

Assessment of Public Benefits - 80 Betty Cuthbert Drive, Lidcombe

Summary

An estimation of the State Government's proposed direct investment into 80 Betty Cuthbert Drive, Lidcombe, and the expected quantitative public benefits derived from Government's direct investment into the site is presented herein. A summary is provided below.

Item	Amount
Total Expected State Government Direct Investment Into Site	\$94,150,000
Total Expected Quantitative Public Benefits Derived From Government's Direct Investment Into Site	\$157,400,000

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State Government Investment Into The Site

Item	Amount	Comment
Health Facility	\$15,950,000	NSW Government contribution towards MSL's new "MS Wellbeing Centre" development
Future School Facility*	\$60,000,000	Estimated development cost of a new school - based on Capital Investment Value for new primary school in Edmondson Park (1,000 student primary school)
Future Pedestrian Bridge across Joseph Street*	\$8,200,000	Estimated cost of bridge - based on cost of the pedestrian bridge over Princes Highway at Kirrawee
Enabling Works for Subdivision of the Site*	\$10,000,000	New site roads and footpaths, Joseph Street new intersection and signals, Ppdestrian and cycle way linkage, service connections to superlots, storm water detention basins – based on PDNSW's quantity surveyor estimate of costs
TOTAL EXPECTED STATE GOVERNMENT DIRECT INVESTMENT INTO SITE	\$94,150,000	

*Subject to cost increases due to escalation in construction costs

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Public Benefits Derived From Government's Direct Investment Into Site

Quantitative Benefits

Item	Amount	Comment
Access to Health Services – MS wellbeing centre & 20 respite care accommodation units	\$18,000,000	See calculation #1 – Quantitative estimate of the MS wellbeing centre & 20 respite care accommodation units
Economic benefits received by the community as a result of the new school	\$120,000,000	See calculation #2 – Quantitative estimate of the benefits received by the community as a result of the new school
Access to out of school hours care	\$1,700,000	See calculation #3 – Quantitative estimate of the access to out of school hours care
School site - out of school hours use: <ul style="list-style-type: none">• School facilities use by community - I.e hall and classrooms• Open space areas	<ul style="list-style-type: none">• \$9,000,000• \$7,600,000	<ul style="list-style-type: none">• See calculation #4 – Quantitative estimate of public access to school facilities used by the community - i.e. hall and classrooms• See calculation #5 – Quantitative estimate of public access to open space areas
Better use of Coleman Park	\$1,100,000	See calculation # 6 – Quantitative estimate of better use of Coleman Park
TOTAL EXPECTED QUANTITATIVE PUBLIC BENEFITS DERIVED FROM GOVERNMENT'S DIRECT INVESTMENT INTO SITE	\$157,400,000	

Qualitative Benefits

The following qualitative benefits have tangible benefits to the community at a cost to the State Government:

- Safe passage and linkage to Berala
- Activation of Berala
- Additional future pedestrian and cycle linkage to the east and south

Calculations of Quantitative Public Benefits

1. Quantitative estimate of the MS wellbeing centre & 20 respite care accommodation units
2. Quantitative estimate of the benefits received by the community as a result of the new school
3. Quantitative estimate of the access to out of school hours care
4. Quantitative estimate of public access to school facilities used by the community - i.e. hall and classrooms
5. Quantitative estimate of public access to open space areas
6. Quantitative estimate of better use of Coleman Park

Calculation of Quantitative Public Benefits

1. Quantitative estimate of the MS wellbeing centre & 20 respite care accommodation units

- Assuming the economic benefits of MS wellbeing centre & 20 respite care accommodation units equates to the opportunity cost for existing informal care for MS patients (that is, in the absence of current MS patient carer's caring responsibilities, the carers would be employed at the same rate as members of the general population)
- Based on methodology in "The value of informal care in 2020" prepared by Deloitte Access Economics and commissioned by Carers Australia, and assuming 1 carer per unit, the opportunity cost = 20 units x \$1,748.40 (current average weekly earnings based on ABS data) = \$34,968
- Opportunity cost over 10 years = \$18,183.360

Adopt \$18m

Calculation of Quantitative Public Benefits

2. Quantitative estimate of the benefits received by the community as a result of the new school

- Based on A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school in Australia report prepared by PricewaterhouseCoopers commissioned by The Front Project in June 2019, the benefit to cost ratio (BCR) for expenditure on early childhood education is 2.0.
- Cost of a 1,000 student school is \$60m based on the Capital Investment Value for the new primary school in Edmondson Park
- Based on a BCR of 2.0 the economic benefit to the community is \$120m

Adopt \$120m

Calculation of Quantitative Public Benefits

3. Quantitative estimate of the access to out of school hours care

- Average weekly salary is \$1,748.40 (Australian Bureau of Statistics)
- 1,000 student school, assuming 10% of parents can return to work as a result of out of school ours care (say 100 parents)
- $\$1,748.40 \times 100 = \$174,840$
- Economic benefit to the community over 10 years = $\$174,840 \times 10 \text{ years} = \$1,748,400$

Adopt \$1.7m

Calculation of Quantitative Public Benefits

4. Quantitative estimate of public access to school facilities used by the community - i.e. hall and classrooms

- The value of the proposed SP2 Education superlot is \$13.9m (based on Charter Keck Cramer valuation dated 26 July 2021 commissioned by Property & Development NSW), and the value of the improvements (i.e. the Capital Investment Value) is \$60m, equating to a total estimated value of \$73.9m for the school in its entirety.
- Assume that public access to the school buildings/facilities equates to 50% of the school in its entirety, and that access to the public is provided after school and on weekends (say 5 hours a day on weekdays, 8 hours a day on the weekend)
- Adjusting the value proportionate to accessibility of school buildings/facilities, equates to $41 \text{ hours} / 168 \text{ hours} \times 0.5 \times \$73.9\text{m} = \$9,017,560$ (say \$9m)

Adopt \$9m

Note: The above figure does not take into account the costs associated with maintaining the facilities which would increase the public benefits

Calculation of Quantitative Public Benefits

5. Quantitative estimate of public access to open space areas

Comparable sales for open space land

Address	Land Area (sq.m)	Zoning	Date sold	Land Value	Land Value Rate p.s.m
39 Cabbage Tree Road, Bayview	980	RE2 – Private Recreation	8 Sep 2020	\$520,000	\$531
2 Shore Street, Warwick Farm	4,401	RE2 – Private Recreation	21 Nov 2019	\$2,050,000	\$466
5 Pine Avenue, Earlwood	1,043	RE1 – Public Recreation	24 Aug 2017	\$2,000,000	\$1,918

- Adopt \$1,000/sqm for public open space based on above comparable sales
- Dept. of Education targets open space for schools at 10m² per student
- Assuming a 1,000 student school, 10,000sqm of open space will be provided
- \$1,000/sqm x 10,000sqm = \$10m
- Assume the public has access to public space after school and on weekends (say 16 hours a day on weekdays, 24 hours a day on weekend)
- Adjusting the estimated value proportionate to public accessibility to the open space equates to 128 hours / 168 hours x \$10m = \$7,619,047

Adopt \$7.6m

Calculation of Quantitative Public Benefits

6. Quantitative estimate of better use of Coleman Park

- Adopt \$1,000/sqm for public open space based on comparable sales
- The approximate area of the park is 5.7ha
- Based on the above the estimated value of the park is \$5.7m
- Assume a 20% increase in usage as a result of the NSW Government investment
- The economic benefit to the community is $20\% \times \$5.7\text{m} = 1.14\text{m}$

Adopt \$1.1m

