Silverdale Shopping Centre, Sydney

Economic Impact Assessment

Prepared for Restifa & Partners Pty Ltd

16th August 2011

TABLE OF CONTENTS

INTRODUCTION

This report presents an independent assessment of the demand and scope for further retail floorspace, including a full-line supermarket, at the existing Silverdale Shopping Centre in Wollondilly Shire in Outer Western Sydney. The report also considers the likely economic impacts that would result from the proposed development.

The report is structured and presented in **five sections (5)** as follows:

- **Section 1** details the location and composition of Silverdale Shopping Centre and provides an outline of the proposed development scheme.
- **Section 2** details the trade area likely to be served by full-line supermarket facilities at the site, including current and projected population and retail spending levels over the period to 2026.
- **Section 3** provides an overview of the retail structure within the surrounding region, including proposed developments.
- **Section 4** outlines our assessment of the sales potential for the retail component of the expanded Silverdale Shopping Centre and then presents an economic impact assessment. The likely trading impacts on other retailers throughout the surrounding region are considered, as are the employment and other economic impacts, both positive and negative of the proposal.
- **Section 5** outlines the key findings of the analysis.

EXECUTIVE SUMMARY

The key points of this report, regarding the demand and market scope for the expanded Silverdale Shopping Centre, include:

i. Silverdale Shopping Centre is currently a small retail centre of some 1,630 sq.m, anchored by an IGA foodstore of 450 sq.m, located along Silverdale Road. The centre currently serves the convenience retailing needs of surrounding local residents.

ii. An expanded retail offer is now proposed at Silverdale Shopping Centre, including a full-line supermarket as well as a provision of retail specialty floorspace.

iii. In total, the expanded Silverdale Shopping Centre would comprise some 5,950 sq.m of floorspace (Gross Lettable Area - GLA) including:

   - A supermarket of 3,500 sq.m.
   - Specialty shops of 2,450 sq.m (including retail and non-retail components).

iv. The net addition of floorspace would be 4,320 sq.m, accounting for the 1,630 sq.m of floorspace at the existing centre. It is assumed that the existing 450 sq.m IGA will be replaced.

v. The proposed retail offer of the expanded Silverdale Shopping Centre would serve local residents by providing a food and convenience offer anchored by a full-line supermarket. Supermarkets are commonly acknowledged as providing the widest range of convenience shopping goods for consumers, both for day to day everyday items as well as weekly items. The changes in the Australian demographic profile, including changing shopping and worker habits, means that supermarket customers now often visit the store 2-3 times a week on average, with some people visiting every day. Supermarkets have become, to a degree, a one stop shopping destination, trading over extended hours to meet the needs of a very busy consumer.

vi. The provision of specialty shops would complement the proposed supermarket and would serve the day-to-day and convenience needs of the surrounding population.

vii. In total, some 246 at grade carparking spaces are to be provided as part of the Silverdale Shopping Centre development.

viii. The Silverdale main trade area population is currently estimated at 11,850 and is projected to increase to 13,890 persons by 2026. Steady population growth is projected in the future, reflecting the continued expansion of the Sydney urban area as well as the attraction of the semi-rural lifestyle within this region of Sydney.

ix. A number of small foodstores are provided within the area and currently serve the convenience retail needs of their local populations. The nearest full-line supermarket (3,200 sq.m or larger), however, is provided at Glenmore Park, some 19 km north of Silverdale (38 km round-trip).

x. Typically in Australia, a full-line supermarket (3,200 sq.m or larger) is provided for every 8,000-9,000 persons. The main trade area population of 11,850 indicates that there is substantial demand for a full-line supermarket within the Silverdale trade area at present, let alone from future population growth.

xi. A supermarket of some 1,128 sq.m has received approval within Wallacia and while this store is likely to improve the food and grocery offer to local residents, this store is not a full-line store (over 2,500 sq.m), and residents will still need to travel substantial distances for their full-line food and grocery shopping needs.

xii. Reflecting the size of the population catchment, combined with the limited provision of supermarket floorspace within the region, particularly full-line supermarkets, it can be seen that there is significant scope for the expansion of supermarket and retail facilities at the Silverdale Shopping Centre site. It is also likely that additional retail floorspace may be supportable at the site in the future, over and above the proposed expansion scheme. This is in line with the findings of the Hill PDA study prepared for Wollondilly Council which identified the need for retail floorspace to double throughout the shire over the period 2010 to 2030.

xiii. The projected impacts on other retailers throughout the region as a result of the expansion of the Silverdale Shopping Centre development will not threaten the viability or continued operation of any facility. The existing and proposed foodstores and supermarkets within the region will be smaller than the proposed Silverdale supermarket and will continue to serve the convenience and top-up shopping needs of their local populations.

xiv. The proposed full-line supermarket at Silverdale Shopping Centre would compete more directly with the full-line stores in the broader region including at Glenmore Park and Penrith. It is understood that supermarkets in the broader region trade strongly.

xv. Importantly, the expansion of Silverdale Shopping Centre to include a full-line supermarket would provide local residents with a full-line supermarket offer in close proximity to their homes. As a result, the proposed expansion will result in the retention of spending that is currently escaping to other centres beyond the defined main trade area and the overall Silverdale region. The retention of local residents will result in substantial savings in both time and travel costs.

xvi. It is concluded that the combination of the substantial positive economic impacts from the proposal, serve to more than offset the trading impacts that could be anticipated for a small number of the existing retail stores in the region. Further, the impact will not threaten the viability of any of these retailers or centres or impact on the existing role or offer served by the retail hierarchy.

xvii. The development would support the economic and social well-being of surrounding residents by providing a full-line supermarket in a convenient location as well as providing for additional jobs for the local community.

xviii. Wollondilly Council identifies a centres hierarchy as recommended by Hill PDA in the Growth Management Strategy 2011. This identifies Warragamba as a Village Centre and Silverdale as a Neighbourhood Centre based on current compositions.

xix. Whilst Warragamba contains the largest retail provision currently, the area is not ideal for full-line supermarket facilities given the internalised location of the precinct and the distance from other major population centres such, as Mulgoa and Wallacia.

Additionally, the dispersed nature of the retail offer and the various ownership titles would make it difficult consolidate into a big box development, with costly acquisitions of land likely to be required.

xx. Importantly, the proposed development will not impact on Warragamba but complement it, as the proposal will offer full-line food and grocery shopping which is being undertaken outside the trade area currently. Warragamba has the ability to continue to expand its role as the food catering and tourist/village destination within this part of Sydney. The situation will not be unlike the scenario in the Blue Mountains, where Katoomba is the main focus for food and grocery shopping, and a location like Leura is the more major destination with boutique retailers including:

- Food catering tenants such as cafes and restaurants.
- The possibility for a tavern style facility.
- Boutique homewares/antique traders.

xxi. Longer term, there is continued room for expansion of retail facilities in the Silverdale main trade area. The current level of escape expenditure is estimated at 80%, and this is only likely to fall to 60% with the proposed development. As the population within the Silverdale main trade area grows, the opportunities for further retail facilities will be enhanced, including possibly small discount department store and some non-food traders.

1 LOCATION AND COMPOSITION

This section of the report reviews the regional and local context of Silverdale Shopping Centre and provides an overview of the proposed development scheme.

1.1 Regional Context

i. Silverdale is a small village situated in the northern portion of the Wollondilly Shire Council area, in Outer Western Sydney. The Wollondilly Shire Council forms part of the Macarthur region of New South Wales, some 20 km south of Penrith and 65 km west of the Sydney Central Business District (CBD) (refer Map 1.1).

ii. The Wollondilly Shire Council is renowned for providing the bulk of the water supply for Sydney residents, with the majority of the Shire occupied by water catchments and national parks. The major township in the Shire is Picton, with Silverdale situated some 40 km to the north of Picton.

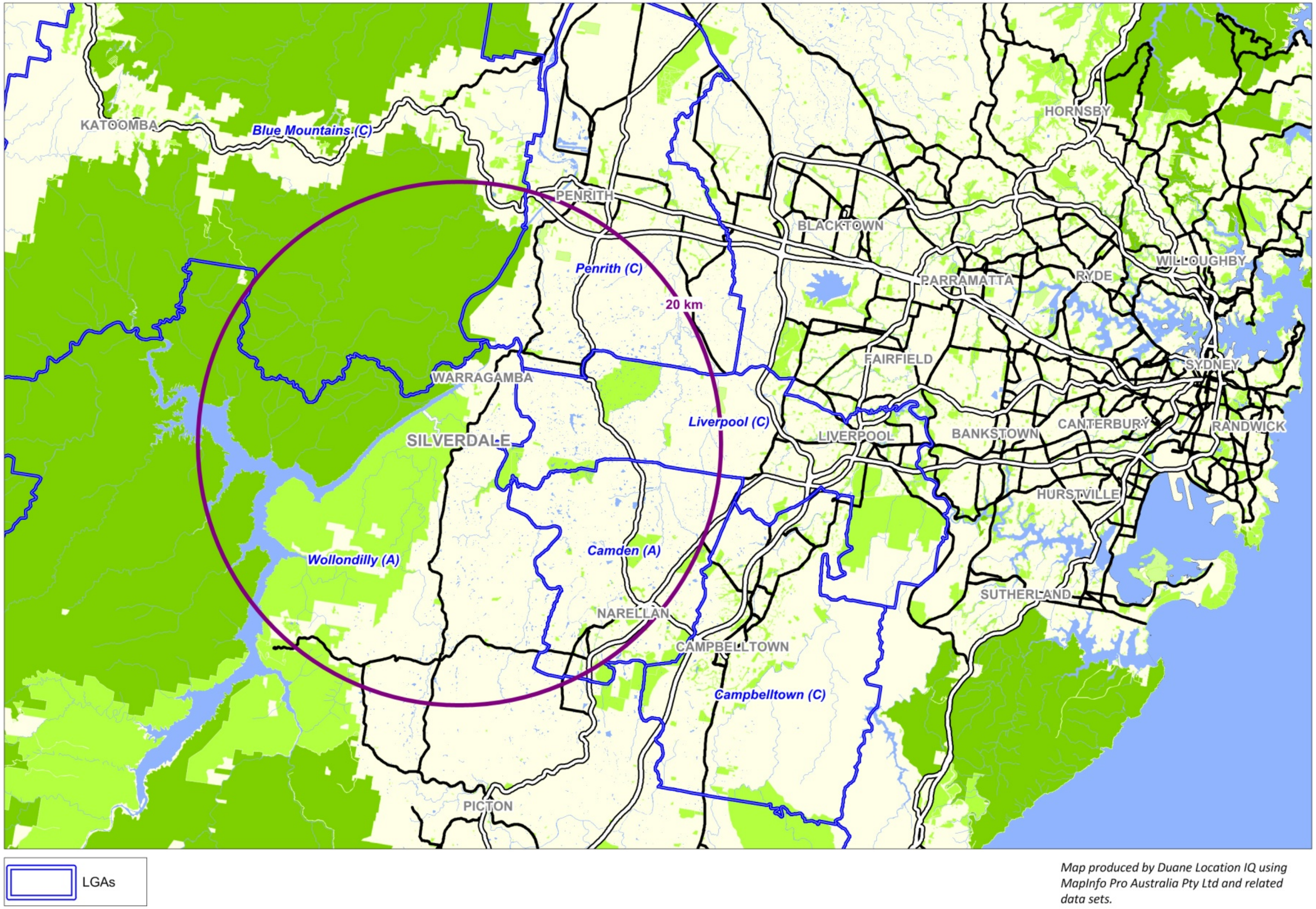
iii. As indicated on Map 1.1, Silverdale is closely associated with the major population centre of Penrith, located around 20 km to the north, as compared with areas around Picton and Narellan to the south-east which are situated more than 30 km away.

iv. Silverdale forms part of a series of villages clustered at the foothills of the Blue Mountains, with other villages including Warragamba, Mulgoa, Wallacia and Luddenham (refer Map 1.2). These villages are located at the intersection of three council areas including the northern portion of the Wollondilly Shire Council, the southern portion of the Penrith City Council and the western portion of the Liverpool City Council.

v. Three major roads provide access between the villages, namely Mulgoa Road, Silverdale Road and Park Road, with the intersection of the three provided at Wallacia. Mulgoa Road connects to Mulgoa and Penrith in the north, Silverdale Road connects to Silverdale and The Oaks in the south and Park Road connects to

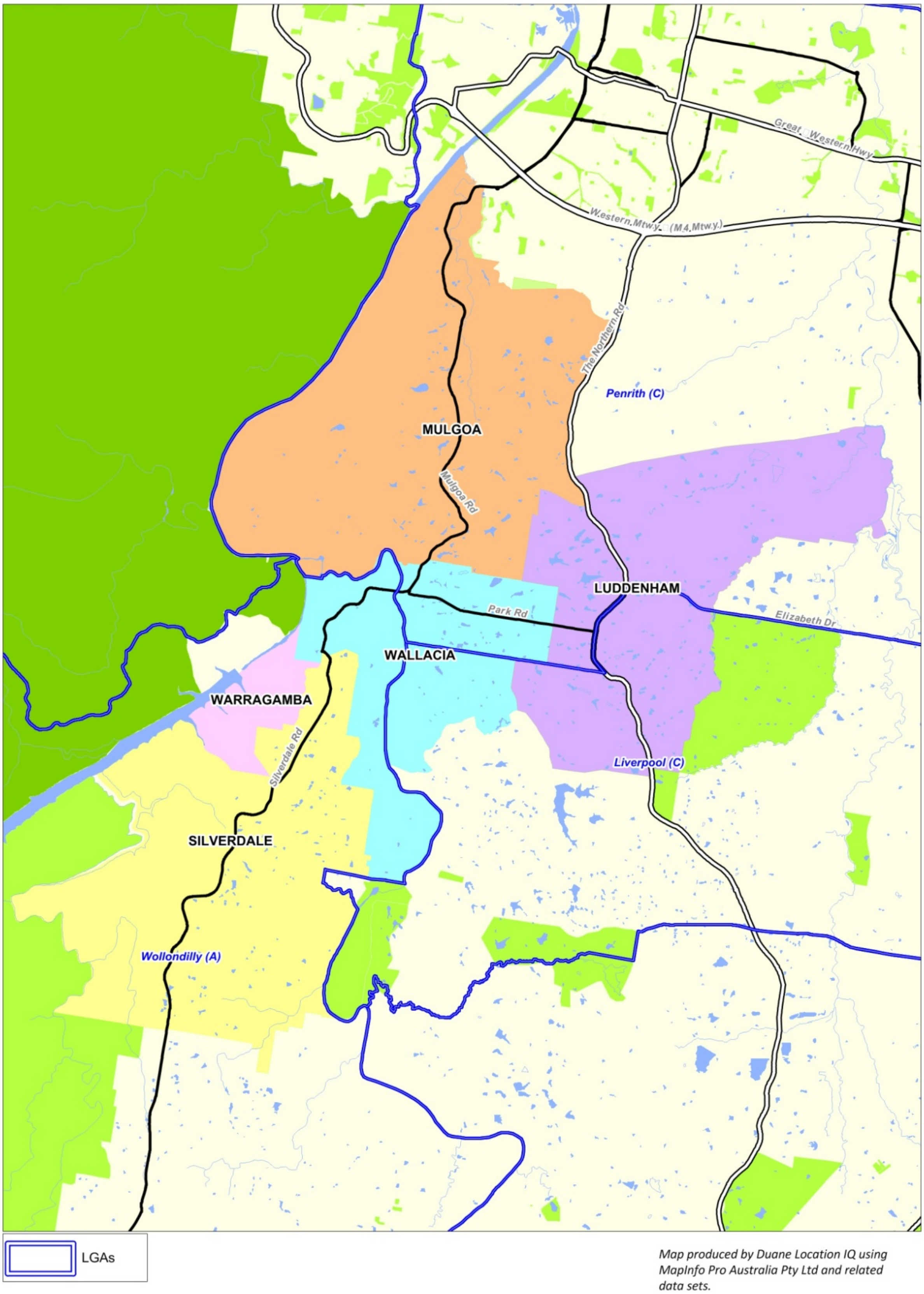
Luddenham and The Northern Road in the east. The Northern Road is a major north-south arterial road that connects Penrith in the north to Narellan in the south.

MAP 1.1 – REGIONAL CONTEXT



Map produced by Duane Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

MAP 1.2 –SURROUNDING VILLAGES



Map produced by Duane Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

1.2 Site Location

i. Silverdale forms the southern portion of the village cluster at the Blue Mountains foothills. As illustrated on the previous Map 1.2, Silverdale is one of the larger villages, covering an area of 7.6 sq.km.

ii. The village of Silverdale is generally focused around Silverdale Road, which is a major arterial road in the area that links Silverdale and Warragamba residents to Mulgoa Road and, consequently, to the Penrith City Centre. The village is located approximately 4 km south of the Wallacia roundabout which forms the intersection of Silverdale Road, Mulgoa Road, Park Road and Greendale Road.

iii. The retail facilities within Silverdale are located along Silverdale Road, slightly north of the main residential catchment. The facilities are under one ownership title, known as Silverdale Shopping Centre, and are easy accessible for not only Silverdale residents but also residents of the broader area including Warragamba, Wallacia and Mulgoa.

iv. Employment within the Silverdale/Warragamba area was once centred on the construction of the Warragamba Dam. However, since completion of the dam, employment has shifted to the industrial area along Silverdale Road, located approximately 200 metres south-west of the Silverdale shopping precinct.

v. Map 1.3 illustrates the major facilities located within the Silverdale area. Key points to note include:

   – The Silverdale industrial area is located south-west of the Silverdale retail precinct.

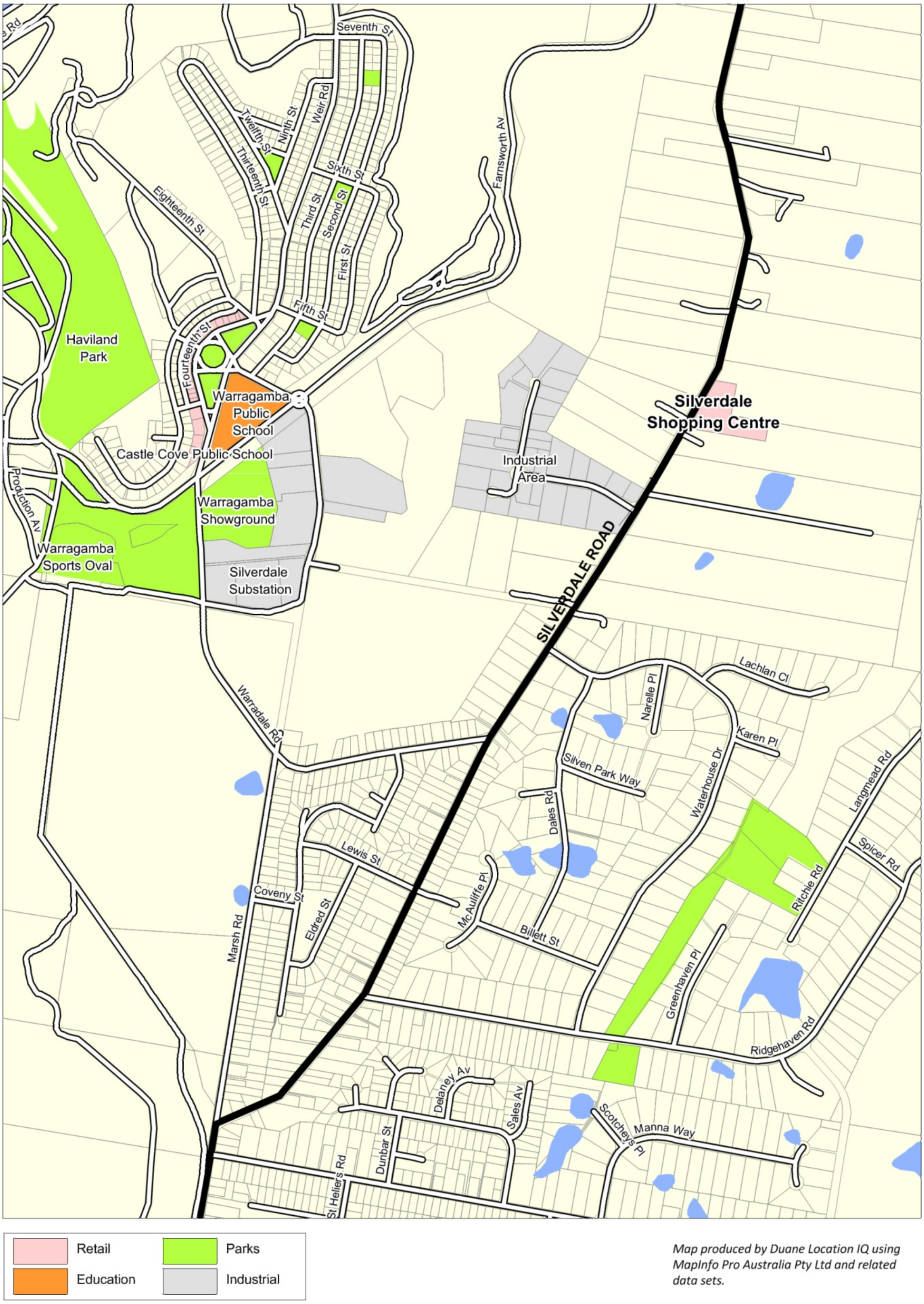
   – Silverdale substation is located along Warradale Road in Warragamba.

   – The only school in the area is Warragamba Public School, situated on the corner of Warradale Road and Fourth Street in Warragamba. The majority of students travel to Penrith to access high school facilities.

- Tourist facilities, including the Warragamba Dam information centre, are located near Warragamba Sports Oval in Warragamba.

- The Warragamba showground and the local swimming pool are located off Farnsworth Avenue in Warragamba.

MAP 1.3 – SILVERDALE LOCAL CONTEXT



Map produced by Duane Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

1.3 Proposed Development

i. Silverdale Shopping Centre currently occupies some 1,630 sq.m of floorspace, including a small IGA foodstore of 450 sq.m and supporting specialty floorspace. The centre is now planned to be expanded to include a full-line supermarket as well as a provision of specialty shops.

ii. The composition of the expanded Silverdale Shopping Centre is shown in Table 1.1. Key points to note include:

– In total, the proposed development would comprise 5,950 sq.m of floorspace, representing an increase of 4,320 sq.m.

– A supermarket of 3,500 sq.m would be the anchor tenant (increase of 3,050 sq.m).

– An additional 1,270 sq.m of specialty shops will be added (including retail and non-retail facilities), with some 2,450 sq.m provided on completion.

TABLE 1.1 – SILVERDALE SHOPPING CENTRE PROPOSED COMPOSITION

Tenant/ Category	Existing Centre GLA (sq.m)	Existing Centre % of Total	Proposed Centre GLA (sq.m)	Proposed Centre % of Total	*Additional GLA (sq.m)*
Majors					
Supermarket	450	27.6%	3,500	58.8%	*3,050*
Total Specialty*	1,180	72.4%	2,450	41.2%	*1,270*
Total Centre	**1,630**	**100%**	**5,950**	**100%**	***4,320***

**Includes retail and non-retail floorspace*
Source : EG Property Group

iii. The proposed Silverdale Shopping Centre development would offer a high degree of customer amenity and convenience by way of its high profile, easily accessible location and simple design (refer Figure 1.1). Key comments regarding the layout of the centre include:

- The centre expansion would occur to the south-east of existing centre. The development would form a natural addition to the current retail facilities.

- While a significant provision of existing floorspace is planned to remain, a proportion will be redeveloped as part of the centre expansion.

- The additional retail floorspace provision would be provided over a single level, with access via Silverdale Road, as well as a planned future road to the south of the site, linking to Silverdale Road in the west.

- A provision of new specialty shops will link the existing retail provision with the proposed supermarket via an internal mall.

- The supermarket would be provided at the eastern side of the site at the end of the proposed mall.

- Carparking would be provided at-grade. The carpark will be accessible off Silverdale Road and the proposed future road to the south.

iv. The expanded Silverdale Shopping Centre would serve the convenience and day-to-day needs of the existing population and will form a natural extension of the existing retail facilities. The supermarket would provide for the daily and weekly food and grocery needs of surrounding local residents, who typically visit supermarkets on average 2-3 times a week.

v. In total, some 274 carparking spaces are to be provided as part of the development.

vi. Additional land is available for a second stage of development at the centre in the future. This will be determined by market demand and future growth within the region and is likely to be anchored by a small non-food retailer.

FIGURE 1.1 – SILVERDALE SHOPPING CENTRE PROPOSED EXPANDED LAYOUT

2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by an expanded Silverdale Shopping Centre, including the current and projected population and retail spending levels. An overview of the socio-economic profile of the trade area population is also provided.

2.1 Trade Area Definition

i. The trade area for the expanded Silverdale Shopping Centre has been defined taking into account the following key considerations:

   – The scale and composition of the proposed development, which will include the addition of full-line supermarket facilities.

   – The provision of retail facilities throughout the region, including the extensive retail provision provided within the Penrith Central Business Area (CBA) in the north.

   – Regional and local accessibility, given the high profile location of the site along Silverdale Road.

   – Significant physical barriers.

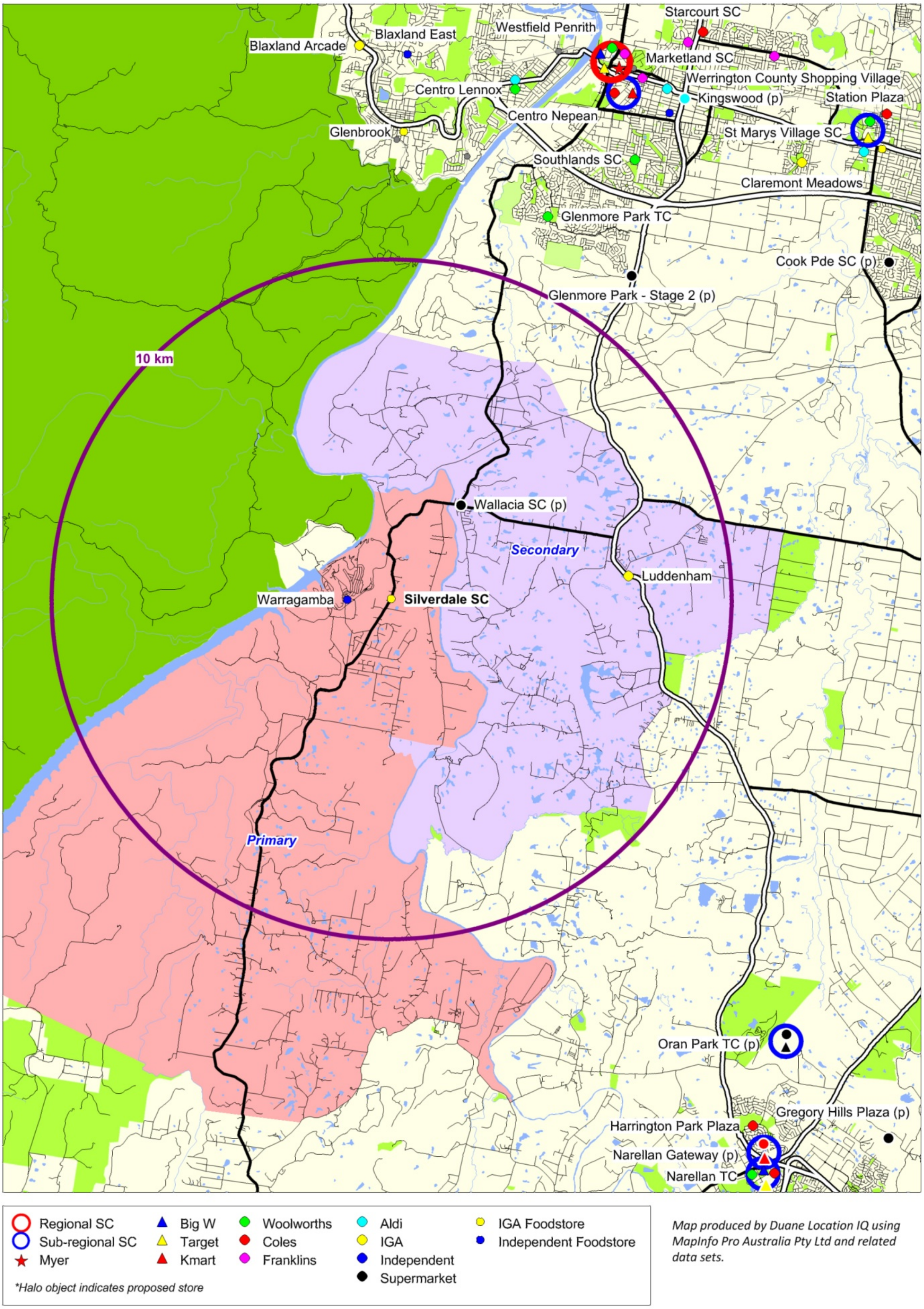
ii. Map 2.1 illustrates the defined trade area for the expanded Silverdale Shopping Centre, which includes a primary and a secondary sector. Each of these is described as follows:

   – The **primary sector** stretches some 20 km south from Mulgoa Road, along Silverdale Road, to include the villages of Silverdale, Warragamba, Werombi and Theresa Park.

   – The **secondary sector** contains the area to the north of the Silverdale Road/Mulgoa Road intersection and includes the villages of Wallacia, Mulgoa, Luddenham and Greendale.

iii. The primary and secondary sectors in combination are referred to as the Silverdale main trade area throughout the remainder of this report. The main trade area generally extends between 7-15 km around the site and is the area from which the expanded centre would attract the majority of its customers.

MAP 2.1 – SILVERDALE SHOPPING CENTRE MAIN TRADE AREA



Map produced by Duane Location IQ using MapInfo Pro Australia Pty Ltd and related data sets.

2.2 Main Trade Area Population

i. Table 2.1 details the current and projected population levels by sector for the Silverdale main trade area.

ii. The current and projected population levels are based on the following:

- The 2006 Census Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
- New dwelling approval statistics sourced from the ABS (Table 2.2).
- Wollondilly Shire Council produced documents, including the *Growth Management Strategy 2011*.
- Population projections prepared at a small area level by Forecast id for the Wollondilly Shire Council and Penrith City Council.
- Investigations by this office into new residential developments in the region.

iii. The current Silverdale main trade area population is estimated at 11,850, including 7,280 residents in the key primary sector. This represents an increase of 0.8% per annum since the 2006 Census of Population and Housing. New dwelling approvals data (ABS) indicates that, on average, around 28 new dwellings were approved annually over this time period.

iv. The *Growth Management Strategy* is produced by the Wollondilly Shire Council and provides a framework for both residential and employment growth within the Wollondilly Shire. The latest 2011 release outlined two areas for future growth within the primary sector (i.e. Silverdale/Warragamba area), including:

- Around 420 lots have been rezoned in the former African Lion Park site along Marsh Road in Silverdale.
- Approximately 100 lots are planned for along Warradale Road in Silverdale.

v. Discussions with Council also indicate that planning is currently underway to expand residential rezoning within the Silverdale area to accommodate approximately 1,000 new dwellings or around 3,000 new residents over the next 25 years.

vi. Additionally, two major developments are proposed within the secondary sector. These include:

   – A senior living community, planned to include some 122 dwellings and apartments, has received approval along Alan Road in Mulgoa within the defined secondary sector. This development has been deferred, however, is likely to proceed at some stage in the future.

   – Elizabeth Farms Estate is a proposed estate situated along James Street in Wallacia (secondary sector). The estate is in the master planning stages, however, has received rezoning approval for rural residential. At present the rezoning allows for only 5-10 residential lots. However, Council indicate the developer may have the intention to further sub-divide in the future.

vii. Assuming the developments outlined above proceed, the main trade area population is projected to increase to 14,770 by 2026, including 9,390 residents in the primary sector. Annual growth over this time period will be around 180 per annum or around 1.4%.

TABLE 2.1 – MAIN TRADE AREA POPULATION, 2006-2026

Trade Area Sector	Estimated Resident Population 2006	2011	2014	Forecast Population 2017	2021	2026
Primary Sector	7,030	7,280	7,490	7,790	8,390	9,390
Secondary Sector	4,370	4,570	4,690	4,840	5,080	5,380
Main Trade Area	**11,400**	**11,850**	**12,180**	**12,630**	**13,470**	**14,770**
		Average Annual Change (No.)				
		2006-2011	2011-2014	2014-2017	2017-2021	2021-2026
Primary Sector		50	70	100	150	200
Secondary Sector		40	40	50	60	60
Main Trade Area		**90**	**110**	**150**	**210**	**260**
		Average Annual Change (%)				
		2006-2011	2011-2014	2014-2017	2017-2021	2021-2026
Primary Sector		0.7%	1.0%	1.3%	1.9%	2.3%
Secondary Sector		0.9%	0.9%	1.1%	1.2%	1.2%
Main Trade Area		**0.8%**	**0.9%**	**1.2%**	**1.6%**	**1.9%**

**as at June*
Sources : ABS; ForecastID; Planning NSW

TABLE 2.2 – MAIN TRADE AREA NEW DWELLING APPROVALS, 2006/07 - 2009/10

Sector	Primary Sector	Secondary Sector	Main Trade Area
New Houses			
2006/07	20	11	31
2007/08	10	5	15
2008/09	16	20	36
2009/10	16	10	26
Total New Houses	**62**	**46**	**108**
Average	***16***	***12***	***27***
Other Dwellings			
2006/07	2	0	2
2007/08	0	0	0
2008/09	0	0	0
2009/10	0	2	2
Total Other Dwellings	**2**	**2**	**4**
Average	***1***	***1***	***1***
Total Dwellings			
2006/07	22	11	33
2007/08	10	5	15
2008/09	16	20	36
2009/10	16	12	28
Total Dwellings	**64**	**48**	**112**
Average	***16***	***12***	***28***

Source: ABS

2.3 Socio-Economic Profile

i. Table 2.3 summarises the socio-economic characteristics of the Silverdale main trade area population compared with the Sydney metropolitan benchmarks. This information is based on the 2006 Census of Population and Housing.

ii. The key information includes:

- Trade area residents earn income levels below the Sydney metropolitan benchmark on a per capita basis, but above the benchmark on a household basis.
- Residents generally reside in a larger household size, when compared to the benchmark.
- Overall, residents are generally younger than the Sydney average. Primary sector residents are significantly younger with an average age of 33.8 years (as compared to the Sydney average of 36.6 years).
- Over 90% of primary sector residents own their home, with homeownership in the secondary sector slightly lower at almost 80%.
- A high proportion of trade area residents are Australia born, with the majority of non-Australian born residents migrating from Europe.
- Some 70% of the primary sector population are couples within dependent and non-dependent children, which is substantially higher than the benchmark of 57.4%. When compared to the primary sector, the secondary sector has a higher proportion of couples without children and lone persons, reflecting the larger number of retirees in the area.

iii. In general, the socio-economic profile of main trade area residents is typical of an outer suburban area of a major metropolitan city, comprising a large number of younger families who have purchased their own home. This population should be provided with conveniently located full-line supermarket facilities within close proximity to their homes.

TABLE 2.3 – MAIN TRADE AREA SOCIO-ECONOMIC CHARACTERISTICS, 2006 CENSUS

Characteristics	Primary Sector	Secondary Sector	Main TA	Syd Metro Average
Average Per Capita Income	$27,119	$28,277	$27,562	$30,938
Per Capita Income Variation	-12.3%	-8.6%	-10.9%	n.a.
Average Household Income	$85,727	$86,356	$85,973	$82,316
Household Income Variation	4.1%	4.9%	4.4%	n.a.
Average Household Size	3.2	3.1	3.1	2.7
Age Distribution (% of Pop'n)				
Aged 0-14	22.4%	20.3%	21.6%	18.2%
Aged 15-19	10.8%	10.0%	10.5%	7.9%
Aged 20-29	10.7%	10.5%	10.6%	14.6%
Aged 30-39	14.0%	13.3%	13.7%	15.6%
Aged 40-49	16.8%	14.9%	16.1%	14.7%
Aged 50-59	13.9%	16.0%	14.7%	12.2%
Aged 60+	11.5%	15.0%	12.8%	16.7%
Average Age	33.8	36.1	34.7	36.6
Housing Status (% of H'holds)				
Owner/Purchaser	91.1%	78.8%	86.4%	67.5%
Renter	8.9%	21.2%	13.6%	32.5%
Birthplace (% of Pop'n)				
Australian Born	86.8%	83.9%	85.7%	65.6%
Overseas Born	13.2%	16.1%	14.3%	34.4%
• Asia	1.1%	1.5%	1.3%	13.0%
• Europe	10.2%	12.1%	10.9%	11.6%
• Other	1.9%	2.5%	2.1%	9.8%
Family Type (% of Pop'n)				
Couple with dep't children	57.9%	51.1%	55.3%	47.9%
Couple with non-dep't child.	12.1%	13.0%	12.5%	9.5%
Couple without children	17.2%	19.3%	18.0%	19.7%
Single with dep't child.	5.8%	7.6%	6.5%	8.5%
Single with non-dep't child.	2.5%	2.4%	2.5%	3.7%
Other family	0.5%	0.7%	0.6%	1.2%
Lone person	4.1%	5.9%	4.8%	9.4%

Sources : ABS Census of Population and Housing 2006

2.4 Trade Area Retail Expenditure Capacity

i. The estimated retail expenditure capacity of the Silverdale main trade area population is based on information sourced from Market Data Systems (MDS). MDS utilises a detailed micro-simulation model of household expenditure behaviour for all residents of Australia.

ii. The MDS model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Survey, National Accounts Data, Census Data and other information.

iii. In New South Wales, Queensland and Victoria the MarketInfo estimates of retail spending that are prepared independently by MDS are commonly used by all parties in Economic Impact Assessments.

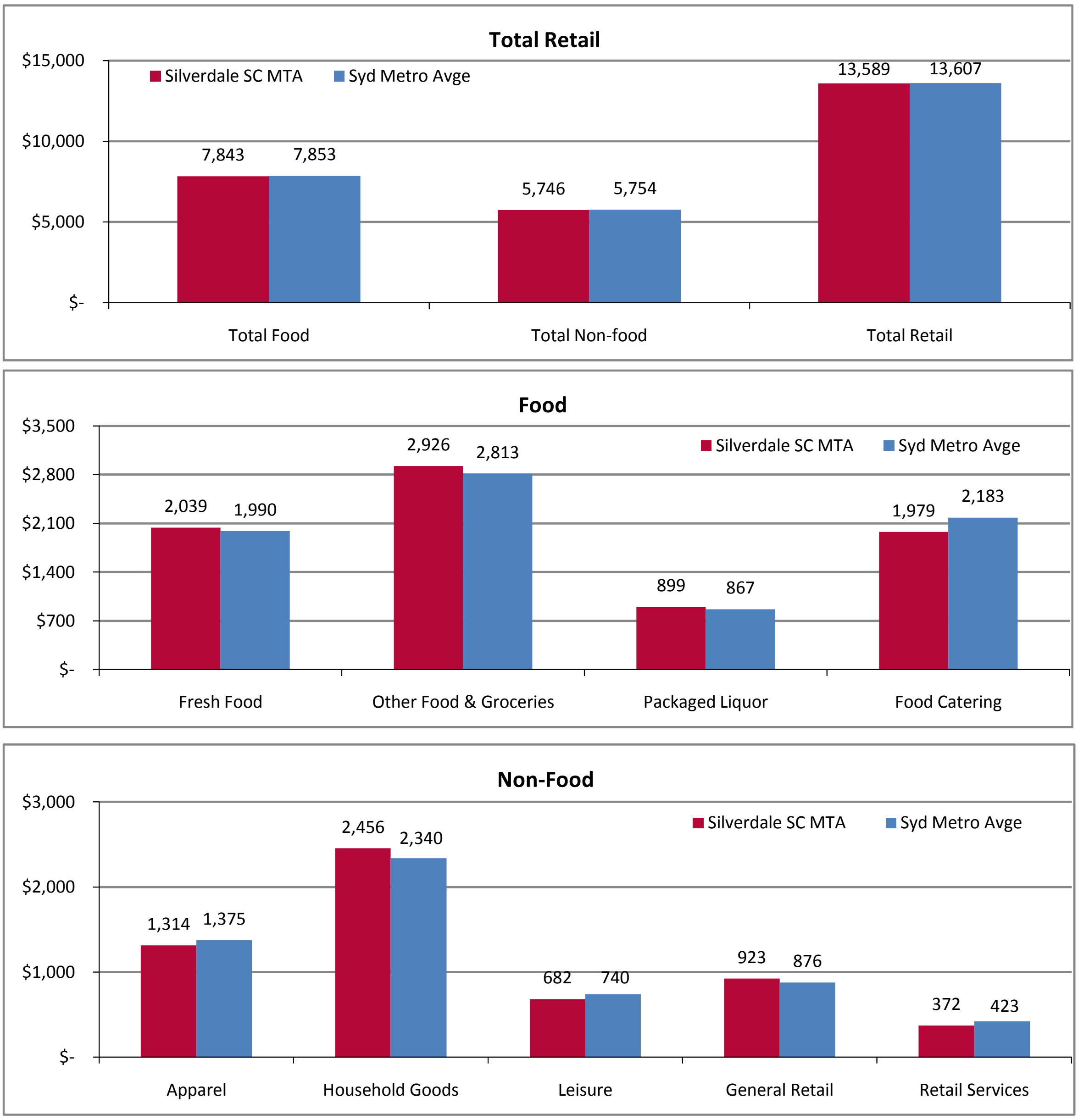
iv. Chart 2.1 outlines the retail expenditure levels for the Silverdale main trade area population on a per person basis and compares this with the Sydney metropolitan average. Overall, spending per person in the Silverdale main trade area is comparable with the benchmark, with slightly higher than average levels of spending on fresh food and other food and groceries.

v. Table 2.4 details the level of retail expenditure generated by the Silverdale main trade area population by sector. Main trade area retail spending is currently estimated at $160.4 million. This level is projected to increase at an average annual rate of 2.9% to $244.5 million by 2026. All figures presented in this report are in constant 2011 dollars and exclude GST.

vi. Projected growth in the retail spending market of 2.8% for the Silverdale main trade area takes into account real growth in retail spending per capita of 1.4% per annum and main trade area growth of 1.4% annually over the period to 2026.

vii. Table 2.5 presents a breakdown of retail spending by key commodity group, indicating the largest spending market is food and grocery at $69.2 million, representing 43.1% of the total retail spending market.

CHART 2.2 – RETAIL SPENDING PER PERSON, 2010/11



Source : Marketinfo

TABLE 2.4 – MAIN TRADE AREA TOTAL RETAIL EXPENDITURE, 2011-2026

Y/E June	**Primary Sector**	**Secondary Sector**	**Main Trade Area**
2011	99.0	61.4	160.4
2012	101.2	62.8	164.0
2013	103.6	64.2	167.8
2014	106.0	65.7	171.7
2015	108.7	67.2	175.9
2016	111.6	68.8	180.5
2017	114.7	70.5	185.2
2018	118.1	72.3	190.4
2019	122.0	74.2	196.2
2020	126.0	76.2	202.1
2021	130.1	78.1	208.3
2022	134.7	80.2	214.9
2023	139.7	82.2	221.9
2024	144.8	84.3	229.2
2025	150.2	86.5	236.7
2026	155.8	88.7	244.5
Expenditure Growth			
2011-2014	7.0	4.3	11.2
2014-2017	8.7	4.9	13.5
2017-2021	15.5	7.6	23.1
2021-2026	25.6	10.5	36.2
2011-2026	56.8	27.3	84.1
Average Annual Growth Rate			
2011-2014	2.3%	2.3%	2.3%
2014-2017	2.7%	2.4%	2.6%
2017-2021	3.2%	2.6%	3.0%
2021-2026	3.7%	2.6%	3.3%
2011-2026	3.1%	2.5%	2.8%

**Constant 2010/11 dollars & Including GST*
Source : Marketinfo

duane LOCATION

TABLE 2.5 – MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2011-2026

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2011	69.2	23.4	15.5	29.0	8.1	10.9	4.4
2012	70.5	23.9	15.9	29.8	8.2	11.2	4.5
2013	71.9	24.5	16.3	30.7	8.4	11.4	4.6
2014	73.2	25.1	16.7	31.6	8.6	11.7	4.7
2015	74.8	25.7	17.1	32.6	8.9	12.0	4.8
2016	76.4	26.4	17.6	33.6	9.1	12.3	5.0
2017	78.1	27.2	18.0	34.7	9.4	12.7	5.1
2018	80.0	28.0	18.6	35.9	9.6	13.0	5.3
2019	82.2	28.8	19.1	37.2	9.9	13.5	5.4
2020	84.3	29.8	19.7	38.6	10.3	13.9	5.6
2021	86.5	30.7	20.4	40.0	10.6	14.3	5.8
2022	88.9	31.7	21.0	41.5	10.9	14.8	6.0
2023	91.5	32.8	21.7	43.2	11.3	15.3	6.2
2024	94.1	33.9	22.5	44.8	11.7	15.8	6.4
2025	96.8	35.0	23.2	46.6	12.1	16.3	6.6
2026	99.6	36.2	24.0	48.4	12.5	16.9	6.8
Expenditure Growth							
2011-2014	4.0	1.7	1.1	2.6	0.6	0.8	0.3
2014-2017	4.9	2.1	1.4	3.1	0.7	1.0	0.4
2017-2021	8.4	3.5	2.3	5.3	1.2	1.6	0.7
2021-2026	13.1	5.5	3.7	8.4	1.9	2.6	1.0
2011-2026	30.4	12.9	8.5	19.4	4.4	6.0	2.4
Average Annual Growth Rate							
2011-2014	1.9%	2.4%	2.4%	2.9%	2.4%	2.4%	2.4%
2014-2017	2.2%	2.7%	2.7%	3.2%	2.7%	2.7%	2.7%
2017-2021	2.6%	3.1%	3.1%	3.6%	3.1%	3.1%	3.1%
2021-2026	2.9%	3.4%	3.4%	3.9%	3.4%	3.4%	3.4%
2011-2026	2.5%	3.0%	3.0%	3.5%	3.0%	3.0%	3.0%

**Constant 2010/11 dollars & Including GST*
Source : Marketinfo

3 COMPETITIVE ENVIRONMENT

i. This section of the report provides a summary of the existing and proposed competitive retail centres within the area surrounding Silverdale, including within and immediately beyond the defined main trade area.

ii. Retail facilities within the main trade area are provided locally and are generally anchored by smaller foodstores. The retail facilities provided in each village are discussed in sub-section 3.1.

iii. Retail facilities provided beyond the defined main trade area form a typical retail hierarchy, discussed in sub-sections 3.2-3.4, including:

- Regional shopping facilities provided within the Penrith City Centre.
- Sub-regional shopping centres, namely St Marys Village and Narellan Town Centre.
- A number of supermarkets and supermarket based centres located to serve the surrounding population.

iv. The previous Map 2.1 highlights the key competitive retail facilities throughout the region while Table 3.1 presents a summary of these facilities.

TABLE 3.1 – COMPETITIVE CENTRES

Centre	Retail GLA (sq.m)	**Anchor Tenants**	Dist. From Silverdale SC (km)
Regional Shopping Centres			
Penrith City Centre	*142,000*		*20.0*
• Westfield Penrith	88,900	Myer (20,100), Big W (8,700), Target (7,100), Woolworths (3,800), Franklins (2,000)	
• Centro Nepean	20,100	Kmart (8,400), Coles (4,300)	
• Nepean Central	3,000	Franklins (1,650)	
• Remainder	30,000	Aldi (1,350)	
Sub-regional Shopping Centres			
Narellan Town Centre	28,400	Big W (6,500), Woolworths (3,800), Coles (3,400)	30.0
St Marys City Centre	*43,700*		30.0
• St Marys Village	16,200	Target (8,000), Woolworths (4,100)	
• Station Plaza	7,500	Coles (3,800)	
• Remainder	20,000	Aldi (1,350)	
Supermarket Based Shopping Centres			
Silverdale	1,020	IGA Foodstore (450)	-
Warragamba	2,025	Foodworks Foodstore (300)	3.5
Wallacia	*400*		*4.5*
• Existing	400		
• Proposed	1,800	Supermarket (1,128)	
Mulgoa	1,080	Friendly Grocer Foodstore (270)	8.0
Luddenham	1,500	IGA (750)	9.5
Glenmore Park TC	6,200	Woolworths (4,300)	19.0
Centro Lennox	7,500	Woolworths (3,200), Aldi (1,450)	20.0
Southlands SC	5,000	Woolworths (3,740)	21.0
Claremont Meadows	1,300	IGA (800)	25.0
Cambridge Gardens	*6,100*		*25.0*
• Starcourt SC	4,000	Coles (3,800)	
• Marketland SC	2,100	Franklins (1,100)	
Werrington Village	3,600	Franklins (1,500)	27.0
Blaxland Arcade	3,100	IGA (2,000)	27.0
Harrington Plaza SC	4,000	Coles (2,250)	29.0

Source : Australian Shopping Centre Council Database -April 2011

LOCATION

3.1 Main Trade Area Retail Facilities

i. Each village within the Silverdale main trade area is served by their own provision of retail facilities. The retail facilities provided are generally small, with only one supermarket provided within the defined main trade area, namely IGA at Luddenham.

ii. Supermarkets are typically defined in planning documents and courts as "grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as foodstores." There are no existing supermarkets in the Silverdale primary sector, with each village providing a food store of less than 500 sq.m.

iii. The retail provision provided within each village is shown in Table 3.2, taken from a survey undertaken by Duane Location IQ in May 2011.

TABLE 3.2 – TRADE AREA RETAIL PROVISION

Tenant/Category	**Silverdale**		**Warragamba**		**Wallacia**		**Mulgoa**	
	No. of	Size (sq.m)	No. of	Size (sq.m)	No. of	Size (sq.m)	No. of	Size (sq.m)
Food Store	1	450	1	300	0	0	1	270
Retail Specialties								
Food & Liquor	2	225	4	360	1	60	3	180
Food Catering	1	50	4	475	1	70	4	320
Apparel	0	0	0	0	0	0	0	0
Household Goods	0	0	0	0	0	0	0	0
Leisure	0	0	1	100	1	200	1	70
General Retail	1	75	2	550	0	0	2	160
Retail Services	2	220	3	240	1	70	2	80
Total Retail Specialty	6	570	14	1,725	4	400	12	810
Total Retail Tenants	**7**	**1,020**	**15**	**2,025**	**4**	**400**	**13**	**1,080**
Non-retail**	5	445	4	435	3	260	3	200
Vacancy	1	165	6	485	1	80	0	0
Total Tenants	**13**	**1,630**	**25**	**2,945**	**8**	**740**	**16**	**1,280**

** Based on inspection undertaken by this office in May 2011*
*** Excludes pubs and petrol stations*

Silverdale

i. The majority of retail floorspace within Silverdale is located within the Silverdale Shopping Centre. Silverdale Shopping Centre is an open-air centre, which is conveniently located and easily accessible along Silverdale Road.

ii. The shopping centre contains around 1,020 sq.m of retail floorspace across seven retail tenants. The precinct is anchored by an IGA foodstore of around 450 sq.m, with other national retail tenants including Local Liquor and Network Video. The remaining retail tenants within the centre are generally convenience based including a chemist, bakery and takeaway store, coffee shop and hairdresser.

iii. Complementing the retail floorspace are five non-retail tenants, including Australia Post, a medical centre and real estate agent. Fitness Centre has recently left the centre, with the tenancy now for lease.

iv. Out of the precincts outlined in Table 3.2, Silverdale Shopping Centre was the busiest on the day of the survey. Limited parking was available, with customers queuing up for open spaces. The IGA supermarket within the precinct appeared to be trading well, with a number of people purchasing within the store on the day of the survey.

v. Silverdale Shopping Centre is now planned to be expanded and is the subject of this analysis. The existing IGA foodstore is assumed to close as part of the redevelopment.

Warragamba

i. Compared to Silverdale, retail facilities within Warragamba are relatively dispersed. Retail is generally provided along Weir Road/Fourteenth Street, stretching 500 metres from the Weir Road/Warradale Road intersection in the south through to Eighteenth Street in the north.

ii. The retail strip is anchored by a Foodworks foodstore of around 300 sq.m, which anchors the southern end of the retail strip.

iii. In addition to the Foodworks, the Warragamba retail strip contains around 2,025 sq.m of retail floorspace, with The Bottle-O the only other national tenant provided. The largest specialty tenant within the strip is the Shopsence discount variety store, situated within the same block as Foodworks.

iv. The larger provision of retail floorspace within Warragamba is provided to serve the tourist population, with people visiting the area in order to view the nearby Warragamba Dam. The retail provision within Warragamba reflects this position, with four food catering tenants provided, including a large Chinese restaurant.

v. Additionally, a number of convenience tenants are provided to serve the local population, including a bakery, butcher, newsagent and pharmacy. However, only the bakery is located within close proximity to the Foodworks foodstore.

vi. Overall, Warragamba provides the largest provision of available retail floorspace, at nearly 3,000 sq.m. This does not include the hardware store/hire centre situated on Production Avenue within the small agricultural/industrial based area of Warragamba.

vii. Wollondilly Council identifies a centres hierarchy as recommended by Hill PDA in the Growth Management Strategy 2011. This identifies Warragamba as a Village Centre and Silverdale as a Neighbourhood Centre based on current compositions.

viii. Whilst Warragamba contains the largest retail provision, the area is not ideal for full-line supermarket facilities given the internalised location of the precinct and the distance from other major population centres such, as Mulgoa and Wallacia. Additionally, the dispersed nature of the retail offer and the various ownership titles would make it difficult consolidate into a big box development, with costly acquisitions of land likely to be required.

Wallacia

i. The village of Wallacia is currently provided with a relatively limited provision of retail floorspace, with around four retail tenants provided.

ii. The Wallacia tenants are located in a strip format, directly east of the Wallacia roundabout. The strip is anchored by a relatively large newsagency and also includes a takeaway store and hairdresser. A Bottlemart liquor store is located directly north of the strip, as part of the Wallacia Hotel.

iii. In addition to the retail tenants, there is also a dental surgeon and real estate located in the strip, as well as a post office along Mulgoa Road, located near the Wallacia Public School.

iv. Penrith City Council has given deferred consent to a development application for a supermarket anchored centre to be located behind the Wallacia retail strip. The supermarket is proposed to be 1,128 sq.m and, if constructed, will be the largest supermarket located within the defined main trade area. Demolition of part of the existing specialty stores is proposed to make way for the addition of seven new tenancies. The development will total 2,200 sq.m on completion, including the remaining existing stores.

v. Discussions with Council indicate that the development is likely to proceed. For the purposes of this report, we have assumed the supermarket is trading by 2013/14.

Mulgoa

i. The majority of retail facilities within Mulgoa are located within the Mulgoa Shopping Centre, situated on the south-east corner of Mulgoa Road and Allan Road. The precinct is located to serve local residents, as well as passing traffic with a petrol station situated within the same precinct.

ii. The largest tenant within the precinct is a Friendly Grocer foodstore of around 270 sq.m. Given the size of the store and the proximity from the surrounding population catchments, the supermarket is unlikely to be serving residents from beyond the immediate Mulgoa area.

iii. The foodstore is complemented by around 12 mainly convenience based retail tenants, including a Local Liquor, pharmacy, newsagent, butcher and hairdresser.

This is in addition to three non-retail tenants, including a medical practice and a real estate.

Luddenham

i. In the past, retail floorspace within Luddenham has been relatively limited, with two service stations along The Northern Road providing the majority of retail floorspace.

ii. An IGA supermarket of 750 sq.m, however, has been constructed within the Shell Service Station precinct. The Shell Service Station was relocated to the southern side of the IGA as part of the development. A provision of specialty floorspace has been developed on the previous Shell Service Station site.

iii. Also located in Luddenham is a small Star Mart, situated within the Caltex Service Station, along The Northern Road.

Summary

i. In summary, each village in the foothills of the Blue Mountains contains a provision of retail facilities which serves the convenience top-up shopping needs of the surrounding local population. The largest provision is currently provided at Warragamba.

ii. No full-line supermarket facilities (3,200 sq.m or larger) are provided within the defined main trade area and as such, trade area residents will need to travel beyond the immediate area for their full-line food and grocery requirements. The addition of a 1,200 sq.m supermarket in Wallacia will not provide a full-line supermarket offer and as such, residents will continue to utilise full-line supermarkets situated beyond the defined main trade area. There is currently a substantial undersupply of supermarket floorspace within the defined main trade area.

3.2 Regional Shopping Centres

i. A regional shopping centre is anchored by at least one department store, namely Myer or David Jones. The Penrith City Centre currently provides the regional shopping facilities for Outer Western Sydney, including the Silverdale area.

ii. The Penrith City Centre provides the largest concentration of retail facilities in Outer Western Sydney. The major components of the Penrith City Centre include:

- Westfield Penrith is the major component of the Penrith City Centre. This centre encompasses some 88,900 sq.m of retail floorspace and is based on a Myer department store, Big W and Target discount department stores and Woolworths and Franklins supermarkets. Westfield Penrith also includes some 300 retail specialty shops over two levels as well as a cinema complex.

  Westfield Penrith records total retail sales of around $579.0 million (Shopping Centre News - Big Guns 2011) and is the 17th best performing shopping centre in Australia, based on Moving Annual Turnover (MAT).

  The centre has a wide regional draw, courtesy of the inclusion of a Myer department store and a significant provision of retail specialty shops. This centre is the western-most regional shopping centre in Sydney.

- Centro Nepean, a sub-regional shopping centre that is based on Kmart, Coles and in-excess of 55 specialty shops over a single level. This centre incorporates some 20,100 sq.m of retail floorspace.

- The Franklins supermarket based Nepean Central is located on the southern side of Henry Street.

- There is a free-standing Aldi supermarket situated on the eastern side of Doonmore Street.

iii. A provision of retail and non-retail shopfronts are provided, with the majority of these located along High Street and Henry Street. The provision of retail specialty floorspace is estimated to be in the order of 30,000 sq.m.

3.3 Sub-regional Shopping Centres

i. Sub-regional shopping centres are anchored by at least one discount department store.

ii. Apart from Centro Nepean, the two sub-regional shopping centres located in close proximity to the Silverdale main trade area are Narellan Town Centre and St Marys Village.

iii. The Narellan Town Centre is located 30 km to the south-east of Silverdale, along The Northern Road. The centre is anchored by Big W, Woolworths and Coles and has recently undertaken an expansion to include cinemas and a new specialty mall. The centre has also received approval for a further expansion which will include the addition of a Target discount department store.

iv. The St Marys City Centre is located 30 km to the north-east of Silverdale, directly east of the Penrith City Centre. St Marys Village is the largest component of the St Marys City Centre and is based on a Target discount department store, a Woolworths supermarket and some 47 specialty shops.

v. The other major component of the St Marys City Centre is Station Plaza, a Coles supermarket based shopping centre. There is also an Aldi supermarket located on the southern side of the Great Western Highway.

3.4 Supermarket Based Centres

i. As discussed previously, the Luddenham IGA is currently the only supermarket provided within the Silverdale main trade area. Beyond the main trade area, the key supermarket centres are located to the north at Glenmore Park and Emu Plains. These facilities, however, are a round trip of around 40 km for residents of Silverdale and Warragamba and do not form convenient destinations for the local Silverdale/Warragamba population.

ii. The key centres include:

- Glenmore Park Town Centre is situated within an internalised site in the Glenmore Park residential estate, some 19 km to the north of Silverdale. This enclosed centre is based on a Woolworths supermarket of 4,300 sq.m, as well as some 23 specialty shops. A development application has been submitted for the expansion of Glenmore Park Town Centre to include a Big W discount department store, Aldi supermarket and specialty shops. For the purposes of this analysis, an expanded centre is assumed to be trading by 2015.

- Centro Lennox is anchored by Woolworths and Aldi supermarkets. This centre is situated 20 km to the north of Silverdale and serves the residents of Emu Plains.

- The redevelopment of Southlands Shopping Centre has recently been completed. The centre now includes a Woolworths supermarket of 3,740 sq.m in additional to a provision of specialty floorspace, a medical centre and a library.

iii. Additionally, the *Glenmore Park Stage 2 Draft Penrith Development Control Plan (DCP) 2006* has designated a small village/neighbourhood precinct to serve the retail requirements of the Glenmore Park Stage 2 release area population. This store is unlikely to be trading prior to 2015.

3.5 South-West Growth Centre

i. There are a number of centres proposed to service future residents of the designated South West Growth Centre in South Western Sydney. A number of these centres will be located close to existing population areas around Narellan and Liverpool. The first of these developments will most likely be around Oran Park, around 15 km to the south east of Silverdale/Warragamba. Other planned centres will be more than 10 years away from development.

ii. Each of these proposed new centres will serve future residents of the South West Growth Area and will not be conveniently located to existing or future residents of Silverdale and Warragamba, particularly for convenience based supermarket shopping.

3.6 Estimated Escape Expenditure

i. Table 3.3 provides a summary of the estimated level of escape retail expenditure from the Silverdale main trade area in 2011. The steps in this analysis include:

– Total retail sales for main trade area retailers are estimated at $33.9 million in 2010/11. We have attempted to build total retail sales for all retailers in the main trade area.

– Of the total sales for main trade area retailers, we have allowed for 7.5% of sales to come from residents beyond the defined main trade area to account for both retail facilities located on the edge of the main trade area and passing trade on Mulgoa Road, Silverdale Road and The Northern Road.

– Subtracting (ii) from (i) results in main trade area retail sales captured within the main trade area of $31.4 million.

– Point (iv) in the Table then outlines the estimated Silverdale main trade area retail spending generated by residents, as outlined in Table 2.3 previously.

ii. The difference between (iv) and (iii) is estimated escape expenditure of the main trade area population. The current level of escape spending is estimated at $129.1 million, or <u>80.5% of current retail spending</u>.

TABLE 3.3 – SILVERDALE MAIN TRADE AREA ESTIMATED ESCAPE EXPENDITURE, 2011

Component	Unit	Value
(i) Est. Total MTA Sales	$M	33.9
less		
(ii) Est. MTA sales from beyond (at 7.5%)	$M	2.5
(iii) Est. Total MTA Resident Sales	$M	31.4
(iv) Silverdale SC MTA Retail Spending	$M	160.4
Est. Escape Spending	$M	129.1
Est. Escape Spending		80.5%

LOCATIQN

iii. Whilst not all retail floorspace will be catered for locally, in our view around 85%-90% of food spending (including groceries and food catering facilities) should be retained within the local area as products within these categories are typical everyday shopping items.

iv. Additionally, around 50% of non-food spending should be retained, including convenience based spending at facilities such as pharmacies, hairdressers and newsagents. Overall, given the main trade area population level at 11,850 residents and the distance to the nearest major centre, it is our opinion that around 65% - 70% of main trade area spending should be retained locally. Currently, less 20% of spending is being retained within the local area.

v. The lack of major full-line supermarket facilities would be the primary reason for this low level of retained spending.

3.7 Summary

i. Residents of the Silverdale/Warragamba region are currently provided with a limited provision of retail facilities, including a limited provision of supermarket floorspace. There are currently no full-line supermarket facilities (3,200 sq.m or larger) provided within the defined main trade area, with residents having to travel around 19 km (38 km round-trip) for their nearest full-line store.

ii. The non-food retailing needs of residents within the Silverdale/Warragamba catchment will continue to be served by the higher order retail facilities at locations such as Penrith to the north and, to a lesser degree, Narellan to the south-east.

iii. An expansion of the Silverdale Shopping Centre, including a major full-line supermarket, will be consistent with the existing convenience based retail provision provided for similar sized populations throughout Australia.

iv. For an established, less affluent population, it is important that a range of convenience based retail facilities are provided in close proximity to their homes. A major full-line supermarket at the Silverdale Shopping Centre development would provide the local population with additional choice for their food and grocery needs and would also provide price competition within the area. This is particularly important for family markets with lower than average income levels.

4 ASSESSMENT OF POTENTIAL FOR RETAIL FACILITIES

This section of the report considers the sales potential for the retail component of the proposed Silverdale Shopping Centre, as well as the likely trading and other impacts that can be anticipated following the construction of the proposal.

4.1 Sales Overview

i. In order to assess the potential economic benefits and impacts that may arise from the development of the proposed Silverdale Shopping Centre expansion the sales level which the development is projected to achieve is outlined.

ii. The sales performance of any particular retail facility, be it an individual store or a collection of stores provided in the shopping centre or precinct, is determined by a combination of the following critical factors:

   – The composition and performance of the facility, including major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.

   – The size of the available catchment with the facility serves.

   – The locations and strengths of competitive retail facilities.

iii. The sales potential for the retail component of the proposed Silverdale Shopping Centre, which would be anchored by a full-line supermarket and a provision of retail specialty shops, is now considered taking to account these factors.

4.2 Supermarket Sales Potential

i. The proposed Silverdale Shopping Centre development will include a supermarket of 3,500 sq.m. Supermarkets generate sales primarily from the food and groceries market, as discussed and measured in Section 2 of this report.

ii. Table 4.1 details the potential sales for the proposed Silverdale Shopping Centre supermarket. The calculations in this Table go through a series of steps, commencing with the available expenditure that is of relevance to supermarkets, namely food and grocery spending; assessing the share of the expenditure which all supermarkets are likely to achieve; and then concluding with the likely sales which the trade area supermarkets can expect to generate.

iii. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout both New South Wales and Australia. Projected sales are detailed for the proposed Silverdale Shopping Centre supermarket of 3,500 sq.m as well as the other main trade area supermarkets. Supermarkets are defined as grocery and dry goods stores of at least 500 sq.m. Smaller foodstores are excluded from this analysis.

iv. The analysis in Table 4.1 is as follows:

- For the main trade area defined earlier in this report, the total food and grocery spending market is projected at $58.6 million for the year to June 2011. The food and grocery spending market for the main trade area population is projected to grow to $62.0 million (in constant 2011 dollar terms) by 2014 and further to $84.4 million by 2026 (in constant 2011 dollars).

- Typically in Australia, approximately 70%-75% of food and grocery expenditure is directed to supermarkets and major foodstores (i.e. grocery stores greater than 500 sq.m), not including small corner stores, convenience stores and milk bars. This ratio does vary from location to location depending on the provision of such facilities and the socio-economic profile of the trade area population.

- In the defined Silverdale main trade area, the proportion of spending to supermarkets is currently estimated at 65.0%, reflecting the lower proportion of spending that is typically attributed to supermarkets within metropolitan Sydney. This proportion is projected to increase to 72.5% with the addition of the Silverdale Shopping Centre supermarket and the supermarket development at Wallacia.

TABLE 4.1 – SUPERMARKET SALES POTENTIAL

	Financial Year				
	2011	2014	2017	2021	2026
Total Food & Grocery (F&G) Spending					
Primary Sectors	36.1	38.2	40.9	45.7	53.6
Secondary Sector	22.5	23.8	25.3	27.6	30.7
Main Trade Area	**58.6**	**62.0**	**66.2**	**73.3**	**84.4**
F&G Spending to Supermarkets					
Primary Sectors (@ 65% incr. to 72.5% in 12/13)	23.5	27.7	29.6	33.1	38.9
Secondary Sector (@ 65% incr. to 72.5% in 12/13)	14.6	17.3	18.3	20.0	22.3
Main Trade Area (@ 65% incr. to 72.5% in 12/13)	**38.1**	**45.0**	**48.0**	**53.1**	**61.2**
F&G Spending Retained by TA Smkts					
Primary Sectors (@ 5% incr. to 80% in 12/13)	1.2	22.2	23.7	26.5	31.1
Secondary Sector (@ 22.5% incr. to 60% in 12/13)	3.3	10.4	11.0	12.0	13.4
Main Trade Area (@ 11.7% incr. to 72.3% in 12/13)	**4.5**	**32.5**	**34.7**	**38.5**	**44.5**
F&G Sales from Beyond TA (@ 7.5%)	0.4	2.6	2.8	3.1	3.6
Total F&G Sales for TA Smkts	**4.8**	**35.2**	**37.5**	**41.6**	**48.1**
General Merchandise Sales (@ 6%)	0.3	2.2	2.4	2.7	3.1
Total TA Smkt Sales	**5.1**	**37.4**	**39.9**	**44.3**	**51.2**
Smkt Floorspace in TA (sq.m)**	750	5,378	5,378	5,378	5,378
Average Trading Level ($/sq.m)	6,845	6,955	7,423	8,234	9,511
Distribution of TA Smkt Sales					
Silverdale SC Smkt	0.0	25.9	27.7	30.9	36.0
Other TA Supermarkets**	5.1	11.5	12.2	13.4	15.1
Total TA Smkt Sales	**5.1**	**37.4**	**39.9**	**44.3**	**51.2**

**Constant 2010/11 dollars & Including GST*

***Existing supermarket in TA as at June 2011 is IGA at Luddenham*

- The next step in the analysis is to estimate the likely proportion of food and grocery expenditure which can be retained by main trade area supermarkets; specifically the proportion of expenditure that can be retained by the existing and proposed supermarket facilities within the main trade area as compared with the spending directed to supermarkets outside the main trade area at locations such as Glenmore Park and Penrith.

- The only existing supermarket currently provided within the main trade area is the small IGA supermarket at Luddenham. Based on the defined main trade area, it is estimated that 11.7% of the food and grocery spending directed to supermarkets is retained by this supermarket within the main trade area. Almost $9 in every $10 of main trade area resident food and grocery spending is estimated to be escaping the trade area. After the addition of the proposed Silverdale Shopping Centre supermarket and the proposed Wallacia supermarket, the level of retained spending is projected to increase to 72.3% in 2013/14.

- Additionally, an estimated 7.5% of total supermarket sales are likely to be attracted from beyond the defined main trade area, reflecting the proximity to major arterial roads.

v. The steps detailed above generate the annual estimates of food and grocery spending available to supermarkets within the main trade area. On this basis, after the additional of the supermarket at Wallacia and the major full-line store at Silverdale Shopping Centre, this figure is projected at $35.2 million in 2014, an increase from the current level of $4.8 million. These projected figures do not include retail inflation, thus the increase shown over this time period reflects real growth.

vi. In 2017, available food and grocery spending directed to main trade area supermarkets is projected to increase to $37.9 million, with further growth to $48.1 million in 2026, expressed in constant 2011 dollar terms.

vii. Finally, in order to estimate the total likely sales volume available to main trade area supermarkets, additional components of sales other than food and grocery sales is taken into account. The major component of sales other than food and grocery sales that supermarkets typically include are general merchandise and non-food items. Non-food items typically generate around 6.0% of total store sales for modern supermarket chains.

viii. On this basis, the total volume of sales available to main trade area supermarkets is estimated to increase from the current level of $5.1 million to $37.4 million in 2014 and further to $51.2 million in 2026.

ix. At the bottom of Table 4.1, the distribution of sales for the major full-line supermarket at Silverdale Shopping Centre as compared with the other supermarkets in the main trade area is detailed. The proposed Silverdale Shopping Centre supermarket is projected to achieve sales of $25.9 million, or $7,400 per sq.m, in 2014. This is only slightly below the Australian average of around $8,000 per sq.m. However, the 3,500 sq.m offer will cater to the population growth projected over the next 25 years (given the additional 3,000 people proposed in the primary sector). By 2026, sales for the proposed Silverdale supermarket are projected at $36.0 million, or $10,300 per sq.m.

x. Sales for the other supermarkets (IGA at Luddenham and the planned supermarket at Wallacia) within the main trade area are projected at $11.5 million. This average trading level of $6,100 per sq.m is typical of other smaller IGA supermarket facilities throughout Australia, with both supermarkets effectively serving their own population catchments. Additionally, sales for the two supermarkets will increase in-line with population growth, reaching over $8,000 per sq.m by 2026.

xi. Taking the above into account, there is clearly demand for full-line supermarket facilities at Silverdale. The addition of a full-line supermarket at an expanded Silverdale Shopping Centre will provide an offer that will allow Silverdale residents to undertake a full weekly shop locally. The addition of this tenant would result in the retention of customers in the Silverdale locality, with surrounding retailers standing to benefit from higher customer flows as a significantly greater proportion of spending is retained locally.

4.3 Total Centre Sales Potential

i. The proposed Silverdale Shopping Centre expansion will include a supermarket of 3,500 sq.m and a some 2,450 sq.m of specialty space.

ii. The proposed supermarket is projected to achieve sales of $25.9 million in 2013/14.

iii. Around 2,450 sq.m of specialty floorspace is also planned to be provided at the expanded Silverdale Shopping Centre development (including 945 sq.m of specialty space retained from the existing centre and 1,270 sq.m of new specialty shops). Typically, supermarket based centres incorporate a provision of non-retail traders, such as banks, travel agents, post office and medical traders. It is understood that the existing centre currently includes some 610 sq.m of non-retail floorspace. This non-retail provision would represent almost 25% of specialty floorspace at an expanded centre (610 sq.m divided by 2,450 sq.m). Additional non-retail floorspace is assumed at an expanded centre, given the possibility for a larger medical centre and a gym.

iv. An analysis of retail specialty floorspace at the expanded Silverdale Shopping Centre development, based on an indicative composition and inspection of existing retail floorspace within the Warragamba/Silverdale area, outlines a projected average trading level of around $5,059 per sq.m across retail specialty floorspace. Based on this trading level, the 1,700 sq.m of retail specialty floorspace is projected to achieve sales of $8.6 million (i.e. 1,700 sq.m of retail specialty shop floorspace multiplied by $5,059 per sq.m).

v. As summarised in Table 4.2, total traditional retail sales for the expanded Silverdale Shopping Centre development are projected at $34.5 million in 2013/14.

TABLE 4.2 – PROJECTED CENTRE SALES, 2013/14

Tenant/ Category	GLA (sq.m)	Forecast Sales* ($'000)	($/sq.m)
Majors			
Supermarket	3,500	25,924	7,407
Total Retail Specialty[1]	1,700	9,100	5,353
Total Retail	**5,200**	**35,024**	**6,735**

**Constant 2010/11 dollars & Including GST*
[1]Excludes non-retail floorspace and includes mini-majors (retail tenants 400 sq.m or larger)

4.4 Sales Impact

i. This sub-section of the report outlines the likely sales impacts on competitive retail centres/facilities as a result of the development of the retail component at the expanded Silverdale Shopping Centre.

ii. It is important to note that impacts outlined in this report are indicative as it is difficult to precisely project the sales impact of the opening of a new store/centre on existing retail facilities. A number of factors can influence the impact on individual centres/retailers, including but not limited to:

- Refurbishment/improvements to existing centres.
- Expansions to existing centres.
- Loyalty programs of existing retailers.
- The existing centre mix and how it competes with the proposed development.

iii. For all these reasons and other similar factors, sales impacts outlined in this report should be used as a broad indication.

iv. Table 4.3 outlines the projected sales impacts from the retail component of the expanded Silverdale Shopping Centre. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:

- Step 1 - Estimate sales levels for existing centres in the 2011 financial year

- Step 2 - Project sales for existing and proposed centres in the 2013/14 financial year, the first full year of trading for the expanded Silverdale Shopping Centre. These projections allow for retail market growth and new retailers/centres. All sales projections in 2013/14 are presented in constant 2011 dollars (i.e. excluding inflation).

- Step 3 - Outline the change in sales at each centre in 2013/14 as a result of the development of the expanded Silverdale Shopping Centre. Again, all sales are expressed in constant 2011 dollars.

- Step 4 - Show the impact on sales in 2013/14, both in dollar terms and percentage of sales.

TABLE 4.3 – PROJECTED CENTRE IMPACTS, 2013/14

		Projected 2014		Impact 2014	
	Unit	Pre Exp.	Post Exp.	$M	%
Silverdale SC	*$M*	*5.8*	34.5	*28.7*	*n.a.*
Other Trade Area Retail					
Warragamba	$M	9.7	8.7	-0.9	-9.5%
Wallacia[1]	$M	13.4	11.4	-2.0	-15.0%
Mulgoa	$M	5.4	5.1	-0.3	-5.0%
Luddenham	$M	8.6	8.0	-0.6	-7.5%
Other Trade Area Retail	$M	37.2	33.3	-3.9	-10.4%
Beyond Trade Area					
Regional SC					
Penrith City Centre	$M	937.3	931.3	-6.0	-0.6%
Sub-Regional Centres					
Narellan Town Centre[1]	$M	243.8	238.9	-4.9	-2.0%
St Marys City Centre	$M	228.0	228.0	0.0	0.0%
Total Sub-Regional Centres	$M	471.8	466.9	-4.9	-1.0%
Other Smkt Centres					
Glenmore Park TC[1]	$M	119.2	110.3	-8.9	-7.5%
Centro Lennox	$M	95.2	93.8	-1.4	-1.5%
Southlands SC	$M	47.7	46.5	-1.2	-2.5%
Harrington Plaza SC	$M	24.5	23.4	-1.1	-4.5%
Total Other Smkt Centres	$M	286.6	274.0	-12.7	-4.4%

**Constant 2010/11 dollars & Including GST*
[1]Expansion assumed by 2014

v. The key information outlined in Table 4.3 is summarised as follows:

- The proposed Silverdale Shopping Centre expansion is projected to record retail sales of $34.5 million in 2013/14. This represents an additional $28.7 million as compared with the sales level that the existing Silverdale Shopping Centre is likely to achieve prior to development in 2014. The existing Silverdale Shopping Centre is likely to be impacted by the proposed Wallacia supermarket.

- Of this total, some $3.9 million is projected as a result of a redirection of spending from competitive facilities in the main trade area, with the remainder ($23.9 million) being a reduction in expenditure from facilities beyond the main trade area. Of this remaining impact, some $1.3 million is likely to result in impacts on a range of smaller retail facilities beyond the main trade area that are not currently represented in this analysis.

- The highest impacts in both dollar and percentage terms will be on the existing larger retail facilities beyond the trade area, particularly full-line supermarkets within the region which would compete directly with the proposed development. The stores most likely to be impacted include existing full-line supermarkets beyond the defined main trade area at Glenmore Park, other major supermarkets in Penrith and at Narellan. However, in each of these instances, the projected impacts will not threaten the viability of any centre. Furthermore, each of these centres is likely to benefit in the future from the growth in population within close proximity to the major centres, as well as, in some cases, planned centre expansions.

- Existing facilities within the defined main trade are also proposed to be impacted by the planned development to some degree. The majority of this impact will fall on the proposed Wallacia supermarket, which at 1,128 sq.m, will be the largest competing supermarket within the trade area. However, despite the addition of full-line supermarket facilities at Silverdale, this store will continue to remain viable, serving its local population catchment.

- Other retail facilities at Wallacia will continue to achieve total sales levels that are substantially higher in 2014, than existing 2011 levels, reflecting the addition of the IGA supermarket tenant. As a result, while the proposed Silverdale Shopping Centre expansion is likely to impact on projected sales that the proposed supermarket at Wallacia is likely to achieve, overall, retail facilities at Wallacia will continue to remain viable with total retail sales more than four times higher in 2014 than existing sales levels.

- The Warragamba retail precinct is projected to be impacted by less than $1 million. The majority of retail tenants added as part of the proposed Silverdale Shopping Centre expansion are currently not represented in either the Silverdale or Warragamba. As such, majority of additional sales will be a result of retained spending that would otherwise be spent beyond the Silverdale/Warragamba area. The precinct will remain the major convenience shopping destination for Warragamba residents and will also continue to attract spending from visitors to the Warragamba Dam.

- Table 4.4 presents a comparison of existing retail facilities at Silverdale and Warragamba and outlines which tenants are unlikely to be affected by the proposed development at Silverdale. There are already a number of existing tenants which are operated at both locations. These include:

    - Australia Post
    - Chemist/Pharmacy
    - Bakery
    - Liquor store
    - Hairdresser
    - Medical centre

TABLE 4.4 – SILVERDALE/WARRAGAMBA COMPARISON

Tenant	Silverdale	Warragamba	Warragamba Impact
Food Retailers			
Foodstore	√	√	
Bakery	√	√	No Impact
Butcher		√	
Delicatessen		√	
Liquor	√	√	No Impact
Takeaway Food/Restaurant	√	4	No Impact
Non Food Retailers			
Chemist	√	√	No Impact
Newsagent		√	No Impact
Hairdresser	√	√	No Impact
Beautician	√	√	No Impact
Discount Variety		√	No Impact
Video Shop	√		Not Applicable
Hardware		√	No Impact
Non Retail Tenants			
Medical Centre	√	√	No Impact
Australia Post	√	√	No Impact
Podiatrist		√	No Impact
Tax Agent	√		Not Applicable
Real Estate	√		Not Applicable

- The main difference between the two strips in terms of current tenant mix, therefore, is the provision of a hardware store at Warragamba and a larger number of food catering outlets as well as a newsagency and discount variety store.

- The provision of a full-line supermarket and some further specialty shops at Silverdale, therefore, is not going to create any further overlap in retail facilities between the two centres, given there is already an area of overlap as outlined above. The proposed development at Silverdale is likely to introduce new types of tenants into the market, including but not limited to:

  - Health food store
  - Delicatessen

- Mobile phone shop
- Dry cleaners
- Larger medical centre and gymnasium
- Optometrist
- Fruit and vegetable store
- Key cutting store
- Travel agent

- From the above, it can clearly be seen that there are a large number of convenience based tenancies which are not located at either Warragamba or Silverdale currently. These types of tenants typically locate with a full-line supermarket and would improve the range and offer for local residents within the Silverdale main trade area.

- There is clearly an opportunity for Warragamba to continue to be a successful retail precinct, working off becoming a destination for tourists as well as local residents, particularly for food catering, with the addition of further food catering stores and even possibly a tavern style facility.

- Other facilities within the main trade area are also likely to be impacted to some degree, however, this impact is likely to be less than 10% and therefore, well within the normal competitive range. As such, the proposed Silverdale Shopping Centre expansion is unlikely to affect the viability or continued operation of any centre or facility.

- The Silverdale Shopping Centre expansion will retain spending that is currently escaping the Silverdale/Warragamba region, with existing facilities standing to benefit from substantial increased resident spending retained in the precinct. Even after the expansion of the Silverdale centre, escape spending from the trade area will continue to be over 60%.

- The proposed expansion will, however, serve the convenience food and grocery needs of the surrounding population and would provide a wide range of retail tenants in close proximity to their homes.

4.5 Employment and Consumer Impacts

i. The development of the expanded Silverdale Shopping Centre will result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts will include the following:

- The provision of a wider range of shopping facilities for local residents, including a major full-line supermarket and retail specialty floorspace in a convenient location.

- Increased choice and price competition for food and grocery shopping.

- The additional retail floorspace, above the existing retail provision at Silverdale Shopping Centre, is projected to employ around 220 persons as summarised in Table 4.5. Taking a conservative view and allowing for an estimated 10% of the total increase to be as a result of the reduced employment at existing retail facilities, the net additional jobs are estimated at 198.

- The additional 198 permanent retail employees would earn an average annual wage of around $28,800 as sourced from the ABS. This represents an additional $5.7 million in salary and wages for the local economy, directly as a result of the expanded retail component at the Silverdale Shopping Centre development.

- Further jobs would be created from the supplier induced multiplier effects as a result of the retail jobs for the on-going running of the retail component of the expanded Silverdale Shopping Centre as well as from the construction of the development. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions. In total, some 188 jobs are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.6).

- The proposed expanded Silverdale Shopping Centre will create a substantial number of additional jobs, both for the construction and related industries during the construction phase of the development and for the economy generally once the development is completed.
- The estimated total capital costs for the construction of the development are $10.0 million. By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of $7.9 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the expanded Silverdale Shopping Centre would create some 55 jobs (refer Table 4.7).
- The additional construction jobs (55), will result in a further 88 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 4.6).

TABLE 4.5 – ESTIMATED PERMANENT EMPLOYMENT

Type of Use	Estimated Employment Per '000 sq.m	Silverdale SC Change in GLA (sq.m)	Silverdale SC Employment (persons)
Supermarket	50	3,050	153
Retail Specialty Shops	60	1,130	68
Total Centre[1]		**4,180**	**220**
Net Increase[2]			**198**

1. Excludes non-retail components.
2. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

TABLE 4.6 – ESTIMATED EMPLOYMENT IMPACT

Original Stimulus	Direct Employment	Supplier Employment *Multiplier Effects*	Total
Centre Employment[1]	198	188	386

** Employment totals include both full-time and part-time work*
1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development
Source : Australian National Accounts: Input-Output Tables 1996-97

TABLE 4.7 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

Original Stimulus	Estimated Capital Costs ($M)[1]	Direct Employment	Supplier Employment *Multiplier Effects*	Total	
Construction of Project	7.9	55	88	143	Job Years[2]

** Employment totals include both full-time and part-time work*
1. Adjusted by inflation and productivity to 1996/97 Dollars
2. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year
Source : Australian National Accounts: Input-Output Tables 1996-97

4.6 Longer Term Potential

i. As has been indicated in Section 2, there is projected to be continuing population growth throughout the Silverdale trade area, with the current population of 11,850 projected to grow to 14,770 persons by 2026. This represents an increase of almost 3,000 persons, or close to a 25% increase in the population over time.

ii. Section 3 of the report also indicated the level of escape expenditure from the trade area is currently 80% and even with the addition of the expansion of Silverdale as currently proposed, the level of escape expenditure will still be around 60%. In our view, the level of escape expenditure from this region should be substantially lower at around 30% - 40%.

iii. Over time, therefore, as the population grows and once the supermarket development at Warragamba stabilises, there will be opportunities for further development to retain spending locally. This will include the provision of further facilities such as a small discount department store or mini-major tenant, together with a greater range of non-food, basic apparel and clothing stores. There are currently no clothing stores or apparel specialty shops provided throughout the trade area.

iv. In our view, at least an additional 3,500 sq.m of further floorspace could be planned for at the Silverdale Shopping Centre site to serve residents of the region over time.

5 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the impact analysis for the proposed Silverdale Shopping Centre expansion.

'Need' or 'Community Need' in a planning sense is a relative concept that relates to the overall wellbeing of a community. A use is needed, for example, if it would, on balance, improve the services and facilities available in a locality. The reasonable demands and expectations of a community are important, therefore, in assessing need.

A number of important factors that relate to need, particularly economic need, include:

- Population and supermarket demand
- Consumer Trends
- Supply of retail facilities
- Impacts on existing retail facilities
- Location
- Net community benefits

5.1 Population and supermarket demand

i. In Australia, there is one major full-line supermarket (3,200 sq.m or larger) provided for every 8,000 – 9,000 persons. The main trade area currently contains some 11,850 persons, with no major full-line supermarket provided.

ii. Reflecting this, the provision of supermarket floorspace throughout the defined main trade area is around 20% of the Australian average of 311 sq.m per 1,000 persons, at around 64 sq.m per 1,000 persons.

iii. The overall level of retail floorspace within the main trade is also very low, with only 0.2 sq.m provided per person. This can be compared to the Australian average of 2.2 sq.m per person. This is reflected in the relatively low vacancy rates throughout each of the retail precincts, with limited vacancies in all areas except Warragamba. However, it is highly likely that the higher vacancy rate in Warragamba has little to do with a lack in demand, but rather reflects the layout and form of the precinct.

iv. Demand for retail floorspace is expected to increase in the future, with the population within the main trade area projected to increase to around 14,770 persons by 2026. The population within the primary sector alone is currently projected at 7,280 and is projected to increase to 9,390 persons by 2026.

v. As a result, there will be increased demand for retail facilities and supermarket floorspace in the future. The proposed Silverdale Shopping Centre expansion will be able to satisfy a proportion of this additional demand.

vi. Reflecting the existing and future population within the region, there is likely scope for further retail floorspace at the Silverdale Shopping Centre, over and above the current planned expansion scheme. Land is available to the south of the centre which could accommodate a second stage of the expansion, which will most likely be anchored by a non-food mini-major and include an additional provision of specialty space. This is likely to progress as market demand dictates.

vii. Taking the above into account, there is clearly demand for major full-line supermarket facilities at Silverdale. The addition of a full-line supermarket at Silverdale will provide an offer than will allow Silverdale residents to undertake a full weekly shop locally instead of having to travel almost a 40 km round-trip for their nearest full-line supermarket offer. The addition of this tenant would result in the retention of customer spending within the Silverdale/Warragamba region, with all other retailers standing to benefit from higher customer flows.

viii. Furthermore, the main trade area population, including a less affluent, family orientated population, should be provided with affordable, convenient retail facilities in close proximity to their homes.

5.2 Consumer Trends

i. There is a strong need for convenience shopping facilities and a wider choice of facilities within close proximity to the homes of residents within the Silverdale region. Consumers visit supermarkets, on average, two to three times a week.

ii. Over the past five years, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor. These social trends include:

- Longer working hours
- An increase in the numbers of women in the labour force

iii. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping.

iv. As a result of the increasing time pressures that consumers face when it comes to food and grocery shopping, there is growing demand for convenience shopping facilities to meet the needs of local residents, particularly young families in the catchment.

v. There are a limited number of convenience based facilities within the surrounding Silverdale/Warragamba region and no full-line supermarket provided. As such, the development of the expanded Silverdale Shopping Centre, anchored by a full-line supermarket, will provide a much needed convenient retail offer for the surrounding population.

5.3 Supply of Retail Facilities

i. The development of the proposed Silverdale Shopping Centre expansion would provide a major full-line supermarket in addition to a provision of retail specialty shops.

ii. The proposed supermarket offer would cater to the needs of the local population and allow them to undertake a weekly food and grocery shop in close proximity to their homes.

iii. As indicated previously, over 80% of main trade area resident's spending is currently being spent at retail facilities beyond the main trade area. We estimate this level should be closer to 30% - 40%. It is important to note that even with the expansion of both Silverdale Shopping Centre and addition of facilities at Wallacia, escape expenditure within the main trade area still projected at over 60% in 2013/14. This would indicate substantial room for further retail development to occur within the main trade above and beyond those already proposed.

iv. Additionally, the planned Silverdale Shopping Centre expansion would complement the existing mix of retailers within the area and would provide increased choice for the surrounding population.

v. As indicated previously, there is currently a substantial underprovision of supermarket floorspace within the defined main trade area and the addition of the proposed full-line supermarket at Silverdale would go some way in alleviating this undersupply.

5.4 Impacts on Existing Retailers

i. The analysis of impacts provided in the previous section of this report shows the projected impacts on other retailers throughout the region from the development of the Silverdale Shopping Centre expansion will not threaten the viability or continued operation of any centres.

ii. The majority of projected impacts would fall on other supermarkets, particularly full-line supermarkets situated beyond the defined main trade area. This impact would, however, be within the normal competitive range. The viability of these supermarkets would not be impacted with the addition of a supermarket at Silverdale. Furthermore, the centres most likely to be impacted by the Silverdale Shopping Centre development are well positioned to benefit from additional growth in the region and also, in some cases, from planned centre expansions. This will help to offset any negative impact from the proposed Silverdale Shopping Centre expansion.

iii. The planned expansion of Silverdale Shopping Centre is also likely to impact on the proposed supermarket at Wallacia. While supermarket sales are likely to be impacted to some degree, this supermarket will continue to remain viable, serving the convenience and top-up shopping needs of local residents. Total retail sales at Wallacia will be significantly higher in 2014 as compared to current sales, even with the proposed expansion of Silverdale Shopping Centre.

iv. Impacts on Warragamba are proposed to be minimal, at less than 10%. The majority of retail tenants added as part of the proposed Silverdale Shopping Centre expansion are currently not represented in either the Silverdale or Warragamba retail markets. As such, majority of additional sales will be a result of retained spending that would otherwise be spent beyond the Silverdale/Warragamba area.

v. The impacts from the proposed development are only likely to be experienced by competitive centres in the short-term, and these centres stand to benefit from market growth after these impacts have been absorbed.

vi. The proposed development will enhance the attraction and offer of Silverdale. Other retailers in the area stand to benefit from the additional customers attracted to the precinct.

vii. The inclusion of a major full-line supermarket will result in local residents being able to undertake a weekly food and grocery shop at Silverdale instead of travelling to larger and more inconvenient centres outside of the Silverdale region. Resident spending that is currently escaping the area, particularly food and grocery spending, will remain locally.

5.5 Location

i. Silverdale Shopping Centre is situated on the eastern side of Silverdale Road, a major arterial throughout the locality. As such, the site would provide convenient food and grocery facilities in an easily accessible location.

ii. The composition of the proposed Silverdale Shopping Centre expansion would complement existing facilities within the precinct, including existing retailers. The proposed development would form a natural extension of this precinct.

iii. The high profile site would be very convenient and easily accessible for the local population and passing traffic.

ix. The proposed Silverdale Shopping Centre expansion will complement existing facilities within the locality, with a focus on convenience traders. Surrounding major centres, such as facilities at Penrith and Narellan will continue to form the main destinations for retail shopping, providing a larger range of food and non-food traders in a single location than that planned at the Silverdale site. As a result, the proposed Silverdale Shopping Centre expansion will not diminish the role or function of these larger centres or detract from their vitality.

x. Wollondilly Council identifies a centres hierarchy as recommended by Hill PDA in the Growth Management Strategy 2011. This identifies Warragamba as a Village Centre and Silverdale as a Neighbourhood Centre based on current compositions.

xi. Whilst Warragamba contains the largest retail provision, the area is not ideal for full-line supermarket facilities given the internalised location of the precinct and the distance from other major population centres such, as Mulgoa and Wallacia. Additionally, the dispersed nature of the retail offer and the various ownership titles would make it difficult consolidate into a big box development, with costly acquisitions of land likely to be required.

5.6 Net Community Benefits

i. It is the conclusion of this report that a substantial net community benefit will result from the development of the proposed Silverdale Shopping Centre expansion. Offsetting the trading impacts on some existing retailers, predominantly full-line supermarkets beyond the trade area, there are very substantial positive impacts including the following:

- Significant improvement in the range of convenient food and grocery supermarket and retail facilities that will be available to residents. The addition of the proposed full-line supermarket at Silverdale Shopping Centre will improve choice of location and also allow for price competition.
- Further, residents of the region should be provided with a wider range of conveniently located retail facilities within close proximity to their homes.
- Substantially reduced travel times and fuel costs for the surrounding population.
- The creation of additional employment which will result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is completed and operational. This includes a number of youth employment opportunities, with retail developments generally employing a large number of younger staff. This will be important for the significant and growing family population in the region.

ii. In statistics, sequential analysis or sequential hypothesis testing is statistical analysis where the sample size is not fixed in advance. Instead data is evaluated as it is collected. Sequential testing means that a conclusion may sometimes be reached at a much earlier stage than would be possible with more classical hypothesis testing or estimation. Sequential testing is increasingly being applied in the planning environment, as evidenced by the Retail Policy Review in Victoria.

iii. In terms of the proposed Silverdale Shopping Centre expansion, the results of a sequential test for the economic issues are as follows:

Criteria Question	Result
Is the development in-centre?	Yes
Will the development impact on the established retail hierarchy?	No
Is there land available on site for the proposed development?	Yes
Is there major tenant demand?	Yes
Are other sites available in-centre that could support the proposal?	No
Is there population demand (catchment size)?	Yes
Will the proposal be co-located with other similar facilities?	Yes
Is the proposal consistent with planning strategies?	Yes
Will impacts on existing and future centres be detrimental?	No

iv. On the basis of all of the above, the proposed Silverdale Shopping Centre expansion meets all criteria of a sequential test.

v. It is concluded that the combination of the substantial positive economic impacts serve to more than offset the trading impacts that could be anticipated on a small number of the existing retailers in the region. Further, the impacts would not threaten the viability of any of these retailers or centres.

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