



Hoxton Park Economic Assessment

Lot 29 Cowpasture Road,
Len Waters Estate

PREPARED FOR

Amarino Pty Ltd

April, 2013



Hill PDA

ABN 52 003 963 755
3rd Floor 234 George Street Sydney
GPO Box 2748 Sydney NSW 2001
t. +61 2 9252 8777
f. +61 2 9252 6077
e. sydney@hillpda.com
w. www.hillpda.com



3rd Floor 234 George Street Sydney

GPO Box 2748 Sydney NSW 2001

t. +61 2 9252 8777

f. +61 2 9252 6077

e. sydney@hillpda.com

Level 9, 365 Little Collins St Melbourne

GPO Box 3424 Melbourne VIC 3001

t. +61 3 9642 2449

f. +61 3 9642 2459

e. melbourne@hillpda.com

w. www.hillpda.com

Liability limited by a scheme approved under the Professional Standards Legislation

Pictures on front cover have been sourced from Google images

[illegible]

QUALITY ASSURANCE

REPORT CONTACTS:

Nicholas Hill

BSC Human Geography, Macquarie University

Email: nick.hill@hillpda.com

QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

REVIEWED BY

A handwritten signature in black ink, appearing to read 'Adrian Hack', with a large, stylized initial 'A'.

Adrian Hack

Principal

M. Land Econ. B.Town Planning (Hons). MPIA

Email: adrian.hack@hillpda.com

Dated: March 2013

REPORT DETAILS:

Job Ref No: C13183

Version: Final

Date Printed: 29/04/2013 4:04:00 PM

File Name: C13183 Hoxton Park Economic Assessment

CONTENTS

EXECUTIVE SUMMARY.....	6
1. INTRODUCTION.....	10
1.1 Subject Site	10
1.2 Proposed Development.....	10
1.3 Study Structure.....	11
2. PLANNING & POLICY REVIEW.....	12
2.1 State Planning Policy and Strategies	12
2.2 Local Plans and Policies	14
3. SUPPLY OF RETAIL FLOORSPACE.....	18
3.1 Retail and Commercial Centres Hierarchy	18
3.2 Regional Centre - Liverpool.....	19
3.3 Town Centre – Carnes Hill	20
3.4 Green Valley Stand Alone Shopping Centre	20
3.5 Villages.....	21
3.6 Small Villages.....	21
3.7 Neighbourhood Centres	22
4. DEMAND FOR RETAIL FLOORSPACE	23
4.1 Trade Area Identification	23
4.2 Demographic Analysis.....	24
4.3 Population Projections.....	27
4.4 Forecast Household Retail Expenditure within the Trade Area	28
4.5 Forecast Demand for Retail Floorspace within the Trade Area.....	30
4.6 Sequential Approach	31
5. RETAIL IMPACT ASSESSMENT	32
5.1 Estimated Turnover of Subject Site	32
5.2 Impact From Stage 1.....	32
5.3 Impact from Stage 2.....	34
6. ECONOMIC BENEFITS	36
6.1 Construction Multiplier Effects.....	36
6.2 Construction Employment	37
6.3 Employment in Retail Operations	38
6.4 Shopper Convenience	38
6.5 Added Price Competition.....	38
6.6 Conclusion.....	39
7. NET COMMUNITY BENEFIT TEST.....	40
7.1 Justification for the Proposed Retail Mix	40
7.2 NSW Draft Centres Policy	41

LIST OF FIGURES

Figure 1 - The Subject Site	10
Figure 2 - The Proposed Development	11
Figure 3 - Competitive Environment – Retail Hierarchy.....	19
Figure 4 - Subject Site and Trade Area.....	24
Figure 5 - Subject Site and Trade Area.....	28
Figure 6 - Service Station and Fast Food Locations.....	41

LIST OF TABLES

Table 1 - Dwelling and Job Targets to 2036 (2010).....	13
Table 2 - Centres Hierarchy.....	18
Table 3 - Main Trade Area Population and Dwelling Characteristics (2011)	25
Table 4 - Main Trade Area Household Characteristics (2011)	25
Table 5 - Main Trade Area Employment and Income Characteristics (2011)	26
Table 6 - Trade Area Expenditure Forecast by Broad Commodity Type (\$m2009)	29
Table 7 - Trade Area Expenditure Forecast by Retail Store Type (\$m2009)	29
Table 8 - Floorspace Demand by Store Type in the Main Trade Area 2011 to 2031 (sqm GLA).....	30
Table 9 - Retail Turnover of Proposed Development (\$2011)	32
Table 10 - Stage 1 Impacts: Redirection of Expenditure from Existing Centres (\$m2012)	33
Table 11 - Stages 1 and 2 Maximum Impact Scenario: Redirection of Expenditure (\$m2012)*	34
Table 12 - Economic Multipliers for Stage 1.....	36
Table 13 - Economic Multipliers for Stage 2.....	37
Table 14 - Employment Generation from Construction.....	37
Table 15 - Employment Generation in Retail Operations	38

EXECUTIVE SUMMARY

Introduction (Chapter 1)

This report is an independent Economic Impact Assessment (EIA) in relation to a rezoning of a parcel of land located at Lot 29 Cowpasture road, Hinchinbrook. The planning proposal seeks the rezoning of the Subject Site from IN2 Light Industrial to B6 Enterprise Corridor. The Subject Site comprises 5.3ha of land of which 2.4ha is developable. The proposal is for a service center with highway support retail uses comprising up to 8,000sqm of Lettable Floor Area (LFA).

Planning and Policy Review (Chapter 2)

Metropolitan, Subregional and local planning policies support economic growth by encouraging the development of housing and employment opportunities to meet Sydney's growing population. Competition in the retail sector is encouraged through the Draft SEPP (Competition) (2010) although the NSW Draft Centres Policy (2009) mandates that the protection of existing centres and the preservation of the retail hierarchy is also a priority.

The Liverpool Retail Centres Hierarchy Review was a study conducted by Hill PDA in 2011 at the request of Liverpool City Council. The Study concluded that; estimated expenditure available to retail land uses within Liverpool LGA was \$2bn in 2011, increasing by 44% to approximately \$3bn in 2031; Liverpool LGA demand for retail floorspace is forecast to increase to 511,000sqm by 2031; and Liverpool LGA excluding the SWGC is estimated to have had an undersupply of 20,500sqm of retail floorspace in 2011 increasing to 134,000sqm by 2031.

The Liverpool Business Centre's and Corridors Strategy responded to the findings of a retail hierarchy study prepared by Leyshon Consulting for the Liverpool LGA in 2006. The Strategy recommended that Liverpool North West (the areas of Green Valley, Hinchinbrook, Miller, Sadleir and Heckenberg) would require a medium-scale supermarket in the range of 2,800sqm to 3,000sqm. The Strategy also recommended that total floorspace provided within the SWGC should amount to 275,000sqm. Of this total 160,000sqm would be directed to a major town, 70,000sqm in town centres and 45,000sqm in village and neighbourhood centres.

Competitive Retail Review (Chapter 3)

Carnes Hill Town Centre is situated approximately 2.1km or a 3 minute drive¹ south of the Subject Site on Cowpasture Road. Carnes Hill Marketplace provides 17,124sqm (GLA) of retail floorspace². Anchor tenants include Big W (7,301sqm), Woolworths (4,414sqm) and Dan Murphy's Liquor (1,438sqm). There is also an additional 46 specialty shops (inclusive of a McDonalds) that provide around 3,971sqm of floorspace.

¹ Google Maps

² Shopping Centre Directory 2011/2012

Valley Plaza is located approximately 4.3km or a 7 minute³ drive north of the Subject Site and provides 12,748sqm of retail floorspace⁴. The Centre is anchored by Coles (3,561sqm) and Woolworths (2,271sqm), which are supported by 32 specialty shops (inclusive of a McDonalds) providing 6,916sqm of floorspace.

There are a number of other village and neighbourhood centres with localised trade areas in the locality including Cecil Hills, Miller, Austral and Hoxton Park.

Demand for Retail Floorspace (Chapter 4)

A Trade Area for the Subject Site incorporates the suburbs of Hoxton Park, West Hoxton, Middleton Grange, Horningsea Park, Hinchinbrook, Green Valley, Elizabeth Hills, Cecil Hills and Bonnyrigg Heights. The demographic characteristics of the residents residing within the Trade Area are different to that of the wider Liverpool LGA. The residents within the Trade Area are indicative of younger families with higher job skills. This is evident by the higher home ownership levels, higher levels of persons living in family households, higher couple families with children and persons living in separate houses. Residents within the Trade Area are a little more affluent than those in the wider LGA. Higher income levels translate to higher retail spend levels and hence stronger demand for retail space

Based on growth in population and affluence within the Trade Area, total expenditure is forecast to increase from \$728m to \$1,381m (an increase of \$653m or 90%) from 2011 to 2031. In particular fast food store, restaurants, hotels and clubs expenditure is expected to increase from \$110m in 2011 to \$208m by 2031. This represents an increase of \$98m or 90% over that 20 year period.

Trade Area residents will demand an additional 90,000sqm of retail floorspace by 2031. Of this almost 13,000sqm or 14% will be additional fast-food stores, restaurants and dining areas in hotels and clubs. The development of the service centre within the Subject Site will meet some of this demand without undermining the viability of any existing or proposed centre in the locality.

The subject site is uniquely placed with quick and easy access via Cowpastue Rd to the M7 motorway. The rezoning of Subject Site to Enterprise Corridor (B6) would enable the development of a service centre with highway support retail facilities, and make more efficient and effective use of the land.

The location of the Subject Site to Cowpasture Road and the close proximity of on and off ramps to the M7 motorway allowing quick and efficient access to the motorway is the most sequentially preferable site for the uses proposed by the development.

Retail Impact Assessment (Chapter 5)

The retail impact assessment indicates that the proposed development would not have any undue impacts on the vitality or viability of any centre in the locality. The Subject Site would serve a role of a highway service centre with retail uses that are indicative of this role. There may be the option for some bulky goods in the form of a large format store and possible light industrial uses within Stage 2. We have

³ Google Maps

⁴ Shopping Centre Directory 2011/2012

examined a near highest impact scenario within Stage 2 by assuming a 1,600sqm large format food and grocery store and the balance being taken up with bulky goods retailing.

The estimated retail sales or turnover of the proposed centre is in the order of \$7.2m for Stage 1 and a maximum of \$39m for Stages 1 and 2 combined assuming Stage 2 is fully occupied by retail uses. We expect (in a high impact scenario) that 60% of Stage 1 turnover (\$4.3m) would be derived from residents within the Trade Area. The remaining 40% (\$2.9m) would be generated by passing traffic on the M7 motorway and Cowpasture Road.

The proposed development will have no significant impact on the surrounding centres because:

- It will be a motorway based outlet that will rely on a significant proportion of its trade to come from motorway and highway passing trade;
- It will exclude any full-line supermarket that directly competes with the town and village centres in the locality;
- It's Stage 2 uses will relate to home improvements, bulky goods and large format type retailers having a very thin and wide trade area that does not compete with the "chore shopping" roles of town and village centres;
- **There is sufficient growth in demand to justify the development of a 1,600sqm food and grocery store within Stage 2;**
- No centre will experience an immediate loss in trade of greater than 5% which is insignificant; and
- Significant growth in the locality will more than make good for any short term losses.

Economic Benefits (Chapter 6)

A range of additional economic benefits associated with the proposed rezoning and subsequent development are identified as:

- Direct capital investment of an estimated \$6m for Stage 1 and \$4m for Stage 2, providing wider direct and indirect multiplier benefits of \$28m;
- The creation of 164 job years directly and indirectly during the construction process (Stages 1 and 2);
- Supporting an estimated 191 full time and part time jobs in retail;
- Increasing shopper convenience by providing an accessible service centre which is a direct response to floorspace demand; and
- Increased price competition.

Net Community Benefit Test (Chapter 7)

The proposed rezoning would deliver a net community benefit through a range of means including:

- Providing a direct response to retail demand resulting from population growth in the South West Growth Centre;
- Providing highway support services uses which is easily accessible for residents of the trade area which it would serve as well as motorists on the M7 motorway and Cowpasture Rd;

- Being acceptable in terms of economic impact on other existing and potential / planned centres in the surrounding area; and
- Reducing the need for residents and motorway patrons to travel by car and/or reducing the distance of travel by car thereby making a strong contribution towards ESD principles.

The proposal relates to the adaptation of land currently zoned IN2 Light Industrial to B6 Enterprise Corridor. The site is suitably located for the purpose of service centre with highway supportive retail uses due to the adjacent Cowpasture road with the planned intersection opposite the Hoxton Distribution Centre and the close proximity to on and off ramps to the M7 motorway. **For this purpose the inclusion of takeaway food services, restaurants, service station and other small neighbourhood shops are warranted as they provide a supportive role to highway users.** The development of a service centre in this location would increase efficiency and the length and/or frequency of trips for residents in the locality. This would be a benefit to the residents of the trade area as well as the future residents of the SWGC.

1. INTRODUCTION

Hill PDA has been commissioned by Amarino Pty Ltd to undertake an Economic Impact Assessment (EIA) to support a planning proposal which seeks to rezone land located Lot 29 Cowpasture Road Hinchinbrook, in order to enable the development of a service centre with highway related fast food retailing onsite. The Site which is subject to the rezoning planning proposal (hereafter referred to as the “Subject Site”) is located adjacent to Cowpasture Road and the M7 Motorway situated within Liverpool Local Government Area (LGA). The planning proposal seeks the rezoning of the Subject Site from IN2 Light Industrial to B6 Enterprise Corridor.

1.1 SUBJECT SITE

The Subject Site comprises approximately 2.4ha of developable land and is located just south of the former Hoxton Aerodrome Site. The Subject Site is bounded by Cowpasture Road to the north and west, Twenty First Avenue (unformed road) to the south and Hinchinbrook Creek to the east. The Subject Site is currently zoned IN2 Light Industrial under the Liverpool Local Environmental Plan 2008 (LLEP 2008).

The location of the Subject Site is shown in Figure 1 below.

Figure 1 - The Subject Site



Source: Map produced by Hill PDA using MapInfo 11.5 software and Microsoft Bing © 2013 Microsoft Corporation

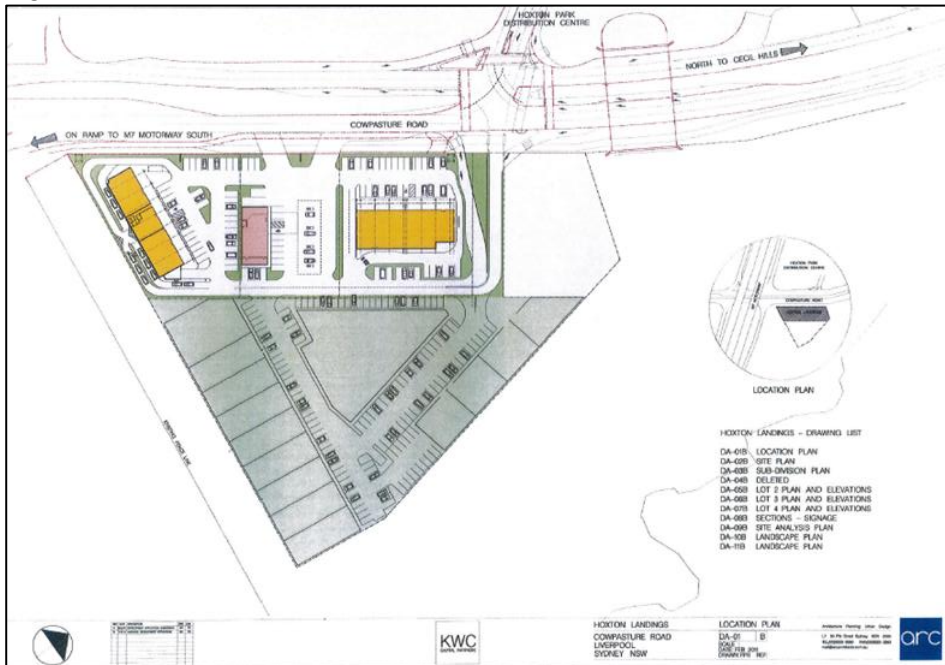
1.2 PROPOSED DEVELOPMENT

The Subject Site is to be developed in two stages with Stage 1 fronting Cowpasture Road and comprises approximately 8,000sqm Gross Lettable Area (GLA) over 4 subdivisions. Stage 1 will comprise such retail uses indicative of a service centre with highway related retail uses such as fast food restaurants, service station and neighbourhood shops comprising a Lettable Floor Area (LFA) of 1,500sqm. Stage 2 is located in the southern proportion of the Subject Site and could accommodate up to 6,500sqm (GLA) of bulky goods, automotive services

or a large format type store. For the purpose of the impact assessment we have modelled a highest impact scenario by assuming a 1,500sqm food and grocery retailer and 5,000sqm of bulky goods retailing.

A sketch plan of the proposed development is shown in the figure below.

Figure 2 - The Proposed Development



Source: Architecture Planning Urban Design (arc) Site Plan

1.3 STUDY STRUCTURE

The Study is set out in the following manner:

- Chapter 2 undertakes an assessment of the planning and legislative background relevant to consideration of economic impact;
- Chapter 3 undertakes a review of existing retail floorspace within the area surrounding the subject site to identify any centres and retail facilities which may be impacted upon by the proposed development;
- Chapter 4 defines a Main Trade Area (MTA) for the proposed development and analyses the demographic composition of residents within this area, based on the ABS Census 2011;
- Chapter 5 assesses demand or need for retail floorspace in the main trade area as a result of expenditure and population growth and preforms a sequential approach to ascertain whether the floorspace could / should be accommodated within an existing centre;
- Chapter 6 considers a range of other economic impacts which would eventuate from the proposed development such as employment, economic multipliers and so on; and
- Chapter 7 undertakes a net community benefit test considering the positive and negative attributes to the community which would eventuate from the proposed rezoning and subsequent development of the Subject Site to determine the extent to which it would deliver a net positive impact.

2. PLANNING & POLICY REVIEW

This Chapter undertakes an appraisal of the planning and legislative context relevant to economic impact based on State, Metropolitan, Subregional and local planning guidelines.

2.1 STATE PLANNING POLICY AND STRATEGIES

NSW 2021- A Plan to Make NSW Number One (2011)

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

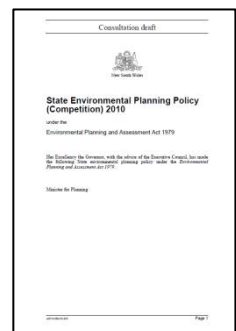


The Plan comprises five key strategies. The main strategy that is of relevance to the proposed redevelopment of the Subject Site is “*Rebuild the Economy*” which seeks to secure new jobs and ensure that more land is made available for housing in order to support economic growth.

The NSW 2021 Plan sets a target of +60,000 new jobs in Sydney by 2021 and +25,000 new dwellings annually to 2031. The NSW 2021 Plan highlights that housing development opportunities within the Metropolitan area will play a key role in the future economic growth of NSW. Housing is thus recognised as a contributor towards economic development.

Draft SEPP (Competition) (2010)

Following a review undertaken by the DoPI and the Better Regulation Office into how economic growth and competition were impacted by the planning system, a new Draft State Environmental Planning Policy (SEPP) has been prepared and was placed on public exhibition in July 2010.



The proposed state-wide planning policy removes artificial barriers on competition between retail businesses. The new Draft SEPP proposes:

- The commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications;
- The likely impact of a proposed development on the commercial viability of other individual businesses may also not be considered unless the proposed development is likely to have an overall adverse impact on the extent and adequacy of local community services and facilities, taking into account those to be provided by the proposed development itself; and
- Any restrictions in local planning instruments on the number of a particular type of retail store in an area, or the distance between stores of the same type, will have no effect.

Metropolitan Plan for Sydney 2036

The NSW Department of Planning and Infrastructure's (DoPI's) Metropolitan Plan for Sydney 2036 was released in December 2010. The Plan aims to shape the future growth of Sydney to 2036 ensuring a more resilient, compact, connected, multi-centred and sustainable city. The Metropolitan Plan integrates land use and transport planning by integrating the Metropolitan Transport Plan, which was published for consultation earlier in 2010.



The Plan anticipates Sydney's population will reach close to 6 million by 2036. To accommodate this population growth, land use service provision and infrastructure capacity must be planned to provide for +769,000 additional homes and +760,000 additional jobs by 2036.

Under Objective E1 of the Plan half of these jobs are planned for Western Sydney to match population growth. Also under the objective the Department of Planning estimates that around 5 million square metres of additional retail space will be required in Sydney to meet growth in demand to 2036.

Of relevance to this Study the Plan nominates an additional +155,000 dwellings and +89,000 additional jobs for the South West Subregion (of which the City of Hoxton Park is part) between 2006 and 2036.

The Plan forecasts that an additional 10 million sqm of additional commercial floorspace and 5 million sqm of additional retail floorspace will be required across Sydney by 2036 in order to cater for employment growth and increasing demand. The focus for accommodating employment growth will be in centres, particularly those on the public transport network.

Table 1 - Dwelling and Job Targets to 2036 (2010)

Subregion	New Dwelling Additions Target 2006 to 2036	% Share	New Job Growth Target 2006 to 2036	% Share
Sydney City	+ 61,000	7.9%	+114,000	15.0%
East	+ 23,000	3.0%	+31,000	4.1%
South	+ 58,000	7.5%	+52,000	6.8%
Inner West	+ 35,000	4.6%	+25,000	3.3%
Inner North	+ 44,000	5.7%	+62,000	8.2%
North	+ 29,000	3.8%	+15,000	2.0%
North East	+ 29,000	3.8%	+23,000	3.0%
West Central	+ 96,000	12.5%	+98,000	12.9%
North West	+169,000	22.0%	+145,000	19.1%
South West	+155,000	20.2%	+141,000	18.6%
Central Coast	+ 70,000	9.1%	+54,000	7.1%
Total	+769,000	100.0%	+760,000	100.0%

Source: Metropolitan Plan for Sydney 2036, NSW Department of Planning (2010)

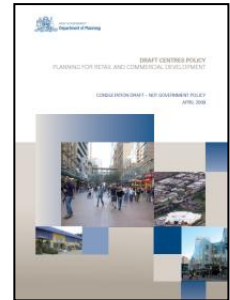
NSW Draft Centres Policy (2009)

Over the past few years there has been a growing awareness and investigation of barriers to competition in Australia, particularly in the retail industry. As a result of these investigations the Australian Government directed state governments and planning authorities to review the flexibility of planning regulations and policies regarding

retail development. In response the DoPI released the draft Centres Policy in April 2009. The draft Centres Policy has been publicly exhibited.

The draft Centres Policy focuses around six key principles. The principles relate to:

1. The need to reinforce the importance of centres and clustering business activities;
2. The need to ensure the planning system is flexible, allows centres to grow and new centres to form;
3. The market is best placed to determine need. The planning system should accommodate this need whilst regulating its location and scale;
4. Councils should zone sufficient land to accommodate demand including larger retail formats;
5. Centres should have a mix of retail types that encourage competition; and
6. Centres should be well designed to encourage people to visit and stay longer.

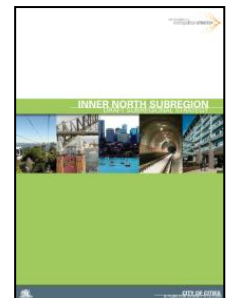


The draft Centres Policy requires that a net community benefit test be undertaken for all rezoning applications seeking to facilitate retail or commercial floorspace. A 'net community benefit' is deemed to arise when the sum of the benefits of a rezoning are greater than the sum of all costs from a community perspective. The net community benefit test forms a separate report in the rezoning submission package.

Draft South West Subregional Strategy (2008)

The DoPI's draft South West Subregional Strategy relates to the LGAs of Camden, Campbelltown, Liverpool and Wollondilly.

The Draft Subregional Strategy provides a number of targets, aims and objectives to be achieved by 2031. These include planning for 89,000 new jobs, of which some 35,000 jobs (39% of the Subregional total) are expected to be accommodated in the Liverpool LGA.



The Draft Subregional Strategy seeks to focus the majority of new economic development on defined Strategic Centres. Enterprise Corridors are recognised as supporting the role of strategic centres by accommodating start-up businesses, showrooms, building supplies, small retail outlets and bulky goods clusters which do not always 'fit' in Strategic Centres.

We also note that, in line with the Metropolitan Plan for Sydney 2036, the Draft Subregional Strategy requires 155,000 new dwellings be accommodated in the South West over the lifespan of the Strategy (2004–2031). The major contributor to this growth in dwellings numbers is the South West Growth Centre (SWGC)..

2.2 LOCAL PLANS AND POLICIES

Liverpool Local Environment Plan 2008

The Liverpool Local Environmental Plan 2008 (Liverpool LEP) currently provides the planning framework for the assessment of this development proposal. The Subject Site is zoned in the Liverpool LEP as:

- IN2 – Light Industrial;

The objectives of the IN2 zoning are:

- To provide a wide range of light industrial, warehouse and related land uses.
- To encourage employment opportunities and to support the viability of centres.
- To minimise any adverse effect of industry on other land uses.
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.
- To allow other land uses that are compatible with industry and that can buffer heavy industrial zones while not detracting from centres of activity.

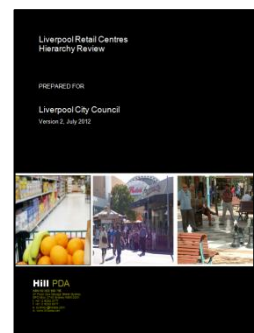
The planning proposal is seeking the rezoning of the Subject Site to B6, the objectives of the B6 Enterprise Corridor zoning are:

- To promote businesses along main roads and to encourage a mix of compatible uses.
- To provide a range of employment uses (including business, office, retail and light industrial uses).
- To maintain the economic strength of centres by limiting the retailing activity.
- To provide primarily for businesses along key corridors entering Liverpool city centre, major local centres or retail centres.
- To ensure residential development is limited to land where it does not undermine the viability or operation of businesses.
- To provide for residential uses, but only as part of a mixed use development.

Liverpool Retail Centres Hierarchy Review (2012)

The Liverpool Retail Centres Hierarchy Review was a study conducted by Hill PDA in 2011 at the request of Liverpool City Council. The Study considered the existing retail hierarchy in Liverpool LGA, the changing nature of these centres over the coming years as the population and affluence increases, residential land release in the South West Growth Centre (SWGC) and the development of Leppington Major Centre which will accommodate some 120,000sqm of retail, commercial and bulky goods floorspace upon completion⁵. The Strategy notes that:

- Estimated expenditure available to retail centres within Liverpool LGA was \$2bn in 2011, increasing by 44% to approximately \$3bn in 2031;
- After 2016 the proportion of trade captured from SWGC precincts in Liverpool LGA (i.e. Kemps Creek, North Rossmore, Austral, Leppington North, Rossmore, Bringelly, North Bringelly and Edmondson Park) reduces to account for new centres which will be developed (i.e. Leppington Major Centre); and
- Liverpool LGA excluding the SWGC is estimated to have had an undersupply of 20,500sqm of retail floorspace in 2011 increasing to 134,000sqm by 2031.

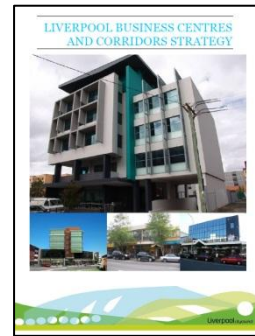


⁵ Leppington Major Centre Indicative Layout Plan (2011)

Liverpool Business Centres and Corridors Strategy (2006)

The Liverpool Business Centres and Corridors Strategy responded to the findings of a retail hierarchy study prepared by Leyshon Consulting for the Liverpool LGA in 2006. In terms of retail retailing the Strategy notes that:

“As a result of this rapid population growth, demand for retail floor-space in the LGA is certain. This demand will be addressed by the development of new centres or through the expansion of existing centres. Demand for general retail floorspace, supermarket floorspace and bulky goods floorspace will likely increase in tandem with population growth.”



The recommended retail floorspace for the areas identified within the Strategy are as follows;

- Liverpool CBD is expected to require an additional 68,140sqm of retail floorspace between 2006 and 2031;
- Liverpool Central (the areas of Warwick Farm and Lurnea) would benefit from a new supermarket anchored centre with a total retail floorspace of 5,000sqm between 2006 and 2031;
- Liverpool North West (the areas of Green Valley, Hinchinbrook, Miller, Sadleir and Heckenberg) would require a medium-scale supermarket in the range of 2,800sqm to 3,000sqm;
- Liverpool North West would require a new centre built of around 1.5 to 2 hectares in size located away from the existing centres of Carnes Hill Hinchinbrook and Miller shopping centres to insure minimal impact;
- The Strategy recommended that Miller or the Valley Plaza should increase its retail floorspace by an additional 5000sqm and a new local centre with 5,000sqm retail floorspace;
- Liverpool South West (the areas of Hoxton Park, West Hoxton, Prestons, Edmondson Park and Casula) would require an additional 47,138sqm of retail floorspace between 2006 and 2031 of which a significant proportion will be redirected to Liverpool CBD;
- The shopping centre required at Middleton Grange should comprise 5,000sqm of retail floorspace with 500sqm being comprised of homemaker style floorspace;
- Carnes Hill shopping centre should be supplemented with an additional 5,000sqm;
- Liverpool East (the areas of Moorebank, Wattle Grove, Pleasure Point, Holsworthy, Hammondville and Chipping Norton) is expected to demand an additional 30,147sqm of retail floorspace between 2006 and 2031 of which 12,189sqm would be redirected to Liverpool CBD;
- Moorebank would be suited to take the role of the dominate centre within the area, it was recommended that Moorebank should increase by 4,000sqm, Chipping Norton by 3,000sqm and Holsworthy by 1,300sqm between 2006 and 2031;
- The urban release area of Edmondson Park would require 11,800sqm of retail floorspace of this 5,400sqm would be a supermarket, 3,900sqm for other retailing and 2,500sqm for other non-retail uses;

- The South West Growth Centre (SWGC) would require a Village Centre of 5,000sqm constructed within the suburbs of Austral, Kemps Creek, Leppington North, Leppington West, Rossmore, Bringelly and North Bringelly;
- Total floorspace provided within the SWGC should amount to 275,000sqm. Of this total 160,000sqm would be directed to a major town, 70,000sqm in town centres and 45,000sqm in neighbourhood centres; and
- The Strategy states that this demand is to be met within existing bulky goods retail nodes within Liverpool LGA. It identifies three main bulky goods clusters in the LGA, Casula Crossroads Centre, Orange Grove Road and Warwick Farm.

3. SUPPLY OF RETAIL FLOORSPACE

This Chapter examines the retail hierarchy around the Subject Site to determine the extent of existing and planned future retail provision. Understanding the extent of existing provision is also crucial in quantifying the economic impacts which may eventuate from the proposed development on centres and retail facilities. The information within this Chapter has been sourced from previous Hill PDA reports, the Property Council of Australia's Shopping Centres Directory (2011/2012), Shopping Centre News and the Draft South West Subregional Strategy (2007).

3.1 RETAIL AND COMMERCIAL CENTRES HIERARCHY

The table below identifies the defined role and hierarchy of relevance to this Study based on the Draft South West Subregional Strategy. Note that only centres which may influence the Subject Site or its potential trade area have been listed in the table, it does not include all of the centres in the South West Subregion.

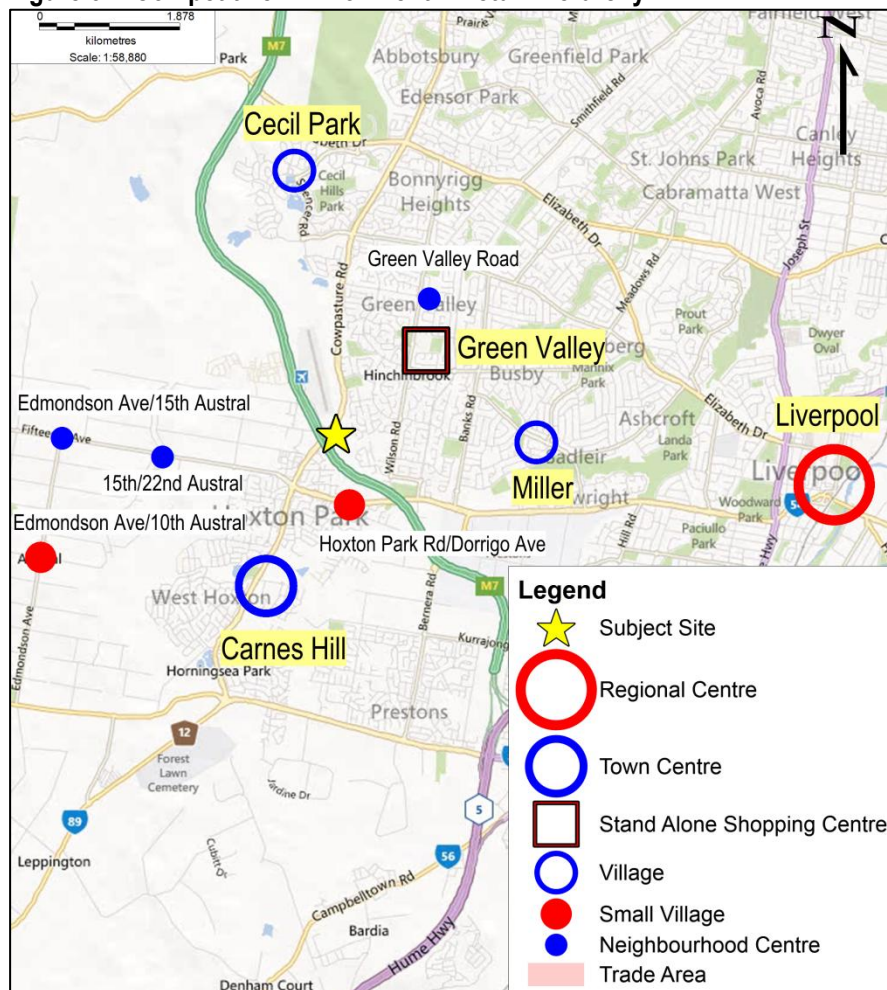
Table 2 - Centres Hierarchy

Typology	Characteristics	Centres
Regional City	Providing a full range of business, government, retail, cultural, entertainment and recreational activities, they are a focal point where large, growing regions can access good jobs, shopping, health, education, recreation and other services and not have to travel more than one hour per day.	Liverpool
Town Centre	Town Centres have one or two supermarkets, community facilities, medical centre, schools, etc. Contain between 4,500 and 9,500 dwellings. Usually a residential origin than employment destination	Carnes Hill
Stand Alone Shopping Centre	Internalised, privately owned centres located away from other commercial areas, containing many of the attributes of a Town Centre but without housing or public open space—may have potential to become a traditional town centre in the long-term.	Green Valley
Village	A strip of shops and surrounding residential area within a 5 to 10 minute walk contains a small supermarket, hairdresser, take-away food shops. Contain between 2,100 and 5,500 dwellings	Cecil Hills and Miller
Small Villages	A small strip of shops and adjacent residential area within a 5 to 10 minute walk. Contain between 800 and 2,700 dwellings	Edmondson Avenue/10 th , Austral and Hoxton Park Road/Dorrigo Avenue
Neighbour-hood Centres	One or a small cluster of shops and services. Contain between 150 and 900 dwellings	15 th /22 nd , Austral, Edmondson Avenue/15 th , Austral and Green Valley Road

Source: Draft South West Draft Subregional Strategy, NSW Department of Planning (2007)

The location of these centres is depicted in the following figure. Each of the centres identified is examined individually in the remainder of this Chapter.

Figure 3 - Competitive Environment – Retail Hierarchy



Map produced by Hill PDA using MapInfo 11.5 software and Microsoft Bing © 2013 Microsoft Corporation

3.2 REGIONAL CENTRE - LIVERPOOL

Liverpool Major Centre or CBD has the greatest concentration of shop front floorspace in Liverpool LGA equivalent to almost 150,000sqm⁶ (GLA). The CBD is dominated by Westfield Liverpool with around 83,315sqm (GLA)⁷ of retail and commercial shop front floorspace. Liverpool Major Centre is located approximately 7.4km or a 9 minute drive⁸ to the east of the Subject Site.

Westfield Liverpool's major anchors include Myer (18,766sqm), Target (8,291sqm), Big W (8,250sqm), Coles (3,876sqm), Woolworths (3,659sqm), Toys R Us (3,260sqm), and Best & Less (1,189sqm). There are also 326 specialty shops that total around 38,236sqm (GLA). The Centre also includes non-retail uses including a 7,800sqm cinema complex. The last major redevelopment of the centre was in 2006/7 when a second discount department store (Big W) and various specialties were added.

⁶ Hoxton Park EIA, Hill PDA 2010

⁷ Property Council of Australia, 2010

⁸ Google Maps

According to the latest Shopping Centre News (SCN) Big Guns survey, Westfield Liverpool achieved a turnover of \$456m in 2011⁹. This equates to a turnover per square metre of \$5,891/sqm which is 13% below the median for all Big Gun centres in Australia (a 'Big Gun' is defined by SCN as comprising are those centres with a GLA in excess of 45,000sqm).

Other retail and commercial floorspace in Liverpool CBD includes Liverpool Plaza on Macquarie Street. The Plaza is classified as a neighbourhood shopping centre (using PCA definitions 2011/2012) and has a total area of 6,661sqm (GLA). The Centre is anchored by a 1,300sqm Franklins, which is supported by 17 specialty shops (5,073sqm).

The Leyshon Liverpool City Retail Centres Hierarchy Review (December 2006)¹⁰ indicated there was around 50,000sqm to 55,000sqm of shop front floorspace located outside of Westfield Liverpool in the remainder of Liverpool CBD. Much of this space is located on Macquarie Street, George Street, Memorial Avenue, Northumberland Street and Moore Street.

A Hill PDA 2010 survey indicated around 61% of shop front space in Liverpool CBD outside Westfield was attributed to retail uses, with 33% occupied by shop front commercial, and the remaining 6% being vacant.

3.3 TOWN CENTRE – CARNES HILL

Carnes Hill is situated approximately 2.1km or a 3 minute drive¹¹ south of the Subject Site on Cowpasture Road. Carnes Hill Marketplace provides 17,124sqm (GLA) of retail floorspace¹². Anchor tenants include Big W (7,301sqm), Woolworths (4,414sqm) and Dan Murphy's Liquor (1,438sqm). There is also an additional 46 specialty shops that provide around 3,971sqm of floorspace.

The latest SCN Mini Guns survey indicates that Carnes Hill Marketplace had a turnover of \$131.03m for the August 2011 to July 2012 period. This ranked it 15th out of the 166 Mini Gun centres in Australia (i.e. shopping centres with a GLA in excess of 6,000sqm but less than 20,000sqm). In terms of turnover per square metre, it achieves \$8,063 per sqm which ranks it 86th nationally and is comparable to the median for all Mini Gun centres.

3.4 GREEN VALLEY STAND ALONE SHOPPING CENTRE

Valley Plaza is a neighbourhood centre and is located approximately 4.3km or a 7 minute¹³ drive north of the Subject Site. It provides 12,748sqm of retail floorspace¹⁴ and is anchored by Coles (3,561sqm) and Woolworths (2,271sqm), which are supported by 32 specialty shops (6,916sqm).

Property Council of Australia data indicates that the centre had a turnover of \$75.8m in 2012, which equates to a turnover per sqm of some \$8,240/sqm.

⁹ SCN Big Guns 2012

¹⁰ Liverpool Retail Centres Hierarchy Review, Leyshon Consulting (2006)

¹¹ Google Maps

¹² Shopping Centre Directory 2011/2012

¹³ Google Maps

¹⁴ Shopping Centre Directory 2011/2012

3.5 VILLAGES

Cecil Hills Village Centre

Cecil Hill Shopping Centre is located 6km or a 9 minute¹⁵ drive north of the Subject Site. In 2011 a Hill PDA floorspace survey found that Cecil Hills Shopping Centre contained around 3,100sqm of retail floorspace in 14 retail premises. It is anchored by a Woolworths supermarket (1,700sqm) and Woolworths Liquor (150sqm).

Miller Village Centre

Miller Shopping Village is 5.8km or an 8 minute¹⁶ drive east of the Subject Site. The centre provides some 9,653sqm of retail floorspace including a Woolworths (3,551sqm) and a Franklins (1,543sqm)¹⁷. Outside of the shopping centre is an additional 2,030sqm of retail floorspace based on a Hill PDA survey conducted in 2011.

3.6 SMALL VILLAGES

Austral Small Village Centre

Austral Small Village Centre is located 5.6km or a 7 minute drive¹⁸ south west of the Subject Site on the corner of Edmondson Avenue and Tenth Avenue. The centre provides in the order of 3,260sqm of retail floorspace based a Hill PDA survey conducted in 2011, including an IGA supermarket of around 1,090sqm. The role of the centre is likely to change significantly in the future as the SWGC is developed.

Hoxton Park Road/ Dorrigo Avenue Small Village Centre

This Small Village Centre is located 1.6km or a 3 minute drive¹⁹ south of the Subject Site. It contains in the order of 1,139sqm of retail floorspace based on a Hill PDA survey conducted in 2011 and provides a range of retail goods and services. These include a number of convenience stores, grocer, a doctors surgery, an Australia Post outlet and several pharmacies but no supermarket.

¹⁵ Google Maps

¹⁶ Google Maps

¹⁷ Property Council of Australia Shopping Directory 2011

¹⁸ Google Maps

¹⁹ Google Maps

3.7 NEIGHBOURHOOD CENTRES

Green Valley Road

Green Valley Road is classified as a neighbourhood centre within the Draft South West Subregional Strategy 2007 and is located 4.9km or an 8 minute drive²⁰ north of the Subject Site. Green Valley Road provides 2,325sqm²¹ of retail floorsapce containing 18 tenancies of which Little Bottler is a key tenant.

Fifteenth and Twenty Second Avenue, Austral

Fifteenth and Twenty Second Avenue, Austral is classified as a neighbourhood centre within the Draft South West Subregional Strategy 2007 and is located 2.4km or a 4 minute drive²² west of the Subject Site. The neighbourhood centre provides around 1,400sqm of floorspace²³ and serves a top up roll for the surrounding residents.

Edmondson Avenue and Fifteenth Avenue, Austral

Edmondson Avenue and Fifteenth Avenue, Austral is classified as a neighbourhood centre within the Draft South West Subregional Strategy 2007 and is located 5.5km or a 7 minute drive²⁴ south of the Subject Site. The neighbourhood centre provides around 2,600sqm²⁵ and contains an IGA as its anchor tenant.

²⁰ Google Maps

²¹ Hill PDA Floorspace Survey December 2011

²² Google Maps

²³ Measured using Department of Lands Sixviewer

²⁴ Google Maps

²⁵ Measured using Department of Lands Sixviewer

4. DEMAND FOR RETAIL FLOORSPACE

This chapter examines demand for the proposed retail space by determining the likely trade area for the proposed development and forecasting retail expenditure generated by households within that trade area given their socio-demographic character and household growth forecasts.

4.1 TRADE AREA IDENTIFICATION

To assess retail demand a trade area must first be defined for the proposed development. For the purpose of this assessment, the trade area can be understood as the geographical area where residents would spend the majority of their regular shopping (in particular food, groceries and liquor) at the proposed retail facilities.

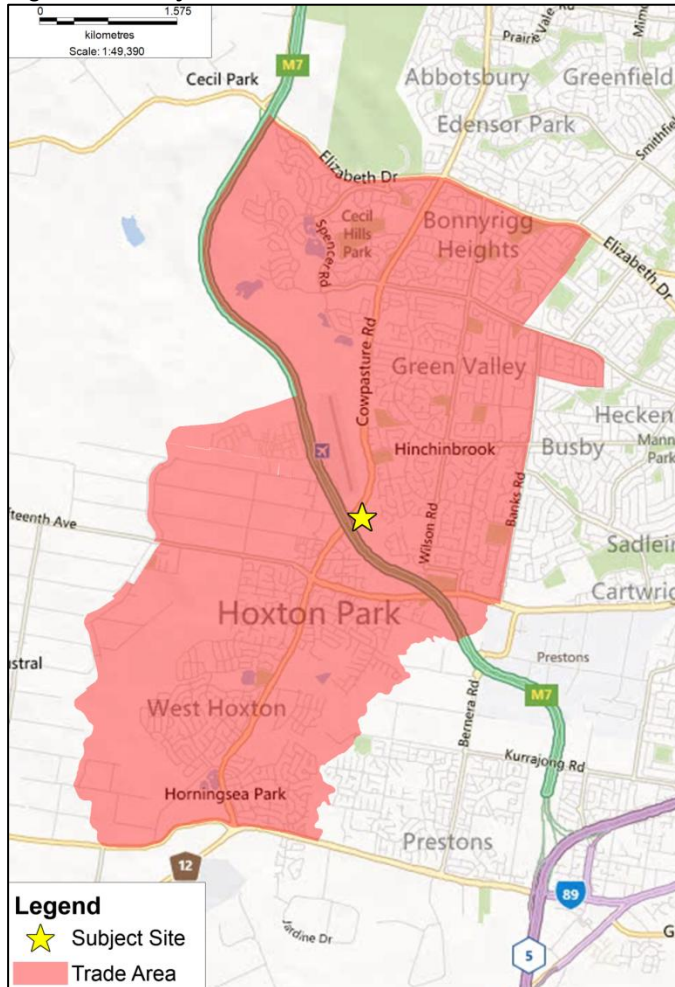
Within this context, the extent of the trade area is dependent upon a range of factors including:

- The strength and attraction of the proposed development in question, determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre;
- Competitive retail centres, particularly their proximity to the subject centre and respective sizes, retail offer and attraction;
- The location and accessibility of the centre, including the available road and public transport network and travel times; and
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

Having regarded the above, the amount of floorspace proposed within the development and the role the service centre will provide we defined a Trade Area to incorporate the suburbs of Hoxton Park, West Hoxton, Middleton Grange, Horningsea Park, Hinchinbrook, Green Valley, Elizabeth Hills, Cecil Hills and Bonnyrigg Heights. The Trade Area is bounded to the north by Elizabeth Drive, to the east by Cabramatta Creek, Bank Road and the LPT Way, to the west by the M7 motorway and the Sydney Water Supply Channel and to the south by Bringelly Road and Camden Valley Road. Residents within the Trade Area are within an 8 minute drive²⁶ from the proposed development.

The extent of the Trade Area is shown in Figure 4.

²⁶ Google Maps

Figure 4 - Subject Site and Trade Area

Source: Map produced by Hill PDA using MapInfo 11.5 software and Microsoft Bing © 2013 Microsoft Corporation

4.2 DEMOGRAPHIC ANALYSIS

Demand for retail floorspace is dependant not only on the number of households in the Trade Area but also the demographic characteristics of those households. This Section examines data from the 2011 ABS Census for the suburbs which comprises the Trade Area. This demographic data is then compared to Liverpool LGA and Greater Sydney²⁷ in order to provide a snapshot of the demographic characteristics of the resident population of the Trade Area.

Data sources used in this section include the Australian Bureau of Statistics (ABS) 2011 census and the Bureau of Transport Statistics (BTS).

The table below provides a summary of the population and dwelling characteristics of the suburbs which constitute the Trade Area with further analysis of Liverpool LGA and Greater Sydney.

²⁷ Source: Based on the ABS Greater Capital City Statistical Areas (GCCSAs) for Sydney– The GCCSAs represent the socio-economic extent of each of the eight State and Territory capital cities The GCCSAs combined with the 'Rest of State' regions cover the whole of Australia without gaps or overlaps and aggregate directly to State/Territory

Table 3 - Main Trade Area Population and Dwelling Characteristics (2011)

Characteristic	Trade Area	Liverpool LGA	Greater Sydney
Population and Dwellings			
Total Population	59,849*	180,142	4,391,676
Total Private Dwellings	16,032	58,563	1,720,333
Occupied Private Dwellings	15,598	55,958	1,640,199
Occupied Private Dwellings (%)	97%	96%	95%
<i>Average Household Size</i>	3.8	3.2	2.7
Age Distribution			
0-14	24%	23%	19%
15-29	23%	22%	21%
30-44	23%	22%	23%
45-59	20%	19%	19%
60-74	8%	10%	12%
75+	2%	4%	6%
<i>Median Age</i>	30 – 34**	33	36

Source: ABS Census 2011

* Population Based on BTS 2010 Population Projections

**Range of suburbs included within the Trade Area

From the above table it can be determined that:

- The proportion of occupied private dwellings in the Trade Area (97%) was greater than the proportion recorded for Liverpool LGA (96%) and Greater Sydney (95%);
- The average household size in the Trade Area (3.8) was significantly higher than Liverpool LGA (3.2) and Greater Sydney (2.7);
- The Trade Area contained a greater proportion of residents within the age cohorts of 0-14 years, 15-29 years and 30-44 years (70%) and a lower proportion within the oldest age cohort of 75+ years (2%) compared to Greater Sydney (63% and 6% respectively); and
- Residents within the Trade Area were on average slightly younger than Liverpool LGA and considerably younger than Greater Sydney as indicated by the median age.

The following table details household characteristics of residents in Trade Area compared to Liverpool LGA and Greater Sydney.

Table 4 - Main Trade Area Household Characteristics (2011)

Characteristic	Trade Area	Liverpool LGA	Greater Sydney
Home Ownership			
Owned or Being Purchased	75%	66%	65%
Rented	21%	30%	32%
Household Structure			
Family Households	91%	82%	73%
Lone Person Households	8%	16%	23%
Group Households	1%	2%	4%
Family Type			

Couple family w. children	62%	57%	49%
Couple family w/o children	19%	24%	33%
One parent family	18%	18%	16%
Other family	1%	1%	2%
Dwelling Type			
Separate house	87%	75%	61%
Townhouse	12%	12%	13%
Flat-Unit-Apartment	1%	13%	26%

Source: ABS Census 2011

The data presented above indicates that:

- Home ownership within the Trade Area was significantly higher (75%) than Liverpool LGA (66%) and Greater Sydney (65%);
- The Trade Area recorded a much greater proportion of family households (91%) compared to Liverpool LGA (82%) and Greater Sydney (73%) in 2011;
- The proportion of lone person households within the Trade Area (8%) was significantly lower than Liverpool LGA (16%) and Greater Sydney (23%) in 2011.
- The proportion of couple families with children recorded within the Trade Area (62%) in 2011 was higher than Liverpool LGA (57%) and Greater Sydney (49%). In conjunction with this higher proportion of couple families with children, the Trade Area had a lower proportion of couple families without children (19%) than Liverpool LGA and Greater Sydney (33%); and
- Separate houses were the dominant dwelling type within the Trade Area in 2011. Separate dwellings comprised around 87% of total dwellings within the Trade Area (compared to 61% for Greater Sydney) with 12% of dwellings being townhouses and 1% being comprised of apartments. In comparison 75% of total dwellings in Liverpool LGA were separate houses, 12% were townhouses and 13% were apartments

The following table identifies the employment and income characteristics for the residents within the Trade Area, Liverpool LGA and Greater Sydney.

Table 5 - Main Trade Area Employment and Income Characteristics (2011)

Characteristic	Trade Area	Liverpool LGA	Greater Sydney
Labour Force by Occupation			
Managers	9%	9%	13%
Professionals	13%	14%	24%
Technicians & Trade Workers	15%	15%	11%
Community & Personal Services Workers	7%	9%	8%
Clerical and Administrative Workers	17%	16%	15%
Sales Workers	9%	8%	8%
Machinery Operators & Drivers	10%	10%	5%
Labourers	11%	10%	7%
Inadequately described or N.S.	2%	2%	2%
Unemployment	7%	7%	6%
Weekly Household Income			

\$0-\$599	13%	19%	18%
\$600-\$1,249	22%	24%	21%
\$1,250-\$2,499	34%	30%	27%
\$2,500-\$3,999	16%	13%	18%
\$4,000+	3%	3%	5%
Partial income stated	9%	8%	8%
All incomes not stated	2%	3%	2%
<i>Median Weekly Household Income</i>	<i>\$1,051 - \$1,872*</i>	<i>\$1,299</i>	<i>\$1,447</i>

Source: ABS Census 2011

*Range of suburbs included within the Trade Area

From the above table, the following can be determined:

- The proportion of managers and professionals to total workforce was significantly lower in the Trade Area (22%) than that recorded for Greater Sydney (37%);
- The proportion of “blue collar” workers employed within the Trade Area (36%) was significantly higher than that recorded for Greater Sydney (23%);
- The rate of unemployment was lower in the Trade Area (7%) in 2011 was comparable to Liverpool LGA (7%) although it was higher than Greater Sydney (6%);
- The proportion of households in the Trade Area (19%) earning a weekly household income above \$2,500 was higher than 16% for Liverpool LGA although lower than that recorded for Greater Sydney (23%); and
- 56% of the Trade Areas population earning within the income brackets of \$600-\$1,249 and \$1,250 - \$2,499. This is compared to 54% for Liverpool LGA and 48% for Greater Sydney.

In summary, the demographic characteristics of the residents residing within the Trade Area are different to that of the wider Liverpool LGA. The residents within the Trade Area are indicative of younger families with higher education and job skills. These households have higher home ownership levels, a higher proportion of family households, higher proportion of couples with children and an overrepresentation of separate houses. Residents within the Trade Area are a little more affluent than those in the wider LGA evident in the higher proportion of households earning above \$4,000 per week. Higher income levels translate to higher retail spend levels and hence higher demand for retail space.

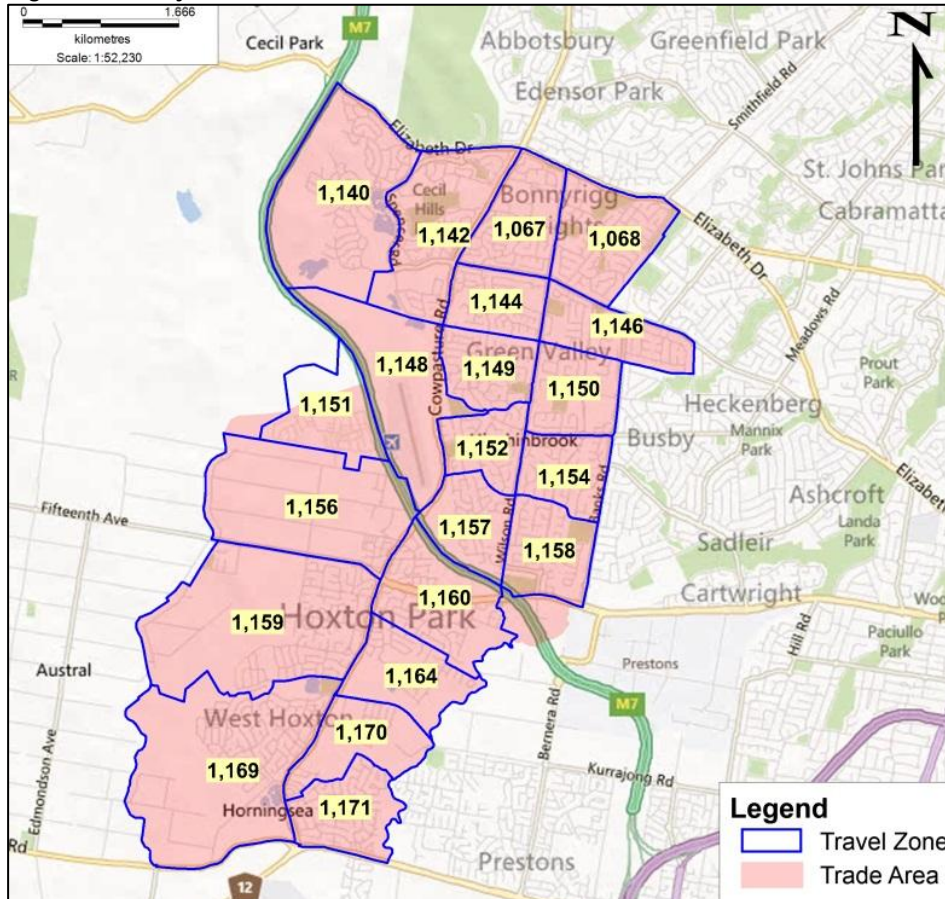
4.3 POPULATION PROJECTIONS

Population projections are sourced from the NSW Bureau of Transport Statistics (BTS) using Travel Zones²⁸ (TZ) to approximate the Trade Area. These were based on the 2006 Census and were published in August 2012, constituting the latest projections available. The Trade Area contained an estimated 59,849²⁹ residents in 2011. This is forecast to increase by 29,620 residents or 49% to 89,469 residents in 2031 representing an annual increase of 2%. These population projections were used to forecasts the retail expenditure of the Trade Area.

²⁸ The Bureau of Transport Statistics (BTS) produces population forecasts at the small area level known as travel zone.

²⁹ Based on Travel Zones TZ 1140, 1068, 1144, 1146, 1149, 1150, 1152, 1154, 1067, 1142, 1148, 1151, 1158, 1156, 1159, 1169, 1171, 1170, 1164 and 1160.

Figure 5 - Subject Site and Trade Area



Source: Map produced by Hill PDA using MapInfo 11.5 software and Microsoft Bing © 2013 Microsoft Corporation

4.4 FORECAST HOUSEHOLD RETAIL EXPENDITURE WITHIN THE TRADE AREA

Methodology

Expenditure modelling is based on population projections and real expenditure growth forecasts, to determine the level of demand for additional retail floorspace in the Trade Area over the 2012 to 2031 period.

Household expenditure was sourced from:

- ABS Household Expenditure Survey 2003-04 which provides household expenditure by broad commodity type by household income quintile; and
- MarketInfo 2009 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using “microsimulation modelling techniques”. MarketInfo combines the data from the Census, ABS HES Survey and other sources to derive total expenditure by commodity type. This data, which was validated using taxation and national accounts figures, quantifies slightly more expenditure than the ABS HES Survey.
- Forecasts expenditure for the Trade Area incorporates the suburbs of Hoxton Park, West Hoxton, Middleton Grange, Horningsea Park, Hinchinbrook, Green Valley, Elizabeth Hills, Cecil Hills and Bonnyrigg Heights.

Total expenditure generated by residents in the Trade Area is shown in the following table.

Table 6 - Trade Area Expenditure Forecast by Broad Commodity Type (\$m2009)

YEAR	2011	2016	2021	2026	2031
Food, Groceries & Liquor take-away	240	302	365	410	455
Food Catered	93	117	141	159	176
Apparel	55	69	84	94	104
Bulky Goods	105	132	160	180	199
Other Personal & Household Goods	171	215	260	292	324
Personal Services	20	25	30	34	38
TOTAL	683	861	1,041	1,169	1,296

* Excludes Liquor on Premises and Cinema Expenditure

Forecast assumes 1.2% real growth in real retail spend per capita per annum in line with historic trend since 1986.

Based on the table above the total expenditure generated by residents within the Trade Area is expected to increase from \$683m in 2011 to \$1,296m in 2031, this represents an increase of \$613m or 90%.

The ABS Retail Survey 1998-99 (Cat No. 8624.0) provides a cross tabulation of store type (defined by ANZIC), by commodity type. Multiplying the percentages in the cross tabulation by total dollars spent generates turnover by retail store type. Turnover by retail store type generated by household expenditure is provided in Table 6.

Table 7 - Trade Area Expenditure Forecast by Retail Store Type (\$m2009)

YEAR	2011	2016	2021	2026	2031
Supermarkets & Grocery Stores	217	273	330	371	411
Specialty Food Stores	67	84	102	115	127
Fast-Food Stores	60	75	91	102	113
Restaurants, Hotels and Clubs*	50	63	76	85	95
Department Stores	62	78	95	106	118
Clothing Stores	38	49	59	66	73
Bulky Goods Stores	105	132	160	179	199
Other Personal & Household Goods Retailing	109	138	166	187	207
Selected Personal Services**	20	25	30	34	38
Total	728	917	1,109	1,245	1,381

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

**Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

Forecast assumes 1.2% real growth in real retail spend per capita per annum in line with historic trend since 1986.

Based on the table above retail turnover generated by expenditure from residents in the Trade Area will grow from \$728m in 2011 to \$1,381m in 2031. This equates to an increase of \$653m or 90% over the period. Total turnover of fast-food stores, restaurants and meals in hotels and clubs is expected to increase by \$98m over the period comprising 15% of total forecasts expenditure in 2031.

Note that total retail turnover by retail store type (\$728m in 2011) is greater than household expenditure by commodity type (\$683m in 2011). This is because retail stores derive a small proportion of expenditure from other sources, such as trade-related sales and rentals, which do not form part of household expenditure.

We should note that only a proportion of this expenditure would be captured by the Subject Site within the Trade Area. The development of a service centre on within close proximity to the M7 motorway and an arterial road (Cowpasture Road) will draw a large part of its trade from passing traffic. Expenditure in department stores, hardware and bulky goods stores, for example, would largely be directed to higher order centres or homemaker centres. Such destinations serve larger trade areas which residents visit less frequently. Even with respect to

food, grocery and regular shopping needs the subject site is only expected to capture a minor proportion of the Trade Area's expenditure given the small scale of the proposal and the exclusion of any medium to large supermarket.

In accordance with the planning policy principles convenience retail expenditure, such as that related to supermarkets and grocery stores, specialty food stores, fast-food stores and so on, should be met locally. The central location of the Subject Site within the Trade Area and the close proximity of the M7 motorway / Cowpasture Road achieves this principle.

4.5 FORECAST DEMAND FOR RETAIL FLOORSACE WITHIN THE TRADE AREA

Demand for retail floorspace is forecast by applying target turnover rates (or industry benchmarks) to the total retail spend generated by residents of the Trade Area as shown in the following table.

Table 8 - Floorspace Demand by Store Type in the Main Trade Area 2011 to 2031 (sqm GLA)

Retail Store Type	Target Rate***	2011	2016	2021	2026	2031
Supermarkets & Grocery Stores	10,000	21,403	26,178	30,720	33,478	36,037
Specialty Food Stores	7,500	8,822	10,790	12,663	13,800	14,854
Fast-Food Stores	7,500	7,846	9,597	11,262	12,273	13,211
Restaurants, Hotels and Clubs*	4,500	10,971	13,419	15,747	17,161	18,472
Department Stores	3,500	17,572	21,492	25,221	27,485	29,586
Clothing Stores	5,000	7,608	9,305	10,919	11,900	12,809
Bulky Goods Stores	3,500	29,602	36,206	42,487	46,302	49,841
Other Personal & Household Goods Retailing	4,500	23,972	29,320	34,406	37,496	40,361
Selected Personal Services**	3,200	6,112	7,475	8,772	9,559	10,290
Total		133,908	163,781	192,196	209,454	225,462

* Turnover relating only to consumption of food and liquor (excludes all other types of revenue such as accommodation, gaming and gambling)

** Selected Personal Services includes hair and beauty, laundry, clothing hire and alterations, shoe repair, optical dispensing, photo processing and hire of videos

*** Source: Various including ABS Retail Survey 1998-99 indexed to 2011 dollars, Shopping Centre News, Urbis Retail Averages, various consultancy studies and Hill PDA research. Target turnover levels are expected to increase at a rate of 0.6% per annum above the CPI rate in line with the historic trend.

Based on the table above between 2011 and 2031 residents in the Trade Area will demand an additional 91,554sqm of retail floorspace. Of this 12,866sqm or 14% will be additional fast-food stores and restaurants, hotels and clubs floorspace. The development of the service centre will alleviate some of this growth in demand for floorspace by providing up to 1,500sqm (LFA) in Stage 1 of the development. This provision of this floorspace will have no adverse impacts on surrounding centres and not constrain any further development in the Trade Area. The proposal will provide an important role for highway support retail services such as food and top up shopping for persons traveling to and from work as well as other passing traffic.

4.6 SEQUENTIAL APPROACH

The NSW Draft Centres Policy (2009) requires that, for rezoning proposals, a sequential approach is undertaken towards land rezonings in edge of centre or out-of-centre locations. The purpose of this approach is to ensure that:

“..the availability of in-centre sites is first assessed. Only when it can be demonstrated that no alternative in-centre sites exist for new retail development should edge-of-centre sites be considered. This is in view of in-centre sites being the preferred location for new retail development.”³⁰

We should note that the subject proposal will serve the needs of the residents of the Trade Area although it will also rely for most of its trade on passing traffic due to the close proximity of the M7 motorway and Cowpasture Road and the type of retail services provided.

The location of the proposal is uniquely placed to serve as a service centre being adjacent to Cowpasture Road with on and off ramps to the M7 located in close proximity. Due to the nature of the retail services being proposed by the development being that of highway related services the Subject Site is in the most appropriate location.

In conclusion the rezoning of the 2.4ha Subject Site to Enterprise Corridor (B6) would enable the development of service centre with highway support related retail facilities, and make more efficient and effective use of the land. The unique location of the Subject Site to Cowpasture Road with the close proximity of on and off ramps to the M7 motorway allowing quick and efficient access to the motorway is the most sequentially preferable option for this type of retail offer.

³⁰ Source: NSW Draft Centres Policy 2009

5. RETAIL IMPACT ASSESSMENT

In terms of assessing economic impacts, previous court judgements such as “*Fabcot Pty Ltd v Hawkesbury City Council (97) LGERA*” and “*Cartier Holdings Pty Ltd v Newcastle City Council and Anor [2001] NSWLEC 170*” have provided some guidance on relevant issues. The NSW Land & Environment Court has stated that Councils should not be concerned about competition between individual stores as this is a matter of fair trading. It should however concern itself with impacts in the locality.

This Chapter assesses the impact of the retail components of the proposal on existing retail centres in the locality. The EPA & Act (1979) is not clear on what is meant by locality, however for the purpose of this assessment we have assumed it to be the main trade area or the geographical influence of the proposal. The turnover of the proposed development is then estimated and considered in the context of demand.

5.1 ESTIMATED TURNOVER OF SUBJECT SITE

The table below applies target turnover rates consistent with those expected for small centres in a suburban location, to the indicative usage³¹ floorspace mix of the Subject Site to derive marginal turnover.

Table 9 - Retail Turnover of Proposed Development (\$2011)

Land Use	Floorspace (sqm LFA)	Target Turnover (\$/sqm)*	Total Turnover (\$m)
Stage 1			
Specialty Food	217	8,000	1.74
Restaurants, Café's and Take-aways	925	5,000	4.63
Non-Food Specialties	158	5,000	0.79
Service Station	200	-	-
Total Stage 1	1,500		7.16
Stage 2			
Food and Groceries	1,600	9,000	14.40
Bulky Goods	4,900	3,500	17.15
Total Stage 2	6,500		31.55
Total Shopfront Retail	8,000		38.70

* Source: Various including ABS Retail Survey 1998-99 indexed to 2011 dollars, Shopping Centre News, Urbis Retail Averages, various consultancy studies and Hill PDA research. Target turnover levels are expected to increase at a rate of 0.6% per annum above the CPI rate in line with the historic trend.

5.2 IMPACT FROM STAGE 1

Stage 1 of the proposed development would have a turnover in the order of \$7.2m (\$2011) once a settled pattern of trading is achieved – in say year 2015. In a high impact scenario we would expect that around 60% of this turnover will come from expenditure generated by residents within the Trade Area. The remainder 40% would come from passing traffic from outside the Trade Area like workers traveling along the highway and visitors. The turnover split is more likely to be 50%:50% between residents within the Trade Area and passing traffic but for the purpose of the impact assessment we have adopted a high impact scenario based on a 60%:40% split.

³¹ Derived from the draft usage concept plan developed by Devcon Partners Pty Ltd

In a high impact scenario we would expect Stage 1 to redirect around \$4.3m from existing centres in the trade area (the locality). The method of estimating the redirection of expenditure from existing centres is a bespoke gravity model developed by Hill PDA. The gravity model is based on the premise that the level of redirected expenditure from a centre is directly proportional to the turnover of that centre and indirectly proportional to the distance from the Subject Site. The level of redirected expenditure is also dependent on the similarities of retail store types (the degree of competitiveness). The results are provided in the table below.

Table 10 - Stage 1 Impacts: Redirection of Expenditure from Existing Centres (\$m2012)

	1	2	3	4	5	6	7	8	9
Retail Centre	Distance from Subject Site (mins)	Approx. Retail Floor Space (sqm)*	Turn-over in 2012 (\$m)	Turnover in 2016 without Proposal (\$m)	Turnover in 2016 with Proposal (\$m)	Immediate Shift in Turnover (\$m)	% Shift in Turnover in 2016	Shift in turnover from 2012 to 2016 (\$m)	% Shift in turn-over 2012 to 2016
Proposed Centre					7.2	7.2		7.2	
Carnes Hill	3.0	17,100	131.0	158.9	156.7	-2.3	-1.4%	25.7	19.6%
Green Valley	7.0	12,750	76.0	79.7	79.0	-0.7	-0.9%	3.0	3.9%
Miller	8.0	9,650	66.0	69.2	68.7	-0.5	-0.7%	2.7	4.1%
Cecil Hills	9.0	3,100	24.0	25.2	25.0	-0.2	-0.6%	1.0	4.2%
Austral	7.0	3,250	23.0	27.9	27.6	-0.3	-1.1%	4.6	20.0%
Hoxton Park	3.0	1,150	9.0	10.9	10.6	-0.3	-3.1%	1.6	17.6%
Other Localities						-2.9			
Total		47,000	329.0	371.9	374.7	0.0	0.8%	45.7	13.9%

1. Drivetime in minutes derived from Googlemaps.

2. Various including Shopping Centre News, PCA Shopping Centres Directory, Hill PDA Floorspace Surveys.

3. Various including Shopping Centre News, PCA Shopping Centres Directory, Shopping Centre Annual Reports, Urbis Retail Averages, Other Consultancy Reports and Hill PDA Estimate.

4. Allows for population growth (variable for each centre) and real growth in retail spend per capita of 1.2% per annum in line with historic trend since 1986 (Hill PDA Calculation from ABS Retail Sales, population estimates and CPI indexes).

5. The turnover of localities following the proposed development. The forecast turnover of the proposed development is distributed between localities based on distance and size.

6. Immediate shift in turnover. This is difference between the development and the do nothing options (i.e. Column 4 minus Column 5).

7. Immediate percentage shift is shift in turnover divided by the turnover in 2012 without the development proceeding.

8. This is the shift in turnover from 2012 to 2016 after the opening of the new development.

9. This is shift in turnover from 2012 to 2016 divided by the turnover in 2012.

Column 6 of the above table indicates immediate or point in time shifts in turnover which would result from the proposed development. It indicates that in monetary terms the greatest levels of impact would be on Carnes Hill (\$2.1m impact) and Green Valley (\$0.7m impact). In proportional terms the greatest impacts would be on Hoxton Park (3.1% decline in trade), Carnes Hill (1.4%) and Austral (1.1%).

There are no universal measures of significance of economic impact. There are references in various consultancy reports and statements in the NSW Land & Environment Court which suggest that a loss of trade below 5% is considered insignificant.

On this basis the proposed development in isolation would not have any undue impact on the vitality or viability of any centre in the surrounding area. This is due to the role that the development would provide as a service centre providing motorway and highway support services.

5.3 IMPACT FROM STAGE 2

Stage 2 comprises bulky goods / large format retailing and / or light industrial uses comprising 6,500sqm of floorspace. For the purpose of a high impact scenario the inclusion of a 1,600sqm food and grocery retailer and 4,900sqm of bulky goods retailing was assumed. The maximum turnover achievable for Stages 1 and 2 combined is around \$38.7m assuming it is fully developed and leased for retail purposes.

Around 45% of this turnover (\$17m) would be captured by the bulky goods retailers based on an industry benchmark of \$3,500/sqm. This capture would have minimal impact on existing centres in the locality due to the differences in the type of retailing and the type of goods sold. The impacts will spread thin and wide affecting mainly out-of-centre locations. Any impacts on existing centres in the trade area would be mitigated by growth in expenditure of \$380m over the next 10 years.

A food and grocery store of 1,600sqm would increase the impacts on existing centres in the locality. The combined impacts of Stages 1 and 2 on existing centres is shown in the table below.

Table 11 - Stages 1 and 2 Maximum Impact Scenario: Redirection of Expenditure (\$m2012)*

	1	2	3	4	5	6	7	8	9
Retail Centre	Distance from Subject Site (km)	Approx . Retail Floor Space*	Turnover in 2012	Turnover in 2016 without Proposal	Turnover in 2016 with Proposal	Immediate Shift in Turnover	% Shift in Turnover in 2016	Shift in turnover from 2012 to 2016	% Shift in turnover from 2012 to 2016
Proposed Centre*					18.7	18.7			
Carnes Hill	3.0	17,100	131.0	158.9	152.9	-6.0	-3.8%	21.9	16.7%
Green Valley	7.0	12,750	76.0	79.7	77.7	-2.0	-2.5%	1.7	2.3%
Miller	8.0	9,650	66.0	69.2	67.7	-1.5	-2.2%	1.7	2.6%
Cecil Hills	9.0	3,100	24.0	25.2	24.7	-0.5	-2.0%	0.7	2.8%
Austral	7.0	3,250	23.0	27.9	27.2	-0.7	-2.4%	4.2	18.4%
Hoxton Park	3.0	1,150	9.0	10.9	10.4	-0.6	-5.1%	1.4	15.1%
Other Localities						-7.5			
Total		47,000	329.0	371.9	379.3	0.0	2.0%	50.3	15.3%

* Excluding Bulky Goods Turnover

1. Drivetime in minutes derived from Googlemaps.

2. Various including Shopping Centre News, PCA Shopping Centres Directory, Hill PDA Floorspace Surveys.

3. Various including Shopping Centre News, PCA Shopping Centres Directory, Shopping Centre Annual Reports, Urbis Retail Averages, Other Consultancy Reports and Hill PDA Estimate.

4. Allows for population growth (variable for each centre) and real growth in retail spend per capita of 1.2% per annum in line with historic trend since 1986 (Hill PDA Calculation from ABS Retail Sales, population estimates and CPI indexes).

5. The turnover of localities following the proposed development. The forecast turnover of the proposed development is distributed between localities based on distance and size.

6. Immediate shift in turnover. This is difference between the development and the do nothing options (i.e. Column 4 minus Column 5).

7. Immediate percentage shift is shift in turnover divided by the turnover in 2012 without the development proceeding.

8. This is the shift in turnover from 2012 to 2016 after the opening of the new development.

9. This is shift in turnover from 2012 to 2016 divided by the turnover in 2012.

Still the adverse impacts will be less than 5% immediate loss in trade on any retail centre. Every centre will enjoy growth in trade from 2012 to 2016 notwithstanding the impacts from the proposal.

The Subject Site proposes retail uses indicative of a service centre providing highway support services such as fast food, service station, restaurants and other neighbourhood type shops. There is no proposal to include a large full line supermarket which would directly compete with the anchor tenants of surrounding centres such as Carnes Hill, Hoxton Park, Miller and Green Valley. The provision of a large format store such as auto accessories,

large pet store, furniture, floor coverings, whitegoods, home improvements, etc in Stage 2 of the development is favourable as this would widen the service centre's role. To this end the rezoning of the south proportion (Stage 2) is encouraged to allow the development of these and other supportive retail uses.

6. ECONOMIC BENEFITS

This Chapter examines other economic benefits which would eventuate from the proposed rezoning and subsequent development of the Subject Site, over and above meeting identified need. These benefits include increasing employment locally, additional investment, value add to the local economy, construction multiplier impacts, shopper choice and convenience.

6.1 CONSTRUCTION MULTIPLIER EFFECTS

The construction industry is a significant component of the economy accounting for 7.3% of Gross Domestic Product (GDP) and employing almost one million workers across Australia³². The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

- **production induced:** which is made up of:
 - first round effect: which is all outputs and employment required to produce the inputs for construction; and
 - an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect; and
- **consumption induced:** which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment

The source of the multipliers adopted in this report is ABS and Australian National Accounts: Input-Output Tables 1996-97 (ABS Catalogue 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.466, \$0.438 and \$0.962 respectively to every dollar of construction.

The following tables provide the estimated multiplier impacts for each of the two stages of the development based on an estimated capital investment value (CIV) provided by KWC Partners Pty Ltd of \$6m for Stage 1 and a CIV of \$4m for Stage 2.

Table 12 - Economic Multipliers for Stage 1

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.466	0.438	0.962	2.866
Output (\$million)	\$6	\$3	\$3	\$6	\$17

* Source: ABS Australian National Accounts: Input-Output Tables 1996-1997 (ABS Pub: 5209.0).

³² IBIS World Construction Industry Report 2011

The \$6m of CIV for Stage 1 of the development would generate a further \$6m of activity in production induced effects and \$6m in consumption induced effects. Total economic activity generated by the construction of the proposed development would be approximately \$17m.

Table 13 - Economic Multipliers for Stage 2

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.466	0.438	0.962	2.866
Output (\$million)	\$4	\$2	\$2	\$4	\$11

* Source: ABS Australian National Accounts: Input-Output Tables 1996-1997 (ABS Pub: 5209.0).

The \$4m of CIV for Stage 2 of the development would generate a further \$4m of activity in production induced effects and \$4m in consumption induced effects. Total economic activity generated by the construction of the proposed development would be approximately \$11m.

The proposed development would generate a combined \$10m of activity in production induced effects and \$10m in consumption induced effects. Total economic activity generated by the construction of the two stages of proposed development would be approximately \$28m.

6.2 CONSTRUCTION EMPLOYMENT

It is estimated that four full time construction positions over 12 months is created for every one million dollars of construction work undertaken³³.

Based on an estimated construction cost of \$10m for Stage 1 and 2, approximately 40 job years³⁴ will be directly generated in construction.

Table 14 - Employment Generation from Construction

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.33	0.45	2.33	4.11
Employment No. per \$million	4.00	1.32	1.80	9.32	16.44
Total job years created	40	13	18	93	164

* Source: ABS Australian National Accounts: Input-Output Tables 1996-1997 (ABS Pub: 5209.0).

The 1996-97 ANA Input-Output Tables identified employment multipliers for first round, industrial support and consumption induced effects of 0.33, 0.45 and 2.33 respectively for every job year in direct construction. Including the multiplier impacts the proposed development will therefore have potential to generate 164 job years.

Note that the multiplier effects are national, and not necessarily local. The ABS notes that *"Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual"*

³³ IBIS World Construction Industry Report 2011

³⁴ One job year equals one full-time job for one full year

impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.”

6.3 EMPLOYMENT IN RETAIL OPERATIONS

The proposed development would support permanent employment post-construction through the operation of retail uses at the Subject Site. The table below applies worker ratios³⁵ to the assumed floorspace mix to calculate the number of permanent jobs which would be supported.

Table 15 - Employment Generation in Retail Operations

Retail Store Type	Employment Rate*	LFA** (sqm)	Workers
Food and Grocery Store	1:25sqm	1,600	64
Specialty Food	1:15sqm	217	15
Restaurants, Café's and Take-aways	1:30sqm	925	31
Non-Food Specialties	1:40sqm	158	4
Large Format Store / Bulky Goods	1:68sqm	4,900	72
Service Station	1:40sqm	200	5
TOTAL GLA	-	8,000	191

*Job per square metre of LFA. Sourced from the ABS Retail Census 1991 & 1999 and Hill PDA

Based on the above table, the proposed development would support an estimated 191 jobs post-construction across the range of retail store types. Around 60% (115) of these jobs are expected to be part-time and casual with the remaining 76 jobs being full time.

Retail will often employ a little more staff than many other types of land uses located in industrial areas. Light manufacturing, automotive, engineering and other industrial services for example typically employ around one person per 70-90sqm of floor space (although this varies considerably between businesses). Warehousing are low employment generators with as little as one person per 200-250sqm. Hence we would expect no more than 100 jobs on site if the site was to develop for light industrial and warehousing type uses.

6.4 SHOPPER CONVENIENCE

The Subject Site is located in the suburb of Hinchinbrook with high accessibility to traffic via Cowpasture Road and the on / off ramps to the M7 motorway. The easy accessibility of the Subject Site to both the residents of the Trade Area and passing traffic will increase the convenience to the type of goods and services appropriate to its role as a service centre s. By providing a range of highway support services in an accessible location the service centre will meet an important principle of shopper convenience.

6.5 ADDED PRICE COMPETITION

There is sufficient growth in expenditure available within the locality to support both the proposal and surrounding retail centres. The impacts would not threaten the viability of any existing centre. All else being equal all centres

³⁵ Sourced from ABS Retail Census 1991 & 1999 and Hill PDA

will experience some growth in trade over time if we assume fair market share. Accordingly, added price competition should be viewed positively in this case.

6.6 CONCLUSION

The proposal would generate an estimated 136 permanent jobs post-construction across the range of retail store types (full and part-time jobs). The Subject Site would service the residents of the surrounding area although rely greatly on passing trade from the M7 and Cowpasture Road indicative of its role as a motorway service centre.

7. NET COMMUNITY BENEFIT TEST

The Draft Centres Policy (2009) stipulates that a net community benefit test (NCBT) is required to accompany rezoning applications for Council consideration prior to submission to the DoPI through the Gateway test.

The requirements of an NCBT are that it evaluates the external costs and benefits of the proposal to the community, and should be assessed against a base case or cases (i.e. retaining the existing zoning or locating the development on appropriately zoned land in a centre). A net community benefit is deemed to arise when the sum of all the benefits of the development outweigh the sum of all the costs.

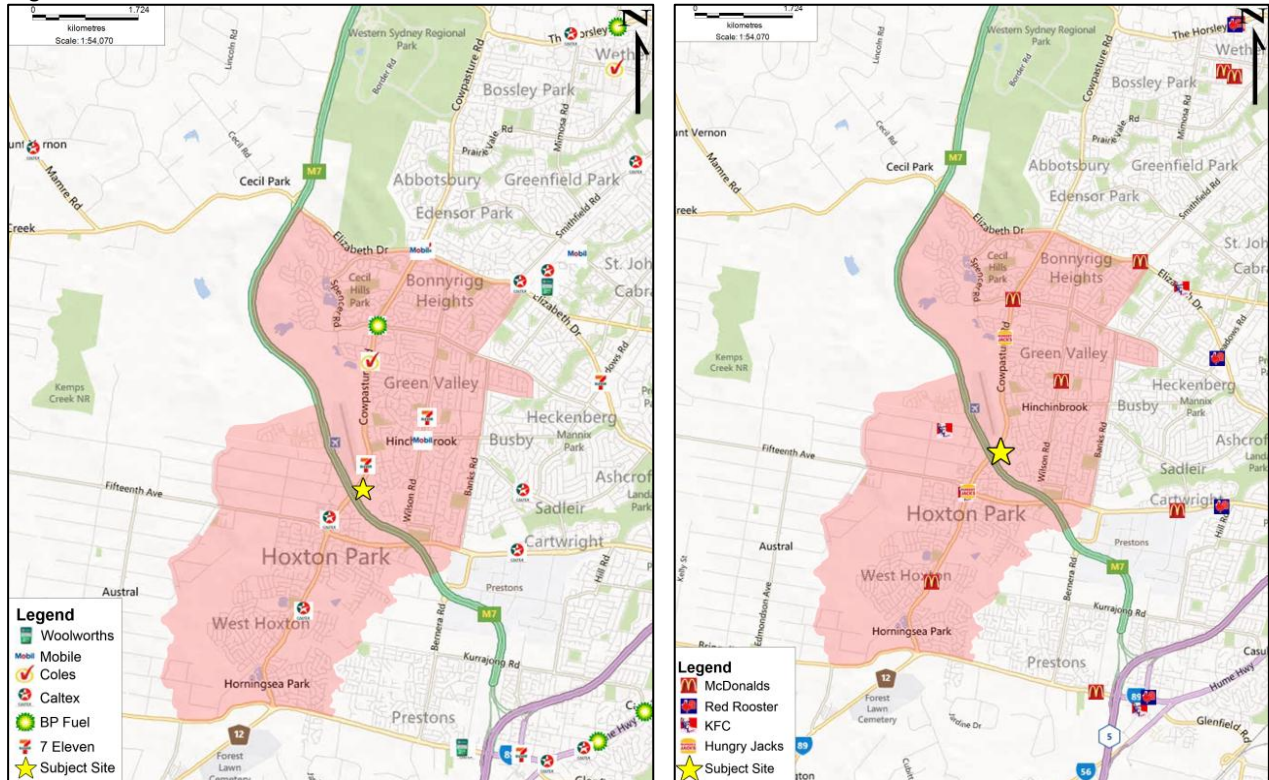
7.1 JUSTIFICATION FOR THE PROPOSED RETAIL MIX

The proposal relates to the adaptation of land currently zoned IN2 Light Industrial to B6 Enterprise Corridor. The site is suitably located for the purpose of service centre with highway supportive retail uses due to the adjacent Cowpasture road with the planned intersection opposite the Hoxton Distribution Centre and the close proximity to on and off ramps to the M7 motorway. For this purpose the inclusion of takeaway food services, restaurants, service station and other small neighbourhood shops are warranted as they provide a supportive role to highway users.

Evident in figure 6 the M7 does not have a fast food outlet or service station with easy access to and from the motorway. The Subject Site is in close proximity to a 7 Elven but persons using this service station and heading south on the M7 would have to exit the motor way and then travel northward along Cowpasture Rd west along Elizabeth Drive and then access the M7 a round trip of 11km or a 10 minute drive³⁶. The development of the service centre would increase efficiency and reduce traffic along the before mentioned roads.

³⁶ Google Maps

Figure 6 - Service Station and Fast Food Locations



Map produced by Hill PDA using MapInfo 11.5 software and Microsoft Bing © 2013 Microsoft Corporation
Red area is the Trade Area of the proposed development

7.2 NSW DRAFT CENTRES POLICY

The following provides an assessment of the rezoning on the basis of the criterion contained in the NSW Draft Centres Policy:

- Will the LEP be compatible with agreed State and regional strategic direction for development in the area (eg land release, strategic corridors, development within 800 metres of a transit node)?* Yes. The rezoning is in close proximity to the major arterial road of the M7 motorway. The M7 is a 40km four lane motorway and serves Sydney's west allowing quick and direct travel. Currently there are no highway support services within the Trade Area such as those proposed within this development along the M7 motorway which are easily accessed. The proposed rezoning will allow the development of a service centre which will provide much needed highway support service for the nearby South West Growth Centre (SWGC) which is forecasts to house an additional 300,000 persons³⁷.
- Is the LEP located in a global/regional city, strategic centre or corridor nominated within the Metropolitan Strategy or other regional/subregional strategy?* No, although the site is uniquely located to provide highway support services to the M7 Motorway which is identified as a major transport corridor that connects western Sydney. The M7 motorway is also identified as an economic Corridor within the Draft Metropolitan Strategy 2006 to 2031 with planned employment land also identified in close proximity. The Subject Site is also in close proximity to the SWGC which is planned to house 300,000 persons. It is well

³⁷ Planning and Infrastructure NSW, <http://www.gcc.nsw.gov.au/south+west-22.html>

suited to provide highway related support services to the M7, emerging employment lands and the emerging precinct of the SWGC.

- *Is the LEP likely to create a precedent or create or change the expectations of the landowner or other landholders?* No. The proposed development responds to a demonstrated need for the type of services which the proposed development will provide.
- *Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?* This Study has considered the economic impacts on existing centres which would result from the planned development on the Subject Site. The role of the service centre will be that of a highway support services rather than destination “chore” shopping. The Trade Area will generate far more expenditure (more than \$900m in 2016) than the proposed development would capture (\$7m in Stage 1). For these reasons Stage 1 development will have no significant effect on existing centres. All else being equal all centres will continue to trade above their current levels post development.

Stage 2 of the proposal combined with the Master store immediately north of the subject site will have a different role in the provision of home improvements, hardware, whitegoods, possibly some furniture and other bulky goods. The combined impacts will spread thin and wide with little impacts on any existing centres. Most impacts will be on “out-of-centre” locations and strong growth in the locality including growth in the SWGC will be than mitigate any adverse impacts.

- *Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?* The development of a service centre with associated retail and commercial floorspace will support an estimated 169 full time and part time jobs. If the Subject Site was developed as light industrial we would expect that no more than 112³⁸ full time and part time jobs would be supported although part of the site may remain vacant for an extended periods of time reducing the potential job generative capacity. Therefore the development of the service centre and the accompanying rezoning will result in a net increase in employment.
- *Will the LEP impact upon the supply of residential land and therefore housing supply and affordability?* The Subject Site is currently zoned IN2 which does not permit housing. The rezoning of the site to B6 Enterprise Corridor would allow the development of tourist accommodation and shop top housing although there are no plans to develop the site for these purposes.
- *Is the existing public infrastructure (roads, rail, utilities) capable of servicing the proposed site? Is there good pedestrian and cycling access? Is public transport currently available or is there infrastructure capacity to support future public transport?* The rezoning is located in close proximity to the M7 motorway and Cowpasture Rd which are vital arterial roads increasing the connectivity of the south west region to the rest of Sydney. The development would support these arterial roads by supplying high way support services.
- *Will the proposal result in changes to the car distances travelled by customers, employees and suppliers? If so, what are the likely impacts in terms of greenhouse gas emissions, operating costs and*

³⁸ Calculated using a LFA of 7,840 and an employment rate of 1:70sqm

road safety? The development of a service centre with highway supportive services at the Subject Site will decrease the distance need to travel by M7 motor users and this reduce the environmental effects of traffic on the M7. It will further provide additional convenience retailing for residents in the immediate area reducing the need, or the number of trips, for some residents to travel further to Carnes Hill, Green Valley or alternative centres – mainly in relation to “top-up” shopping or fast foods.

- *Are there significant Government investments in infrastructure or services in the area whose patronage will be affected by the proposal? If so, what is the expected impact?* It would not have any adverse impact on patronage for infrastructure or services locally.
- *Will the proposal impact on land that the Government has identified a need to protect (e.g. land with high biodiversity values) or have other environmental impacts? Is the land constrained by environmental factors such as flooding?* No. The proposal is on land that is appropriate for the rezoning that is required.
- *Will the LEP be compatible/complementary with surrounding land uses? What is the impact on amenity in the location and wider community? Will the public domain improve?* The proposed development is located on land that is currently zoned IN2 with major arterial roads located on the western and southern border and a riparian corridor is located on the eastern border. This unique positioning of the Subject Site makes it ideal for the development of a service centre with highway support services. There is no adjacent residential areas that would be adversely impacted.
- *Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?* Yes. It would increase both choice and competition by providing highway support services within a suitable area. It will provide a further alternative location to shop for fast food and convenience related goods for residents in the trade area.
- *If a stand-alone proposal and not a centre, does the proposal have the potential to develop into a centre in the future?* The development is for a service centre with highway supportive services and the possibility of bulky goods / light industrial to be built on site. There is no plan to provide a full-line supermarket or other suitable anchor to give it a village or town centre status. For the foreseeable future its role will be a highway stop and convenience centre. Furthermore its boundaries are constrained by the motorway, Cowpasture Road, Riparian corridor and residential area removing any opportunity for the centre or outlet to expand further.
- *What are the public interest reasons for preparing the draft plan? What are the implications of not proceeding at that time?* The proposed rezoning is a direct response to meeting the needs of the highway support services for the M7 motorway and Cowpasture Rd. The Subject Site would increase accessibility to highway support retail facilities for patrons of the M7 motorway, residents of the trade area and the future resident of the SWGC. It would therefore reduce the need for these parties to travel greater distances to access such retail facilities.

Based on the balance of positive and negative impacts of the proposed development, in our view the proposed development would deliver a net community benefit.

DISCLAIMER

1. This report is for the confidential use only of the party to whom it is addressed ("Client") for the specific purposes to which it refers and has been based on, and takes into account, the Client's specific instructions. It is not intended to be relied on by any third party who, subject to paragraph 3, must make their own enquiries in relation to the issues with which this report deals.
2. Hill PDA makes no representations as to the appropriateness, accuracy or completeness of this report for the purpose of any party other than the Client ("Recipient"). Hill PDA disclaims all liability to any Recipient for any loss, error or other consequence which may arise as a result of the Recipient acting, relying upon or using the whole or part of this report's contents.
3. This report must not be disclosed to any Recipient or reproduced in whole or in part, for any purpose not directly connected to the project for which Hill PDA was engaged to prepare the report, without the prior written approval of Hill PDA. In the event that a Recipient wishes to rely upon this report, the Recipient must inform Hill PDA who may, in its sole discretion and on specified terms, provide its consent.
4. This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by Hill PDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. Hill PDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, Hill PDA does not present them as results that will actually be achieved. Hill PDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not.
5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.
6. This report does not constitute a valuation of any property or interest in property. In preparing this report Hill PDA has relied upon information concerning the subject property and/or proposed development provided by the Client and Hill PDA has not independently verified this information except where noted in this report.
7. In relation to any valuation which is undertaken for a Managed Investment Scheme (as defined by the Managed Investments Act 1998) or for any lender that is subject to the provisions of the Managed Investments Act, the following clause applies:

This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.