
42-60 RAILWAY PARADE, BURWOOD

ECONOMIC IMPACT ASSESSMENT

HOLDMARK
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EXECUTIVE SUMMARY

BACKGROUND

Holdmark owns the site at 42-60 Railway Parade, Burwood ('the Site'). In 2015, a planning proposal ('the Initial Proposal') was prepared to amend the planning controls pertaining to the Site, in particular to amend the Site's building height and floor space ratio (FSR) controls. Specifically, the following amendments were proposed:

- Building height from 60 metres and 70 metres to a maximum of 163.5 (AHD) metres.
- FSR from 4.5:1 and 6.6:1 to FSR 9.9:1.

In March 2017, Gateway Determination was issued, indicating that proposal should proceed and that the maximum building height and floorspace ratio for the Site should be 107m and 144m, and to FSR 9.9:1 respectively.

Subsequent to the Gateway Determination and discussions with Burwood City Council, Holdmark are preparing a planning proposal to increase the floor space ratio to FSR 10.54:1 ('the Revised Proposal'). This would facilitate slight reconfiguration, additional residential floorspace and contributions in-kind to specific items of public benefit.

Revised Proposal Scheme

Mix of Uses	GFA (sqm)
Office	15,429
Serviced Apartments/Short-term Accommodation	5,536
Retail	27,502
Total Non-Residential	48,467
Residential	102,858 (or 1,100 apartments)
Total	151,325

Source: Architectus (2018)

AEC Group (AEC) is engaged by Holdmark to prepare an Economic Impact Assessment to analyse the economic impacts likely to result from implementation of the planning proposal.

EXISTING IMPROVEMENTS AND THE PROPOSAL

The Site is occupied by Burwood Plaza (42 Railway Parade) which is an indoor retail shopping mall that covers the entire eastern portion of the Site and includes above ground car parking. Existing retail floorspace is in the order of 12,363sqm. The Site additionally contains a commercial building (58 Railway Parade, Burwood) and an above ground car park on the western portion of the site. Existing commercial floorspace is in the order of 15,893sqm.

The Revised Proposal proposes to increase the floor space ratio controls to FSR 10.54:1. Table ES.1 outlines the revised configuration of proposed uses under the Revised Proposal. This is compared against the existing improvements (base case) and Initial Proposal.

Table ES.1: Base Case, Initial Proposal v Revised Proposal

Mix of Uses	Existing Improvements	Initial Proposal	Revised Proposal
Office	15,893sqm	15,092sqm	15,429sqm
Short-term Accommodation	-	4,841sqm	5,536sqm
Retail	12,363sqm	28,477sqm	27,502sqm
Total Non-Residential	28,256sqm	48,410sqm	48,467sqm
Residential	-	93,972sqm (or 1,044 apartments)	102,858sqm (or 1,100 apartments)
Total	28,256sqm	142,382sqm	151,325sqm

Source: Architectus (2018)

The Revised Proposal also envisages delivery of the following items of public benefit:

- **New Council car park**

A new basement car park to provide for 180 car spaces over two basement levels to replace an existing at-grade council car park that currently provides for 56 car spaces.

- **Urban park over the new Council car park**
A new park (approximately 2,750sqm in area) to be provided where the current at-grade car park is located, over the new Council car park in the basement.
- **Larger library**
Construction of an additional floor to the existing library (approximately 800sqm in area) to provide for an expanded library facility.

For the purposes of the EIA the Base Case is defined by the existing improvements while the Proposal is defined by the Revised Proposal, as described above.

KEY FINDINGS

Strategic Context

The Greater Sydney Region Plan and Eastern City District Plan articulate the importance for provision of services and social infrastructure to support communities as they grow and evolve. Housing supply and choice are important planning priorities but equally important are the priorities to foster healthy, culturally rich and socially connected communities.

The planning priorities and actions align with the 10 Directions of the draft Region Plan and Eastern City District Plan their corresponding objectives. The planning priorities and actions of direct relevance to the Proposal are:

- **Liveability Direction**
 - Planning Priority E3 - Providing services and social infrastructure to meet people's changing needs.
 - Planning Priority E4 - Fostering healthy, creative, culturally rich and socially connected communities.
 - Planning Priority E5 - Providing housing supply, choice and affordability with access to jobs, services and public transport.
- **Productivity Direction**
 - Planning Priority E11 - Growing investment, business opportunities and jobs in strategic centres.

Each of these planning priorities are discussed in detail in the report.

Business investment in strategic centres that contribute to job opportunities and facilitate community access to goods and services are core planning priorities. The importance of retail floorspace provision is acknowledged alongside the importance of commercial and office floorspace provision in centres.

Burwood's designation as a strategic centre necessitates the provision not just of retail and commercial floorspace but facilitation of recreation, cultural and educational opportunities to support growing number of residents in high-density living. The District Plan additionally identifies opportunities for the Burwood centre for provision of short-term accommodation.

The Proposal responds to the strategic directions and planning priorities articulated in both metropolitan and district level planning through the provision of greater housing supply and supporting retail floorspace. Importantly, the Proposal envisages provision of a significant quantum of commercial office space and short-term accommodation responds to the need for a diversity of business opportunities in centres.

The Proposal's provision of a new car park, urban park and additional library space will provide Burwood's growing community with better access and opportunities for outdoor recreation and to foster social connections. This will contribute to strengthening Burwood's vitality and importance as a strategic centre.

In conclusion, the Planning Proposal aligns to the Eastern City District Plan.

Employment Profile

The employment composition of Burwood suggests its strengthening importance as a local service centre and thereby a corresponding need for retail and commercial floorspace.

Analysis of Burwood's employment profile and composition makes the following observations:

- Employment structure that reflects the role of Burwood strategic centre both as a service centre (serving the local population's needs) and that of a suburban office centre - the composition of employment heavily weighted towards population-serving jobs and knowledge-intensive jobs.
- Growing importance of Health and Education sectors for employment.
- Even though Retail Trade has declined as a proportion of overall employment (amid a diversifying economy), it is nevertheless an important industry which employs 2,000 persons (18%).

The growth profile of Burwood is consistent with its role as a strategic centre. The Proposal will facilitate development of floorspace (retail and commercial) to accommodate further growth. More specifically, an expanded retail centre will incorporate a greater range of retailers and food catering businesses, medical and health related occupiers as well as non-retail service occupiers.

Socio-demographic Profile

Analysis of the socio-demographic profile of Burwood LGA makes the following observations:

- Burwood's overall rate of population growth over the 2006-2016 period averaged 1.8% per annum, below that of the Eastern City District (2.1% per annum) and slightly higher than Greater Sydney's (1.7% per annum).
- In comparison to population growth, dwellings growth has occurred at a slower rate (1.5% per annum).
- The average number of persons per household has risen in Burwood, from 2.7 in 2006 to 2.8 in 2016.
- Burwood's residents are generally young (median age of 33 years in 2016 compared to 36 years in 2006), of reproductive age and within the age bands of household formation. Residents are also becoming more educated and more affluent.
- A large proportion of residents (nearly 42%) rent their home, with median rents recorded to comprise nearly 29% of median household incomes in 2016. This was recorded to be higher in 2011 with more than 30% of median incomes paying for rental costs.

While there was strong dwellings growth over the most recent census period of 2011-2016, much of the supply was conceivably absorbed by pent-up demand during that period due to low dwellings growth over the previous census period of 2006-2011.

Despite a falling proportion of low density (and larger format) dwellings in favour of growing proportion of medium and higher density housing formats and declining average number of children per family household, the average persons per household has risen. This would imply more dwellings are still needed to meet household need.

Burwood's relatively young resident community who are in their household formation years need not only housing choice but the appropriate social infrastructure to support associated need.

The Proposal responds to Burwood's need for more dwellings by facilitating approximately 1,100 residential units and delivering needed supporting infrastructure items for the Burwood Strategic Centre.

Economic Impacts

In order to understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature following construction completion and operations commencement.

Construction Phase

The potential increase in economic activity supported during the construction phase of the Proposal (compared to the Base Case) is presented in Table ES.2.

Table ES.2: Estimated Net Impacts during Construction Phase Supported within Burwood LGA

Net Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$317.8	\$75.4	\$36.7	673
Type I Flow-On	\$156.4	\$74.5	\$43.5	512
Type II Flow-On	\$143.1	\$88.1	\$38.0	531
Total	\$617.3	\$238.0	\$118.2	1,717

Source: AEC.

The construction of the Site under the Proposal is anticipated to result in a *net increase* in economic activity, supporting the following economic activity through direct and indirect impacts (per annum):

- \$617.3 million in output (including \$317.8 million in direct activity).
- \$238.0 million contribution to Gross Regional Product (GRP, including \$75.4 million in direct activity).
- \$118.2 million in incomes and salaries paid to households.
- 1,717 full-time equivalent (FTE) jobs (including 673 direct employees).

Operational Phase

Following completion of the development, the Proposal is anticipated to result in a *net increase* in GRP compared to what would be expected to support in the Base Case. Modelling of the change in economic activity supported suggests the Proposal could support an additional (per annum):

- \$196.6 million in output per annum.
- \$121.9 million contribution to GRP.
- \$59.4 million in incomes and salaries paid to local workers.
- 938 FTE jobs (of which 466 are direct employees on-site).

Table ES.3: Estimated Annual Change in Economic Activity Supported within Burwood LGA

Net Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$49.4	\$32.6	\$21.3	466
Type I Flow-On	\$30.4	\$15.7	\$7.3	70
Type II Flow-On	\$116.8	\$73.6	\$30.8	402
Total	\$196.6	\$121.9	\$59.4	938

Source: AEC.

Household Expenditure Supported

Household expenditure associated with the additional residential dwellings is estimated to support the following economic activity through direct and flow-on impacts (per annum):

- \$82.7 million in output (including \$41.0 million in direct activity).
- \$49.6 million contribution to Gross Regional Product (GRP, including \$25.3 million in direct activity).
- \$24.3 million in incomes and salaries paid to households.
- 379 full-time equivalent (FTE) jobs (including 233 direct employees).

Overall, the Proposal delivers a greater level of economic activity than the Base Case as evidenced by larger economic impacts on an annual basis.

Delivery of Infrastructure for Public Benefit

Delivery of the proposed social infrastructure items would help facilitate greater opportunities for recreation, cultural and educational exchange to support growing number of residents in high-density living in Burwood.

In financial terms, the proposed infrastructure items would represent the following contributions to the community:

- New Council car park estimated to represent \$6.2 million to the community, based on \$50,000 for each additional car space (180 proposed car spaces less 56 existing car spaces).
- Urban park estimated to represent \$2.75 million to the community, based on \$1,000/sqm for embellishment works.
- Larger library estimated to represent \$2.4 million to the community, based on \$3,000/sqm of all-inclusive construction costs.

The Proposal's provision of a new car park, urban park and additional library space will provide Burwood's growing community with better access and opportunities for outdoor recreation and to foster social connections. This will contribute to strengthening Burwood's vitality and importance as a strategic centre.

The Proposal envisages 1,100 new dwellings.

The Sydney metropolitan area is experiencing significant demand for housing and growing housing affordability issues, largely as a result of population growth. As a response State government is focused on ensuring that the planning system facilitates increased housing development.

The draft Greater Sydney Region Plan and Eastern City District Plan emphasise the importance of ensuring housing supply and choice, and housing affordability is facilitated close to jobs, services and public transport.

Housing Supply

The overall rate of population growth Burwood LGA, over the 2006-2016 period averaged 1.8% per annum. In contrast, the overall rate of dwellings growth over the same period averaged 1.5% per annum. This suggests a dwellings deficit, consistent with Burwood's number of persons per household increasing from 2.7 to 2.8 persons over the 2006-2016 period.

Historic data indicates an average of 241 dwellings per year were delivered between 9/10 and 17/18. If this trend were to continue, then there would be a shortfall of supply of 271 dwellings from the 512 dwellings of projected demand as stated by DPIE.

The Burwood Council Local Strategic Planning Statement states: "The 0-5 Housing Target for Burwood is 2,600 dwellings. Development within the LGA is on track to deliver 2,050 new dwellings between 2016/17 and 2020/21. Other developments being planned may provide new housing while further transforming the area and strengthening Burwood's role as an entertainment destination and cultural hub in the Eastern City District".

In conclusion, the planning proposal is consistent with the Burwood LSPS as it delivers on the current and projected shortfall of housing supply and does not exceed the demand.

Source: Burwood Council LSPS, August 2019

Housing Choice and Homes Close to Jobs and Infrastructure

The draft Greater Sydney Region Plan and Eastern City District Plan identify the need to accelerate housing supply and local housing choice, acknowledging the importance of ensuring there is housing choice.

Growing market appetite for higher density housing and a desire to live closer to retail and transport amenity has resulted in redevelopment of separate houses into townhouses and apartments in Burwood LGA, particularly between 2011 and 2016. Almost 45% of dwellings in Burwood are now flats, units or apartments, with a further 16% medium density housing, up from 35% and 10% respectively from 10 years ago. This indicates the growth in popularity and importance of Burwood strategic centre as a destination to live.

As a strategic centre, Burwood is an optimal location to focus new development. **The planning proposal provides the Burwood Town Centre, nearby centres and the community with;**

- **a strong positive economic impact;**
- **alignment to the LSPS by providing some of the additional supply shortfall which does not exceed the requisite demand;**
- **alignment to the planning priorities of the Eastern City District Plan.**

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1. INTRODUCTION

1.1 BACKGROUND

Holdmark owns the site at 42-60 Railway Parade, Burwood ('the Site'), comprising Burwood Plaza at 42 Railway Parade and a commercial building at 58 Railway Parade. In 2015, a planning proposal ('the Initial Proposal') was prepared to amend the planning controls pertaining to the Site, in particular to amend the Site's building height and floor space ratio (FSR) controls. Specifically, the following amendments were proposed:

- Building height from 60 metres and 70 metres to a maximum of 163.5 (AHD) metres.
- FSR from 4.5:1 and 6.6:1 to FSR 9.9:1.

In March 2017, Gateway Determination was issued indicating that proposal should proceed and that the maximum building height and floorspace ratio for the Site should be 107m and 144m, and to FSR 9.9:1 respectively.

Subsequent to the Gateway Determination and discussions with Burwood City Council, Holdmark are preparing a planning proposal to increase the floor space ratio to FSR 10.54:1 ('the Revised Proposal'). This would facilitate slight reconfiguration, additional residential floorspace and contributions in-kind to specific items of public benefit.

AEC Group (AEC) is engaged by Holdmark to prepare an Economic Impact Assessment to analyse the economic impacts likely to result from implementation of the proposal (the Initial Proposal and the Revised Proposal).

1.2 SCOPE AND APPROACH

AEC Group (AEC) is engaged by Holdmark to prepare an Economic Impact Assessment (EIA) to analyse the economic impacts likely to result from proposed planning control amendments and redevelopment of the Site.

A Base Case and two Proposal Cases are developed to consider the cumulative impacts of the planning proposal.

- **Base Case:** The Site continues in its existing use as a shopping centre and office building.
- **Initial Proposal:** The Site is developed according to the Masterplan, in accordance to the amended planning controls (FSR 9.9:1) for which Gateway Determination was issued.
- **Revised Proposal:** The Site is redeveloped under a proposal (FSR 10.54:1) to reconfigure the floorspace and incorporate a higher proportion of residential floorspace. The proposal additionally envisages delivery of the following public benefit items:
 - New basement car park for 180 car spaces arranged over two levels that will replace an existing council car park with 56 car spaces.
 - Urban park over the new car park, approximately 2,750sqm in area.
 - Additional level of accommodation over the existing library of approximately 800sqm in floor area.

The EIA examines the economic impacts if the Site were redeveloped pursuant to the planning proposal.

1.3 STRUCTURE OF THE STUDY

The purpose of the EIA is to consider the economic impacts of the proposal compared to the base case. The EIA is structured in the following manner:

Chapter 2 reviews the Site, its context within the Burwood strategic centre and describes the proposal which is comprised of two elements - Initial Proposal (for which Gateway Determination was issued) and Revised Proposal.

Chapter 3 analyses the strategic planning policies of relevance to the Site.

Chapter 4 analyses the socio-demographic and employment profile of Burwood.

Chapter 5 assesses the need for commercial land uses.

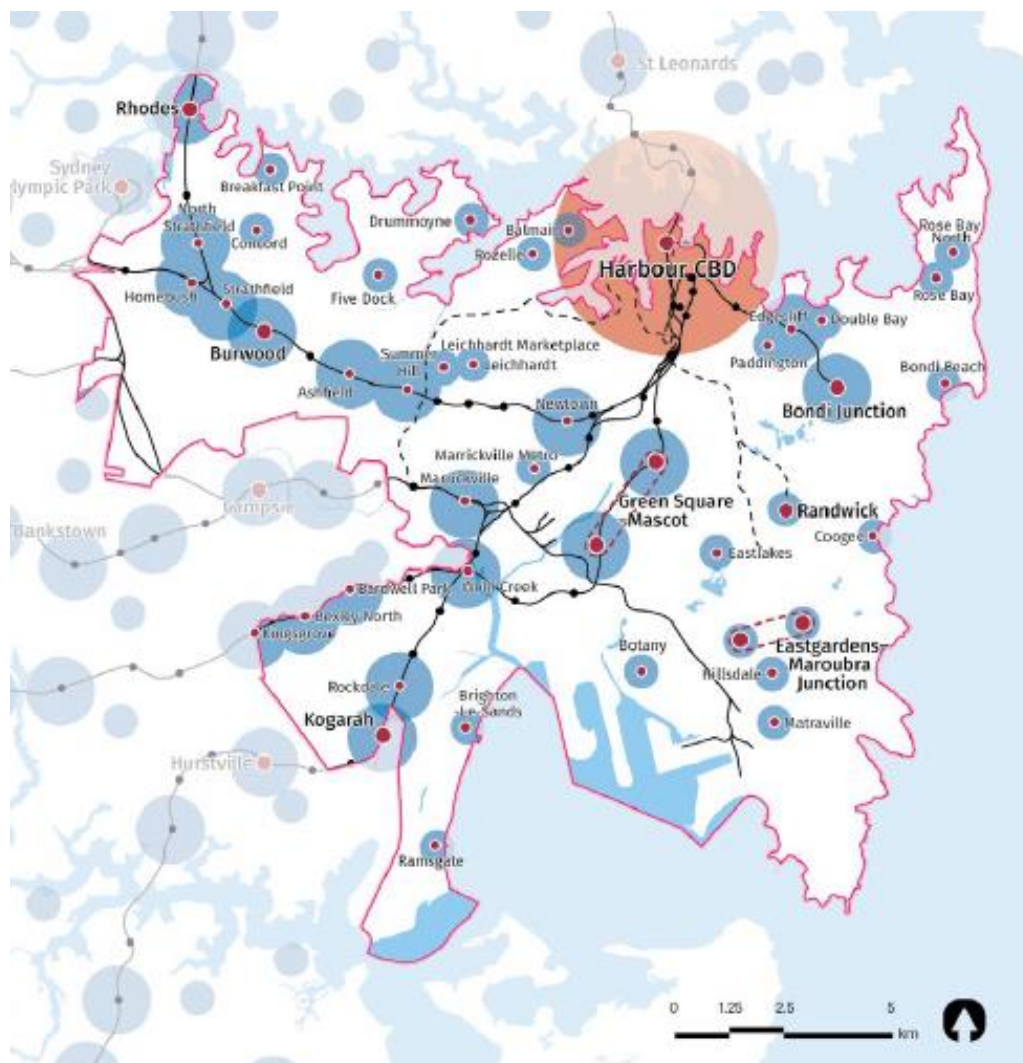
Chapter 6 assesses the economic impacts and proposed public benefits of the Proposal against the Base Case.

2. SITE CONTEXT

2.1 LOCATION

The Site is located within the strategic centre of Burwood. Burwood is located in the local government area of Burwood, about 9.5km from the Sydney CBD and 11.5km from Parramatta. Burwood is centrally located in Sydney's inner west and is serviced by the Airport, Inner West & South Line railway line and contains Burwood train station. For the purposes of the EIA, "Burwood" and "Burwood Strategic Centre" are used interchangeably, however, both refer to Burwood Strategic Centre. Figure 2.1 illustrates.

Figure 2.1: Strategic Context and Location of Burwood



Source: GSC (2018b)

Parramatta Road sits to the north of Burwood and has been identified for urban renewal and transformation by UrbanGrowth NSW. The Burwood Precinct as identified in the Parramatta Road Corridor Urban Transformation Strategy (UrbanGrowth, 2016) is intended to be a northern extension of Burwood. Burwood Precinct will be a commercial gateway to Burwood based around an enlivened spine of Burwood Road which is envisaged to offer improved amenity for new residents.

Burwood has strong street-based shopping on Burwood Road complemented by a major shopping centre at Westfield Burwood. Many large corporations and government departments occupy commercial floorspace in Burwood including Land and Housing Corporation, Road and Maritime Services, NSW Trustee & Guardian and Family and Community Services.

The Site is located within the area designated Commercial Core Area and the Middle Ring Area of Burwood as described in the Burwood Local Environmental Plan (2012). Burwood (including the Site) is zoned B4 Mixed Use. The Site occupies the majority of two city blocks (either side of Wynne Ave) situated in the south-western part of the main commercial and retail area. The Site has street frontages onto Railway Parade and Wynne Avenue as well as a frontage to Clarendon Place and a planned laneway along the south boundary of the Site.

The area located to north of the Site contains Railway Parade, Burwood train station and 1 Railway Parade, an existing mixed use development. The area to the east of the Site contains Burwood Road with existing two storey shop-top housing and ground floor retail.

The area to the south of the Site contains Belmore Street with the recently completed mixed use development B1 Square as well as the DA approved Burwood Grand. The land to the west of the Site contains Condor Street incorporating Burwood Primary School, Burwood Library and ground level Council car park.

2.2 EXISTING IMPROVEMENTS

At present the Site is occupied by Burwood Plaza (located at 42 Railway Parade) which is an indoor retail shopping mall that covers the entire eastern portion of the Site and includes above ground car parking. Current tenants occupying Burwood Plaza are identified in Table 2.1.

The Site additionally contains a commercial building (located at 58 Railway Parade, Burwood) and an above ground car park on the western portion of the site. Vehicle access to the site is provided from two points, both on Wynne Avenue. Immediately to the west of the site is Council's recently refurbished library and surface car park.

Table 2.2 identifies the occupants of 58 Railway Parade when the property was marketed for sale in 2014.

Table 2.1: Burwood Plaza Tenants

Tenant/Category	Lettable Area (sqm)
Majors	
Woolworths	4,098
Mini-majors (>400sqm)	
Best & Less	1,085
Freshworld	1,013
Mini-majors	2,097
Retail Specialties	
Food & Liquor	472
Food Catering	449
Apparel	649
Household Goods	204
Leisure	197
General Retail	1,372
Retail Services	577
Total Retail Specialties	3,921
Total Centre - Retail	10,116
Non-retail	725
Gym	1,246
Vacant	276
Total Non-retail	2,247
Total Centre	12,363

Source: Centuria (2015)

Table 2.2: 58 Burwood Parade, Burwood Tenants

Tenant/Category	Lettable Area (sqm)
Major Tenants	13,390sqm
Telstra	6,596
Government Property NSW	3,724
Centrelink	1,362
Injury Treatment	895
Vision Stream Services	814
Other Tenants	2,502sqm
Total	15,893sqm

Source: Colliers (2014)

2.3 THE INITIAL PROPOSAL

The Initial Proposal proposed to retain the Site's current B4 Mixed Use zone and amend the Site's building height and FSR controls to facilitate development as envisaged by the Masterplan. Specifically this included the following planning control amendments:

- Building height from 60 metres and 70 metres to a maximum of 163.5 (AHD) metres.
- FSR from 4.5:1 and 6:1 to 9.9:1.

The key features of the Masterplan included:

- A vibrant mix of uses, including high density residential (with approximately 1,044 apartments) to create an extended hours urban retail centre for this strategic site within Burwood.
- Commercial floorspace of 15,092sqm.
- Retail activation at ground level of Railway Parade and Wynne Avenue.
- Through site links and public laneways to break up the large block and increase pedestrian permeability.
- Doubling of the road reserve area of Wynne Avenue to provide much needed urban plaza space taking advantage of its northerly aspect.
- Transition of buildings heights with a 3 storey street wall with tall, slender towers generally setback 6m.
- Location and orientation of towers to maximise views, minimise overshadowing and maximise separation with the neighbouring tall buildings potential and under construction.
- Location of car parking and loading in the basement (no above ground car parking).

Table 2.3 outlines the mix and quantum of uses envisaged by the Masterplan in the Initial Proposal.

Table 2.3: Initial Proposal Scheme

Mix of Uses	GFA (sqm)
Office	15,092
Hotel	4,841
Retail	28,477
Total Non-Residential	48,410
Residential	93,972 (or 1,044 apartments)
Total	142,382

Source: Architectus (2016)

The Initial Proposal received Gateway Determination in March 2017. Subsequent to this and discussions with Burwood Council on delivery of various items of infrastructure, a Revised Proposal is prepared.

2.4 THE REVISED PROPOSAL

The Revised Proposal proposes to increase the floor space ratio controls from FSR 9.9:1 to FSR 10.52:1. Table 2.4 outlines the revised configuration of proposed uses.

Table 2.4: Revised Proposal Scheme

Mix of Uses	GFA (sqm)
Office	15,429
Serviced Apartments/Short-term Accommodation	5,536
Retail	27,502
Total Non-Residential	48,467
Residential	102,858 (or 1,100 apartments)
Total	151,325

Source: Architectus (2018)

The non-residential floorspace proposed is broadly similar in magnitude, the Revised Proposal envisages marginally more floorspace (48,467sqm) compared to the Initial Proposal that proposed 48,410sqm non-residential floorspace.

The Revised Proposal also envisages delivery of the following items of public benefit:

- **New Council car park**
A new basement car park to provide for 180 car spaces over two basement levels to replace an existing at-grade council car park that currently provides for 56 car spaces.
- **Urban park over the new Council car park**
A new park (approximately 2,750sqm in area) to be provided where the current at-grade car park is located, over the new Council car park in the basement.
- **Larger library**
Construction of an additional floor to the existing library (approximately 800sqm in area) to provide for an expanded library facility.

Compared to the Initial Proposal, the Revised Proposal envisages less retail floorspace (reduction of 975sqm), marginally more commercial office floorspace (increase of 337sqm) and short-term accommodation floorspace (695sqm). Slightly larger residential floorspace is proposed, equivalent to approximately 56 apartments.

For the purposes of the EIA the Base Case is defined by the existing uses while the Proposal is defined cumulatively by the Initial Proposal and Revised Proposal, as described above.

The next chapter examines the policy context within which the proposal will operate.

3. POLICY CONTEXT

3.1 DRAFT GREATER SYDNEY REGION PLAN

The draft Greater Sydney Region Plan (the draft Region Plan) sets out a vision, objectives, strategies and actions for a metropolis of three cities across Greater Sydney.

A framework for the liveability, productivity and sustainability of the metropolis of three cities is detailed in the draft Region Plan. 10 Directions, each comprised of a series of objectives are articulated to deliver and monitor the draft Region Plan.

The objectives of direct relevance to the Proposal are:

- Liveability Direction
 - Objective 6 - Services and infrastructure meet communities' changing needs.
 - Objective 7 - Communities are healthy, resilient and socially connected.
 - Objective 10 - Greater housing supply.
- Productivity Direction
 - Objective 22 - Investment and business activity in centres.

Each of these objectives are discussed in turn.

Objective 6

The objective emphasises the importance of ensuring services and infrastructure is tailored to meet the changing needs of population groups. Improved health, public transport and accessibility outcomes can be achieved through the provision of schools, recreation, transport, arts and cultural, community and health facilities in walkable, mixed-use places that are co-located with social infrastructure and local services. This is related to Objective 7.

Objective 7

The objective aims to deliver infrastructure and services to support socially connected communities that include:

- Playgrounds, libraries, education facilities and active street life.
- Farmers' markets, eat streets, street verges and community gardens.
- Creative arts centres, theatres, live music and co-working spaces.
- Bushcare groups, outdoor gyms, sportsgrounds, aquatic centres and community spaces.

The objective recognises the importance of having mixed-use neighbourhoods close to centres and public transport that will not only promote walking and cycling, but also generate social opportunities in the height of walkable neighbourhoods.

Objective 10

A central tenet of the requirement to create more housing capacity is that the provision of new homes should be linked to local infrastructure, both to optimise existing infrastructure and to maximise investment in new infrastructure.

Opportunities for urban renewal are seen as valuable, however they need to be considered by location and by capacity of existing and proposed infrastructure. In established areas, urban renewal opportunities around regional transport and strategic centres where walking and cycling links are available contribute to liveability.

Development of housing targets will help inform preparation of councils' housing strategies. The 0-5 year targets are reflect the existing development pipeline and provide a focus for infrastructure delivery. Beyond that, councils are to identify areas suitable for housing supply beyond 5 years and attributes of suitable areas for housing supply beyond 10 years.

The 0-5 year housing supply targets are a minimum and councils are required to find additional opportunities to exceed their target to address demand. Developers are recognised to play an important role in supporting housing outcomes and facilitate development capacity created by the planning system.

Objective 22

Centres are a key element of the urban structure of Greater Sydney and play an important role to providing access to jobs, goods and services. The draft Region Plan establishes a hierarchy of three levels of centres - metropolitan, strategic and local centres.

Burwood is identified as a strategic centre. The expectations for strategic centres are for:

- High levels of private sector investment.
- Flexibility, so that the private sector can choose where and when to invest.
- Co-location of a wide mix of land uses, including residential.
- High levels of amenity and walkability and being cycle friendly.
- Areas identified for commercial uses, and where appropriate, commercial cores.

The draft Region Plan identifies the necessity to create the conditions for residential development within strategic centres and within walking distance, but not at the expense of the attraction and growth of jobs, retailing and services. Additionally, where appropriate, strategic should define commercial cores informed by an assessment of their need.

3.2 EASTERN CITY DISTRICT PLAN

The Eastern City District Plan (the District Plan) is a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision for Greater Sydney. The District Plan assists councils to plan for and deliver growth and change, and align their local planning strategies to place-based outcomes, through a set of planning priorities and actions. The planning priorities and actions align with the 10 Directions of the draft Region Plan and their corresponding objectives.

The planning priorities and actions of direct relevance to the Proposal are:

- Liveability Direction
 - Planning Priority E3 - Providing services and social infrastructure to meet people's changing needs.
 - Planning Priority E4 - Fostering healthy, creative, culturally rich and socially connected communities.
 - Planning Priority E5 - Providing housing supply, choice and affordability with access to jobs, services and public transport.
- Productivity Direction
 - Planning Priority E11 - Growing investment, business opportunities and jobs in strategic centres.

Each of these planning priorities are discussed in turn.

Planning Priority E3

As the District's population grows, so too will increased demand on existing services and infrastructure including sports and recreation facilities. Consequently, integrated and targeted delivery of services and infrastructure is needed to support growth, taking into account existing levels of provision use and changing requirements over time.

The co-location of social infrastructure facilities in neighbourhoods that are accessible improves health outcomes and enhances the overall liveability of a neighbourhood or centre.

Planning Priority E4

A multi-faceted approach and place-based approach is required to support healthy lifestyles and strong social connections. Delivery of fine grain urban form and local mixed-use places are identified as having a role to provide better access to local retailers of fresh food, together with opportunities for people to participate in arts, recreation and cultural activities.

Access to diverse open spaces and opportunities for recreational physical activity are important, as are lifelong learning facilities and libraries, which provide valuable opportunities to continue education and connect with others in the community.

Planning Priority E5

New housing must be in the right places to meet demand for different housing types, tenure, price points, preferred location and design. Housing supply must be coordinated with local infrastructure to create liveable, walkable, cycle-friendly neighbourhoods with shops, services and public transport.

The District plan sets five-yearly housing targets for the Eastern City District, based on dwelling needs and existing opportunities to deliver supply. The housing target for Burwood LGA for the period 2016-2021 is 2,600 dwellings. The District Plan notes that the short term (2016-2021) targets are generally consistent with known housing approvals and construction activity. The are minimum targets and largely reflect the delivery potential under current planning controls.

Relevant actions required to implement this Priority include preparation of local housing strategies to:

- Deliver five-year housing supply targets for each local government area.
- Deliver 6–10 year (when agreed) housing supply targets for each local government area.
- Establish capacity to contribute to the longer term 20-year strategic housing target for the District.
- Housing strategy requirements outlined in Objective 10 of the draft Greater Sydney Region Plan.

Planning Priority E11

The District Plan recognises the role of well-planned centres to stimulate economic activity and innovation through the co-location of activities, provide jobs closer to where people live and use infrastructure more efficiently.

Jobs growth and community access to goods and services is a core objective for centres. For this reason, job targets, expressed as a range, have been projected for each strategic centre. These targets seek to inform planning authorities and infrastructure agencies of anticipated growth.

The District Plan recognises that in the Eastern City District, an increasing number of residents live in apartments and rely on public spaces, making it important to ensure the conditions for growth in centres facilitate recreational, cultural and educational opportunities.

Delivery of housing within a walkable distance of strategic centres encourages non-vehicle trips, which also fosters healthier communities. Housing within centres contributes to a sense of vibrancy, however, delivery of housing should not constrain the ongoing operation and expansion of commercial and retail activities.

Centres are recognised as opportunities to focus economic activity. While additional retail floorspace will be required commensurate with population growth, commercial and office floorspace is equally required in centres. This will ensure businesses of various lifecycles and sizes will be able to be accommodated within centres.

Burwood Strategic Centre

The District Plan identifies Burwood as a strategic centre that is centrally located between the Harbour CBD and Greater Parramatta. It has a large retail catchment and offers many local services for communities. It provides a mix of commercial, residential and retail development with a vibrant night-time economy.

Historically a centre that has developed around the train station, Burwood's main retail strip is anchored by Westfield and Burwood Plaza. The District Plan identifies opportunities to provide short-term and hotel accommodation not just to serve the centre but the growing Olympic Park precinct.

The District Plan has set Burwood's 2036 total jobs targets as 12,000-14,000 jobs, highlighting that the targets do not represent a maximum. Burwood Council and other planning authorities and state agencies are responsible to strengthen Burwood through approaches that:

- Protect capacity for job targets and a diverse mix of uses to strengthen and reinforce the economic role of the centre.
- Consider development initiatives that encourage the development of large floorplate mixed-use buildings.
- Improve connections across the centre, including permeability of the rail line.
- Expand the function and type of land uses in the centre.
- Investigate opportunities to improve and diversify night-time economy offerings.
- Promote place making initiatives to improve the quality of public spaces.

3.3 OPPORTUNITY FOR THE PROPOSAL

Metropolitan and district level planning articulate the importance for provision of services and social infrastructure to support communities as they grow and evolve. Housing supply and choice are important planning priorities but equally important are the priorities to foster healthy, culturally rich and socially connected communities.

Business investment in strategic centres that contribute to job opportunities and facilitate community access to goods and services are core planning priorities. The importance of retail floorspace provision is acknowledged alongside the importance of commercial and office floorspace provision in centres.

Burwood's designation as a strategic centre necessitates the provision not just of retail and commercial floorspace but facilitation of recreation, cultural and educational opportunities to support growing number of residents in high-density living. The District Plan additionally identifies opportunities for the Burwood centre for provision of short-term accommodation.

The Proposal responds to the strategic directions and planning priorities described in this chapter through the provision of greater housing supply (albeit nominal 56 apartments compared to the Initial Proposal) and supporting retail floorspace. Importantly, the Proposal envisages provision of a significant quantum of commercial office space and short-term accommodation responds to the need for a diversity of business opportunities in centres.

The Proposal's provision of contemporary retail and commercial facilities (including short term accommodation), opportunity for residential living, a new car park, urban park and additional library space will provide Burwood's growing community with better access and opportunities for outdoor recreation and to foster social connections. This will contribute to strengthening Burwood's vitality and importance as a strategic centre.

4. SOCIO-ECONOMIC PROFILE

This chapter examines the employment and demographic profile of the Burwood LGA. References to “Burwood” refer to the LGA. The socio-economic profile is important to understand the need for retail/commercial floorspace and the demographic profile to understand the need for housing infrastructure to support that need.

4.1 EMPLOYMENT

In order to understand the employment and economic activity occurring in Burwood ABS Census data between 2006 and 2016 was analysed, using Destination Zone (DZ) data. This section considers the employment profile of workers in the centre by analysing types of employment categorised under Australian and New Zealand Standard Industrial Classification (ANZSIC).

The ANZSIC is a hierarchical classification of industry with four levels, namely Divisions (the broadest level), Subdivisions, Groups and Classes (the finest level). At the Divisional level (referred to as 1-digit ANZSIC), the main purpose is to provide a limited number of categories which provide a broad overall picture of the economy.

Burwood's employment grew by an average annual rate of 1.9% over the 2006-2016 period, the more recent period (2011-2016) exhibiting softer average annual growth of 1.2% compared to 2.6% in the previous period (2006-2011). Retail Trade, Health Care & Social Assistance and Public Administration & Safety were the dominant employers.

Table 4.1: Employment Profile Overview, Burwood

Indicator	Burwood
Total Employment (Number)	
2016	11,129
2011	10,474
2006	9,209
Key Industries (2016, % of Total)	
Retail Trade	17.8%
Health Care & Social Assistance	14.0%
Public Administration & Safety	13.0%
Key Occupations (2016, % of Total)	
Professionals	27.1%
Sales Workers	17.3%
Clerical & Administrative Workers	17.0%

Source: ABS (2017c)

4.1.1 Employment by Industry

Burwood's employment composition has undergone some notable changes over the 2006-2016 period.

- Public Administration & Safety saw a doubling of employees (627 workers in 2006 and 1,446 workers in 2016).
- Financial and Insurance Services halved in number over 2006-2011 but regained the workers over 2011-2016.
- Construction workers doubled over the 2011-2016 period (282 workers in 2011 and 554 workers in 2016).
- Professional, Scientific & Technical workers declined over 2006-2011, however regained some of the workers lost over the 2011-2016 period.
- Health Care & Social Assistance and Education & Training have progressively grown in number (increasing by 256 and 363 workers respectively).
- Accommodation & Food Services is an industry that has also grown steadily over the period, increasing by 377 workers, its share of overall employment now 8% compared to 6% in 2006.
- Retail Trade is a major employer in Burwood, its overall numbers remaining steady (circa 2,000 workers) over the 2006-2016 period, however declining as a proportion of overall employment (22% in 2006 to 18% in 2016).

Table 4.2 illustrates Burwood's employment profile by industry over the 2006-2016 period, further categorising the industries into broad categories that illustrate the role of those industries:

- **Population-serving** jobs are those that respond directly to population growth and needs.
- **Health and education** jobs also respond to population growth and needs.
- **Knowledge-intensive** jobs are less directly driven by population growth but by a range of factors including economic, business and government investment.
- **Industrial** jobs are driven by population growth and other factors such as economic, business and government investment. Urban services and service industrial respond directly to population growth and needs.

Table 4.2: Employment by Industry, 2006-2016 (1-digit ANZSIC)

Industry	2006		2011		2016		Change (2006-16)	
	No.	%	No.	%	No.	%	No.	%
Agriculture, Forestry and Fishing	9	0.1%	0	0.0%	20	0.2%	11	112.8%
Mining	4	0.0%	1	0.0%	21	0.2%	16	387.8%
Manufacturing	133	1.4%	104	1.0%	146	1.3%	13	9.8%
Electricity, Gas, Water and Waste Services	4	0.0%	15	0.1%	3	0.0%	0	-12.3%
Construction	240	2.6%	282	2.7%	554	5.0%	314	130.7%
Wholesale Trade	117	1.3%	640	6.1%	95	0.9%	-22	-18.9%
Retail Trade	2,014	21.9%	2,029	19.4%	1,980	17.8%	-34	-1.7%
Accommodation and Food Services	538	5.8%	620	5.9%	915	8.2%	377	70.1%
Transport, Postal and Warehousing	138	1.5%	1,319	12.6%	686	6.2%	548	397.1%
Information Media and Telecommunications	548	5.9%	493	4.7%	156	1.4%	-392	-71.5%
Financial and Insurance Services	745	8.1%	379	3.6%	753	6.8%	7	1.0%
Rental, Hiring and Real Estate Services	201	2.2%	243	2.3%	283	2.5%	83	41.3%
Professional, Scientific and Technical Services	1,443	15.7%	745	7.1%	901	8.1%	-542	-37.6%
Administrative and Support Services	298	3.2%	401	3.8%	334	3.0%	36	12.1%
Public Administration and Safety	627	6.8%	676	6.5%	1,446	13.0%	819	130.8%
Education and Training	609	6.6%	681	6.5%	866	7.8%	256	42.1%
Health Care and Social Assistance	1,193	12.9%	1,519	14.5%	1,555	14.0%	363	30.4%
Arts and Recreation Services	47	0.5%	44	0.4%	61	0.6%	14	30.8%
Other Services	301	3.3%	283	2.7%	352	3.2%	51	17.0%
Total	9,209	100%	10,474	100%	11,129	100%	1,919	20.8%
Broad Industry Categories								
Population-serving	3,139	34.1%	3,258	31.1%	3,861	34.7%	722	23.0%
Health and Education	1,802	19.6%	2,201	21.0%	2,421	21.8%	619	34.4%
Knowledge-intensive	3,862	41.9%	2,936	28.0%	3,874	34.8%	12	0.3%
Industrial	406	4.4%	2,079	19.9%	972	8.7%	566	139.3%
Total	9,209	100%	10,474	100%	11,129	100%	1,919	20.8%

Source: ABS (2017c)

Employment in population-serving and knowledge-intensive industries each comprise slightly more than a third of Burwood's local economy (around 35%). Health and education is becoming more significant to the Burwood local economy, increasing in its overall share of employment (19.6% in 2006 to 21.8% in 2016).

The employment composition of Burwood suggests its strengthening importance as a local service centre and thereby a corresponding need for retail and commercial floorspace.

4.1.2 Employment by Occupation

Burwood's occupation profile is reflective of its service role, with growth in the number of sales workers, community and personal service workers and professionals equally notable. Table 4.3 depicts the employment/occupation profile in Burwood over the 2006-2016 period.

Table 4.3: Employment by Occupation, 2006-2016 (1-digit ANZSIC)

Occupation	2006		2011		2016		Change (2006-16)	
	No.	%	No.	%	No.	%	No.	%
Managers	1,222	13.3%	1,282	12.2%	1,347	12.1%	125	10.3%
Professionals	2,587	28.1%	2,899	27.7%	3,014	27.1%	427	16.5%
Technicians & Trades Workers	763	8.3%	829	7.9%	843	7.6%	80	10.5%
Community & Personal Service Workers	829	9.0%	1,054	10.1%	1,225	11.0%	396	47.8%
Clerical and Administrative Workers	1,882	20.4%	2,141	20.4%	1,887	17.0%	5	0.3%
Sales Workers	1,507	16.4%	1,816	17.3%	1,925	17.3%	418	27.7%
Machinery Operators & Drivers	84	0.9%	82	0.8%	217	1.9%	133	157.8%
Labourers	335	3.6%	370	3.5%	670	6.0%	335	99.8%
Total	9,209	100.0%	10,474	100.0%	11,129	100.0%	1,919	20.8%

Source: ABS (2017c)

4.2 POPULATION AND DWELLINGS

4.2.1 Population

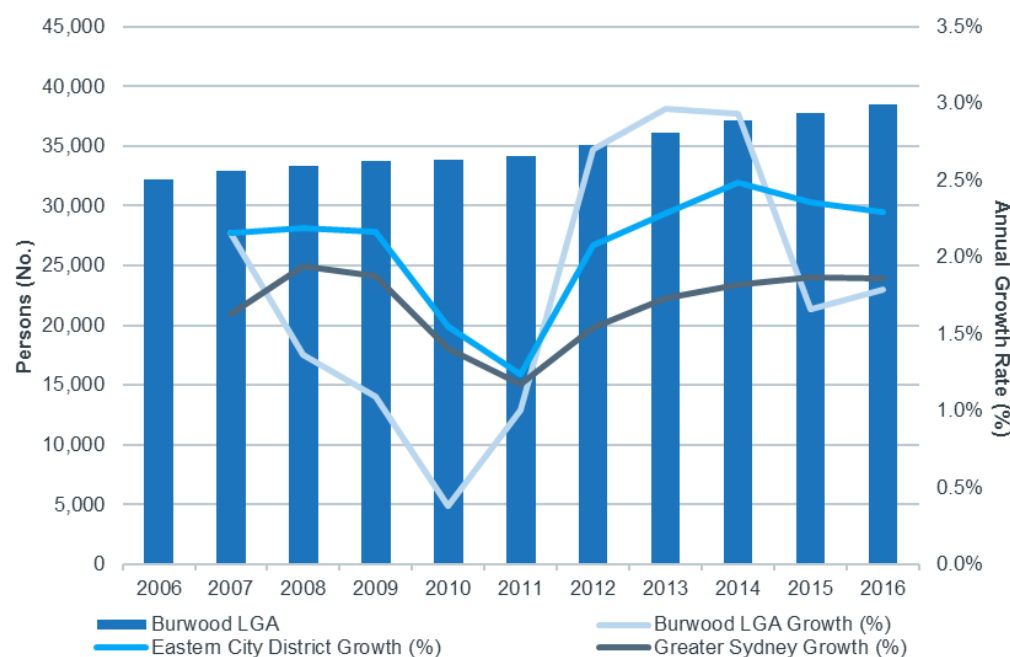
Burwood experienced steady population growth over the 2006-2016 period, averaging 1.8% per annum. In contrast, the Eastern City District averaged 2.1% per annum while Greater Sydney averaged 1.7% per annum. Though, over the 2012-2014 period, Burwood experienced notable population growth exceeding that of the District's, after a slow period of growth in the preceding four years (2008-2011).

Table 4.4 and Figure 4.1 show the population growth of Burwood LGA between 2006 and 2016, benchmarked against the LGAs within the Eastern City District and Greater Sydney.

Table 4.4: Population Growth, Burwood and Comparison Regions, 2006-2016

Year	Historic Population Growth			Average Annual Growth Rate		
	Burwood	Eastern City District	Greater Sydney	Burwood	Eastern City District	Greater Sydney
2006	32,199	841,577	4,256,082	-	-	-
2007	32,893	859,748	4,325,446	2.2%	2.2%	1.6%
2008	33,343	878,592	4,409,484	1.4%	2.2%	1.9%
2009	33,708	897,646	4,492,303	1.1%	2.2%	1.9%
2010	33,835	911,569	4,555,440	0.4%	1.6%	1.4%
2011	34,176	922,857	4,608,874	1.0%	1.2%	1.2%
2012	35,098	942,039	4,679,829	2.7%	2.1%	1.5%
2013	36,140	963,597	4,760,834	3.0%	2.3%	1.7%
2014	37,201	987,546	4,847,431	2.9%	2.5%	1.8%
2015	37,819	1,010,828	4,937,986	1.7%	2.4%	1.9%
2016	38,495	1,034,001	5,029,711	1.8%	2.3%	1.9%
2006-16	6,296	192,424	773,629	1.8%	2.1%	1.7%

Source: ABS (2017a)

Figure 4.1: Population Growth, Burwood and Comparison Regions, 2006-2016

Source: ABS (2017a)

4.2.2 Dwellings

In comparison to population growth, the growth in dwellings has been more muted. Over the 2006-2016 period Burwood recorded average annual growth in dwellings of 1.5%, slightly higher than that of the Eastern District and Greater Sydney's. Distinctly stronger growth was recorded over the 2011-2016 period (average 2.3% per annum) compared to the 2006-2011 period (average 0.6% per annum). Table 4.5 illustrates this.

Table 4.5: Dwellings Growth, Burwood and Comparison Regions, 2006-2016

Year	Historic Dwellings Growth			Average Annual Growth Rate		
	Burwood	Eastern City District	Greater Sydney	Burwood	Eastern City District	Greater Sydney
2006	12,496	400,678	1,730,725	-	-	-
2011	12,900	422,886	1,821,806	0.6%	1.1%	1.0%
2016	14,479	461,663	1,956,204	2.3%	1.8%	1.4%
2006-16	1,984	60,985	225,479	1.5%	1.4%	1.2%

Source: ABS (2017b)

The notably softer dwellings growth compared to population growth is unsurprisingly accompanied by a growing occupancy rate, i.e. the number of persons per household, Burwood's increasing from 2.7 to 2.8 persons per household over the 2006-2016 period.

Table 4.6: Occupancy Rates, Burwood and Comparison Regions, 2006-2016

Year	Burwood	Eastern City District	Greater Sydney
2006	2.7	2.3	2.6
2011	2.8	2.4	2.7
2016	2.8	2.4	2.8

Source: ABS (2017b)

A shift towards higher density living is notable across all three regions examined, the prevalence of medium and higher density housing formats increasing over low density dwellings. Burwood is no different. Table 4.7 shows how dwellings structure in Burwood LGA has changed over the last ten years.

Table 4.7: Dwellings Structure, 2006-2016

Dwelling Structure	2006	2011	2016
Separate house	54.5%	51.6%	39.0%
Semi-detached, row or terrace house, townhouse	9.7%	11.0%	16.3%
Flat, unit or apartment	35.3%	36.6%	44.2%
Other dwelling	0.4%	0.7%	0.5%
Total	100.0%	100.0%	100.0%

Source: ABS (2017b)

In 2006, over half of dwellings were separate houses (54.5%) and by 2016, only 39% of dwellings were separate houses. This was coupled by a steady rise in medium and high-density housing including townhouses and units which increased from 2006 to 2016.

Growing market appetite for higher density housing and a desire to live closer to retail and transport amenity has resulted in redevelopment of separate houses into townhouses and apartments, particularly between 2011 and 2016.

Almost 45% of dwellings in Burwood are now flats, units or apartments, with a further 16% medium density housing, up from 35% and 10% respectively from 10 years ago. This shift in housing format has significant implications for utilisation of existing infrastructure and provision of new infrastructure.

4.2.3 Review of Key Demographic Characteristics

Demographic characteristics influence the need for housing and social infrastructure. Key indicators examined are:

- Age demographic.
- Education levels.
- Rate of house ownership.
- Housing costs as a proportion of household income.

Age Demographic

Burwood's population is comparatively young with a median age of 33 years (compared to 36 years in Greater Sydney). In 2006 Burwood's median age was 36 years. The age spread of Burwood's is relatively consistent over the 2011-2016 period, with a high concentration of residents observed in the reproductive age groups and ages of household formation (25-54 years).

Table 4.8: Age Demographic, 2011-2016

Age Group	2011	2016
0-14 years	14.7%	13.0%
15-24 years	16.2%	17.9%
25-34 years	19.0%	21.3%
35-44 years	12.8%	11.9%
45-54 years	13.0%	11.8%
55-64 years	9.9%	9.8%
65-74 years	6.6%	6.7%
75-84 years	5.4%	4.9%
85 years and over	2.5%	2.7%

Source: AEC, ABS (2017c)

The average number of children per family has fallen from 1.8 children in 2011 to 1.7 children in 2016.

Education Levels

Burwood residents are comparatively more educated, with more than 35% attaining a bachelor degree or higher in 2016. The proportion was broadly similar in 2011. This is notably at higher levels than Greater Sydney.

House Ownership

The proportion of households who rent has notably increased, from 34.5% in 2006 to nearly 42% in 2016.

Table 4.9: House Ownership, 2006-2016

Housing Tenure	2006	2011	2016
Owned outright	34.0%	34.0%	30.3%
Owned with a mortgage	22.3%	25.8%	23.8%
Rented	34.5%	36.6%	41.8%
Other tenure type	0.4%	0.6%	1.0%
Not stated	8.8%	3.1%	3.2%
Total	100.0%	100.0%	100.0%

Source: ABS (2017b)

Housing Costs

Noting that a significant proportion of Burwood's residents rent their accommodation (nearly 42% in 2016), the proportion of household income spent on rental costs is of relevance. The proportion of median household income spent on rental costs declined slightly over the 2011-2016 period, primarily driven by a notable increase in median household income. Table 4.10 illustrates this.

Table 4.10: Housing Costs as Proportion of Household Income, 2011-2016

Dwelling Characteristics	2011	2016
Median Household Income	\$68,120	\$81,588
Median Annual Rent as a Proportion of Household Income	30.5%	28.7%
Median Mortgage Payment as a Proportion of Household Income	38.4%	22.9%

Source: AEC, ABS (2017b)

4.3 SUMMARY OF FINDINGS

Employment

Analysis of Burwood's employment profile and composition makes the following observations:

- Employment structure that reflects the role of Burwood strategic centre both as a service centre (serving the local population's needs) and that of a suburban office centre - the composition of employment heavily weighted towards population-serving jobs and knowledge-intensive jobs.
- Growing importance of Health and Education sectors for employment.
- Even though Retail Trade has declined as a proportion of overall employment (amid a diversifying economy), it is nevertheless an important industry which employs 2,000 persons (18%).

The growth profile of Burwood is consistent with its role as a strategic centre. The Proposal will facilitate development of floorspace (retail and commercial) to accommodate further growth. More specifically, an expanded retail centre will incorporate a greater range of retailers and food catering businesses, medical and health related occupiers as well as non-retail service occupiers.

Dwellings

Analysis of the socio-demographic profile of Burwood LGA makes the following observations:

- Burwood's overall rate of population growth over the 2006-2016 period averaged 1.8% per annum, below that of the Eastern City District (2.1% per annum) and slightly higher than Greater Sydney's (1.7% per annum).
- In comparison to population growth, dwellings growth has occurred at a slower rate not just in Burwood (average 1.5% per annum) but in the Eastern City District (1.4% per annum) and in Greater Sydney (1.2% per annum).

- The average number of persons per household has risen in Burwood, from 2.7 in 2006 to 2.8 in 2016, consistent with that observed in the Eastern City District and in Greater Sydney.
- Burwood's residents are generally young (median age of 33 years in 2016 compared to 36 years in 2006), of reproductive age and within the age bands of household formation. Residents are also becoming more educated and more affluent.
- A large proportion of residents (nearly 42%) rent their home, with median rents recorded to comprise nearly 29% of median household incomes in 2016. This was recorded to be higher in 2011 with more than 30% of median incomes paying for rental costs.

While there was strong dwellings growth over the recent census period of 2011-2016, much of the supply was conceivably absorbed by pent-up demand due to low dwellings growth over the previous census period 2006-2011.

Despite a falling proportion of low density (and larger format) dwellings in favour of growing proportion of medium and higher density housing formats and declining average number of children per family household, the average persons per household has risen. This would appear to be counter to the nature of dwelling activity, implying that more dwellings are still needed to meet household need.

Burwood's relatively young resident community who are in their household formation years need not only housing choice but the appropriate social infrastructure to support need.

The Proposal responds to Burwood's need for more dwellings by facilitating a circa 1,100 residential units and delivering needed supporting infrastructure items for the Burwood Strategic Centre.

The Site is well positioned and can respond to the growth of Burwood and to comprise a greater mix of uses to keep pace with the demands of the ever-changing urban centre. As urban centres evolve, workers will be attracted to housing options in close proximity to their place of work (i.e. people will want to live and work locally). This has broader economic benefits as it promotes self-containment, improving health of the local economy.

5. COMMERCIAL LAND USES

5.1 ECONOMIC AND MARKET TRENDS

This section outlines key macro and micro trends that influence demand for commercial floorspace in Burwood. A review of these trends and their potential implications is important in assisting with understanding if and how the Proposal would complement the Burwood commercial market.

Appeal Factors for Commercial Floorspace

Key factors which impact on the ability of a centre to attract large scale commercial floorspace/office uses include:

- Accessibility, either by road or rail.
- Flexible floorplates.
- Affordable rents.
- Availability of on-site car parking.
- Access to a skilled workforce.
- Provision of amenities on-site or nearby.

Burwood fulfils a number of these requirements, specifically accessibility by train and road and affordable rents.

Historically, a subdued commercial development pipeline was a result of residential uses out-pricing commercial uses in Sydney metropolitan markets which then drove fierce competition for the commercial assets that were remaining and available.

The leasing market across metropolitan office markets over the 2017-2018 period has performed well, further underpinning demand for commercial investment opportunities. With tenant demand increasing, limited available stock and an increase in leasing activity it is expected that vacancy rates will continue to contract as demand for commercial floorspace continues.

Suburban office markets have been increasing in prominence and desirability, particularly those markets that offer the benefits of a central and accessible location. Burwood is one of these markets.

5.2 INNER WEST OFFICE MARKET

The Inner West suburban office market is distinguished as the locations north of Bankstown and Marrickville, west of Pyrmont/Ultimo, south of the Parramatta River and to the east of Parramatta CBD. Major suburban sub-markets identified include Sydney Olympic Park, Rhodes, Homebush, Strathfield, Burwood and Ashfield with total commercial floorspace circa 468,000sqm GFA (Knight Frank, 2017).

The Inner West sub-market performed strongly over the course of 2017 in line with other major suburban office precincts within metropolitan Sydney. Tenant demand for large floorplates (1,000sqm-3,000sqm) is primarily observed from government departments and tertiary education providers with smaller tenant demand typically observed from SMEs and professional firms.

Demand for commercial premises within the Inner West market was strong throughout 2017 and has continued into Q1 2018; enquiries understood to range from government departments seeking to relocate to suburban locations while other occupiers are seeking affordable premises in well-located areas as a result of upswing in Sydney CBD and City Fringe rents in recent years. Concurrently, the strength of the Inner West residential market has seen numerous commercial building withdrawals for residential development.

Recent analysis by Knight Frank (2017) illustrates the current state of play within the Inner West office market; positive stock absorption seeing vacancy rates contract to 3.9% in January 2017, down from 5.8% in the previous 12 months. Average A-Grade incentives are also tightening with market conditions poised to remain tight over the medium term given limited new supply, the likelihood of future stock withdrawals for residential conversion and enduring tenant demand.

Burwood Office Market

The central location of Burwood midway between Sydney and Parramatta CBDs positions it as a desirable suburban office market. Interest for commercial office space is spurred by a lack of supply in neighbouring markets. Low vacancy levels in Parramatta and Sydney CBDs are forcing many businesses to consider suburban markets such as Rhodes, Sydney Olympic Park and Burwood.

Commercial office buildings have a significant market presence in Burwood as many corporate headquarters and government departments locate in the area, underpinning demand for commercial office space from large and smaller businesses.

The commercial office market in Burwood continued to perform strongly in 2017, with vacancy levels remaining tight, generating limited leasing and sales activity. Critically, vacancy levels in Burwood fell to less than 1% in 2017 from nearly 4% in the previous year (John Hill & Co, 2017). Despite Sydney CBD's strong performance, Burwood office market continues to outperform Sydney's office market, driven by low supply and strong demand.

Comparative to other suburban office markets, Burwood has a relatively small quantum of investment grade commercial office space. As at June 2017, Burwood comprised a total of 76,500sqm of investment grade office space, with 80% of the space held by investors (John Hill & Co, 2017). The supply of office space grew by a modest 11% in 2016 and was swiftly absorbed by the market.

Market interest is observed from a range of national corporates in addition to tertiary education and government agencies. A shortage of good quality space has led to competitive market conditions in Burwood, resulting in rising rents of up to 25% observed in 2017.

The market for commercial floorspace in Burwood is primarily underpinned by strong fundamentals including:

- Strategic location between Sydney CBD (12km to east) and Parramatta CBD (15km to west).
- Strong road and rail transport linkages, providing Burwood access to a wide employee catchment pool.
- Desirability from various government agencies and corporates for back-of-house functions.
- Good quality of retail and urban amenity along retail strip and various shopping centres.
- Affordability comparative to other office markets (Sydney and Parramatta, Rhodes, Sydney Olympic Park).
- Local population growth in Burwood which drives demand for commercial and support services.

The strong fundamentals of demand underpin the strong occupier and investor appetite for office space in Burwood.

Development Pipeline

The current commercial pipeline within Burwood is just under 19,000sqm of floorspace at different stages of delivery, from early planning to construction.

There are several major mixed use developments comprising varying quantities of commercial floorspace currently under construction or in the pipeline within Burwood. On-going and proposed development is clustered around the Burwood train station, particularly along Railway Parade, George Street and Burwood Road.

No stand-alone office developments are currently observed within the development pipeline; all new commercial floorspace is to be delivered as part of mixed use projects. The majority of commercial space proposed in Burwood is small in scale, comprised of retail/commercial suites in mixed use developments.

Table 5.1: Development Pipeline in Burwood (Major Commercial Projects)

Address	Stage	Commercial GFA (sqm)	Description
11-15 Deane St 18-20 George St	Construction	3,760	Construction of a 22 storey mixed use building comprising 3,760sqm of commercial floorspace, 2,640sqm of retail floorspace, 105 residential apartments and 76 serviced apartments.
16 Railway Pde	Construction	4,615	Construction of a 20 storey mixed use building comprising 4,615sqm commercial floorspace, 45 residential apartments and 9 serviced apartments.

Address	Stage	Commercial GFA (sqm)	Description
9-15 George St	Development Approval	1,867	Development approval for construction of a 19 storey mixed use building comprising 1,867sqm of commercial floorspace across three (3) levels and 58 residential apartments.
7-9 Burleigh St 180-186 Burwood Rd	Development Approval	5,486	Development approval for demolition of existing two storey commercial buildings for construction of 18 storey commercial tower & 20 storey tower containing 15 serviced apartments and 57 residential apartments.
6 Railway Pde	Construction	1,272	Construction of 18 storey mixed use development comprising 55 units and ground/upper floor commercial space.
23-27 George St	Development Application	1,936	Development application for construction of 20 storey mixed use development with 58 units and commercial space on ground floor and two upper levels.

Source: Cordell Connect

Commercial development is largely dependent on pre-commitments and quality covenants from future occupiers. Given the quantum of commercial floorspace proposed in several mixed-use developments at varying development stages, it is evident developers are confident in take-up of commercial floorspace in Burwood.

Table 5.2: Commercial Pipeline, Inner West Markets

Sub-Market	Commercial GFA (sqm)
Ashfield	<1,000
Burwood	18,936
Homebush	12,218
Strathfield	9,287
Sydney Olympic Park	≈100,000

Source: Cordell Connect

As evidenced from Table 5.2, Sydney Olympic Park is poised to deliver the greatest amount of commercial GFA over the coming years compared to Burwood and other neighbouring markets. This is representative of the hierarchy of the Inner West Office market; commercial development occurring where market demand and economic rents achievable facilitate a market response.

Critically, the commercial development pipelines in Table 5.1 and Table 5.2 should they all eventuate into delivery, **do not** reflect existing commercial space that will be demolished and replaced with new development. Hence the net addition to commercial supply will be less than the floorspace proposed in the pipeline.

The commercial GFA of nearly 19,000sqm proposed to be delivered in Burwood illustrates the strong demand within Burwood with commercial developers seeking to capitalise on the strong demand and rents achievable.

5.3 NEED FOR THE PROPOSAL

As populations grow, so too does the demand for local population services, knowledge-intensive employment, and health and education facilities, thereby driving demand for commercial floorspace. These fundamentals ultimately form the core drivers to demand for commercial floorspace.

Benefiting from strong transport links, various sites are planned for redevelopment for mixed use and provide investment grade commercial floorspace to meet ongoing demand in Burwood. Strong market conditions and a shortage of investment grade commercial floorspace in Burwood has resulted in historic vacancy lows (<1%) and rising commercial rents.

Ultimately, providing a mix of retail, commercial and residential uses recognises the importance to grow Burwood as a Strategic Centre, and provide a variety of different high density land uses within walking distance from the Burwood train station. The provision of investment grade commercial floorspace will serve to strengthen the current Burwood office market and improve the existing supply of commercial office assets, as well as lift Burwood's profile as an important suburban commercial office market.

Impact on Office Markets

Strathfield, Ashfield, Rhodes and Sydney Olympic Park in addition to Burwood represent the primary office precincts within the Inner West Office Market. Very little investment grade commercial office space is observed within Ashfield and Strathfield; floorplates are small and typically only attract SME occupiers with little government department presence. Commercial stock within Rhodes and Sydney Olympic Park is modern and has performed well in recent times; Sydney Olympic Park in particular attracting strong interest from private and government occupiers alike.

Market investigations suggest Burwood does not compete with the established commercial centres of Rhodes and Sydney Olympic Park; the larger floorplates and greater number of investment grade commercial buildings observed therein attracting higher rents and thus a different market. Burwood primarily competes with neighbouring markets of Strathfield and Ashfield and is generally viewed as superior to both these localities given the virtual non-existence of investment grade commercial buildings therein.

The Proposal intends on the development of approximately 15,429sqm of investment grade commercial office space, broadly a replacement of the 15,893sqm commercial GFA currently improved on the Site (58 Railway Road). Importantly, the existing tenants in 58 Railway Road are resuming their current leases following construction of the commercial component. The Proposal is effectively supply neutral in terms of commercial GFA; the existing commercial floorspace is being repositioned as investment grade office space.

While supply neutral when accounting for the re-establishment of existing tenants, the Proposal strengthens the Burwood commercial market through the repositioning of a tired commercial asset to accommodate the modern expectations of commercial tenants. Given the strong demand for quality, modern office space within Burwood the Proposal is well suited to current market trends.

Until the provision of more investment grade office assets is brought to market, Burwood is likely to remain subordinate to the more established commercial centres within the Inner West Office market, e.g. Sydney Olympic Park and Rhodes. Current market conditions observed in Burwood suggest a commercial development as per the Proposal is unlikely to shift market attitudes or negatively impact any existing market dynamics at play within the Inner West Office market. Rather, the Proposal is expected to represent a positive impact to the Burwood office market, in particular by lifting its profile as a suburban office location.

6. ECONOMIC IMPACT ASSESSMENT

This chapter examines the economic impacts of the Proposal against the Base Case. The chapter additionally considers the impacts of the public benefit items in the Proposal.

6.1 DRIVERS OF ECONOMIC IMPACT

The following sections examine the estimated economic activity supported through the operations of businesses locating to the Site if it was redeveloped under proposal compared to if it remained in its existing use.

- **Base Case:** the economic impacts should the Site remain in its existing use.
- **The Proposal:** cumulation of the Initial Proposal and Revised Proposal. The Site is redeveloped to provide a mix of retail, commercial, residential and short-term accommodation uses. The Proposal additionally envisages additional public benefit items including: a new basement carpark, an urban park over the carpark, and an additional level of accommodation over the existing library.

The economic impacts have been assessed at the Burwood Local Government Area (LGA) level. An Input-Output model, including the development of specific regional Input-Output transaction tables, was developed to reflect the economic structure of the Burwood LGA (refer to **Appendix A**). Input-Output modelling describes economic activity through the examination of four types of impacts which are defined and described in the table below.

Table 6.1: Economic Indicators

Indicator	Description
Output	Refers to the gross value of goods and services transacted, including the costs of goods and services used in the development and provision of the final product. Output typically overstates the economic impacts as it counts all goods and services used in one stage of production as an input to later stages of production, hence counting their contribution more than once.
Gross Product	Refers to the value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g., Gross Regional Product) defines a true net economic contribution and is subsequently the preferred measure for assessing economic impacts.
Income	Measures the level of wages and salaries paid to employees of the industry under consideration and to other industries benefiting from the Project.
Employment	Refers to the part-time and full-time employment positions generated by the economic shock, both directly and indirectly through flow on activity, and is expressed in terms of Full-Time Equivalent (FTE) positions. One FTE job is defined as one person working full time for a period of one year.

Source: AEC.

Input-Output multipliers can be derived from open (Type I) Input-Output models or closed (Type II) models. Open models show the direct effects of spending in a particular industry as well as the indirect or flow on (industrial support) effects of additional activities undertaken by industries increasing their activity in response to the direct spending. Closed models re-circulate the labour income earned as a result of the initial spending through other industry and commodity groups to estimate consumption induced effects (or impacts from increased household consumption).

The following estimates consider both Type I and Type II flow on impacts though it should be noted that Type II impacts are commonly considered to overstate economic activity.

Drivers of Economic Activity

In order to understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature following construction completion and operations commencement.

- **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in Burwood LGA as well as from outside the LGA. Assumptions are made on the proportion sourced from within and from outside the LGA.
- **Operations Phase:** On completion of development, the site is expected to generate ongoing economic/operational activity through the following:

- Direct turnover generated by the motel, retail, food and beverage, and commercial operational activities.
- Additional tourism and visitation that would not otherwise occur in the Burwood LGA as a result of additional accommodation supply from the hotel/short term accommodation. This will provide increased visitor expenditure in Burwood LGA.

6.1.1 Construction Phase

For modelling purposes, construction costs (including contingency) were broken down into their respective ANZSIC industries. This breakdown was developed based on assumptions by AEC regarding the most appropriate ANZSIC industries for each activity.

Table 6.2: Construction Costs Allocations (Incl. Contingency), Base Case and Proposal

Component	Proposal (\$M)	ANZSIC
Demolition	\$12.4	Construction Services (100%)
Office	\$48.6	Non-Residential Building Construction (100%)
Short-term Accommodation	\$29.1	Non-Residential Building Construction (100%)
Retail	\$72.2	Non-Residential Building Construction (100%)
Residential	\$404.3	Residential Building Construction (100%)
Site Works/ infrastructure	\$11.3	Construction Services (100%)
Professional Fees	\$57.8	Professional, Scientific and Technical Services (100%)
Total	\$635.6	

Source: APK, AEC.

Only the construction activity expected to be undertaken within the Burwood LGA has been included in the economic impact assessment. For the purposes of this assessment it was assumed:

- Approximately 50% of the direct expenditure on construction activity would be sourced from local businesses and labour (including construction and professional services activity).
 - Approximately 25% of purchases on goods and services (supply chain related activity) made by construction-related businesses sourced from outside the Burwood LGA would be spent within the local economy (i.e., 25% of the Type I flow on activity associated with non-local construction companies is assumed to represent additional local activity in Burwood LGA).
 - Approximately 5% of wages and salaries paid to construction-related workers sourced from outside the region would be spent on local goods and services, such as food and beverages (i.e., 5% of the Type II flow on activity associated with non-local workers is assumed to represent additional local activity in Burwood LGA).
- Approximately 50% of the direct expenditure on professional, scientific and technical services activity would be sourced from local businesses and labour (including construction and professional services activity).
 - Only flow-on activity of locally sourced professional, scientific and technical services activity is included, as it is not anticipated professional, scientific and technical services businesses located outside of Burwood LGA would purchase goods/ services from within Burwood LGA.

6.1.2 Operational Phase

Base Case

The Base Case assumes the existing shopping centre and office building will continue to operate, thereby with the capacity to accommodate 1,366 workers.

Table 6.3: Operational Turnover Estimates (Existing Centre)

Activity	ANZSIC Allocation	GFA (sqm)	Employee Ratios (sqm)	FTE Jobs	Output (\$M)
Burwood Plaza					
Supermarket	Retail Trade	4,913	28	179	\$23.8
Major Tenant (Best and Less)		1,192	28	43	\$5.8
Specialties		6,062	28	220	\$29.4
Gym	Sports and Recreation	1,371	28	50	\$9.9
Sub-Total		13,538	28	492	\$68.9
58 Railway Parade, Burwood					
Retail Floorspace	Retail Trade	50	28	2	\$0.2
Commercial Floorspace	Health Care Services	6,973	20	349	\$43.1
	Transport Support Services and Storage	4,358	20	218	\$106.3
	Professional, Scientific and Technical Services	3,487	20	174	\$42.8
	Public Administration and Regulatory Services	2,615	20	131	\$28.5
Sub Total		17,433	20	872	\$217.1
Total		31,021	23	1,366	\$289.9

Note: Totals may not sum due to rounding.
Source: AEC

The Proposal

Several aspects of operational activity of the Proposal were examined:

- **Precinct Operational Activity (excluding Short Term Accommodation):** The value of economic activity associated with the retail and commercial components of the Proposal, excluding the hotel.
- **Short Term Accommodation Operational Activity:** The value of economic activity generated by the short-term accommodation development.
- **Induced Visitation Expenditure:** The value of expenditure associated with visitors staying in the short-term accommodation.

Precinct Operational Activity (excl. Short Term Accommodation)

For modelling purposes, estimated operational employment levels for the Proposal (excluding short term accommodation) were broken down into their respective Australian and New Zealand Standard Industrial Classification (ANZSIC) industries. This breakdown was developed based on assumptions on the most appropriate ANZSIC industries for each activity.

Table 6.4: Operational Employment Allocation (excluding Short Term Accommodation Activity)

Category of Use	Employment	ANZSIC
Office	771	<ul style="list-style-type: none"> • Health Care Services (42.1%) • Transport Support Services (26.4%) • Professional, Scientific and Technical Services (21.0%) • Public Administration and Regulatory Services (10.5%)
Retail	1,001	<ul style="list-style-type: none"> • Retail Trade (100%)
Total	1,772	

Source: APK

Employment by industry estimates were converted to an output value using a multiplier based on the national transaction table (ABS, 2017e; ABS, 2017f). The resultant estimates of output were modelled as the direct activity associated with the Proposal.

Table 6.5: Operational Output Drivers (excluding Short Term Accommodation Activity)

ANZSIC Sector	Output (\$M)
Health Care Services	\$42.96
Transport Support Services	\$96.85
Professional, Scientific and Technical Services	\$39.95
Public Administration and Regulatory Services	\$17.25
Retail Trade	\$133.18
Total	\$328.89

Source: APK, AEC.

Short Term Accommodation Operational Activity

The proposed 114-room short term accommodation is indicatively estimated to have an average room occupancy rate of 83% over the course of the year, with an average room rate per night of approximately \$223 (ABS, 2016).

Furthermore, the hotel is expected to generate additional revenue of 25% per room (assumed, for miscellaneous items such as food, beverages, phones, laundry, etc). In total, this provides an estimated revenue for the short term accommodation of approximately \$9.46 million per annum. Estimates of employment were developed based on standard industry Input-Output multipliers for the accommodation industry.

Table 6.6: Short Term Accommodation Turnover Assumptions

Hotel Indicator	Assumptions
Rooms	114
Occupancy	83%
Average Daily Rate (ADR)	\$223
Ancillary Spend (25% of ADR) ¹	\$55.78
Food and Beverage Spend (\$m) ²	\$1.18
Total Turnover (\$m)	\$9.46
Employment (FTE)	52

Notes: 1 - Assumed split evenly between food and beverage services and additional accommodation spend, 2 - Guest and general public spend.
Source: AEC.

Induced Visitation Expenditure

Estimates for direct visitor spend generated by the Proposal are developed based on Tourism Research Australia (2018a,b) national and international expenditure data and AEC assumptions.

An estimated 55/45 split has been applied for domestic and international visitors for the proposed hotel, based on the visitation split for those coming to the Sydney region in the 2017 calendar year (TRA, 2018a,b).

Table 6.7: Visitor Assumptions

Hotel Indicator	Outcome
Rooms	114
Occupancy	83%
Avg. People per Room Night	1.61
% From Outside Burwood	90%
% Net New Visitors	75%
Net New Visitor Nights	36,894
Domestic Visitors	55%
International Visitors	45%

Source: AEC.

Allowances were made for expenditure items unlikely to be captured within the Burwood LGA (some items excluded and other reduced by 50% to account for expenditure elsewhere in the region). Some visitor spend was already captured directly by the short term accommodation facilities as per Table 6.7 including revenue associated with spend of guests on food and beverages. This spend has been excluded from induced visitation expenditure to avoid double counting of these impacts.

Average visitor expenditure is applied to the number of domestic overnight and international visitors and allocated to relevant industries per Table 6.8.

Table 6.8: Average Annual Visitor Spend, Burwood LGA

ANZSIC Sector	Expenditure (\$M)
Water, Pipeline and Other Transport	\$0.09
Rental and Hiring Services (except Real Estate)	\$0.05
Retail Trade	\$0.75
Automotive Repair and Maintenance	\$0.03
Road Transport	\$0.05
Food and Beverage Services	\$0.00
Heritage, Creative and Performing Arts	\$0.07
Gambling	\$0.01
Personal Services	\$0.05
Total	\$1.10

Source: TRA (2018a,b), AEC.

6.2 ECONOMIC ACTIVITY AND IMPACTS

The economic impacts/ contribution can be traced through the economic system via:

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- **Indirect Impacts (Flow-on impacts)**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
 - **Indirect Impact (Type I)** represents production induced support activity a result of additional expenditure by the industry experiencing the stimulus on goods and services in the intermediate usage quadrant, and subsequent round effects of increased purchases by suppliers in response to increased sales.
 - **Indirect Impact (Type II)** represents the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries paid within the economic system.

The premise behind Type I and Type II indirect impacts applies across both the construction and operations phase, except the impacts on industry will be different. For example, Type I impacts during the construction phase may include professional services (e.g. architects, engineers) and manufacturing (steel, construction materials) while examples of Type I impacts during the operations phase may include manufacturing (food and beverage and related) and administrative and support services (e.g. building cleaning, employment services, travel agencies).

6.2.1 Construction Phase

The Base Case assumes the existing buildings remain in place, thereby not resulting in any construction activity.

The Proposal

The construction phase associated with the Proposal is expected to support the following economic activity through direct and flow-on impacts (over the course of the construction phase):

- \$617.3 million in output (including \$317.8 million in direct activity).
- \$238 million contribution to GRP (including \$75.4 million in direct activity).
- \$118.2 million in incomes and salaries paid to households.
- 1,717 FTE jobs (including 673 directly employed in the construction activity).

Table 6.9: Construction Impacts, The Proposal

Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$317.8	\$75.4	\$36.7	673
Type I Flow-On	\$156.4	\$74.5	\$43.5	512
Type II Flow-On	\$143.1	\$88.1	\$38.0	531
Total	\$617.3	\$238.0	\$118.2	1,717

Source: AEC.

Major industry beneficiaries of the construction phase of the Site under the Proposal include:

- Construction (GRP of \$68.5 million).
- Professional, scientific and technical services (\$34.4 million).
- Ownership of dwellings (\$26.5 million).

Net Impact on Economic Activity

The potential increase in economic activity supported during the construction phase of the Proposal (compared to the Base Case) is presented in Table 6.10. The construction of the Site under the Proposal is anticipated to result in a *net increase* in economic activity compared to construction in the Base Case.

Table 6.10: Estimated Net Impacts during Construction Phase Supported within Burwood LGA

Net Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$12.8	\$2.5	\$1.1	40
Type I Flow-On	\$6.0	\$3.0	\$1.7	19
Type II Flow-On	\$4.5	\$2.8	\$1.2	17
Total	\$23.3	\$8.3	\$4.0	76

Source: AEC.

6.2.2 Operational Phase

The Base Case

The activity associated with a redevelopment of the Site as envisaged in the Base Case is estimated to support the following economic activity through direct and flow-on impacts (per annum):

- \$557.2 million in output.
- \$312.2 million contribution to GRP.
- \$174.0 million in incomes and salaries paid to local workers.
- 2,361 FTE jobs (of which 1,366 are direct employees on-site).

Table 6.11: Operational Impacts, The Base Case

Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$289.9	\$161.2	\$97.7	1,366
Type I Flow-On	\$112.1	\$57.2	\$34.8	389
Type II Flow-On	\$155.1	\$93.8	\$41.4	607
Total	\$557.2	\$312.2	\$174.0	2,361

Source: AEC.

A challenge in infill and brownfield areas is the tension between land uses and for uses to be accommodated within scarce lands that are not only suitable but available. Existing buildings and their configuration are also challenges for any redevelopment. As a consequence, development feasibility is a major hurdle for large scale renewal in infill/ brownfield locations unless there is a change of use or the site is redeveloped to a 'higher and better' use.

The maximum FSR for the Site is 4.5:1 in the west and 6:1 in the east. There is an LEP requirement for a minimum non-residential/employment of 40% of the maximum FSR which equates to approximately 40,000sqm GFA. Existing uses measure in the order of 28,000sqm of lettable area which could equate to in the region of 35,000sqm GFA.

Given the configuration of the site and building layout, the permitted FSR and height controls are unlikely to facilitate a more attractive use to displace existing uses and facilitate a comprehensive redevelopment.

The highest and best use of the Site under the current FSR and height controls is likely to already be secured. On that basis, assuming the Site is not rezoned and remains subject to existing planning controls, comprehensive redevelopment of the Site is unlikely to occur.

The Proposal

Redevelopment of the Site as envisaged by the Proposal is estimated to support the following annual economic activity through the direct and flow-on impacts associated (per annum):

- \$753.7 million in output (including \$339.3 million in direct activity).
- \$434.1 million contribution to GRP (including \$193.8 million in direct activity).
- \$233.4 million in incomes and salaries paid to households.
- 3,299 FTE jobs (including 1,832 directly related to activity from the site).

Table 6.12: Operational Impacts, The Proposal

Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$339.3	\$193.8	\$119.0	1,832
Type I Flow-On	\$142.5	\$72.9	\$42.1	459
Type II Flow-On	\$271.9	\$167.4	\$72.2	1,009
Total	\$753.7	\$434.1	\$233.4	3,299

Source: AEC.

Net Impact on Economic Activity

The potential increase in ongoing economic activity supported by the Proposal (compared to the Base Case) is presented in Table 6.13.

Modelling of the change in economic activity supported suggests the Proposal could support an additional (per annum):

- \$196.6 million in output per annum.
- \$121.9 million contribution to GRP.
- \$59.4 million in incomes and salaries paid to local workers.
- 938 FTE jobs (of which 466 are direct employees on-site).

Table 6.13: Net Annual Change in Economic Activity Supported within Burwood LGA

Net Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$49.4	\$32.6	\$21.3	466
Type I Flow-On	\$30.4	\$15.7	\$7.3	70
Type II Flow-On	\$116.8	\$73.6	\$30.8	402
Total	\$196.6	\$121.9	\$59.4	938

Source: AEC.

The Proposal presents a compelling economic case, having the potential to significantly increase economic activity on the Site and in the broader Burwood LGA.

6.3 HOUSING IMPACTS

6.3.1 Household Expenditure Supported

This section outlines the household expenditure that would be associated with 1,100 dwellings in the Proposal, and potential economic activity supported. The household expenditure activity supported should not be combined with the impacts in the section above, as some of these impacts are likely to have already been captured in the assessment (e.g. some expenditure on retail and food and beverages by households is likely to be spent at the retail and food and beverage outlets locating to the development). This section is to understand specific economic activity supported in Burwood LGA through household expenditure as its own separate analysis.

Household Expenditure

The ABS Household Expenditure Survey (ABS, 2017g) was used to identify the proportion of weekly household incomes that is spent across expenditure items. This was then applied to average weekly household incomes in Burwood LGA as outlined in the 2016 Census of Population and Housing (ABS, 2017d), annualised and allocated into their respective ANZSIC industries. The breakdown to ANZSIC industries was developed based on assumptions by AEC regarding the most appropriate ANZSIC industries for each activity.

Table 6.14: Household Expenditure by Industry (\$M)

Industry	Expenditure Estimate	% Spent in Burwood	Burwood Estimate
Retail Trade	\$26.26	75%	\$19.70
Ownership of Dwellings	\$6.36	100%	\$6.36
Food and Beverage Services	\$5.30	50%	\$2.65
Finance	\$5.85	35%	\$2.05
Primary and Secondary Education Services (incl Pre-Schools & Special Schools)	\$1.74	80%	\$1.39
Public Administration	\$2.47	50%	\$1.23
Construction Services	\$2.25	50%	\$1.12
Insurance and Superannuation Funds	\$4.31	25%	\$1.08
Health Care Services	\$1.70	60%	\$1.02
Rental and Hiring Services (excl. Real Estate)	\$0.93	75%	\$0.70
Personal Services	\$0.93	75%	\$0.70
Residential Care and Social Assistance	\$1.16	50%	\$0.58
Automotive Repair and Maintenance	\$0.86	50%	\$0.43
Sports and Recreation	\$0.73	50%	\$0.37
Road Transport	\$0.65	50%	\$0.32
Non-residential Property Operators and Real Estate Services	\$0.39	75%	\$0.29
Technical, Vocational and Tertiary Education Services (incl undergrad & postgraduate)	\$0.81	20%	\$0.16
Heritage, Creative and Performing Arts	\$0.32	50%	\$0.16
Professional, Scientific and Technical Services	\$0.49	25%	\$0.12
Other Services	\$0.22	50%	\$0.11
Building Cleaning, Pest Control and Other Support Services	\$0.21	50%	\$0.11
Gambling	\$0.20	50%	\$0.10
Motion Picture and Sound Recording	\$0.11	75%	\$0.08
Other Repair and Maintenance	\$0.15	50%	\$0.08
Arts, Sports, Adult and Other Education Services (incl community education)	\$0.20	25%	\$0.05
Rail Transport	\$0.08	50%	\$0.04
Postal and Courier Pick-Up and Delivery Services	\$0.03	50%	\$0.02
Auxiliary Insurance Services	\$0.04	25%	\$0.01
Accommodation	\$0.02	10%	\$0.00
Electricity Transmission, Distribution, On Selling and Electricity Market Operation	\$1.34	0%	\$0.00
Gas Supply	\$0.4	0%	\$0.0

Industry	Expenditure Estimate	% Spent in Burwood	Burwood Estimate
Water Supply, Sewerage and Drainage Services	\$0.0	0%	\$0.0
Telecommunications Services	\$1.7	0%	\$0.0
Internet Service Providers, Internet Publishing and Broadcasting, Websearch Portals and Data Processing	\$0.3	0%	\$0.0
Broadcasting (except Internet)	\$0.2	0%	\$0.0
Water, Pipeline and Other Transport	\$0.0	0%	\$0.0
Air and Space Transport	\$0.4	0%	\$0.0
Total	\$69.11		\$41.02

Source: ABS (2017g), AEC.

Economic Activity Supported

Household expenditure associated with the additional residential dwellings is estimated to support the following economic activity through direct and flow-on impacts (per annum):

- \$82.7 million in output (including \$41.0 million in direct activity).
- \$49.6 million contribution to Gross Regional Product (GRP, including \$25.3 million in direct activity).
- \$24.3 million in incomes and salaries paid to households.
- 379 full-time equivalent (FTE) jobs (including 233 direct employees).

Table 6.15: Household Expenditure Impacts, Residential Dwellings

Impact	Output (\$M)	Gross Regional Product (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$41.0	\$25.3	\$13.1	233
Type I Flow-On	\$13.3	\$6.9	\$3.7	41
Type II Flow-On	\$28.4	\$17.4	\$7.5	105
Total	\$82.7	\$49.6	\$24.3	379

Source: AEC.

The Proposal envisages new retail floorspace of 27,502sqm across the Site. As demonstrated in this section, the addition of new residents on the Site will support household expenditure that will be available to be captured by retail facilities on the Site *as well* as in the Burwood LGA.

6.3.2 Contribution to Housing

The Proposal envisages 1,100 new dwellings.

The Sydney metropolitan area is experiencing significant demand for housing and growing housing affordability issues, largely as a result of population growth. As a response State government is focused on ensuring that the planning system facilitates increased housing development.

The draft Greater Sydney Region Plan and Eastern City District Plan emphasise the importance of ensuring housing supply and choice, and housing affordability is facilitated close to jobs, services and public transport.

Housing Supply

More specific to Burwood LGA, the overall rate of population growth over the 2006-2016 period averaged 1.8% per annum. In contrast, the overall rate of dwellings growth over the same period averaged 1.5% per annum. This suggests a dwellings deficit, consistent with Burwood's number of persons per household increasing from 2.7 to 2.8 persons over the 2006-2016 period.

The provision of circa 1,100 new residential units on the Site constitutes a strong positive economic impact.

Housing Choice and Homes Close to Jobs and Infrastructure

The draft Greater Sydney Region Plan and Eastern City District Plan identify the need to accelerate housing supply and local housing choice, acknowledging the importance of ensuring there is housing choice.

Growing market appetite for higher density housing and a desire to live closer to retail and transport amenity has resulted in redevelopment of separate houses into townhouses and apartments in Burwood LGA, particularly between 2011 and 2016.

Almost 45% of dwellings in Burwood are now flats, units or apartments, with a further 16% medium density housing, up from 35% and 10% respectively from 10 years ago. This indicates the growth in popularity and importance of Burwood strategic centre as a destination to live.

As a strategic centre, Burwood is an optimal location to focus new housing development. Amendments to the planning controls and subsequent development of 1,100 new units co-located with new employment opportunities and local services on the Site constitutes a strong positive economic impact.

6.3.3 Other Impacts

By enabling a more economically efficient use of the Site to be achieved and by delivering much needed higher density residential development in close proximity to important transport nodes, the Proposal would maximise the development potential of this infill site. In doing so it would assist to achieve planning policy aims by concentrating new development on locations most capable of accommodating it. It may assist to alleviate pressure for new housing development in locations less suitable for such uses, such as outer lying suburbs or greenfield sites not well connected to public transport infrastructure, services, jobs and retail uses. The Proposal would ensure efficient and effective use of land.

6.4 DELIVERY OF INFRASTRUCTURE FOR PUBLIC BENEFIT

This section considers the Proposal's contribution to public benefit as part of redevelopment of the Site. The Proposal envisages delivery of the following items:

- **New Council car park**
A new basement car park to provide for 180 car spaces over two basement levels to replace an existing at-grade council car park that currently provides for 56 car spaces.
- **Urban park over the new Council car park**
A new park (approximately 2,750sqm in area) to be provided where the current at-grade car park is located, over the new Council car park in the basement.
- **Larger library**
Construction of an additional floor to the existing library (approximately 800sqm in area) to provide for an expanded library facility.

As outlined in section 3.3 delivery of the proposed social infrastructure items would help facilitate greater opportunities for recreation, cultural and educational exchange to support growing number of residents in high-density living in Burwood.

In financial terms, the proposed infrastructure items would represent the following contributions to the community:

- New Council car park estimated to represent \$6.2 million to the community, based on \$50,000 for each additional car space (180 proposed car spaces less 56 existing car spaces).
- Urban park estimated to represent \$2.75 million to the community, based on \$1,000/sqm for embellishment works.
- Larger library estimated to represent \$2.4 million to the community, based on \$3,000/sqm of all-inclusive construction costs.

The Proposal's provision of a new car park, urban park and additional library space will provide Burwood's growing community with better access and opportunities for outdoor recreation and to foster social connections. This will contribute to strengthening Burwood's vitality and importance as a strategic centre.

7. POLICY ASSESSMENT

7.1 NET COMMUNITY BENEFIT TEST

To compare the outcome of the Base Case versus the Proposal, each of the identified impacts compared to the Base Case are summarised and ranked based on the rating system outlined in **Table 7.1**.

Table 7.1: Economic Impact Rating Matrix

Severity of Impact	Score	Explanation
Strong Positive Impact	+3	The scenario would make a strong positive contribution towards this impact compared to the Base Case
Slight Positive Impact	+1	The scenario would make a slight positive contribution towards this impact compared to the Base Case
Neutral Impact	0	The scenario would make neither positive or a negative contribution towards this impact compared to the Base Case
Slight Negative Impact	-1	The scenario would make a slight negative contribution towards this impact compared to the Base Case
Strong Negative Impact	-3	The scenario would make a strong negative contribution towards this impact compared to the Base Case

Source: AEC

Table 7.2 identifies the economic impacts and derives a total score for Proposal using the Base Case as the starting point of '0'. The higher the positive score the greater the net positive economic impact from a community perspective, the lower the score the greater the adverse economic impact.

Table 7.2: Economic Impact of Base Case v The Proposal

Impact	Base Case	Rating	Proposal	Rating
Employment & Economic Impact				
Output (\$M)	\$557.2m	+1	\$753.7m	+3
GRP (\$M)	\$312.2m	+1	\$434.1m	+3
Income (\$M)	\$174.0m	+1	\$233.4m	+3
Direct Employment (FTE)	1,366	+1	1,832	+3
Retail and Commercial Demand				
Support Retail Demand	12,363sqm	+1	27,502sqm	+3
Support Commercial Demand	15,893sqm	+1	15,429sqm	+1
Housing Impact				
Housing supply	n.a.	0	1,100	+3
Homes close to jobs	n.a.	0	Yes	+3
Visitor Spend				
Domestic Overnight	n.a.	0	\$0.6m	+3
International	n.a.	0	\$0.5m	+3
Construction				
Output (\$M)	n.a.	0	\$617.3m	+3
GVA (\$M)	n.a.	0	\$238.0m	+3
Income (\$M)	n.a.	0	\$118.2m	+3
Direct Employment (FTE)			673	+3
Total		5		39

Source: AEC

The Proposal would deliver a clear, strong positive economic impact comparative to the Base Case. The Proposal has only allowed for the redevelopment of the Site as envisaged under the Proposal. As Burwood grows the economic impact identified in this Assessment would be even greater.

7.2 SECTION 117 DIRECTION

The Section 117(2) direction was previously considered in this Assessment with Section 1.1 Business and Industrial Zones identified as being relevant. The objectives are identified below together with their consideration in the context of the Masterplan.

Table 7.3: Consistency with Section 117(2) Objectives

No.	Objective	The Proposal
1	Encourage employment growth in suitable locations	<p>The Site currently contains two commercial/retail buildings. Combined, the buildings currently located on Site accommodate approximately 1,366 jobs.</p> <p>The Proposal envisages development of the Site to accommodate: 27,502sqm of retail floorspace, 15,429 of commercial floorspace and short-term accommodation (5,536sqm) on the Site. This floorspace combined will accommodate 1,832 jobs on Site, representing a net increase of 466 direct jobs.</p> <p>The Proposal complies with this objective.</p>
2	Protect employment land in business and industrial zones	<p>The planning amendment sought would lead to an increase in the quantum of land zoned for employment generating land uses in the Burwood LGA.</p> <p>The total number of jobs accommodated on the Site is estimated at 1,832 jobs (representing an increase of 466 direct jobs).</p> <p>The Proposal complies with this Objective.</p>
3	Support the viability of identified strategic centres	<p>The Proposal would consolidate new homes, jobs and investment in Burwood in accordance with the draft Sydney Region Plan and Eastern City District Plan which designate Burwood as a Strategic Centre to accommodate mixed-use development around train stations including retail, commercial, services and housing. The Proposal responds to the Eastern City District Plan in a number of key areas, specifically contributing to:</p> <ul style="list-style-type: none"> • Growing economic activity in Burwood centre. • Facilitating development of large floorplate mixed use buildings. • Expanding the function and type of land uses in the Burwood Centre, specifically by incorporating retail, commercial, residential and short-term accommodation. • Improving housing choice by creating housing capacity in increased densities and heights. <p>The Proposal would increase the quantum of retail expenditure generated by workers and residents and provide a net positive addition to the pool of expenditure available to be captured by local businesses. The Proposal will also increase the amount of visitor spend in the locality.</p> <p>For these reasons, the Proposal would fulfil this Objective.</p>

Source: AEC

Section 117 Directions set out five requirements for planning authorities to consider when preparing a planning proposal that will affect land within an existing or proposed business or industrial zone. This are considered below in relation to the Proposal.

Table 7.4: Planning Authority Considerations

Consideration	Achieved?	Explanation
Give effect to the objectives of this direction	Yes	Table 7.3 has established that the objectives of the direction would be achieved via the Proposal.
Retain the areas and locations of existing business and industrial zones	Yes	The land use zone of B4 Mixed Use would remain unchanged. Overall the planning amendment sought would lead to an increase in the quantum of land zoned for employment land uses in the Burwood LGA. The existing improvements on Site provide 15,893sqm of commercial floorspace and 12,362sqm of retail floorspace. The Proposal would provide 27,502sqm of retail floorspace, 15,429sqm of commercial floorspace and short-term accommodation (5,536sqm) on the Site.
Not reduce the total potential floor space area for employment uses and related public services in business zones	Yes	See above.
Not reduce the total potential floor space area for industrial uses in industrial zones	Yes	N/A

Consideration	Achieved?	Explanation
Ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning		As established in this EIA, the Proposal is consistent with State and local government objectives to support jobs, economic development, efficient and effective use of land and accelerate housing supply in suitable locations. It complies with this condition.

Source: AEC

7.3 EASTERN CITY DISTRICT PLAN

The Proposal responds to the Eastern City District Plan in a number of key areas, specifically contributing to:

- Growing economic activity in Burwood centre.
- Facilitating development of large floorplate mixed use buildings.
- Expanding the function and type of land uses in the Burwood Centre, specifically by incorporating retail, commercial, residential and short-term visitor accommodation.
- Improving housing choice by creating housing capacity in increased densities and heights.

While the existing buildings are generally well occupied and patronised, they are ageing and do not address contemporary occupier requirements.

The Proposal additionally facilitates provision of supporting infrastructure to accommodate recreation, cultural and educational opportunities to support a growing number of residents in high-density living. The Proposal's provision of contemporary retail and commercial facilities (including short-term accommodation), opportunity for residential living, a new car park, urban park and additional library space responds to the District Plan's priorities for Liveability and Productivity in strategic centres.

The scale and significance of the Proposal is expected to be a game-changer for Burwood - renewing an ageing asset into contemporary and modern buildings that will improve Burwood's competitive standing as a Strategic Centre.

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APPENDIX A: INPUT-OUTPUT METHODOLOGY

Input-Output Model Overview

Input-Output analysis demonstrates inter-industry relationships in an economy, depicting how the output of one industry is purchased by other industries, households, the government and external parties (i.e. exports), as well as expenditure on other factors of production such as labour, capital and imports. Input-Output analysis shows the direct and indirect (flow-on) effects of one sector on other sectors and the general economy. As such, Input-Output modelling can be used to demonstrate the economic contribution of a sector on the overall economy and how much the economy relies on this sector or to examine a change in final demand of any one sector and the resultant change in activity of its supporting sectors.

The economic contribution can be traced through the economic system via:

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- **Flow-on impacts**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
- **Industry Support Effects (Type I)**, which represent the production induced support activity as a result of additional expenditure by the industry experiencing the stimulus on goods and services in the intermediate usage quadrant, and subsequent round effects of increased purchases by suppliers in response to increased sales.
- **Household Consumption Effects (Type II)**, which represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the economic system.

These effects can be identified through the examination of four types of impacts:

- **Output:** Refers to the gross value of goods and services transacted, including the costs of goods and services used in the development and provision of the final product. Output typically overstates the economic impacts as it counts all goods and services used in one stage of production as an input to later stages of production, hence counting their contribution more than once.
- **Value added:** Refers to the value of output after deducting the cost of goods and services inputs in the production process. Value added defines the true net contribution and is subsequently the preferred measure for assessing economic impacts.
- **Income:** Measures the level of wages and salaries paid to employees of the industry under consideration and to other industries benefiting from the project.
- **Employment:** Refers to the part-time and full-time employment positions generated by the economic shock, both directly and indirectly through flow-on activity, and is expressed in terms of full-time equivalent (FTE) positions.

Input-Output multipliers can be derived from open (Type I) Input-Output models or closed (Type II) models. Open models show the direct effects of spending in a particular industry as well as the indirect or flow-on (industrial support) effects of additional activities undertaken by industries increasing their activity in response to the direct spending.

Closed models re-circulate the labour income earned as a result of the initial spending through other industry and commodity groups to estimate consumption induced effects (or impacts from increased household consumption).

Model Development

Multipliers used in this assessment are derived from sub-regional transaction tables developed specifically for this project. The process of developing a sub-regional transaction table involves developing regional estimates of gross production and purchasing patterns based on a parent table, in this case, the 2014-15 Australian transaction table (ABS, 2017e).

Estimates of gross production (by industry) in the study area were developed based on the percent contribution to employment (by place of work) of the study area to the Australian economy (ABS, 2012), and applied to Australian gross output identified in the 2014-15 Australian table.

Industry purchasing patterns within the study area were estimated using a process of cross-industry location quotients and demand-supply pool production functions as described in West (1993).

Where appropriate, values were rebased from 2014-15 (as used in the Australian national IO transaction tables) to current values using the Consumer Price Index (ABS, 2017f).

Modelling Assumptions

The key assumptions and limitations of Input-Output analysis include:

- **Lack of supply-side constraints:** The most significant limitation of economic impact analysis using Input-Output multipliers is the implicit assumption that the economy has no supply-side constraints, so the supply of each good is perfectly elastic. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.
- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using Input-Output multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. The system is in equilibrium at given prices, and prices are assumed to be unaffected by policy and any crowding out effects are not captured. This is not the case in an economic system subject to external influences.
- **Fixed ratios for intermediate inputs and production (linear production function):** Economic impact analysis using Input-Output multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. That is, the input function is generally assumed linear and homogenous of degree one (which implies constant returns to scale and no substitution between inputs). As such, impact analysis using Input-Output multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount. Further, it is assumed each commodity (or group of commodities) is supplied by a single industry or sector of production. This implies there is only one method used to produce each commodity and that each sector has only one primary output.
- **No allowance for economies of scope:** The total effect of carrying on several types of production is the sum of the separate effects. This rules out external economies and diseconomies and is known simply as the “additivity assumption”. This generally does not reflect real world operations.
- **No allowance for purchasers’ marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.

Despite these limitations, Input-Output techniques provide a solid approach for taking account of the inter-relationships between the various sectors of the economy in the short-term and provide useful insight into the quantum of final demand for goods and services, both directly and indirectly, likely to be generated by a project.

In addition to the general limitations of Input-Output Analysis, there are two other factors that need to be considered when assessing the outputs of sub-regional transaction table developed using this approach, namely:

- It is assumed the sub-region has similar technology and demand/ consumption patterns as the parent (Australia) table (e.g. the ratio of employee compensation to employees for each industry is held constant).
- Intra-regional cross-industry purchasing patterns for a given sector vary from the national tables depending on the prominence of the sector in the regional economy compared to its input sectors. Typically, sectors that are more prominent in the region (compared to the national economy) will be assessed as purchasing a higher proportion of imports from input sectors than at the national level, and vice versa.

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