



42-58 Railway Parade, Burwood Economic Impact Assessment

Holdmark

October 2016

Document Control

Job ID: 17873SYD
 Job Name: 42-58 Railway Parade, Burwood Economic Impact Assessment
 Client: Holdmark
 Client Contact: Gavin Carrier
 Project Manager: Esther Cheong
 Email: esther.cheong@aecgrouppltd.com
 Telephone: (02) 9283 8400
 Document Name: EIA 42-60 Railway Parade, Burwood Final Updated Scheme.docx
 Last Saved: 27/10/2016 11:20 AM

Version	Date	Reviewed	Approved
Draft	28/09/2015	CL	EC
Final Draft	1/10/2015	CL	EC
Final	2/10/2015	CL	EC
Revised Draft	20/09/2016	CL	EC
Final	13/10/2016	CL	EC
Final	20/10/2016	CL	EC

Disclaimer:

Whilst all care and diligence have been exercised in the preparation of this report, AEC Group Pty Ltd does not warrant the accuracy of the information contained within and accepts no liability for any loss or damage that may be suffered as a result of reliance on this information, whether or not there has been any error, omission or negligence on the part of AEC Group Pty Ltd or their employees. Any forecasts or projections used in the analysis can be affected by a number of unforeseen variables, and as such no warranty is given that a particular set of results will in fact be achieved.

Table of Contents

DOCUMENT CONTROL.....	II
TABLE OF CONTENTS.....	III
EXECUTIVE SUMMARY.....	5
1. INTRODUCTION	9
1.1 BACKGROUND AND OVERVIEW	9
1.2 SCOPE AND PURPOSE	9
1.3 STRUCTURE OF THE STUDY	10
2. THE SITE AND PROPOSED MASTERPLAN	11
2.1 SITE CONTEXT	11
2.2 EXISTING IMPROVEMENTS	13
2.3 THE PROPOSAL.....	14
3. POLICY ANALYSIS.....	16
3.1 STATE PLANNING POLICY/LEGISLATION.....	16
3.2 LOCAL PLANNING POLICY/LEGISLATION.....	18
3.3 VISION FOR BURWOOD	18
4. SOCIO-ECONOMIC PROFILE	19
4.1 ECONOMY AND EMPLOYMENT	19
4.2 SOCIO-DEMOGRAPHIC PROFILE.....	22
4.3 POPULATION, DWELLING AND EMPLOYMENT GROWTH.....	25
4.4 NEED FOR THE PROPOSAL.....	28
5. RETAIL LAND USES	30
5.2 COMPETITIVE ENVIRONMENT	30
5.3 RETAIL MARKET POTENTIAL	31
5.4 POTENTIAL NON-RETAIL USES.....	32
5.5 NEED FOR THE PROPOSAL.....	33
6. COMMERCIAL LAND USES.....	34
6.1 DRIVERS OF DEMAND	34
6.2 ECONOMIC AND MARKET TRENDS.....	34
6.3 BURWOOD COMMERCIAL MARKET.....	35
6.4 NEED FOR THE PROPOSAL.....	36
7. ACCOMMODATING FUTURE GROWTH	37
7.1 THE DEMANDS OF GROWTH	37
7.2 CHALLENGES OF ACCOMMODATING GROWTH ON INFILL/BROWNFIELD SITES	37
7.3 NEED FOR THE PROPOSAL.....	38
8. ECONOMIC IMPACT ASSESSMENT	39
8.1 INTRODUCTION AND APPROACH.....	39
8.2 SCENARIO 1: BASE CASE (CURRENT USES)	40
8.3 SCENARIO 2: PROPOSAL CASE (INCREASED RESIDENTIAL DENSITIES AND HEIGHTS)	41
8.4 NET ECONOMIC IMPACT.....	47

9. POLICY ASSESSMENT	49
9.1 NET COMMUNITY BENEFIT TEST	49
9.2 SECTION 117 DIRECTION	50
REFERENCES	51
APPENDIX A: INPUT-OUTPUT METHODOLOGY	52

Executive Summary

Introduction and Background

Cityplan on behalf of Holdmark are preparing a planning proposal to amend the planning controls pertaining to 42-60 Railway Parade, Burwood ("the Site"). It is proposed to retain the Site's current B4 Mixed Use zoning, however, amend the Site's building height and floor space ratio (FSR) controls to accommodate a masterplan that envisages future development of the Site (Architectus and Cox Richardson, 2015).

Specifically this will include amendments to:

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

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

Accommodating Future Growth

Analysis suggests there is growing pressure on existing commercial, retail and residential floorspace in Burwood. This is brought about on several fronts, new growth as well as current floorspace requirements which are evolving:

- **New residents and workers**

By 2031, BTS forecasts that resident population in the Burwood Strategic Centre will grow to 16,060, an average annual increase of 3.4% in the 20 years to 2031. This rate is twice that of the projected rate for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.4%) over the same timeframe. This is an additional 7,830 residents (from 2011) requiring more than 3,000 new dwellings.

By 2031, it is expected that employment in Burwood will grow to 14,524, an average annual increase of 1.2% from 2011. This is an additional 4,158 workers (from 2011) requiring more than 100,000sqm of additional floorspace.

- **Demand for commercial floorspace**

The demand for commercial floorspace in Burwood is strong with many large corporations and government departments therein. Furthermore, tenant requirements are evolving and as a consequence many tenants are increasingly selective about the buildings they lease, demanding more worker amenity.

In order to respond to this evolving demand for commercial floorspace the indicative Masterplan proposes approximately 15,092sqm GFA of contemporary commercial floorspace to respond to demand.

- **Demand for retail floorspace**

In line with phenomenal growth projected for Burwood commensurate retail floorspace is required. In order to respond to this demand the Masterplan proposes to provide approximately 28,477sqm of retail floorspace, an increase on the existing 14,889sqm of lettable retail floorspace.

- **Demand for residential floorspace**

By 2031, it is expected the total number of dwellings in Burwood will grow to 6,100 (more than 3,000 new dwellings), an average annual increase of 3.5% in the 20 years to 2031. This rate is approximately double that projected for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.5%) over the same timeframe. The Masterplan aims to cater to some of this demand by providing 1,044 apartments.

- **Demand for hotel accommodation**

There are currently three short stay accommodation providers in the Burwood LGA, these include: Boronia Lodge, Burwood Bed and Breakfast and Comfort Inn and Suites. These providers are motel/bed and breakfast providers. While research suggests there are a significant number of serviced apartments in the development pipeline (circa 490)

there is a dearth of new hotel rooms planned for the Burwood LGA. The Masterplan aims to fill a gap in the market by providing 100 hotel rooms.

BTS employment projections forecast that Burwood LGA's growth will occur in a number of key industries. These are:

- Retail trade (32%);
- Accommodation and food services (+33%);
- Education and training (+29%);
- Health care and social assistance (+30%).

This growth profile is in line with national employment trends. The Proposal will facilitate development of floorspace required to accommodate these jobs in growth. More specifically the 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.

Economic Impact Assessment

Employment and Economic Activity Supported

Once completed and fully operational, the redeveloped Site is estimated to contribute annually to the Burwood local economy as follows:

Table ES.1: Employment and Economic Activity

	Proposal	Increase from Existing
Direct Impact		
Output (\$M)	\$361.80	\$71.90
Contribution to GDP (\$M)	\$204.50	\$43.30
Incomes and Salaries to Local Workers (\$M)	\$124.60	\$26.90
Employment (FTE)	1,951	585
Indirect Impact		
Output (\$M)	\$322.50	\$55.30
Contribution to GDP (\$M)	\$182.50	\$31.50
Incomes and Salaries to Local Workers (\$M)	\$90.40	\$14.20
Employment (FTE)	1,196	200

Source: AEC

Induced Visitor Spend

The hotel would provide 100 additional hotel rooms within the Burwood LGA to support increased visitor stays within Burwood LGA, and thereby increase visitor expenditure in the local economy.

The hotel is expected to be a 4-star hotel offering, which is a service offering that is currently under-represented in the Burwood LGA market. The hotel is primarily expected to service a different clientele than that currently serviced by accommodation establishments in the local area, and it is therefore anticipated that the majority of visitors staying in the hotel would be unlikely to stay elsewhere within Burwood LGA if the project does not proceed. For the purposes of this assessment, it has been assumed that 75% of visitors staying at the hotel represent net new visitors staying in Burwood LGA (equating to induced visitation of 10,875 domestic visitor nights and 8,850 international visitor nights).

Data from Tourism Research Australia's National and International Visitor Surveys (TRA, 2016) was used to identify relevant visitor expenditure across specific expenditure items for domestic and international visitor nights. Not all expenditure was included, to reflect that not all visitor expenditure is likely to be captured within the local economy. For example, air fares are expected to be purchased outside of Burwood LGA, while shopping and entertainment is likely to represent a mix of local activity and activities undertaken outside the Burwood LGA (e.g. in nearby LGAs, including the Sydney CBD). Further, some

expenditure (such as all expenditure on accommodation, as well as some retail and food and beverage expenditures) were omitted to avoid double counting, as this expenditure is anticipated to be captured in the redeveloped facility itself (and thereby included in the facility operation).

Average expenditure estimates per visitor night by expenditure item were then rounded to the nearest \$0.50, and are summarised in **Table ES.2**. Expenditure items were allocated to their most relevant industry in the Input-Output modelling.

Table ES.2: Expenditure per Visitor Night

Expenditure Item	% Included	Domestic Overnight	International
Airfares	0%	\$0.00	\$0.00
Tours	10%	\$1.00	\$0.50
Rental vehicles	25%	\$1.00	\$0.50
Petrol	50%	\$9.00	\$1.00
Vehicle maintenance/repairs	0%	\$0.00	\$0.00
Taxi	50%	\$1.50	\$1.00
Other local public transport	50%	\$0.50	\$0.50
Long distance public transport	0%	\$0.00	\$0.00
Accommodation	0%	\$0.00	\$0.00
Groceries for self-catering	50%	\$5.50	\$2.50
Alcohol, drinks (not already reported)	50%	\$5.50	\$2.50
Takeaways and restaurant meals	50%	\$14.50	\$6.50
Shopping	25%	\$4.00	\$4.00
Entertainment	25%	\$1.50	\$0.50
Gambling	25%	\$0.00	\$0.00
Education	25%	\$0.00	\$5.00
Convention / Conference / fees	25%	\$0.00	\$0.00
Other expenditure nfd	50%	\$1.00	\$1.50
Total		\$45.00	\$26.00

Source: TRA (2016), AEC

Retail Demand and Impact

The Proposal envisages new retail space in the order of 28,477sqm to be dispersed across the Site.

The increased and re-positioned retail offer will cater to increased retail choice by promoting competition, it will also respond to the objectives of sustainability, enabling residents and workers to have their shopping needs met daily.

Contribution towards Easing Housing Affordability

Burwood is slightly less affordable compared to the wider Sydney metropolitan area. The latest Housing Sales and Rent Report (FACS, 2015) indicates that the median price of a unit in Burwood LGA in March quarter 2015 was \$630,000 compared to a Greater Sydney median of \$620,000 and a Sydney Middle Ring (within which Burwood LGA is situated) of \$620,000.

Increasing the volume of housing supply is a government imperative because it assists to ensure affordability by tempering the pace of house price growth. The provision of dwellings on the Site would help to achieve this and constitutes a strong positive economic impact.

Net Impacts

The Proposal represents a significant development for the Burwood local economy. The proposed development is estimated to provide significant economic benefits both during construction and once fully operational.

Analysis of the net change in economic activity suggests the redevelopment could support additional economic activity of approximately:

- \$129 million in output per annum.
- \$75 million contribution to GRP.
- \$42 million in incomes and salaries paid to local workers.
- 800 FTE jobs.

It should be noted that this analysis does not consider the potential for either the transfer of activity from existing Burwood LGA centres into the redeveloped site or the transfer of existing activity to alternative centres within the Burwood LGA as a result of the redevelopment.

Table ES.3 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 ES.3: Economic Impact of Base Case versus Proposal Case (Direct Impacts)

Impact	Base Case	Rating	Proposal Case	Rating
Employment & Economic Impact				
Jobs	1,366	+1	1,957	+3
Output	\$289.9	+1	\$362.5	+3
GVA	\$161.2	+1	\$204.9	+3
Income	\$97.7	+1	\$124.8	+3
Retail Demand				
Support Retail Demand	13,588sqm	+1	28,477sqm	+3
Housing Impact				
Housing supply	n.a.	0	1,044	+3
Homes close to jobs	n.a.	0	Yes	+3
Visitor Spend				
Domestic Overnight	n.a.	0	\$489,000	+3
International	n.a.	0	\$230,000	+3
Construction				
Output	n.a.	0	\$264.9	+3
Jobs	n.a.	0	537	+3
Income	n.a.	0	\$49.3	+3
Total		5		36

Source: AEC

The Proposal Case would deliver a clear, strong positive economic impact comparative to the Base Case.

Conclusion

The Site is well improved with substantial retail and commercial buildings. In order for the redevelopment of retail and commercial floorspace to be a commercial proposition, increased residential densities have been incorporated in the Masterplan to cross-subsidise the redevelopment and augmentation of employment floorspace.

Despite the challenges of redeveloping in brownfield/infill locations, the Proposal is of sufficient scale to facilitate a renewal of an existing asset and enable optimisation of a large key site which is a scarce and valuable asset in a growing centre such as Burwood.

The strength of the current economic cycle enables this redevelopment to be achieved. Timing and leverage of market conditions is accordingly critical for this landmark urban regeneration opportunity not to be missed.

1. Introduction

1.1 Background and Overview

Burwood is defined as a Strategic Centre in accordance with the Metropolitan Strategy, *A Plan for Growing Sydney*. Strategic Centres are defined as locations that currently or are planned to have least 10,000 jobs. These are priority locations for employment, retail, housing, services and mixed uses.

Burwood is located in the local government area of Burwood, about 9.5km from the Sydney CBD and 11.5km from Parramatta and centrally located in Sydney's inner west. As a Strategic Centre, Burwood accommodates a mix of land uses within walking distance from the Burwood train station. It is one of the few strategic centres within the locality and services the broader subregional population of approximately 330,000 people (inner west LGAs).

Identified as a Strategic Centre by the NSW Government, Burwood is set to grow significantly in the next 25 years, leveraging off the area's strong local economy and excellent transport infrastructure. According to the NSW Bureau of Transport Statistics (BTS), Burwood is set to grow considerably over the timeframe from 2011-2031. By 2031, it is expected that Burwood's population will grow to 16,060, an average annual increase of 3.4% in the 20 years to 2031. This rate is twice that of the projected growth rate for the Burwood LGA (1.7%) and even higher than that of the Central Subregion (1.4%) over the same projection period.

Furthermore, based on employment forecasts by BTS, total employment in Burwood is expected to also grow over the period 2011-2031. By 2031, it is expected that employment in Burwood will grow to 14,524, an average annual increase of 1.2% from 2011. This rate is in line with both the Burwood LGA and the Central Subregion.

Despite there being a range of economic benefits associated with population and employment growth, there are challenges with accommodating growth in established/ infill areas.

Many urban centres are transforming from providing purely commercial uses to accommodate a range of uses, i.e. housing, retail, entertainment and leisure uses, etc. Allowing for a mix of uses to occur in the centre allows it to be self-sustaining, i.e. residents who live there have all their day-to-day needs met including employment, shopping, services and recreation needs. Facilitating a mix of residential, shopping, entertainment and commercial uses can ensure a critical mass of residents and local jobs to support a vibrant urban core.

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.

1.2 Scope and Purpose

Cityplan on behalf of Holdmark are preparing a planning proposal to amend the planning controls pertaining to 42-60 Railway Parade, Burwood ("the Site"). It is proposed to retain the Site's current B4 Mixed Use zoning, however, amend the Site's building height and floor space ratio (FSR) controls to accommodate a masterplan that envisages future development of the Site (Architectus and Cox Richardson, 2015).

Specifically this will include amendments to:

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

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

The economic impacts that could result from a redevelopment of the Site are analysed in the context of the proposed Masterplan.

An economic impact that affects the level of economic or social activity generated in a defined area can be either positive or negative. The assessment of likely impacts resulting from a particular development proposal allows for the identification, prediction and where possible quantification, of impacts as either likely benefits or negative impacts.

Owing to the scale of the development and the nature of existing uses, development is expected to be staged over an 8 to 12 year period. On this basis, we have assumed for the purposes of the Study that construction activities across the development would commence in 2016 with the proposed uses operational from 2018.

1.3 Structure of the Study

The purpose of the EIA is to consider whether the direct economic impacts of the proposed planning proposal and Masterplan are net positive compared to the existing uses.

Chapter 2 reviews the Site, its current context within Burwood and describes the masterplan as envisaged for future redevelopment of the Site.

Chapter 3 analyses key State and local government policies as are relevant.

Chapter 4 analyses the socio-demographic profile of Burwood Strategic Centre benchmarked to Burwood LGA to understand historical housing and population growth.

This chapter also carries out an analysis of the employment profile of Burwood, providing insight into the profile of current employment that subsists.

In considering Burwood's future growth prospects, the Chapter also provides population, dwelling and employment projections.

Chapter 5 assesses the need for retail land uses.

Chapter 6 assesses the need for commercial land uses.

Chapter 7 investigates the challenges of accommodating growth and potential role for the Site.

Chapter 8 assesses the economic impacts of the masterplan by investigating two scenarios, these include:

- **The Base Case:** the economic impacts of the Site in its existing use (i.e. no change to planning controls).
- **Proposal Case:** this scenario assumes that the Site's planning controls are amended and it is redeveloped in the manner as proposed by the masterplan.

Chapter 9 translates the key findings from Chapters 2 to 8 and applies them in the assessment of the masterplan against policy considerations.

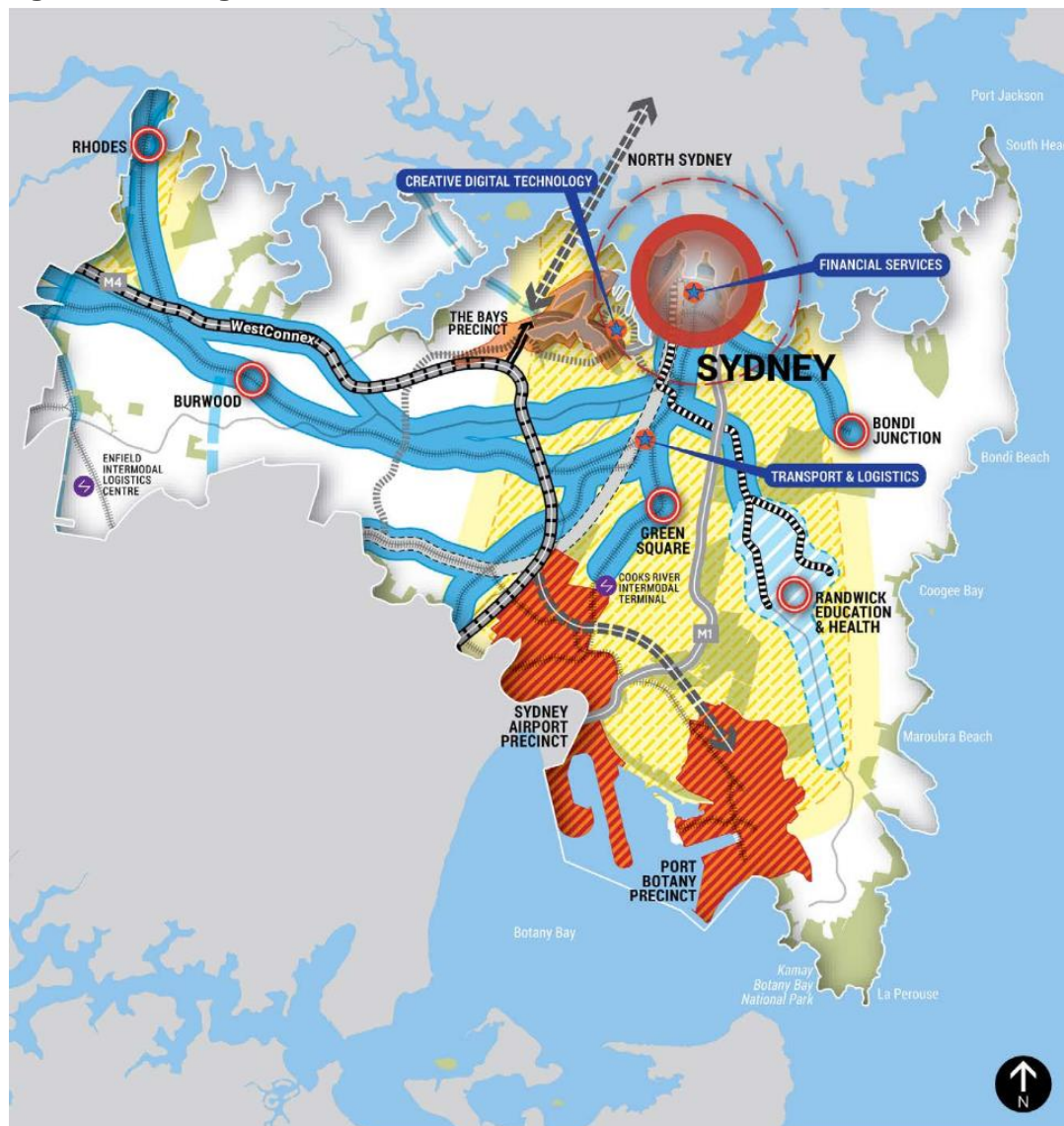
2. The Site and Proposed Masterplan

2.1 Site Context

The Site is located within 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.

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 Draft Parramatta Road Urban Transformation Strategy (UrbanGrowth, 2015) 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.

Figure 2.1: Strategic Context and Location of Burwood



Source: DPE (2014)

Burwood has strong street-based shopping on Burwood Road complemented by a major shopping centre at Westfield. The Burwood retail/commercial core performs well (in and around the Burwood train station and Westfield Burwood), however fringe areas particularly approaching Parramatta Road is patchy.

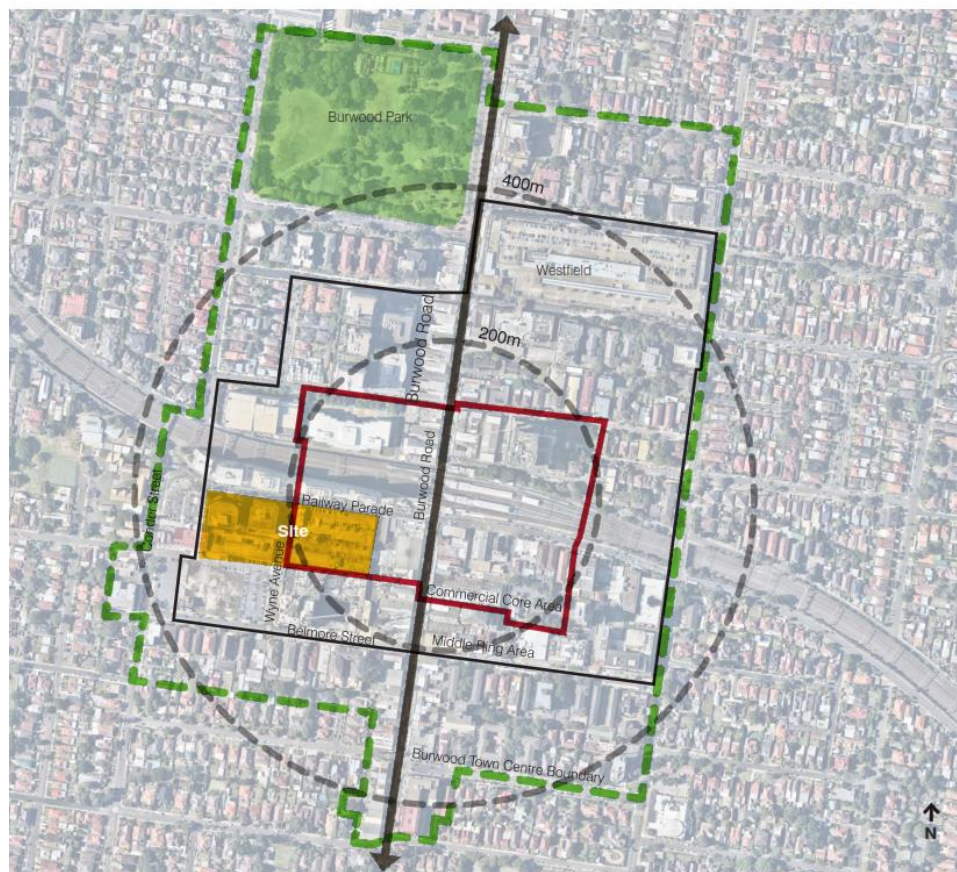
Key retail anchor in Burwood includes Westfield Burwood. Many large corporations and government departments occupy commercial floorspace including Housing NSW, Road and Maritime Services, NSW Trustee & Guardian and Family and Community Services.

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 B1 Square and Burwood Grand, two mixed use retail and residential developments currently under construction/ DA approved. The land to the west of the Site contains Condor Street with Burwood Primary School, Burwood Library and ground level Council car park.

Figure 2.2: Site Location Plan



Source: Architectus (2015)

Burwood is a major retail, commercial and administrative hub for the Central Subregion. By definition, the B4 Mixed Use Zone which applies to Burwood encourages a mix of uses to readily encourage investment and urban renewal.

The Site has two valuable assets which play a strong role in accommodating retail and commercial floorspace that services the resident and worker population (locally and beyond).

Burwood continues to grow strongly and the nature of Burwood continues to transform to incorporate a mix of uses in the centre so that it becomes increasingly self-sustaining, i.e. residents and workers' day-to-day needs met. There is opportunity to redevelop the Site to better meet the growing needs of Burwood and sustain a vibrant urban core.

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.

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. The car park is potentially a future development site.

Table 2.1: Burwood Plaza Tenants

Tenant/Category	Lettable Area (sqm)
Majors	
Woolworths	4,098
Mini-majors (> 400 sq.m)	
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 Spec.	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 Proposal

2.3.1 Burwood Local Environmental Plan (2012) Proposed Amendments

The Planning Proposal proposes to amend the Burwood Local Environmental Plan (2012) to facilitate development as envisaged by the Masterplan.

It is proposed to retain the Site's current B4 Mixed Use zoning, however, amend the Site's building height and FSR controls.

Specifically this will include amendments in the order of:

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

2.3.2 The Masterplan

The key features of the Masterplan include:

- 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 while Figure 2.3 indicates the proposed layout of the uses.

Table 2.3: Masterplan 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)

Figure 2.3: Masterplan Scheme



Source: Architectus (2016)

3. Policy Analysis

3.1 State Planning Policy/Legislation

3.1.1 NSW State Plan (2011)

The NSW 2021 Plan (NSW DPC, 2011) aims to rebuild the NSW economy, provide quality services, renovate infrastructure, restore government accountability and strengthen NSW's local environment and communities.

The Plan comprises five sub-strategies. The main sub-strategy that is of relevance to this Strategy is 'Rebuild the Economy'. The following goals are of particular importance to this Strategy:

- Goal 1: Improve the Performance of the NSW Economy - states that a strong economy generates opportunities for fulfilling jobs, choices and financial security. The target of the Plan is to grow employment by an average of 1.25% per year to 2020.
- Goal 4: Increase the Competitiveness of Doing Business in NSW – states that there should be an increase in business innovation. Furthermore, it is put forward that high performing businesses should be supported to innovate in order to further enhance productivity through Industry Action Plans. The plans will identify innovation drivers and barriers within key sectors (professional services, manufacturing, digital economy, tourism and events, and education and research).
- Goal 5: Place Downward Pressure on the Cost of Living – the aim of the goal is to reduce the pressure on household budgets where possible by providing support to people in need and dealing with the underlying causes of rising household costs. The State government plans to increase the supply of land for housing and provide incentives to help make housing in NSW more affordable and housing stock more appropriate for people's needs. The objective of this is to place as much downward pressure as possible on household electricity bills through greater energy efficiency and more cost-effective energy supply.

3.1.2 A Plan for Growing Sydney (2014)

A Plan for Growing Sydney (NSW DP&E, 2014a) (the Plan) sets the strategic direction for Sydney towards 2031. The overarching vision is that by 2031, Sydney will be "a strong global city, a great place to live". The Plan is built around four key goals:

- A competitive economy with world-class services and transport.
- A city of housing choice with homes that meet our needs and lifestyles.
- A great place to live with communities that are strong, health and well connected.
- A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

Goal 1: A Competitive Economy with World-class Services and Transport

Of particular relevance to the EIA is *Goal 1: A competitive economy with world-class services and transport*. One of the associated directions – *Direction 1.7: Grow Strategic Centres by providing more jobs closer to home* states that removing "pinch points" in access to strategic centres and transport gateways improves access to jobs and services.

The public transport network connecting these centres provides many people with direct access to a range of job locations, as well as access to education facilities, health centres and hospitals, and sporting, cultural and entertainment facilities. Delivering more housing through targeted urban renewal around centres on the transport network will provide more homes closer to jobs and boost the productivity of the city.

Goal 2: A City of Housing Choice

Another goal of relevance is *Goal 2: A city of housing choice, with homes that meet our needs and lifestyles*. The following key directions/actions are of relevance to this Assessment.

- **Accelerate housing supply and local housing choice** (Direction 2.1/Action 2.1.1)

The Plan states the Government is working to achieve its target of an additional 664,000 new dwellings by 2031. The Plan acknowledges that increasing housing supply and addressing housing affordability and choice will assist in reaching the target.

Working with the market to deliver new housing

Importantly the Plan acknowledges that Government and local councils need to understand and respond to the housing market in each and every Local Government Area. The housing market reflects consumer demand and willingness to pay for particular types of housing in particular locations.

It is the role of the private sector to build new houses. The private sector will only develop housing on rezoned sites where there is sufficient consumer demand for it, at a price that provides a return to the developer. Local councils should assist housing production by identifying and rezoning suitable sites for housing.

- **Accelerate urban renewal across Sydney – providing homes closer to jobs (Direction 2.2/Action 2.2.2)**

A Plan for Growing Sydney focuses new housing in centres which have public transport that runs frequently and can carry large numbers of passengers.

- **Improve housing choice to suit different needs and lifestyles (Direction 2.3)**

The Plan states as the population ages, many people will choose to downsize their homes. Most people will prefer to remain in their communities – around 50 per cent of people looking to purchase a new house stay within their current Local Government Area. To respond to these issues, the Government will introduce planning controls that increase the number of homes in established urban areas.

Action 2.3.3 Deliver more opportunities for affordable housing recognises the need meet the housing needs of people on very low, low and moderate incomes. People in lower income brackets that spend more than 30 per cent of their gross income on rent are said to be experiencing rental stress.

The Plan states that in order to respond to these issues, the Government will introduce planning controls that increase the number of homes in established urban areas to take advantage of public transport, jobs and services.

Goal 3: Sydney's great places to live

Goal 3 and the associated *Direction 3.1: Revitalise existing suburbs* emphasises that focusing new housing within Sydney's established suburbs brings real benefits to communities and makes good social and economic sense. This type of development lowers infrastructure costs; reduces the time people spend commuting to work or travelling between places.

Furthermore, *Direction 3.2 Create a network of interlinked, multipurpose open and green spaces across Sydney*. A Plan for Growing Sydney aims to improve the quality of green spaces and create an interconnected network of open spaces and parks, tree-lined streets, bushland reserves, riparian walking tracks and National Parks.

3.1.3 Section 117 Direction

Under Section 117(2) (S117(2)) of the Environmental Planning and Assessment Act 1979 the Minister for Planning and Infrastructure provides directions to planning authorities regarding proposals lodged with the DP&E.

Of relevance to this EIA is Section 1.1 Business and Industrial Zones which stipulates the objectives of S117(2) which are as follows:

- Encourage employment growth in suitable locations.
- Protect employment land in business and industrial zones.
- Support the viability of identified strategic centres.
- Given that S117 (2) applies in this case, Council must:

- Give effect to the objectives of this direction.
- Retain the areas and locations of existing business and industrial zones.
- Not reduce the total potential floor space area for employment uses and related public services in business zones.
- Not reduce the total potential floor space area for industrial uses in industrial zones.
- Ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.

3.2 Local Planning Policy/Legislation

Burwood Local Environmental Plan (2012)

The Site is zoned B4 Mixed Use in accordance with the Burwood Local Environmental Plan (2012). The objectives of the zone are:

- To provide a mixture of compatible land uses.
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.

The B4 Mixed Use zone permits the following uses: attached dwellings, boarding houses, childcare centres, commercial premises, community facilities, educational establishments, entertainment facilities, function centres, group homes, home industries, hostels, hotel or motel accommodation, information and education facilities, medical centres, passenger transport facilities, recreation facilities (indoor), registered clubs, residential flat buildings, respite day care centres, restricted premises, seniors housing and shop top housing.

The maximum building height of the Site is 60m on the west portion and 70m on the east portion. The masterplan proposes significantly higher heights.

The maximum FSR for the Site is 4.5:1 on the west portion and 6.0:1 on the east portion. This averages FSR 5.3:1 for the whole site.

There is an LEP requirement for a minimum non-residential/employment of 40% of the maximum FSR. This equates to approximately 40,000sqm GFA. Notably, the Masterplan proposes 42,232sqm GFA of non-residential/employment space.

3.3 Vision for Burwood

In accordance with *A Plan for Growing Sydney*, the following priorities have been set for Burwood:

- Work with council to provide capacity for additional mixed-use development in Burwood including offices, retail, services and housing.
- Investigate a potential light rail corridor from Parramatta to Strathfield/Burwood via Sydney Olympic Park.

4.1 Economy and Employment

The ABS destination zone boundaries align with B4 Mixed Use zone that comprises Burwood. The employment profile provides a contextual indication of the employment structure of Burwood.

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 has been developed jointly by the Australian Bureau of Statistics and Statistics New Zealand to improve the comparability of industry statistics between the two countries and the rest of the world.

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.

A detailed map of the Croydon area in Surrey, England. A large, irregularly shaped region in the center of the map is highlighted in yellow. This region is bounded by streets such as Cowdrey Ln, Everton Rd, Parnall St, Morwick St, Russell St, Jersey Rd, Woodside Ave, and others. The map shows a dense network of roads, including major thoroughfares like the A24 and A23. Several parks are visible, including Goddard Park, Centenary Park, and Sleaford Park. A text box with the instruction "Click to add or remove a region" is overlaid on the map. The map also shows the locations of various schools, such as St. Mary's and St. John's.

Employment Profile

- Estimated employment of approximately 10,366 people in 2011.
- Retail trade (19.2%), health care and social assistance (14.7%) and transport, postal and warehousing (12.6%) are the largest employers.
- Key occupations include professionals (25.9%), clerical and administrative workers (18.5%) and sales workers (17.9%) reflective of its industry profile.

Table 4.1: Employment Profile Overview, Burwood

Indicator	Burwood
Total Employment (Number)	
2011	10,366
Key Industries (2011, % of Total Employment)	
Retail trade	19.2%
Health Care and Social Assistance	14.7%
Transport Postal and Warehousing	12.6%
Key Occupations (2011, % of total)	
Professionals	25.9%
Clerical and Administrative Workers	18.5%
Sales Workers	17.9%

Source: ABS (2011)

The following sections investigate at a finer grain the composition of employment.

Employment by Industry

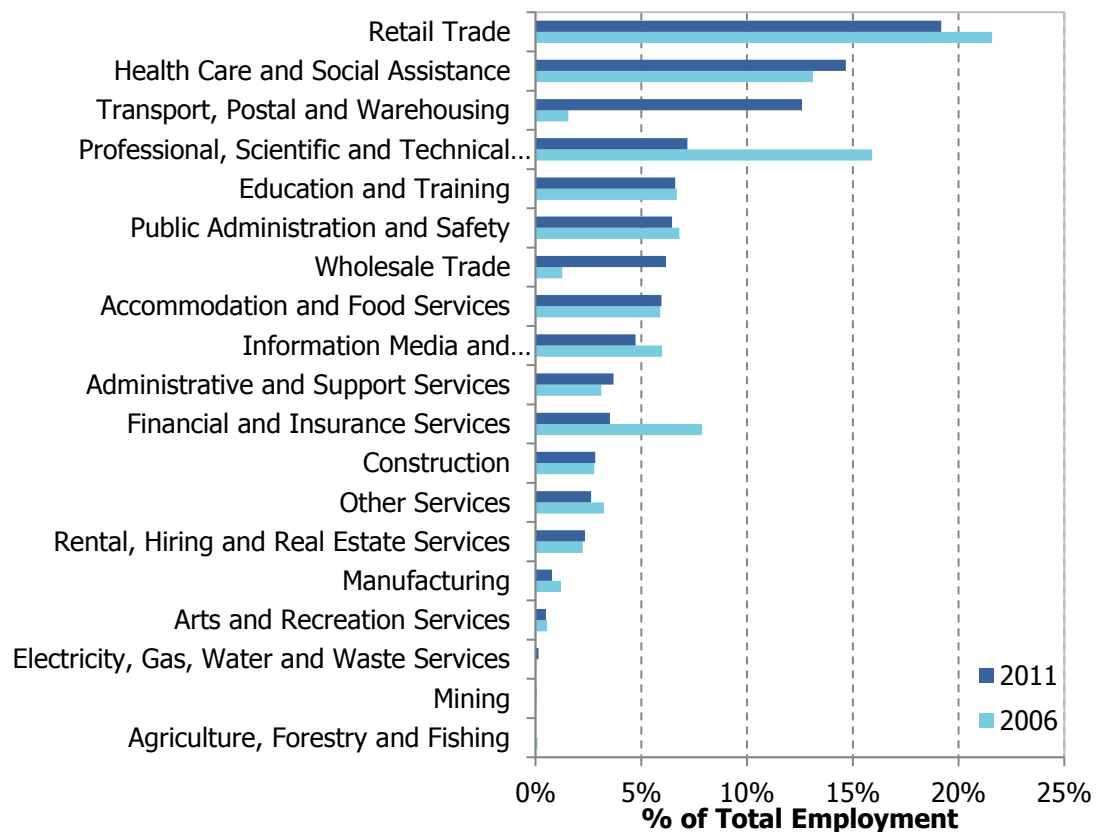
In 2011, Burwood employed 10,366 workers. Retail trade (19.2%), health care and social assistance (14.7%) and transport, postal and warehousing (12.6%) are the largest employers. Other sectors represented in Burwood include professional, scientific and technical services (7.2%); education and training (6.6%), public administration and safety (6.5%) and Wholesale Trade (6.2%). This highlights a broad industry mix, comprising white collar, blue collar and service based industries.

Table 4.2 demonstrates that between 2006-2011 the number of jobs in Burwood increased by 1,245 or 13.7%. The largest growth industries by number of jobs were: transport, postal and warehousing (+1,164 jobs), wholesale trade (+524), healthcare and social assistance (+324) and administrative and support services (+99 jobs).

Table 4.2: Employment by Industry, 2006 - 2011 (19 Sector – 1-Digit ANZSIC)

Industry	2006		2011		Change 2006-2011	
	#	%	#	%	#	%
Agriculture, Forestry and Fishing	9	0.1%	0	0.0%	-9	-100.0%
Mining	5	0.1%	4	0.0%	-1	-26.3%
Manufacturing	110	1.2%	81	0.8%	-29	-26.3%
Electricity, Gas, Water and Waste Services	4	0.0%	15	0.1%	11	288.4%
Construction	253	2.8%	293	2.8%	40	15.8%
Wholesale Trade	116	1.3%	640	6.2%	524	451.5%
Retail Trade	1,969	21.6%	1,989	19.2%	20	1.0%
Accommodation and Food Services	537	5.9%	617	6.0%	80	14.8%
Transport, Postal and Warehousing	142	1.6%	1,305	12.6%	1,164	820.0%
Information Media and Telecommunications	546	6.0%	491	4.7%	-55	-10.1%
Financial and Insurance Services	718	7.9%	365	3.5%	-353	-49.1%
Rental, Hiring and Real Estate Services	204	2.2%	242	2.3%	38	18.7%
Professional, Scientific and Technical Services	1,452	15.9%	744	7.2%	-707	-48.7%
Administrative and Support Services	283	3.1%	382	3.7%	99	35.0%
Public Administration and Safety	620	6.8%	669	6.5%	49	7.9%
Education and Training	609	6.7%	684	6.6%	75	12.3%
Health Care and Social Assistance	1,197	13.1%	1,521	14.7%	324	27.1%
Arts and Recreation Services	51	0.6%	51	0.5%	0	-0.5%
Other Services	294	3.2%	273	2.6%	-21	-7.3%
Total	9,121	100.0%	10,366	100.0%	1,245	13.7%

Source: ABS (2011)

Figure 4.2: Employment by Industry, 2006-2011

Source: ABS (2011)

Employment by Occupation

The employment profile of Burwood primarily comprises professionals (25.9%), clerical and administrative workers (18.5%) and sales workers (17.9%), reflecting a large representation of jobs across white collar dominated industries.

Table 4.3: Employment by Occupation, 2011 (1-digit ANZSIC)

Occupation	Burwood	
	No.	%
Managers	1,220	11.8%
Professionals	2,683	25.9%
Technicians and Trades Workers	941	9.1%
Community and Personal Service Workers	1,073	10.3%
Clerical and Administrative Workers	1,921	18.5%
Sales Workers	1,855	17.9%
Machinery Operators and Drivers	178	1.7%
Labourers	496	4.8%
Total	10,366	100.0%

Note: Totals may not add up to other BTS tables due to different databases utilised and rounding.

Burwood comprises a broad industry mix. Trends demonstrate the major industries of growth between 2006 and 2011 were: transport, postal and warehousing (+1,164 jobs), wholesale trade (+524), health care and social assistance (+324) and administrative and support services (+99 jobs).

There is a higher proportion of white collar occupations in Burwood, such as professionals and managers. The industry mix provides good growth prospects for employment, with many white collar sectors forecast to grow significantly in Australia over the medium to long term. These have implications for commercial floorspace requirements.

Significantly, the ability to attract and retain a skilled local labour force is crucial in promoting investment and attracting additional such businesses to Burwood.

4.2 Socio-Demographic Profile

This section provides a summary of the key demographic indicators for residents of Burwood LGA (the LGA), using Central Subregion (which includes the LGA of Ashfield, Botany Bay, Burwood, Canada Bay, Leichhardt, Marrickville, Randwick, Strathfield, City of Sydney, Waverley, Woollahra) and Sydney Metropolitan Area (the Metropolitan area) as benchmarks.

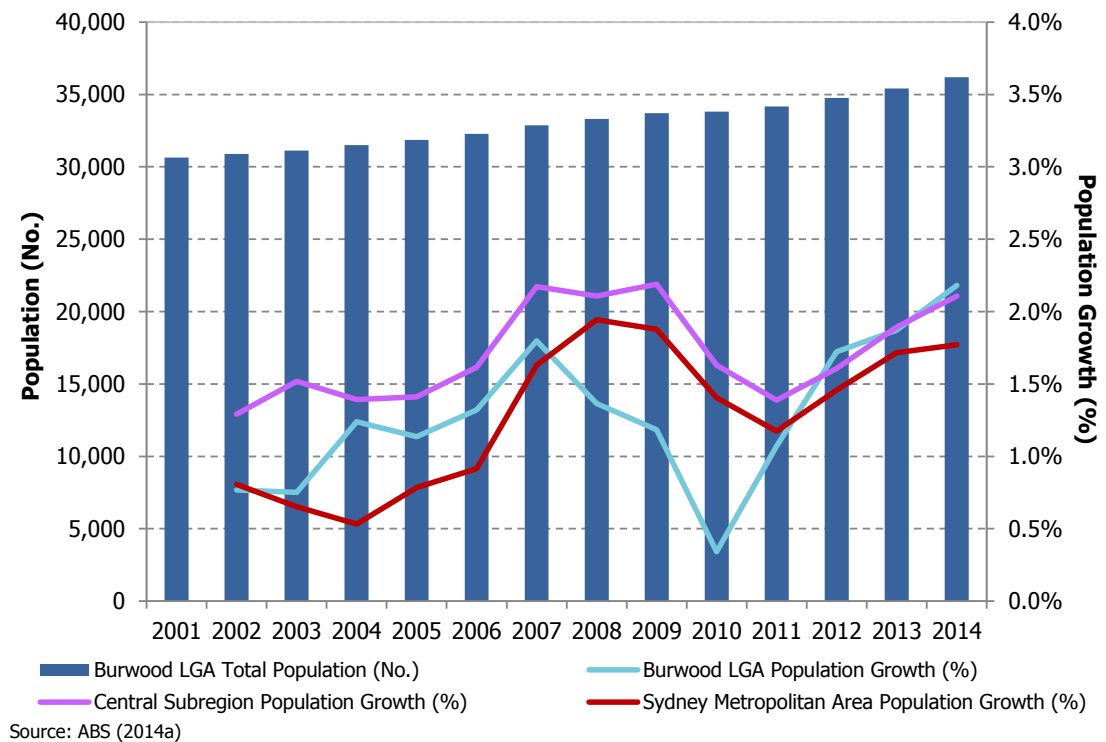
4.2.1 Population

The LGA had an estimated population of 36,190 people in 2014, representing an increase of approximately 4,700 people (or 1.4% annual average growth) between 2004 and 2014. In comparison, the Subregion and Metropolitan area reported slightly higher annual average growth, at 1.8% and 1.5% respectively, over the same 10 year period.

Table 4.4: Population Growth, Burwood LGA and Comparison Regions, 2001-2014

Year	Historical Population (No.)			Population Growth (%)		
	Burwood LGA	Central Subregion	Sydney Metropolitan Area	Burwood LGA	Central Subregion	Sydney Metropolitan Area
2001	30,647	694,218	4,102,551	-	-	-
2002	30,882	703,183	4,135,607	0.8%	1.3%	0.8%
2003	31,114	713,867	4,162,562	0.8%	1.5%	0.7%
2004	31,499	723,812	4,184,732	1.2%	1.4%	0.5%
2005	31,857	734,032	4,217,531	1.1%	1.4%	0.8%
2006	32,278	745,891	4,256,129	1.3%	1.6%	0.9%
2007	32,858	762,089	4,325,492	1.8%	2.2%	1.6%
2008	33,307	778,150	4,409,529	1.4%	2.1%	1.9%
2009	33,701	795,184	4,492,346	1.2%	2.2%	1.9%
2010	33,816	808,142	4,555,482	0.3%	1.6%	1.4%
2011	34,178	819,365	4,608,914	1.1%	1.4%	1.2%
2012	34,767	832,528	4,676,082	1.7%	1.6%	1.5%
2013	35,418	848,283	4,756,361	1.9%	1.9%	1.7%
2014	36,190	866,163	4,840,590	2.2%	2.1%	1.8%

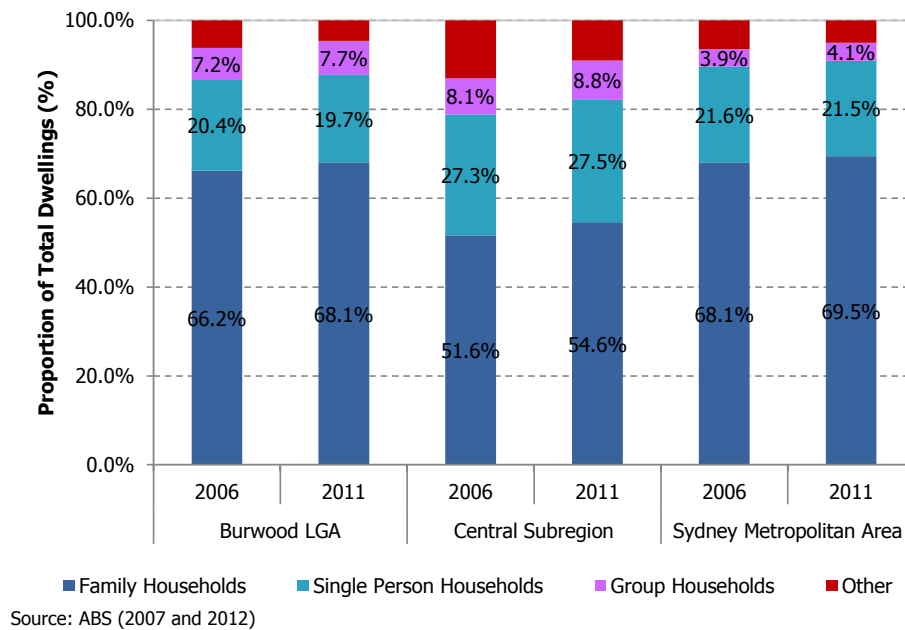
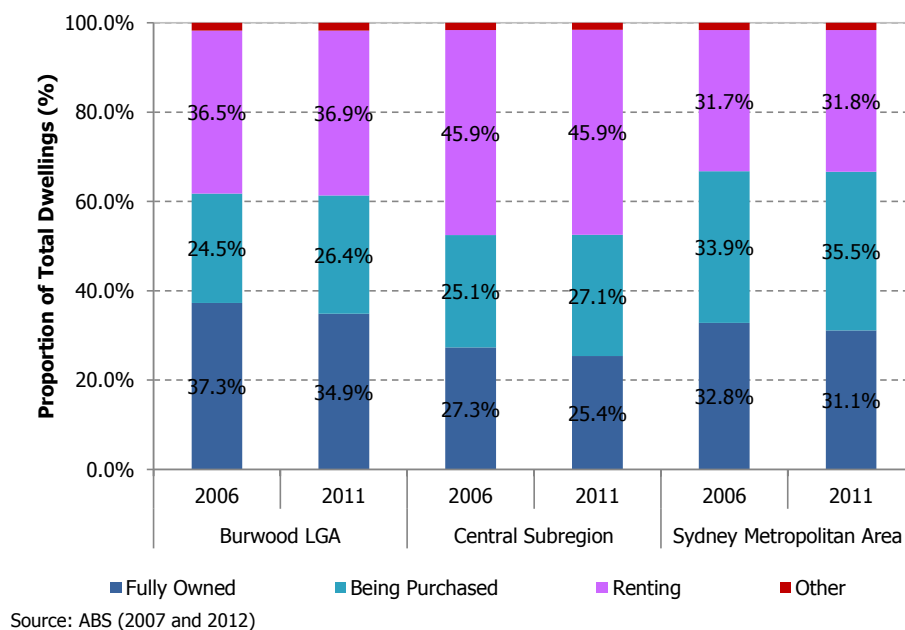
Source: ABS (2014a)

Figure 4.3: Population Growth, Burwood LGA and Comparison Regions, 2001-2014

4.2.2 Household Ownership

An analysis of household structure is important to understand the household types that are attracted to the LGA in comparison to other regions.

- In 2011, the LGA comprised primarily of family households (68.1% of all households), an increase from 2006 (66.2%).
- The proportion of family households in the Subregion and the Metropolitan area also rose between 2006 and 2011. However, the Subregion comprised of a relatively lower proportion of family households as a total of overall households (54.6% in 2011) compared to both the LGA and Sydney Metropolitan area.
- The Subregion comprised of a higher proportion of non-family households (i.e. single person households, group households and other households) compared to the LGA and Metropolitan area. Between 2006 and 2011 the proportion of single person households in the Subregion grew (27.3% to 27.5%), while they declined in the LGA (20.4% to 19.7%) and the Metropolitan area (21.6% to 21.5%).
- In terms of household ownership, the LGA reported a greater proportion of households fully owned (34.9% in 2011), compared to the Subregion (25.4%) and the Metropolitan area (31.1%). Between 2006 and 2011 though, household ownership has declined as proportion of total households in all three areas. This trend has moderated slightly since 2006 but remains significant in 2011 with 34.9% of LGA households fully owned, compared to 25.4% in the Subregion and 31.1% in the Metropolitan area.
- In line with the Metropolitan area, the LGA has traditionally reported a lower proportion of households rented compared to the Subregion (36.9% for the LGA and 45.9% for the Subregion in 2011). However this trend has reversed somewhat with the LGA reporting a marginal increase in rented households as proportion of total households between 2006 and 2011, while in the Subregion renting as a proportion of total households remained constant.

Figure 4.4: Household Composition, Burwood LGA and Comparison Regions, 2006 - 2011**Figure 4.5: Household Ownership, Burwood LGA and Comparison Regions, 2006 - 2011**

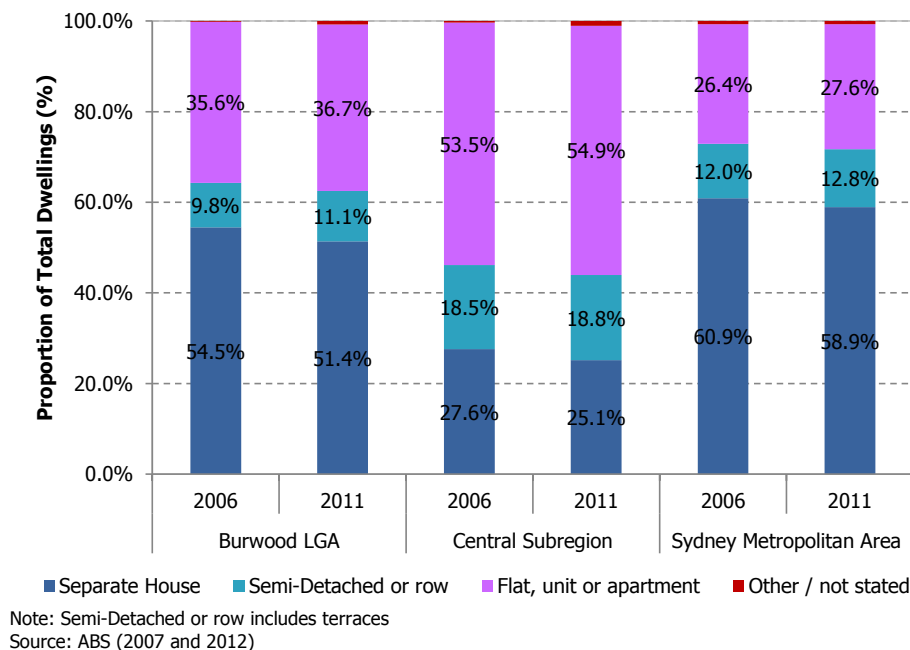
4.2.3 Dwelling Structure

The LGA has a considerably different dwelling structure mix compared to the Subregion and the Metropolitan area:

- In 2011, the LGA reported a significantly higher proportion of separate houses (over half of all dwellings at 51.4%) compared to Subregion (25.1%), while lower than the Metropolitan area (58.9%).
- The inverse is true for flat, unit and apartments in 2011, which accounted for over a third (36.7%) of all dwellings in the LGA. This was considerably lower than the Subregion (54.9%), while higher than the Metropolitan area (27.6%).
- The LGA reported the lowest proportion of semi-detached or row dwellings in 2011 (11.1%), compared to the Subregion (18.8%) and the Metropolitan Area (12.8%).
- Growth across dwelling structures for all three areas were characterised by similar trends between 2006 and 2011, with only the separate houses structure reporting a

decline over the period. The flat, unit and apartment structure grew as a proportion of total dwellings in all three areas between 2006 and 2011, as did semi-detached or rows.

Figure 4.6: Dwelling Structure, Burwood LGA and Comparison Regions, 2006 - 2011



4.3 Population, Dwelling and Employment Growth

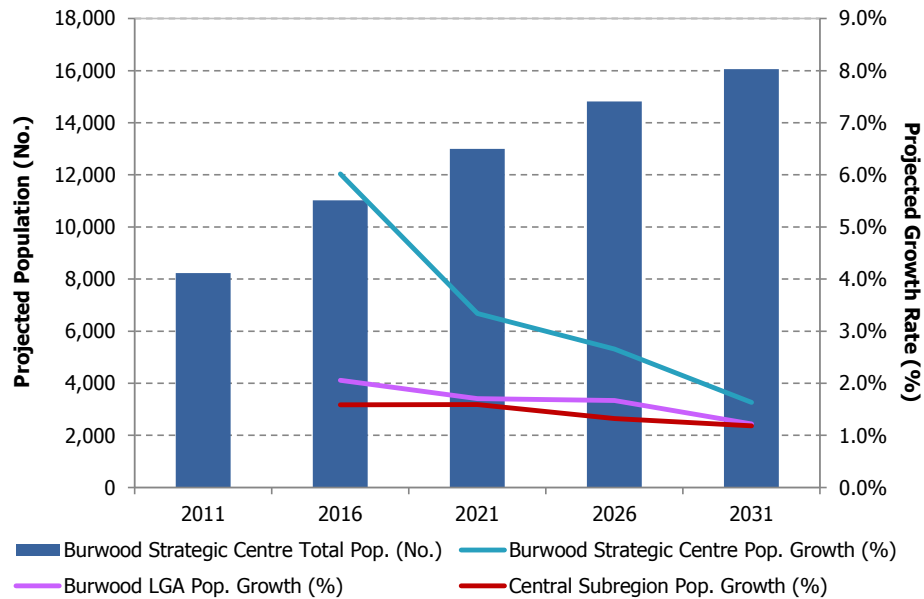
This section provides an analysis of projections for key indicators in the local economy: population, dwellings and employment. Burwood is comprised of four Travel Zones as defined by the BTS (910, 913, 915 and 917).

4.3.1 Population Projections

Based on population forecasts by the BTS, Burwood's total population is expected to grow considerably over the timeframe from 2011-2031. By 2031, it is expected that Burwood's population will grow to 16,060, an average annual increase of 3.4% in the 20 years to 2031. This rate is twice that of the projected rate for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.4%) over the same timeframe.

Although the 5-year annual average growth rate for Burwood's projected population is expected to remain positive, it is forecast to steadily slow over the timeframe.

In 2031, it is projected that the 5-year annual average growth rate of Burwood's population will slow to 1.6%, while still slightly higher than the expected rate for the Burwood LGA (1.2%) and Subregion (1.2%).

Figure 4.7: Projected Population Growth, Burwood, 2011 - 2031**Table 4.5: Projected Population Growth, Burwood and Comparison Regions, 2011-2031**

Reference Year	Unit	Projected Population Growth		
		Burwood	Burwood LGA	Central Subregion
2011	No.	8,230	34,176	819,376
2016	No.	11,023	37,838	886,439
2021	No.	12,991	41,177	959,177
2026	No.	14,812	44,725	1,024,220
2031	No.	16,060	47,517	1,086,238
2011-2016	Ann. Av. % Growth	6.0%	2.1%	1.6%
2016-2021	Ann. Av. % Growth	3.3%	1.7%	1.6%
2021-2026	Ann. Av. % Growth	2.7%	1.7%	1.3%
2026-2031	Ann. Av. % Growth	1.6%	1.2%	1.2%
2011-2031	Ann. Av. % Growth	3.4%	1.7%	1.4%

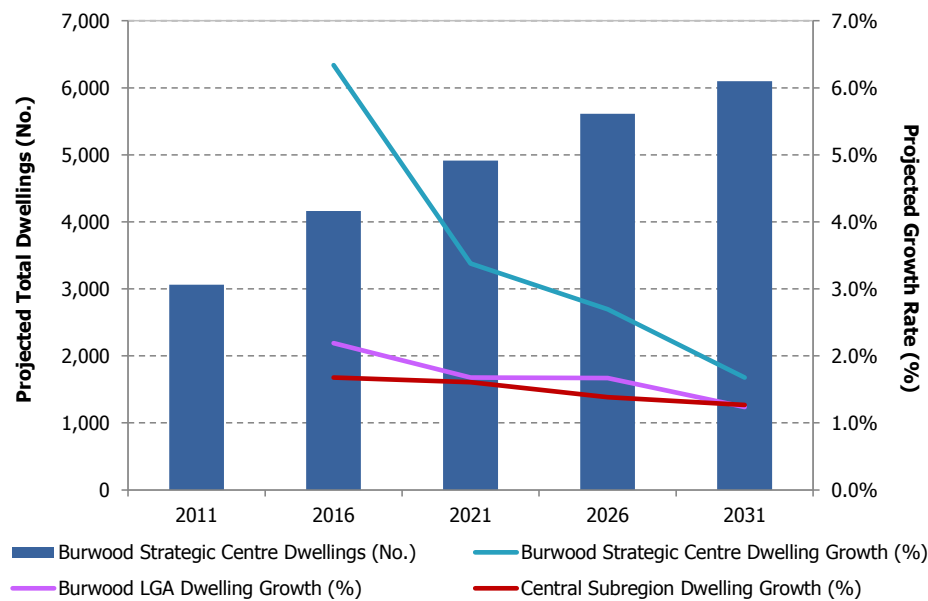
Source: BTS (2014a)

4.3.2 Dwelling Projections

Based on dwelling forecasts by the BTS, the total number of dwellings in Burwood is expected to grow considerably over the timeframe from 2011-2031. By 2031, it is expected the total number of dwellings in Burwood will grow to 6,100, an average annual increase of 3.5% in the 20 years to 2031. This rate is approximately double that projected for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.5%) over the same timeframe.

Although the 5-year annual average growth rate for projected dwellings in Burwood is expected to remain positive, it is forecast to steadily slow over the timeframe.

In 2031, it is projected that the 5-year annual average growth rate for dwellings in Burwood will drop to 1.7%, while still slightly higher than the expected rate for the Burwood LGA (1.2%) and Subregion (1.3%).

Figure 4.8: Projected Dwelling Growth, Burwood, 2011-2031

Data is presented for Occupied Private Dwellings
Source: BTS (2014a)

Table 4.6: Projected Dwelling Growth, Burwood and Comparison Regions, 2011-2031

Reference Year	Unit	Projected Dwelling Growth		
		Burwood	Burwood LGA	Central Subregion
2011	No.	3,061	12,194	350,399
2016	No.	4,162	13,590	380,761
2021	No.	4,915	14,768	412,331
2026	No.	5,613	16,042	441,673
2031	No.	6,100	17,058	470,347
2011-2016	Ann. Av. % Growth	6.3%	2.2%	1.7%
2016-2021	Ann. Av. % Growth	3.4%	1.7%	1.6%
2021-2026	Ann. Av. % Growth	2.7%	1.7%	1.4%
2026-2031	Ann. Av. % Growth	1.7%	1.2%	1.3%
2011-2031	Ann. Av. % Growth	3.5%	1.7%	1.5%

Note: Data is presented for Occupied Private Dwellings
Source: BTS (2014a)

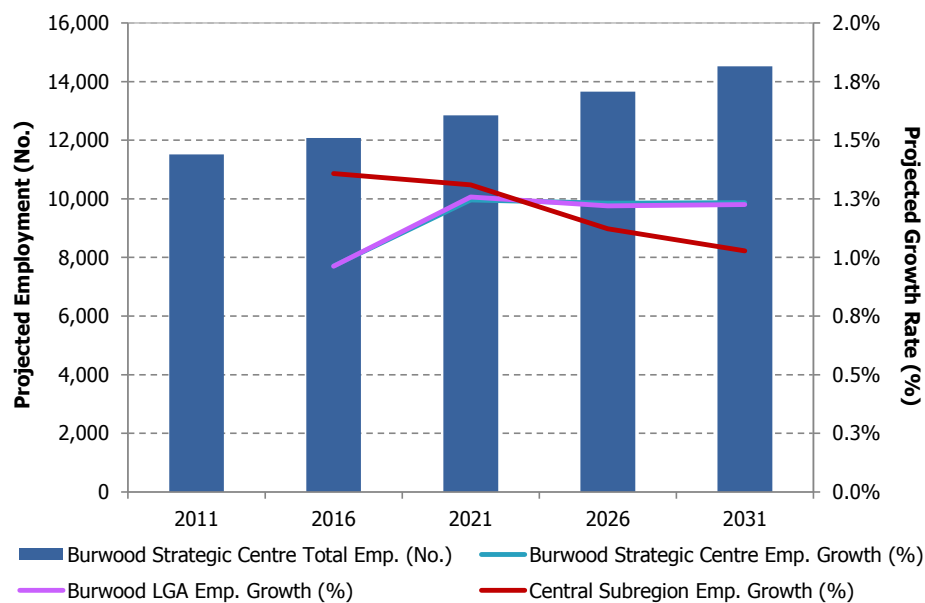
4.3.3 Employment Projections

Based on employment forecasts by the Bureau of Transport and Statistics, total employment in Burwood is expected to continue to grow over the timeframe from 2011-2031. By 2031, it is expected that employment in Burwood will grow to 14,524 jobs, an average annual increase of 1.2% from 2011. This rate is in line with both the Burwood LGA and the Central Subregion.

The 5-year annual average growth rate for projected employment in Burwood is expected to steadily grow over the timeframe, particularly between 2016 and 2021.

By 2031, it is projected that the 5-year annual average growth rate of employment in Burwood will be 1.2%. This is in line with the expected employment growth rate in the Burwood LGA (1.2%) and slightly above the Subregion (1.0%).

Over the projected period, the 5-year annual average expected growth rate of employment in the Subregion is expected to slow from 1.4% in 2016 to 1.0% in 2031.

Figure 4.9: Projected Employment Growth, Burwood, 2011-2031

Source: BTS (2014b)

Table 4.7: Projected Employment, Burwood and Comparison Regions, 2011-2031

Reference Year	Unit	Projected Employment Growth		
		Burwood	Burwood LGA	Central Subregion
2011	No.	11,513	18,454	774,053
2016	No.	12,079	19,359	828,050
2021	No.	12,850	20,608	883,697
2026	No.	13,660	21,896	934,398
2031	No.	14,524	23,271	983,428
2011-2016	Ann. Av. % Growth	1.0%	1.0%	1.4%
2016-2021	Ann. Av. % Growth	1.2%	1.3%	1.3%
2021-2026	Ann. Av. % Growth	1.2%	1.2%	1.1%
2026-2031	Ann. Av. % Growth	1.2%	1.2%	1.0%
2011-2031	Ann. Av. % Growth	1.2%	1.2%	1.2%

Source: BTS (2014b)

4.4 Need for the Proposal

Burwood's employment profile comprises a broad industry mix, with a dominance in retail trade and healthcare and social assistance. Trends demonstrate the major industries of growth between 2006-2011 were: transport, postal and warehousing (+1,164 jobs), wholesale trade (+524), health care and social assistance (+324) and administrative and support services (+99 jobs).

The housing data suggests that Burwood LGA predominately contains a significantly higher proportion of separate houses (over half of all dwellings at 51.4%) compared to Subregion (25.1%), while lower than the Metropolitan area (58.9%). The inverse is true for flat, unit and apartments in 2011, which accounted for over a third (36.7%) of all dwellings in the LGA. This was considerably lower than the Subregion (54.9%), while higher than the Metropolitan area (27.6%). This signals that Burwood could provide a greater mix of housing types to provide more housing choice.

Together, housing and employment growth projections suggest that Burwood will grow significantly toward 2031. By 2031, it is expected the total number of dwellings in Burwood will grow to 6,100, an average annual increase of 3.5% in the 20 years to 2031. This rate is approximately double that projected for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.5%) over the same timeframe.

By 2031, it is expected that employment in Burwood will grow to 14,524, an average annual increase of 1.2% from 2011. This rate is in line with both the Burwood LGA and the Central Subregion.

BTS employment projections forecast that Burwood LGA's growth will occur in a number of key industries. These are:

- Retail trade (32%);
- Accommodation and food services (+33%);
- Education and training (+29%);
- Health care and social assistance (+30%).

This growth profile is in line with national employment trends. The Proposal will facilitate development of floorspace required to accommodate these jobs in growth. More specifically the 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.

The analysis demonstrates that in order to accommodate future growth in Burwood, additional floorspace will be needed for both residential and employment uses.

In relative quantum terms, approximately 3,000 additional dwellings are forecast to be required to accommodate population growth. At an average employee ratio per square metre of 25sqm, an additional 4,158 employees (projected 14,524 employees less 10,366 employees at 2011) would require 103,950sqm of additional floorspace.

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. Retail Land Uses

This Chapter extracts the findings of a retail demand assessment carried out by Location IQ (2015).

5.1 Existing Context

Burwood is a major retail destination for Burwood and the surrounding suburbs of Inner Western Sydney. The shopping precinct is based around the main retail strip along Burwood Road that extends from Westfield Burwood in the North, to Clarence Street south. Burwood provides traditional retail strip shops which focuses on Asian retails and shopping centres Westfield Burwood and Burwood Plaza offering a mix of large format retailers, specialty retailers and food retailers.

Key retail facilities located within the retail core include the following:

- **Burwood Plaza**

The shopping centre is located in close proximity to the Burwood train station and provides some 12,363sqm of floorspace, including 10,116sqm of retail floorspace. Anchor tenants include Woolworths supermarket of 4,098sqm, Best & Less (1,085sqm) and Freshworld (1,013sqm) mini majors and 41 retail specialty tenancies which covers 3,921sqm. The remaining floorspace is occupied by a gym (1,246sqm), 725sqm of non-retail floorspace and 276sqm vacant floorspace.

- **Westfield Burwood**

The shopping centre is the major centre within the Strategic Centre consisting of a total of 63,319sqm of floorspace. The centre is located less than 1km north-east of Burwood Plaza. Anchor tenants include Woolworth, Coles, David Jones and Target.

Burwood Plaza is a single supermarket-based shopping centre. Analysis of the existing Burwood Plaza composition indicates:

- The provision of total retail floorspace is more than 70% higher than the single supermarket-based centre benchmark. The retail floorspace provision is higher than the benchmark across all categories, in particular the general retail, household goods and apparel categories.
- Total gross rents achieved by the specialty retail component of floorspace at the centre (\$860/sqm) is 8.4% lower than the single supermarket-based centre benchmark (\$939/sqm). In particular, the leisure, general retail and apparel retail specialty categories achieve rents that are well below the single supermarket-based centre benchmark, reflecting the large provision of floorspace across these categories, as compared with the benchmark.

5.2 Competitive Environment

Burwood is the major retail destination for surrounding Inner West area, with a range of retail offers including major supermarkets and department stores. It offers major food and non-food retailing with retail strip shops also making up the traditional retail precinct, with a focus on Asian retailers.

The northern portion of Burwood has been modernised in recent years and includes a strong restaurant/café precinct. In comparison the southern portion of the Centre is older and more focused on Asian retailing.

The major component in Burwood is the Westfield Shopping Centre which consists of 63,319sqm of floorspace and anchors the northern portion of the centre located less than 1km north-east of Burwood Plaza. Anecdotal evidence suggests the Coles and Woolworths supermarkets are performing strongly.

Burwood Plaza is the major component of the southern portion of the centre. The existing Woolworths (4,098sqm) is understood to be performing strongly.

Throughout the remainder of the trade area, a number of smaller supermarket based centres are provided, however none offer over 3,000sqm of floorspace.

Development Pipeline

There is significant development activity both approved and proposed in Burwood. Developments of significance to the proposed Burwood Plaza which have been identified include the B1 Burwood Square development and the Burwood Grand development which are located immediately south of Burwood Plaza. The B1 Burwood Square mixed use development is currently under construction and includes 210 units and 2,185sqm of retail space over two levels. The retail component of the development primarily focuses on specialty shops and food retailing.

Burwood Grand, to the immediate south of the Site is yet to commence construction. The centre will include ground floor retail to support a residential tower of 400 apartments. The development of both centres in combination will create a strong focus around the southern end of the Burwood centre.

Comparable Precincts

A review of recently constructed neighbourhood/convenience centres in inner suburban, high density locations, including the recently opened East Village in Zetland in Inner Sydney and Gasworks Plaza in Newstead in Inner Brisbane. The key information in relation to the key elements provided within such precincts includes:

- Both centres are anchored by a full-line supermarket of around 4,000sqm.
- A major tenant, namely a large fresh produce trader, is located at both centres.
- Cafes, restaurants and other food catering facilities totalling 1,000sqm-1,500sqm at both sites are essential to the success of the precinct.
- Retail services and non-retail facilities also play an important role in convenience centres.
- The provision of retail at both centres is around 8,000sqm – 10,000sqm. A substantial provision of basement car parking.
- Limited apparel and homewares facilities.
- A large format pharmacy is provided at each.
- Hairdresser and beauty form central parts of these developing inner city precincts.
- Non-retail elements including medical, gym and the like.
- A substantial provision of basement car parking.

5.3 Retail Market Potential

Supermarket

Given that the existing Woolworths at Burwood Plaza is understood to perform strongly, an expanded Woolworths supermarket (of 4,500sqm, an increase of 402sqm above the current size) is likely to be sustainable on the Site.

In addition, Aldi currently do not have a strong representation within the main trade area, with the only store being provided at The Bakehouse Quarter. On this basis, an Aldi supermarket is likely to be sustainable on the Site and appeal to the residents of the surrounding region.

The provision of a large Woolworths supermarket in combination with an Aldi would be a point of difference from the existing supermarket offerings within the main trade area, which are primarily small scale single supermarket-based (with the exception of Woolworths and Coles at Westfield Burwood). The redeveloped supermarkets should aim to be more convenient in terms of access and car parking than supermarkets provided at Westfield Burwood (in particular Woolworths which is located on an upper level).

Taking into account the above and the assumption that no other supermarkets are developed within the main trade area during the forecast period, combined supermarket sales for an expanded Woolworths and new Aldi supermarkets are \$73.7 million in 2017/18, with Woolworths accounting for around 75% of supermarket sales (\$55.6 million) and Aldi accounting for 25% (\$18.1 million) of supermarket sales.

Mini-Majors

Mini-major tenants are retail tenants with a floorspace greater than 400sqm. Given the high profile location of the Site within Burwood and the significant main trade area population, the development would likely support 2-3 mini-major tenants, with a fresh food and food catering focus.

The following mini-major tenants are possible:

- Given the ethnically oriented socio-economic profile of the Burwood Plaza main trade area population, which is highly fresh food focused, there is likely to be potential for a large fresh food grocer and/or Asian supermarket. An example of a successful Asian supermarket in close proximity to Burwood is provided at Campsie Centre, which includes an Asian supermarket of around 1,000sqm.
- A large fresh food tenant, such as Harris Farm Markets or the existing Freshworld operator at the centre, should also be considered as a possible tenant. The nearest Harris Farm Markets located in North Strathfield.
- A large yum cha operator would also be popular with the surrounding Asian orientated population. An example of a successful yum cha restaurant in close proximity to Burwood is provided at Rhodes Shopping Centre.

Burwood is currently served by the Golden Globe Seafood Restaurant which is located along Burwood Road. However, taking an overall view of Burwood, there seems to be a gap in the market for a modern and strong performing yum cha restaurant provided within a centre.

- Other tenant types such as large format liquor, discount variety stores or large format electrical stores are likely to be attracted to other locations throughout the surrounding region rather than as part of the Proposal.

Retail Specialty Floorspace

The provision of specialty floorspace that is supportable at any retail centre is typically determined by the amount and sales of major tenant floorspace. These major tenants act as the key customer generators to the centre, with the specialty floorspace drawing business from the customer flows.

The optimal retail specialty tenant mix on the Site is suggested to include a mix of food retail and food catering, forming a strong food precinct that will complement the supermarket offer, as well as retail facilities at the adjacent B1 Burwood Square. Key convenience tenants should also be provided, creating a strong convenience food based centre for the surrounding population.

The comparable examples outlined indicate that around 3,000sqm–4,000sqm of specialty shop floorspace can be developed in urban villages, with a large proportion being dedicated to the food catering categories. In the case of the redeveloped site, if an expanded Woolworths supermarket in combination with Aldi and strong mini-major provision could be secured, it is suggested that around 4,000sqm–5,000sqm of retail specialty floorspace could be supported.

5.4 Potential Non-Retail Uses

The closest competing facilities are the nine screen Event Cinema complex located at Westfield Burwood. Given the proximity of these facilities, it is unlikely that cinema facilities would be sustainable on the Site unless a boutique offering such as Palace or Dendy cinemas could be attracted to the site.

Burwood Plaza currently operates Fitbodz Gym (with a gross rental rate of \$169/sqm of floor area) in the basement level of the centre. There a number other smaller scale gyms in Burwood, including Anytime Fitness, 200 metres to the west of Burwood Plaza, along Railway Parade. However, there may be the potential to secure a large scale operator such as Fitness First or Virgin Active given that they are not currently represented in Burwood. The closest existing Fitness First is located at North Strathfield and the closest Virgin Active being located in the CBD.

There may be unmet demand for medical facilities in Burwood. Typically, a provision of 9 doctors for every 10,000 persons is allowed for. The provision of larger scale medical centres, including 5 or more doctors is limited with only two facilities within Burwood that offer 5-9 doctors (located at the northern end of the retail strip). There are no facilities providing 10 or more doctors within the main trade area, indicating that there could be the potential for such a facility to be included at the redeveloped site.

Other non-retail uses typically incorporated into retail centres include a post office, travel agent, lotto, etc. which could be accommodated at the centre.

5.5 Need for the Proposal

The Masterplan responds to assessed retail demand and in consideration of the longer term nature of the Proposal (8-12 year delivery), the Masterplan additionally anticipates future retail floorspace demand considering the planned revitalisation of the Parramatta Road Corridor.

An improved and enhanced retail offer will not only cater to increased retail choice and offer by promoting competition, it will also respond to objectives of sustainability, enabling residents and workers to have their shopping needs met locally.

6. Commercial Land Uses

6.1 Drivers of Demand

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.

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 central location of Burwood midway between Sydney and Parramatta CBDs positions it as a desirable suburban office market.

The market for commercial floorspace has primarily been underpinned by strong fundamentals including:

- Forecast economic growth and employment activity.
- Low interest rates driving the commercial investor market.
- Population growth which drives demand for commercial and support services.
- Strongly performing retail/commercial centre driving further demand for commercial floorspace.

As populations grow, so too does the demand for, *inter alia*, white collar services, accordingly 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 A Grade commercial floorspace to meet ongoing demand in Burwood.

6.2 Economic and Market Trends

Sydney metropolitan commercial markets have been performing strongly. There has been a substantial in yields compressing 0.75% in the last 6 months. Transaction volumes have been lower than 2014 as there has been limited stock brought to the market.

Demand for investment opportunities has been strong as interest rates remain low and this has been reflected in strong sales results. The strong demand for commercial investment properties continues with many investors priced out of the Sydney CBD market seeking fringe locations where floorspace remains affordable.

The low cost of capital continues to underpin the demand for commercial property with limited development in the pipeline and rental growth forecasted with investors seeking higher yielding investments.

The subdued commercial development pipeline remains a result of residential uses out-pricing commercial in Sydney metro markets which is driving fierce competition for available commercial assets.

The leasing market over the first half of 2015 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.

Many investors will be considering rental growth when making decisions on acquiring assets due to the strong pricing which has been seen across Sydney. Strong sales results are likely to continue given the subdued commercial development pipeline, low cost of capital, limited available stock, and leasing growth.

6.3 Burwood Commercial Market

The demand for office floorspace in Burwood is strong with many large corporations and government departments occupying floorspace some of which include Housing NSW, Road and Maritime Services, NSW Trustee & Guardian and Family and Community Services.

The Burwood location appeals to many occupiers as buildings are typically of good quality and provide good public transport access and relative proximity to Sydney and Parramatta CBDs.

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 who seek to locate close to other services.

Anecdotal evidence suggests leasing rates are in the order of \$300/sqm-\$420/sqm net of floor area with low vacancy rates of 3%-4%.

Commercial space located closer to Parramatta Road achieves lower rents due to the distance to the station and shopping centre in addition to the lower quality and aged buildings in comparison to those in the core. Cheaper commercial office space is popular with commercial services such as real estate agents and other financial services or businesses starting up or relocating to more affordable premises.

There have been two notable sales transactions which have occurred at 14 Railway Parade and 52-60 Railway Parade, Burwood in the past 18 months both of which have achieved over \$5,000/sqm of floor area with passing initial yields of just over 8%.

Changing Occupier/Tenant Requirements

As a proportion of total business cost, property occupancy costs (e.g. rents, outgoings, etc.) represent a small proportion, suggested to be in the region of 5%-10%. A key proportion of business cost is employees. As a consequence, despite the importance of cost in the location and building selection process, research suggests that the extent and quality of worker amenity is an increasingly important factor in location selection as employers seek to minimise employee cost by optimising employee productivity and retention.

Colliers International carries out annual office tenant surveys to identify trends in tenants' leasing decision making to assist building owners and investors respond to occupier needs and requirements as they evolve. The most recent survey was carried out in 2012 where 300 telephone interviews were carried out with key decision makers. Australian tenants surveyed represented 5.5% of all office space in Australia. These tenants were across Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra, Auckland and Wellington. The following responses are of direct relevance for this EIA:

- Increasing importance of building choice to attract and retain staff (61% of respondents indicated a "high importance rating" compared to 47% respondents in 2010).
- Reasons for the importance of building choice for attracting and retaining staff were suggested as:
 - Central location (51%).
 - Accessibility for staff (47%).
 - Staff happiness (37%).
 - Importance of image (32%).
 - Proximity to amenities (27%).
- An increasing importance placed on certain building attributes, specifically buildings with access to gyms, swimming pools, childcare facilities, bike racks, green space and a CBD location was observed between 2010 and 2012.
- A decline in importance in other building attributes, specifically car parking and ESD (environmentally sustainable design) was observed between 2010 and 2012.

Overwhelmingly, occupier needs are focused on cost-cutting and achieving workspace efficiencies. That said, there is increasing importance placed on location selection for attracting and retaining staff and with a focus on staff health and employee wellbeing. As

a consequence, the provision of significant informal, social and communal space within workplaces has increased.

6.4 Need for the Proposal

As demand continues to grow for residential uses across Sydney there is equally a need to redevelop mixed use sites to accommodate commercial/retail floorspace to accommodate employment and economic growth.

The Site is presently improved with significant buildings (Burwood Plaza and office building). Owing to subsisting uses, in order for the Site to be redeveloped to provide for contemporary retail and commercial floorspace, cross-subsidisation by residential uses is necessary.

Ultimately, providing a mix of retail, commercial and residential uses recognises the importance to retain Burwood as a Strategic Centre, and provide a variety of different high density land uses within walking distance from the Burwood train station.

7. Accommodating Future Growth

7.1 The Demands of Growth

Analysis suggests there is growing pressure on existing commercial, retail and residential floorspace in Burwood. This is brought about on several fronts, new growth as well as current floorspace requirements which are evolving:

- **New residents and workers**

By 2031, BTS forecasts that resident population in the Burwood Strategic Centre will grow to 16,060, an average annual increase of 3.4% in the 20 years to 2031. This rate is twice that of the projected rate for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.4%) over the same timeframe. This is an additional 7,830 residents (from 2011) requiring more than 3,000 new dwellings.

By 2031, it is expected that employment in Burwood will grow to 14,524, an average annual increase of 1.2% from 2011. This is an additional 4,158 workers (from 2011) requiring more than 100,000sqm of additional floorspace.

- **Demand for commercial floorspace**

The demand for commercial floorspace in Burwood is strong with many large corporations and government departments therein. Furthermore, tenant requirements are evolving and as a consequence many tenants are increasingly selective about the buildings they lease, demanding more worker amenity.

In order to respond to this evolving demand for commercial floorspace the indicative Masterplan proposes approximately 15,092sqm GFA of contemporary commercial floorspace to respond to demand.

- **Demand for retail floorspace**

In line with phenomenal growth projected for Burwood commensurate retail floorspace is required. In order to respond to this demand the Masterplan proposes to provide approximately 28,477sqm of retail floorspace, an increase on the existing 14,889sqm of lettable retail floorspace.

- **Demand for residential floorspace**

By 2031, it is expected the total number of dwellings in Burwood will grow to 6,100 (more than 3,000 new dwellings), an average annual increase of 3.5% in the 20 years to 2031. This rate is approximately double that projected for the Burwood LGA (1.7%) and even higher than that compared to the Central Subregion (1.5%) over the same timeframe. The Masterplan aims to cater to some of this demand by providing 1,044 apartments.

- **Demand for hotel accommodation**

There are currently three short stay accommodation providers in the Burwood LGA, these include: Boronia Lodge, Burwood Bed and Breakfast and Comfort Inn and Suites. These providers are motel/bed and breakfast providers. Our research suggests that while there are a significant number of serviced apartments in the development pipeline (circa 490) there is a dearth of new hotel rooms proposed. The Masterplan aims to fill a gap in the market by providing 100 hotel rooms.

7.2 Challenges of Accommodating Growth on Infill/Brownfield Sites

Brownfield/infill land located within towns and cities is often in an excellent location to redevelop in order to leverage existing infrastructure. There are ample brownfield sites in Sydney, however, often they lie undeveloped to their full potential.

The reasons for this lack of development are complex. A key point may be that the construction sector is overly reliant on profit driven, large-scale house builders looking to maximise value from each new home sold and to capitalise on cost efficiencies to boost profitability. The inevitable result is that the land which is the cheapest to purchase and the most efficient to develop will be targeted.

Commercial viability is a key obstacle that prevents brownfield/infill development. To obtain finance in order to carry out construction, developers require profit levels of between 15% and 25% while they also need to factor into appraisals a realistic price that will incentivise landowners to part with their land.

Due to the high expense of the development process and multiple landowners with often unrealistic perceptions about how much a developer can pay to secure their land, brownfield sites are often perceived as unviable. Complex land ownership structures on brownfield sites hinder development.

Brownfield land can often have significant physical issues that increase site preparation costs. While contamination is often cited as a key issue, developers can also face abnormal costs such as the relocation of underground services/utility infrastructure, demolition of existing buildings and the irregular shape of multiple plots of land required for site assembly. These abnormal costs can severely impact upon the viability of development schemes.

In the case of the Site, there is clear demand for commercial and retail floorspace in Burwood. As such, the Masterplan responds by incorporating a mix of commercial, retail and hotel floorspace to be co-located with residential uses. However, in order for the development to represent a commercial proposition, residential uses to greater densities are needed to cross-subsidise provision of the commercial and retail floorspace.

A feasibility analysis carried out on the development scheme as envisaged by the Masterplan produces a project internal rate of return (IRR) which indicates that the redevelopment of the Site is considered marginal. Mitigation of the relatively low project IRR is possible however by careful staging of the development to ensure existing revenue streams are optimised before demolition for redevelopment.

7.3 Need for the Proposal

The Site is well improved with substantial retail and commercial buildings. However, there is demonstrated need for more retail and commercial floorspace in Burwood and the Masterplan proposes a comprehensive redevelopment to double the quantum of retail floorspace which is currently located on the Site and develop a brand new office building to meet the ever-changing needs of commercial tenants.

In order for the redevelopment of retail and commercial floorspace to be a commercial proposition, residential uses have been incorporated into the Masterplan to cross subsidise the redevelopment of employment floorspace.

8. Economic Impact Assessment

This chapter assesses the economic impacts of the Masterplan by investigating two cases, these include:

- The Base Case: the current economic impacts of the Site and existing use as a means for comparison with the Proposal Case.
- The Proposal Case: this scenario assumes that the Site's planning controls are amended and the Site is redeveloped as envisaged in the Masterplan.

8.1 Introduction and Approach

The following sections examine the estimated economic activity supported through the operational and construction phases of the Proposal. The economic impacts have been assessed at the Burwood LGA level.

Input-Output modelling describes economic activity through the examination of four types of impacts which are defined and described in the table below.

Table 8.1: 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 Value Added (GVA)	Refers to the value of output after deducting the cost of goods and services inputs in the production process. GVA 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. 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 estimates of economic activity 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.

Estimates of direct operational phase activity for the existing and redeveloped site have been developed utilising Gross Floor Area (GFA) and employment density ratios assumptions. For modelling purposes, potential operational activities associated with the redeveloped site were allocated to the most relevant I-O industries, based on ANZSIC categories.

Based on the derived employment levels, estimates for direct output were developed using the output to employment ratios outlined in the I-O transaction table developed for Burwood LGA (see Appendix A).

8.2 Scenario 1: Base Case (Current Uses)

The Base Case accommodates a shopping centre and office building. **Table 8.2** contains an estimate of FTE jobs based on assumed employment density ratios.

Table 8.2: 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
Specialities		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

Current activity on the Site is estimated to support (including direct and indirect activity) annually:

- \$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 jobs).

Table 8.3: Current Economic Activity Supported

Impact	Output (\$M)	GVA (\$M)	Income (\$M)	Employment (FTE)
Direct Impact	\$289.9	\$161.2	\$97.7	1,366
Indirect Impact (Type I)	\$112.1	\$57.2	\$34.8	389
Indirect Impact (Type II)	\$155.1	\$93.8	\$41.4	607
Total Impact	\$557.2	\$312.2	\$174.0	2,361

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

Feasibility of Redevelopment and Renewal

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.

8.3 Scenario 2: Proposal Case (Increased Residential Densities and Heights)

The Proposal Case seeks to leverage the residential property market to facilitate a redevelopment of retail and commercial floorspace.

This section assesses the economic impacts of a development as envisaged in the Masterplan.

- 28,477sqm retail floorspace.
- 15,092sqm commercial floorspace.
- 4,841sqm hotel.
- 1,044 apartments.

There are economic impacts both during the construction and operational phases of the Proposal.

8.3.1 Construction Impacts

Model Drivers

For modelling purposes, construction costs (including contingency) were broken down into their respective Australian and New Zealand Standard Industrial Classification (ANZSIC) industries. This breakdown was developed based on assumptions developed by AEC from a Cost Plan (Altus Page Kirkland, 2015) regarding the most appropriate ANZSIC industries for each activity as highlighted in the table below.

Table 8.4: Construction Costs Allocation (Incl. Contingency)

Item	Cost (\$M)	ANZSIC Industry Allocation
Demolition and temporary works	\$11.8	Construction Services
Retail	\$73.6	Non-Residential Building Construction
Commercial	\$45.4	Non-Residential Building Construction
Residential	\$291.3	Residential Building Construction
Hotel	\$50.1	Non-Residential Building Construction
Professional Fees	\$57.6	Professional, Scientific and Technical Services
Total	\$529.8	

Source: APK (2015), AEC

Only the construction activity expected to be undertaken within the Burwood LGA has been included in the EIA. 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).

Economic Activity Supported

The construction phase associated with the development is expected to support the following economic activity through direct and flow-on impacts:

- \$499.7 million in additional output.
- \$192.4 million in contribution to Gross Regional Product (GRP).
- \$112.2 million in incomes and salaries paid to households.
- 1,388 FTE jobs.

The breakdown of modelling outcomes is provided in the table below.

Table 8.5: Construction Phase Impacts

Impact	Output (\$M)	GVA (\$M)	Income (\$M)	Employment (FTE)
Direct Impact	\$264.9	\$68.6	\$49.3	537
Indirect Impact (Type I)	\$124.7	\$57.2	\$33.6	420
Indirect Impact (Type II)	\$110.1	\$66.6	\$29.3	430
Total Impact	\$499.7	\$192.4	\$112.2	1,388

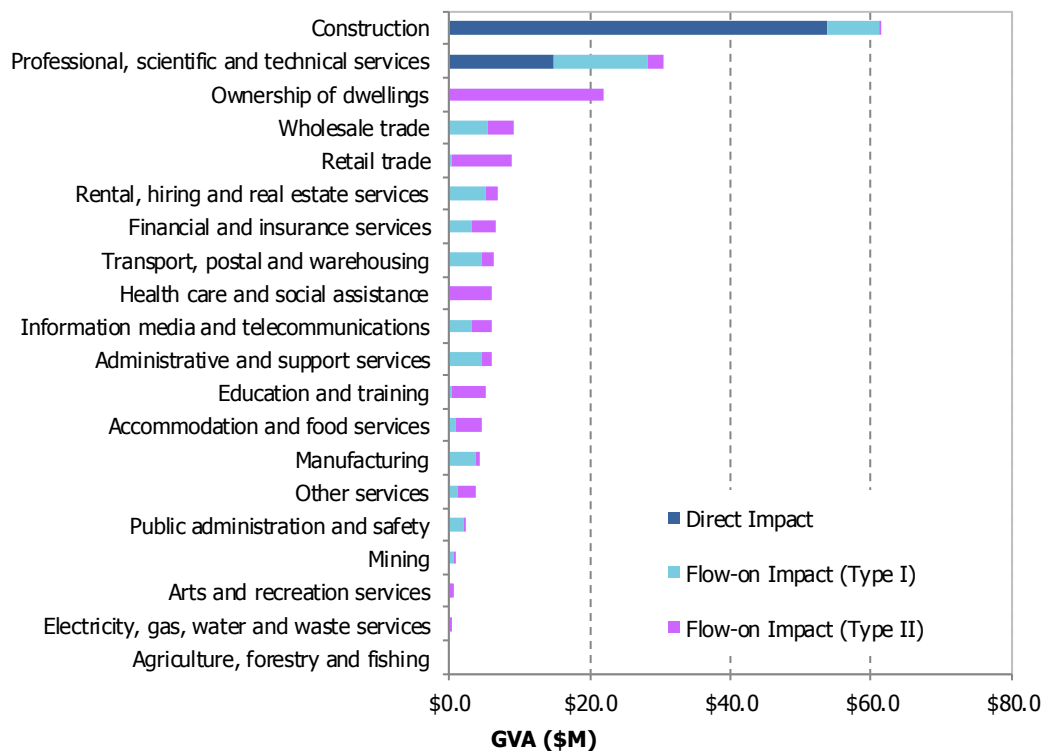
Note: Totals may not sum due to rounding.

Source: AEC

Major industry beneficiaries of the construction phase of the redevelopment within the Burwood LGA include:

- Construction (GVA \$61.4 million).
- Professional, scientific and technical services (\$30.4 million).
- Ownership of dwellings (\$21.9 million).
- Wholesale trade (\$9.1 million).
- Retail trade (\$8.9 million).

Figure 8.1: Construction GVA Impacts by Industry (\$M)



Source: AEC

8.3.2 Economic Impacts (Operational Phase)

Facility Operation

Estimates of direct operational phase activity for the redeveloped centre have been developed utilising Gross Floor Area (GFA) and employment density ratios. For modelling purposes, potential operational activities associated with the redeveloped site were allocated to the most relevant I-O industries, based on ANZSIC categories.

Based on the derived employment levels, estimates for direct output were developed using the output to employment ratios outlined in the I-O transaction table developed for Burwood LGA as part of this project (see Appendix A).

It should be noted that in developing these estimates of activity, a 'steady state' of operations (whereby all facilities have been developed and long-term average worker density rates prevail) has been assumed.

Table 8.6: Operational Turnover Estimates (Redeveloped Centre)

Activity	ANZSIC Allocation	GFA (sqm)	Employee Ratio (sqm)	FTE Jobs	Output (\$M)
Retail Floorspace	Retail Trade	28,477	28	1,036	\$138.0
Commercial Floorspace	Health Care Services	6,036	20	302	\$37.3
	Transport Support Services and Storage	3,773	20	189	\$92.0
	Professional, Scientific and Technical Services	2,263	20	151	\$37.1
	Public Administration and Regulatory Services	1,509	20	75	\$24.7
Hotel	Accommodation	4,841	30	161	\$32.6
Total	Total	48,410	25	1,951	\$361.8

Note: Totals may not sum due to rounding.

Source: AEC

Induced Visitor Spend

The hotel would provide 100 additional hotel rooms within the Burwood LGA to support increased visitor stays within Burwood LGA, and thereby increase visitor expenditure in the local economy. In identifying the number of visitor nights attracted to Burwood LGA, the following assumptions have been made:

- For the purposes of this assessment it was assumed each room would, on average, be available approximately 360 days each year (this allows for some unavailable days for periodic maintenance and renovations), providing an average annual number of room nights available of 36,000 for the hotel.
- An average room occupancy of 81%, in line with the average room occupancy rate in 2014-15 for upscale hotels in the Sydney Tourism Region (ABS, 2015). This provides 29,200 room nights occupied.
- A conservative assumption that approximately 10% of room nights occupied may be by local residents of Burwood LGA (2,900 room nights), with 90% occupied by visitors to the local area (26,300 room nights). Only expenditure of visitors has been included.
- Of visitor room nights, 55% are assumed to be domestic visitors (14,500 room nights) and 45% international visitors (11,800 room nights). This is in line with visitation patterns of visitors staying in hotels or similar accommodation in the Sydney Tourism Region in 2015-16 (TRA, 2016).

The hotel is expected to be a 4-star hotel offering, which is a service offering that is currently under-represented in the Burwood LGA market. The hotel is primarily expected to service a different clientele than that currently serviced by accommodation establishments in the local area, and it is therefore anticipated that the majority of visitors staying in the hotel would be unlikely to stay elsewhere within Burwood LGA if the project does not proceed. For the purposes of this assessment, it has been assumed that 75% of visitors staying at the hotel represent net new visitors staying in Burwood LGA (i.e., induced visitation of 10,875 domestic visitor nights and 8,850 international visitor nights).

Data from Tourism Research Australia's National and International Visitor Surveys (TRA, 2016) was used to identify relevant visitor expenditure across specific expenditure items for domestic and international visitor nights. Not all expenditure was included, to reflect that not all visitor expenditure is likely to be captured within the local economy. For example, air fares are expected to be purchased outside of Burwood LGA, while shopping and entertainment is likely to represent a mix of local activity and activities undertaken outside the Burwood LGA (e.g. in nearby LGAs, including the Sydney CBD). Further, some expenditure (such as all expenditure on accommodation, as well as some retail and food and beverage expenditures) were omitted to avoid double counting, as this expenditure is anticipated to be captured in the redeveloped facility itself (and thereby included in the facility operation).

Average expenditure estimates per visitor night by expenditure item were then rounded to the nearest \$0.50, and are summarised in **Table 8.7**. Expenditure items were allocated to their most relevant industry in the Input-Output modelling.

Table 8.7. Expenditure per Visitor Night

Expenditure Item	% Included	Domestic Overnight	International
Airfares	0%	\$0.00	\$0.00
Tours	10%	\$1.00	\$0.50
Rental vehicles	25%	\$1.00	\$0.50
Petrol	50%	\$9.00	\$1.00
Vehicle maintenance/repairs	0%	\$0.00	\$0.00
Taxi	50%	\$1.50	\$1.00
Other local public transport	50%	\$0.50	\$0.50
Long distance public transport	0%	\$0.00	\$0.00
Accommodation	0%	\$0.00	\$0.00
Groceries for self-catering	50%	\$5.50	\$2.50
Alcohol, drinks (not already reported)	50%	\$5.50	\$2.50
Takeaways and restaurant meals	50%	\$14.50	\$6.50
Shopping	25%	\$4.00	\$4.00
Entertainment	25%	\$1.50	\$0.50
Gambling	25%	\$0.00	\$0.00
Education	25%	\$0.00	\$5.00
Convention / Conference / fees	25%	\$0.00	\$0.00
Other expenditure nfd	50%	\$1.00	\$1.50
Total		\$45.00	\$26.00

Source: TRA (2016), AEC

Economic Activity Supported

The redeveloped centre is estimated to support on an ongoing annual basis:

- \$685.7 million in output.
- \$387.6 million contribution to GRP.
- \$215.4 million in incomes and salaries paid to local workers.
- 3,155 FTE jobs (of which 1,957 are directly supported by the project, including 1,951 direct jobs at the redeveloped facility and 6 directly supported through visitor spend).

Table 8.8: Redeveloped Site Operational Economic Activity Supported

Impact	Output (\$M)	GVA (\$M)	Income (\$M)	Employment (FTE)
Direct Impact	\$362.5	\$204.9	\$124.8	1,957
Indirect Impact (Type I)	\$131.1	\$66.6	\$39.3	447
Indirect Impact (Type II)	\$192.1	\$116.2	\$51.2	751
Total Impact	\$685.7	\$387.6	\$215.4	3,155

Note: Totals may not sum due to rounding.

Source: AEC

Retail Demand and Impact

The Proposal Case envisages new retail space in the order of 28,477sqm to be dispersed across the Site.

The addition of new residents on the Site will generate retail expenditure that will be available to be captured by retail facilities on the Site, in Burwood LGA.

8.3.3 Housing Impacts

An upshot of the Masterplan is the development of approximately 1,044 residential units.

Contribution to Housing

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.

'A Plan for Growing Sydney' (the Plan) sets out State government objectives for the Sydney metropolitan area over the period of the Plan (2011 to 2031). The Plan states have the accelerated delivery of new housing is a major goal with approximately 664,000 additional homes required in the 20 year period, equivalent to 33,200 new homes per annum. This is in response to population growth of 1.58 million.

Table 8.9 compares building approvals in the Sydney metropolitan area over the last four years to targeted approvals based on State government guidance. It indicates a significant and widening shortfall between the number of dwellings required and the number being approved. There is an imperative to increasing housing supply.

Table 8.9: Sydney Residential Building Approvals versus Targets

	2011-12	2012-13	2013-14	2014-15 YTD
Building Approvals	15,591	21,097	23,456	14,411
Building Targets	33,200	33,200	33,200	33,200
Annual Shortfall	-17,609	-12,103	-9,744	-18,789
Cumulative Shortfall	-17,609	-29,712	-39,456	-58,245

Source: ABS (2015), NSW DP&E (2014)

The priority for new housing delivery is established areas, particularly those with access to transport infrastructure and in particular centres. This maximises the use of existing infrastructure and lowers the need to develop new greenfield land. New housing delivery is recognised as boosting economic activity, supporting the viability of infrastructure and stimulating business investment opportunities.

The provision of approximately 1,044 residential units on the Site constitutes a strong positive economic impact.

Contribution towards Easing Housing Affordability

The Sydney metropolitan area is in the midst of a housing affordability crisis. The Plan recognises that house prices in Sydney are high comparative to other Australian capitals and that government can assist to place downwards pressure on price rises through facilitating greater volumes of supply. In particular, additional units are noted as ensuring more people can access residential product which matches their lifestyle and budget.

Burwood is slightly less affordable compared to the wider Sydney metropolitan area. The latest Housing Sales and Rent Report (FACS, 2015) indicates that the median price of a unit in Burwood LGA in March quarter 2015 was \$630,000 compared to a Greater Sydney median of \$620,000 and a Sydney Middle Ring (within which Burwood LGA is situated) of \$620,000.

Over the last five years since March quarter 2010, based on the latest FACS data the median price of a unit in Burwood LGA has increased by \$130,000 or 26%. By contrast the average price increases in the Sydney metropolitan area was 37% over the same period and in the Sydney Middle Ring it was 43%. Even though housing prices in Burwood LGA are increasing at a slower rate in comparison to the Sydney metropolitan area and Middle Ring, initiatives to increase the volume of supply in Burwood LGA will nevertheless help moderate the already high median house prices.

Increasing the volume of housing supply is a government imperative because it assists to ensure affordability by tempering the pace of house price growth. The provision of dwellings on the Site would help to achieve this and constitutes a strong positive economic impact.

Providing Housing Choice

A Plan for Growing Sydney identifies the need to accelerate housing supply and local housing choice (Action 2.1.1) and acknowledges that increasing housing supply and addressing housing affordability and choice will assist in reaching the target.

Importantly the Plan acknowledges that Government and local councils need to understand and respond to the housing market in each and every Local Government Area. The housing market reflects consumer demand and willingness to pay for particular types of housing in particular locations. It is the role of the private sector to build new houses. The private sector will only develop housing on rezoned sites where there is sufficient consumer demand for it, at a price that provides a return to the developer. Local councils should assist housing production by identifying and rezoning suitable sites for housing.

Furthermore, the Plan states that housing choice should be improved to suit different needs and lifestyles (Direction 2.3). The Plan acknowledges that research indicates a current shortage of semi-detached houses across Sydney and a shortage of apartments in the middle and outer areas of the city. This is affecting the capacity of people to buy or rent a home. The Plan states that in order to respond to these issues, the Government will introduce planning controls that increase the number of homes in established urban areas to take advantage of public transport, jobs and services.

The Masterplan would assist in the meeting these actions and directions by providing greater housing choice by increasing the supply of units in the Burwood LGA, which is at present dominated by detached dwellings.

Providing Homes Close to Jobs and Infrastructure

Providing homes close to jobs, public transport, civic functions, retail and entertainment options is a community benefit. Doing so lowers the needs for residents to travel to access employment and the other services they require and promotes public transport use. As a result negative externalities of travel in terms of lost time commuting, monetary expenses of travel, pollution, congestion, traffic, noise and so on are minimise. For this reason A Plan for Growing Sydney aims to provide homes closer to jobs (Direction 2.2/Action 2.2.2) and focus new housing in centres which have public transport that runs frequently and can carry large numbers of passengers.

Burwood LGA is an ideal place to concentrate new housing development. Amendments to the planning controls of the Site and subsequent development as of approximately 1,1292

apartments in this location in addition to new employment opportunities on site constitutes a strong positive economic impact.

8.3.4 Other Impacts

Efficient and Effective Use of Infill Land

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 Case 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 Case would ensure efficient and effective use of land.

Traffic Impacts

The provision of new residential uses on the Site will facilitate greater demand for public and private transport for future residents. It is situated close to the major public transport node (Burwood Station) which offers extensive rail and bus connections which will reduce the requirement for new residents to have private vehicles.

The development application process will require detailed consideration of the traffic, transport and access implications by suitably qualified experts. Redevelopment would not proceed unless Council is satisfied that traffic, transport and access arrangements are acceptable and could be appropriately accommodated by the road network. It is assumed that steps would be taken to limit and/ or mitigate any potential adverse impacts identified. The overall economic impact for the purposes of this EIA is therefore assumed to be neutral – neither positive nor negative.

8.4 Net Economic Impact

Analysis of the change in economic activity supported suggests the redevelopment could support up to an additional:

- \$128.5 million in output per annum.
- \$75.4 million contribution to GRP.
- \$41.5 million in incomes and salaries paid to local workers.
- 794 FTE jobs.

It should be noted that this analysis does not consider the potential for either the transfer of activity from existing Burwood LGA centres into the redeveloped site or the transfer of existing activity to alternative centres within the Burwood LGA as a result of the redevelopment.

Table 8.10: Redeveloped Site Operational Economic Activity Supported

Impact	Output (\$M)	GVA (\$M)	Income (\$M)	Employment (FTE)
Direct Impact	\$72.6	\$43.7	\$27.1	591
Indirect Impact (Type I)	\$18.9	\$9.4	\$4.5	58
Indirect Impact (Type II)	\$37.0	\$22.4	\$9.9	145
Total Impact	\$128.5	\$75.4	\$41.5	794

Note: Totals may not sum due to rounding. Includes estimates of existing economic activity.
Source: AEC

Major industry beneficiaries of the operational phase of the Proposal within the Burwood LGA include:

- Retail trade (+\$49.6 million GVA per annum).
- Accommodation and food services (+\$18.3 million).
- Ownership of dwellings (+\$7.4 million).

Industries estimated to incur reduced activity within the redeveloped centre include:

- Transport, postal and warehousing (-\$6.3 million GVA per annum).
- Arts and recreation services (-\$3.6 million).
- Health care and social assistance (-\$2.2 million).

The Proposal represents a significant development for the Burwood local economy. The proposed development has been identified as providing significant economic benefits both during construction and once fully operational.

Construction of the Proposal (planned to be developed over an 8 to 12 year period) is estimated to directly inject around \$265 million into local businesses in Burwood LGA. The injection is expected to support around \$192 million in gross value added (GVA) activity within the Burwood LGA over the course of the 8 to 12 year construction period (including both direct and flow-on activity).

An estimated 1,388 FTE jobs for Burwood residents are estimated to be supported as a result of construction over the 8 to 12 year period (including direct and flow-on impacts), equating to an average of 115 to 174 FTE jobs per annum.

Ongoing economic activity associated with the development will be supported through a combination of new commercial/retail operations on the site, as well as household expenditure associated with people residing in the 1,044 dwellings developed.

Once fully established and occupied (i.e. whereby all commercial/retail space and dwellings have been developed and fully occupied), the Proposal is estimated to result in an injection of additional \$129 million into local businesses in Burwood LGA, support around \$75 million in additional GVA activity per annum in the Burwood LGA economy, and approximately 800 FTE jobs paying a total of \$42 million in incomes each year (including both direct and flow-on activity).

9. Policy Assessment

9.1 Net Community Benefit Test

To compare the outcome of the Base Case versus the Proposal Case, each of the identified impacts compared to the Base Case are summarised and ranked based on the rating system outlined in **Table 9.1**.

Table 9.1: 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 9.2 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 9.2: Economic Impact of Base Case versus Proposal Case

Impact	Base Case	Rating	Proposal Case	Rating
Employment & Economic Impact				
Jobs	1,366	+1	1,957	+3
Output	\$289.9	+1	\$362.5	+3
GVA	\$161.2	+1	\$204.9	+3
Income	\$97.7	+1	\$124.8	+3
Retail Demand				
Support Retail Demand	13,588sqm	+1	28,477sqm	+3
Housing Impact				
Housing supply	n.a.	0	1,044	+3
Homes close to jobs	n.a.	0	Yes	+3
Visitor Spend				
Domestic Overnight	n.a.	0	\$489,000	+3
International	n.a.	0	\$230,000	+3
Construction				
Output	n.a.	0	\$264.9	+3
Jobs	n.a.	0	537	+3
Income	n.a.	0	\$49.3	+3
Total		5		36

Source: AEC

The Proposal Case would deliver a clear, strong positive economic impact comparative to the Base Case. The Proposal Case 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.

9.2 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 9.3: Consistency with Section 117(2) Objectives

No.	Objective	Proposal Case
1	Encourage employment growth in suitable locations	The Site currently contains two commercial/retail buildings. Combined, the buildings currently located on Site generate approximately 1,357 jobs. The Proposal Case envisages development of the Site to accommodate: 28,477sqm of retail floorspace, 15,092 of commercial floorspace and a hotel (4,841sqm) on the Site. This floorspace combined will generate 1,951 jobs on Site, representing a net increase of 585 direct jobs. The Proposal Case complies with this objective.
2	Protect employment land in business and industrial zones	The planning amendment sought would lead to an increase in the quantum of land zoned for employment generating land uses in the Burwood LGA. The total number of jobs generated on the Site is estimated at 1,951 jobs (representing an increase of 585 direct jobs). The Proposal Case complies with this Objective.
3	Support the viability of identified strategic centres	The Proposal Case would consolidate new homes, jobs and investment in Burwood in accordance with <i>A Plan for Growing Sydney</i> which states that Burwood could accommodate additional mixed-use development around train stations, including retail, services and housing. The Proposal Case 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 Case will also increase the amount of visitor spend in the locality. For these reasons, the Proposal Case would fulfil this Objective.

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 Case.

Table 9.4: Planning Authority Considerations

Consideration	Achieved?	Explanation
Give effect to the objectives of this direction	Yes	Table 9.3 has established that the objectives of the direction would be achieved via the Proposal Case.
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 generating land uses in the Burwood LGA. The existing improvements on Site provide 15,893sqm of commercial floorspace and 12,362sqm of retail floorspace. The Masterplan would provide 28,477sqm of retail floorspace, 15,092 of commercial floorspace and a hotel (4,841sqm) 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
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 Case 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.

References

- ABS (2007). *Census of Population and Housing, 2006*. Cat. No. 2068.0. ABS, Canberra.
- ABS (2012). *Census of Population and Housing, 2011*. Cat. No. 2001.0, ABS, Canberra.
- ABS (2014a). *Regional Population Growth, Australia, 2014*. Cat. No. 3218.0. ABS, Canberra
- ABS (2014b). *Population by Age and Sex, Regions of Australia, 2012*. Cat. No. 3235.0. ABS, Canberra
- ABS (2015a). *Australian National Accounts: Input-Output Tables – Electronic Publication, 2012-13 Tables*. Cat. No. 5209.0.55.001, ABS, Canberra.
- ABS (2015b). *Consumer Price Index, Australia*. Cat. No. 6401.0, ABS, Canberra.
- ABS (2015c). *Tourism Accommodation, Australia, 2014-15*. Cat. No. 8635.0, ABS, Canberra.
- Altus Page Kirkland (2015). *Preliminary Cost Plan*. Prepared for Holdmark.
- Architectus and Cox Richardson (2015). *Burwood Place 42-60 Railway Parade, Burwood – Urban Design Report*.
- Burwood Council (2012). *Burwood Local Environmental Plan (2012)*. Burwood Council, 2012.
- BTS (2014a). *Population Forecasts by Dwelling*. Bureau of Transport Statistics, 2014
- BTS (2014b). *Employment Forecasts*. Bureau of Transport Statistics, 2014
- Centuria (2015). *Burwood Plaza Tenancy Schedule*. Centuria, 2015.
- Colliers International (2012). *Colliers International Office Tenant Survey 2012. Alternative Workplace Strategies*.
- Colliers International (2014). *58 Railway Parade – Information Memorandum*. Colliers, 2014.
- Department of Family and Community Services (2014). *Rent and Sales Report*. December quarter 2014. Sydney
- Environmental Planning and Assessment Act (1979). *Section 117(2) (S117(2)) Directions*. Available from: <http://www.planning.nsw.gov.au/Portals/0/LocalPlanning/Local-PlanningDirections-January-2015.pdf>
- Location IQ (2015). *Burwood Plaza Market Potential Assessment*. Prepared for Holdmark.
- NSW DP&E (2014a). *A Plan for Growing Sydney*. NSW Department of Planning and Environment (DP&E). Available from: <http://www.strategy.planning.nsw.gov.au/sydney/the-plan/>
- TRA (2016). *TRA Online Database – Domestic and International Visitor Survey Results*. TRA Online, available from: <http://traonline.tra.gov.au/webapi/jsf/login.xhtml>.
- UrbanGrowth NSW (2015). *Draft Parramatta Road Urban Transformation Strategy (UrbanGrowth NSW)*. Available from: https://newparrard.com.au/wp-content/uploads/2014/02/150923_DPR_Strategy.pdf
- West, G. R. (1993). *User's Guide, Input-Output Analysis for Practitioners An Interactive Input-Output Software Package Version 7.1*. Department of Economics. University of Queensland, 1993.

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 2012-13 Australian transaction table (ABS, 2015a).

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 2012-13 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 2012-13 (as used in the Australian national IO transaction tables) to 2015 values using the Consumer Price Index (ABS, 2015b).

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.



Brisbane	Level 5, 131 Leichhardt Street Spring Hill QLD 4000	PO Box 942 Spring Hill QLD 4004	T +61 7 3831 0577
Darwin	Level 1, Paspalis Centrepoint Building 48-50 Smith Street Mall Darwin NT 0800	PO Box 942 Spring Hill QLD 4004	T +61 8 8943 0600
Melbourne	Level 13, 200 Queen Street Melbourne VIC 3000	PO Box 942 Spring Hill QLD 4004	T +61 3 8648 6586
Perth	Level 2, 580 Hay Street Perth WA 6000 Australia	PO Box 942 Spring Hill QLD 4004	T +61 8 6555 4940
Sydney	Level 3, 507 Kent Street Sydney NSW 2000	PO Box 942 Spring Hill QLD 4004	T +61 2 9283 8400
Townsville	233 Flinders Street East Townsville QLD 4810	PO Box 5804 Townsville QLD 4810	T +61 7 4771 5550
Bangkok	Level 11 Glas Haus Building 1 Soi Sukhumvit 25, Sukhumvit Road Wattana, Bangkok 10110 Thailand		T +66 2 402 8400
Shanghai	46F Hongkong New World Tower, 300 Huahai Road Central 200021 China		T +8621 6135 2310