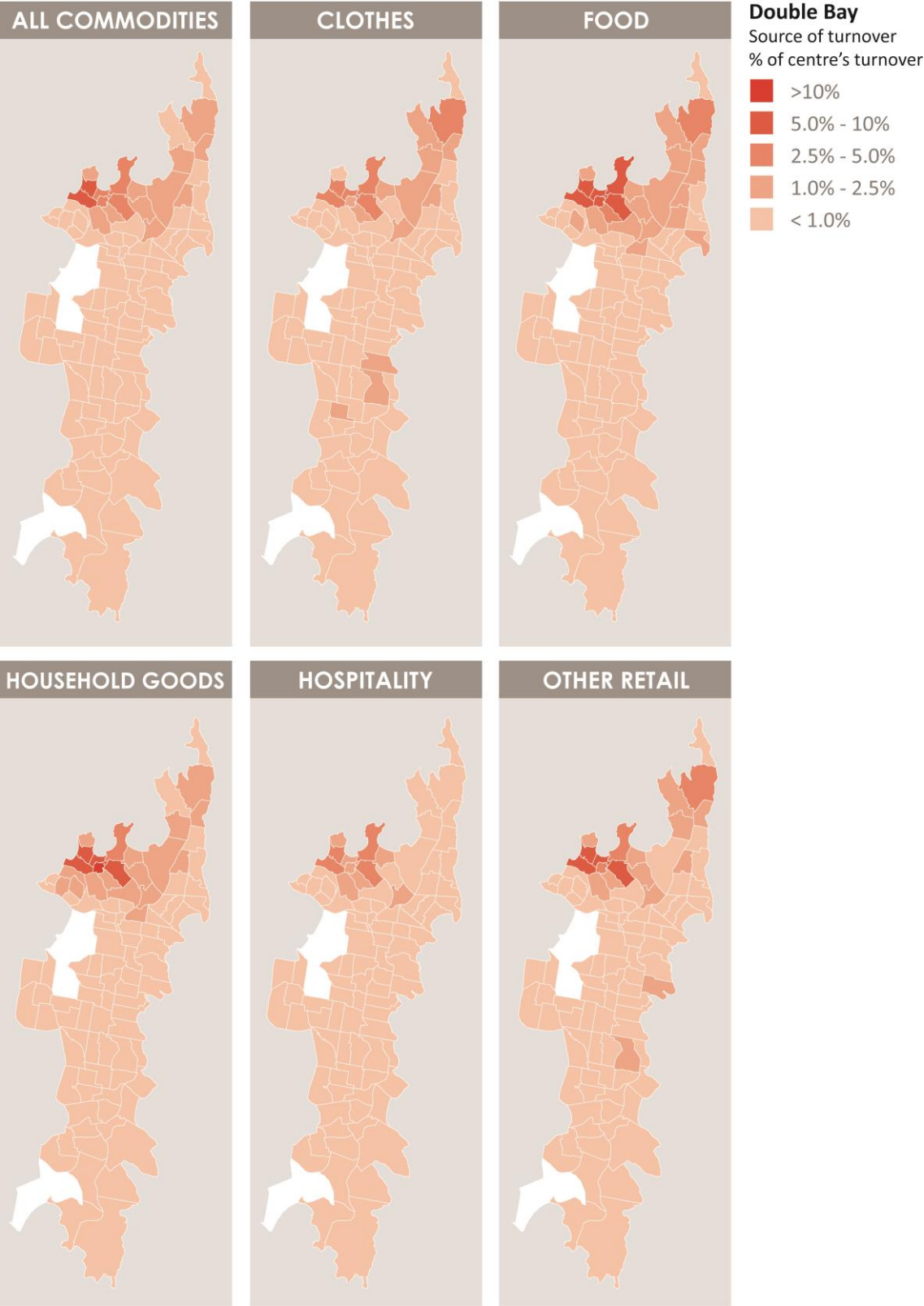
Source: SGS Economics and Planning calculations

Maroubra Junction

FIGURE 89.   SOURCE OF TURNOVER — MAROUBRA JUNCTION
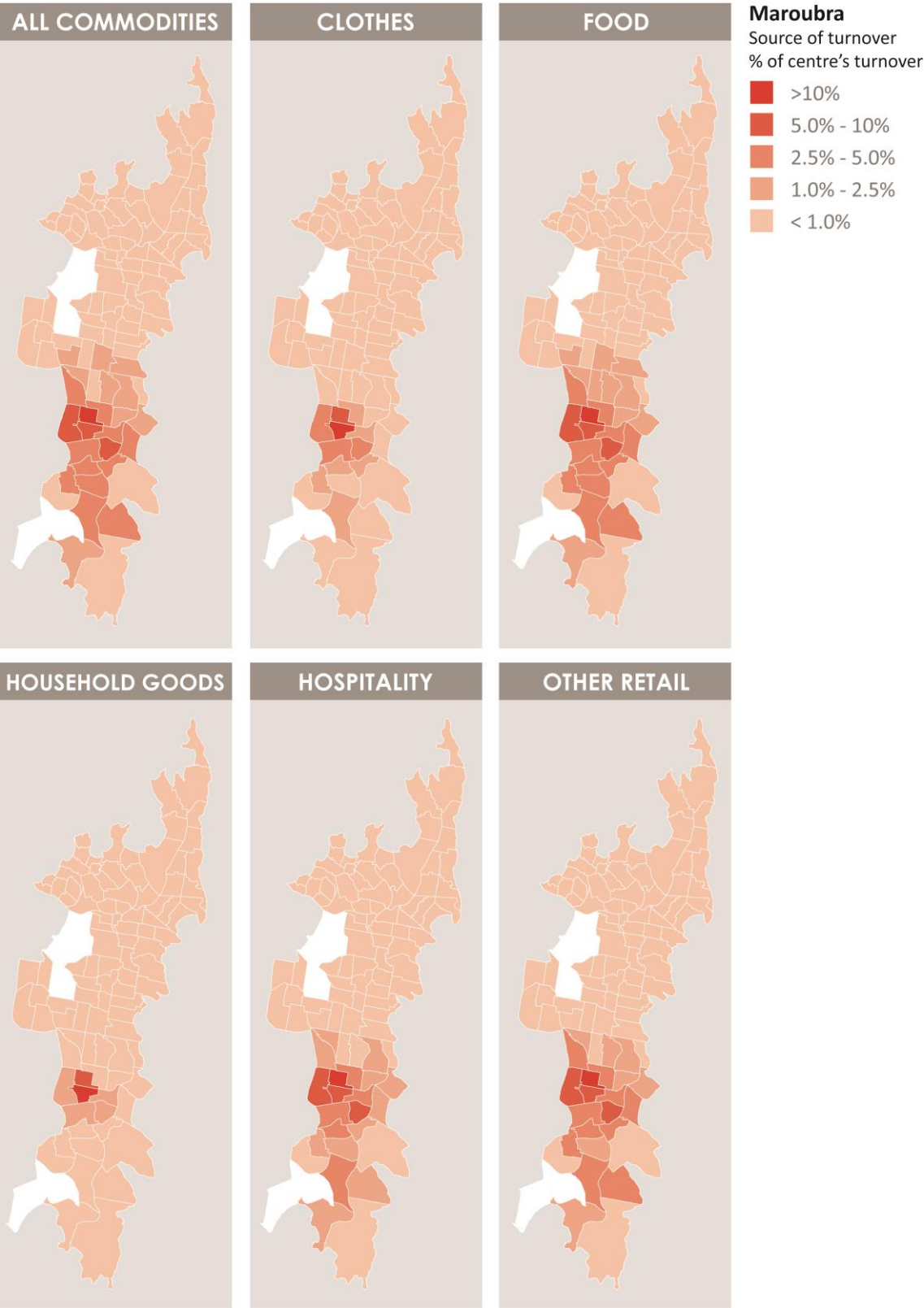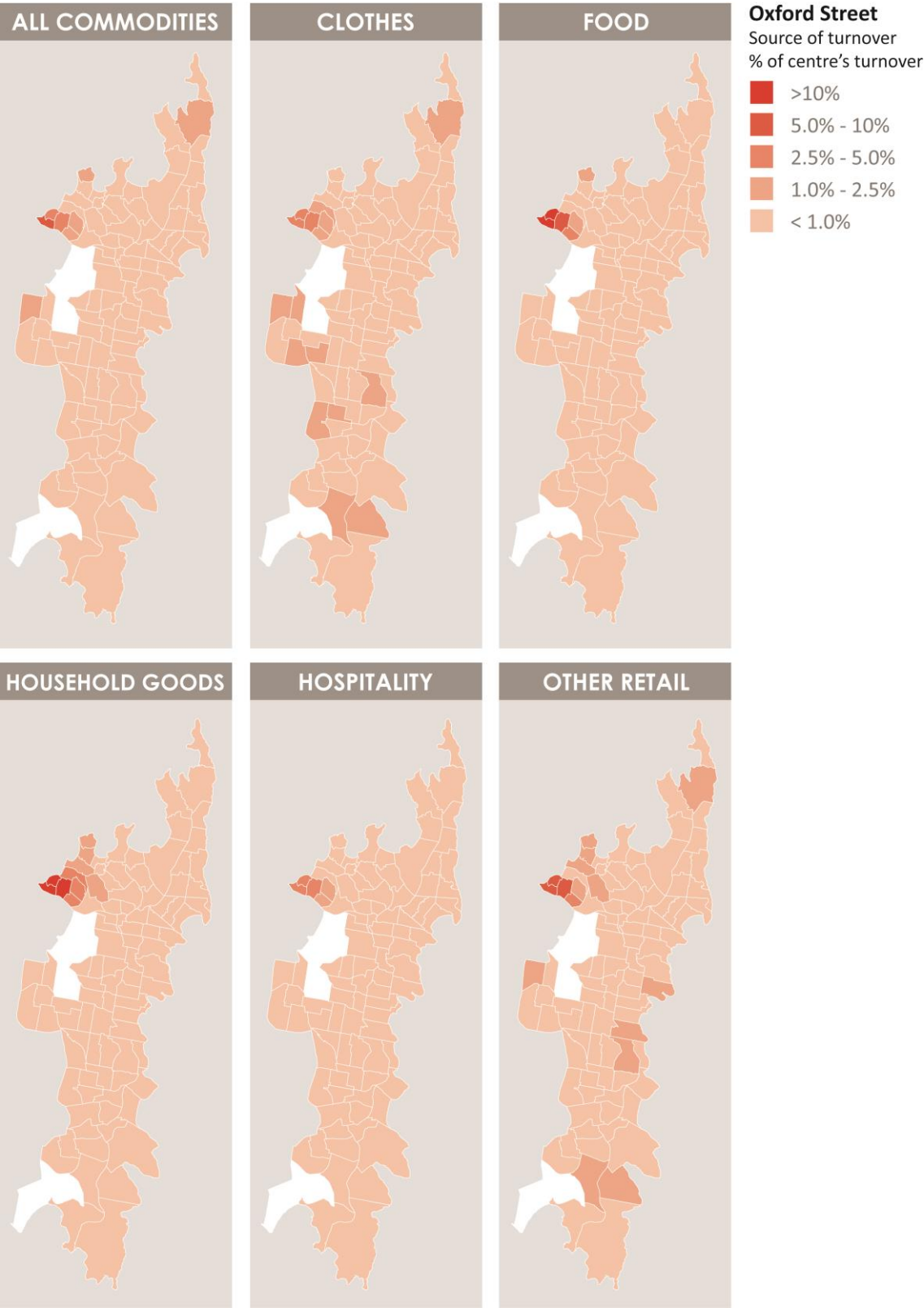

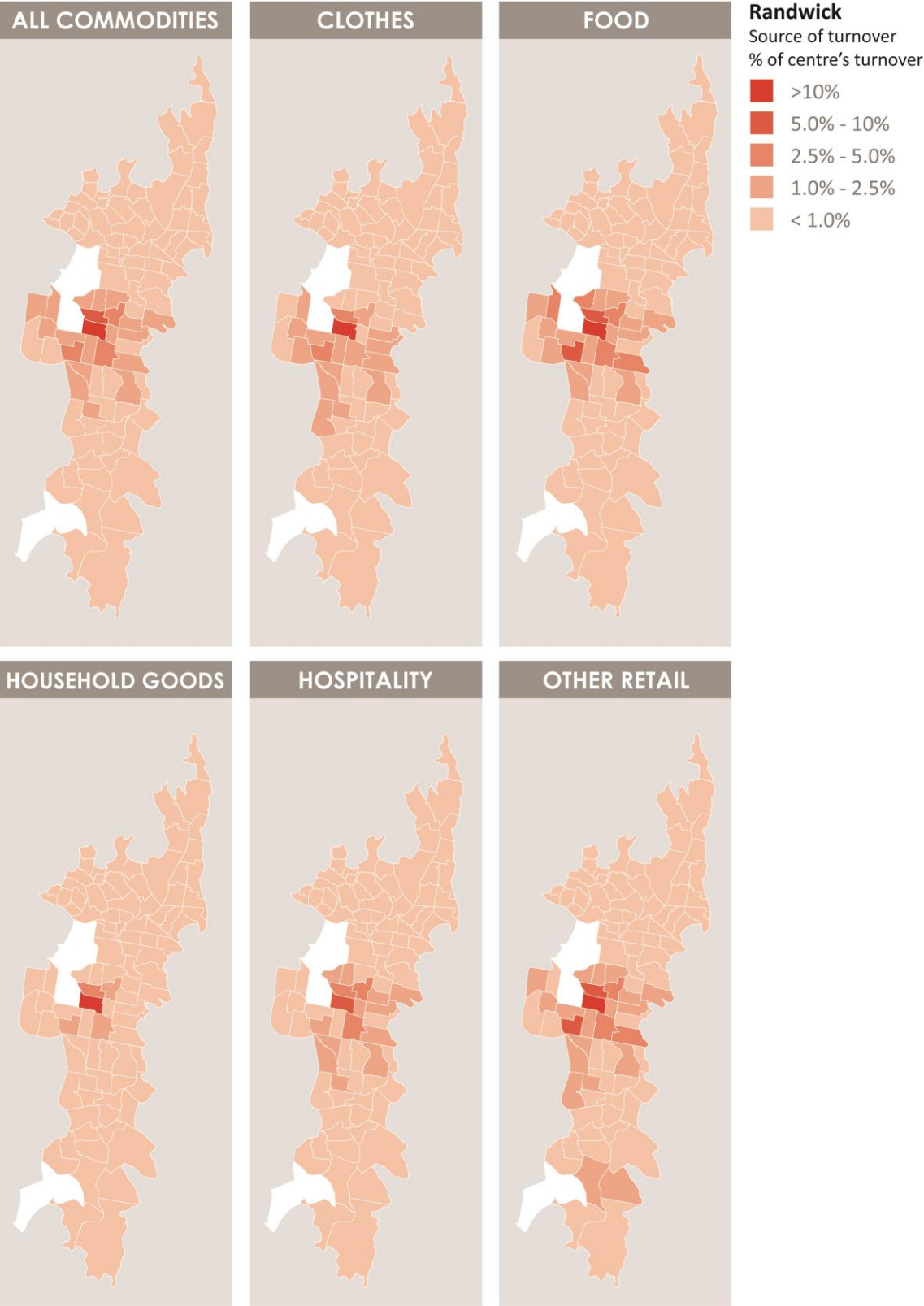Source: SGS Economics and Planning calculations

Oxford Street

FIGURE 90.   SOURCE OF TURNOVER — OXFORD STREET

Oxford Street
Source of turnover
% of centre's turnover

- >10%
- 5.0% - 10%
- 2.5% - 5.0%
- 1.0% - 2.5%
- < 1.0%

Source: SGS Economics and Planning calculations

Randwick

FIGURE 91.   SOURCE OF TURNOVER — RANDWICK/THE SPOT

Randwick
Source of turnover
% of centre's turnover

- >10%
- 5.0% - 10%
- 2.5% - 5.0%
- 1.0% - 2.5%
- < 1.0%

Source: SGS Economics and Planning calculations

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