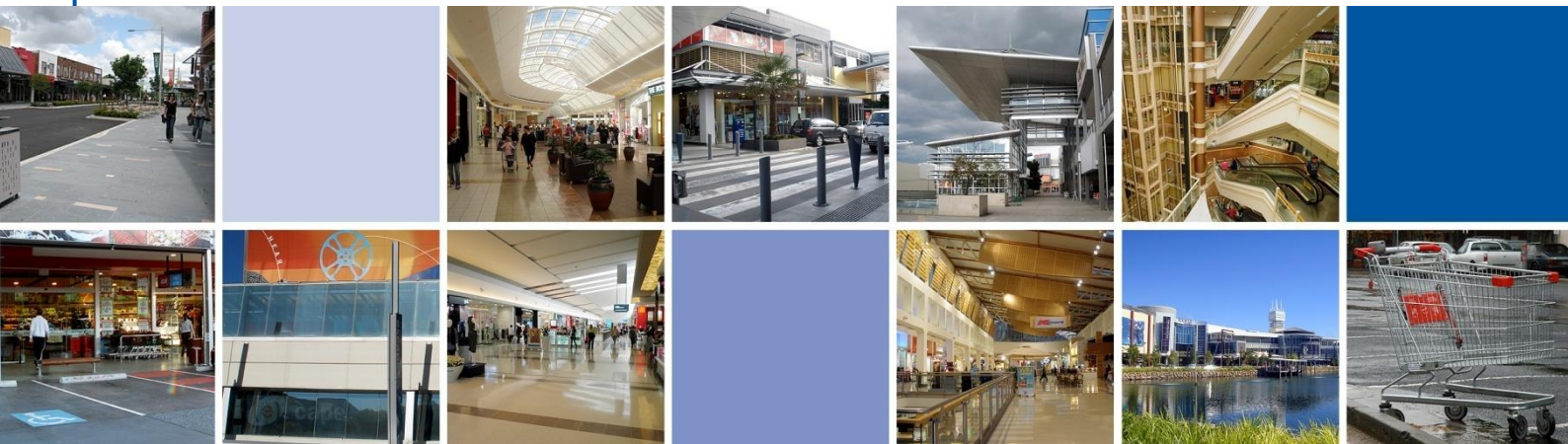


Economic Impact Assessment

1 Crescent Street,

Holroyd

June 2015



Prepared for:

Tiberius (Parramatta) Pty Ltd

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Executive Summary

MacroPlan Dimasi has been commissioned by Tiberius (Parramatta) Pty Ltd (referred to as Tiberius) to assess the economic benefits and implications of a proposed rezoning of 1 Crescent Street, Holroyd to the proposed B4 Mixed Use and R4 High Density Residential.

The subject site, located in the Holroyd LGA is bounded by Crescent Street, Parramatta Road/Church Street intersection, Woodville Road and the Holroyd Sportsground. In terms of Metropolitan Sydney, the subject site is located in Western Sydney, approximately 1.2km from Merrylands and the Parramatta CBD and 25km from the Sydney CBD.

Regional Context Map – Subject Site

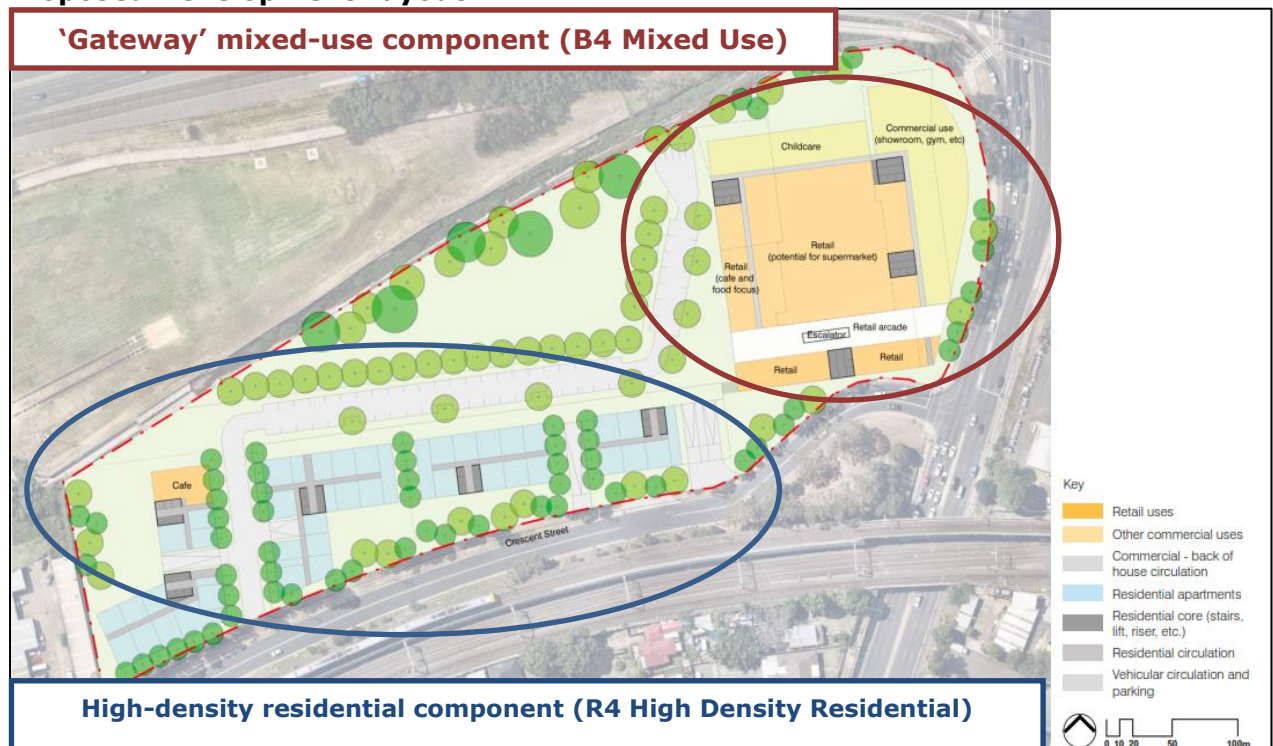


Source: MacroPlan Dimasi

The development site is currently zoned B5 – Business Development (as prescribed by the Holroyd LEP 2013). Tiberius seeks to rezone the site into two components inclusive of B4 Mixed Use and R4 High Density Residential.

The Masterplan presents a mix of integrated residential and commercial uses, as well as a significant allocation of open space for the subject site. It will include two distinctive components; a 'gateway' component containing a mix of integrated residential and commercial uses (B4 Mixed Use) and a high density residential component (R4 High Density Residential) – as presented below.

Proposed Development Layout



Source: Architectus and Tiberius (Parramatta) Pty Ltd (2015)

In totality, the proposed development will deliver between 1,800-1,900 apartments and approximately 8,500m² of employment-generating floorspace to Holroyd LGA.

At present, the subject site is occupied by WesTrac Pty Ltd, and accommodates approximately 125 workers. Specifically, the subject site provides administration offices, amenities, training facilities, workshop and machine servicing bays, spare parts warehousing, laboratory, and on-site parking for specialist heavy earthmoving equipment and motor vehicles. As advised by Tiberius, the NSW/ACT operational headquarters relocated to Tomago, Newcastle in June of 2012, supported by the Government. Notably, WestTrac still wishes to maintain a presence in western Sydney and will in the future seek an alternative location.

A combination of changes to operations and infrastructure investment has influenced the location of industrial development and absorption. Key observations pertaining to change in industry preference include:

1. Changes in the management of supply chains and industry consolidations have both greatly contributed to demand for new light industrial premises that can deliver greater efficiencies and facilitate the consolidation of business functions at one centralised location.
2. The need to have an extensive distribution and warehouse node network throughout Sydney has diminished. In fact, market forces are coercing many existing light industrial operators into deploying streamlined supply-chain networks. Slimmer inventory management practices have reduced the demand for industrial floorspace, particularly at more expensive node locations.
3. Consolidation of fragmented premises offers operators the opportunity to extract cost savings from operations.

As a result, many industrial businesses have opted for industrial locations in outer western Sydney in the past ten years, particularly at the junctures of the Sydney Orbital Road System. The provision of newer, larger and more suitable industrial sites in Eastern Creek, Erskine Park and Prestons has also assisted in enticing businesses out to western Sydney. This movement has also been facilitated by significant investment in road and freight infrastructure, with the Sydney Road Orbital Network representing the pivotal infrastructure item.

Take-up of industrial land (ha) by Region (Jan 2008 – Jan 2014)

Sub-region	Take-up (ha)	Composition (%)
West-Central*	337.9	31.3%
South West	210.6	19.5%
West	158.3	14.6%
Central Coast	55.4	5.1%
South West	25.3	2.3%
Central Coast	7.2	0.7%
Major regions	794.7	73.5%
Other smaller regions	286.3	26.5%
Total Sydney Region	1081	100.0%

**Location of the subject site*

Source: ELDP 2014

Over the six years to January 2014, absorption in the West Central region accounted for nearly one-third of demand for Greater Sydney (as presented above). Of all LGAs in the region, Blacktown accounted for the majority of take-up (75%), followed by Holroyd (14%) and Auburn (7%).

While take-up has been solid in Holroyd LGA (accounting for 14% of the region), the majority of the absorption has occurred in the suburb of Greystanes, most likely at the Quarry Industrial Estate. This suggests that take-up throughout the rest of Holroyd LGA has been negligible.

This is evidenced by building approvals data. According to ABS, industrial building approvals in the Greystanes-Pemulwuy SA2 region totalled \$190 million since FY2002, and just \$1.4 million in the Merrylands-Holroyd SA2 (the subject site's SA2 region).

Undeveloped and Zoned Employment Land (hectares), January 2014

West Central Subregion	Undeveloped	Proportion (%)
Blacktown	1,092.1	80.5%
Holroyd	73.3	5.4%
Parramatta	20.8	1.5%
Auburn	11.6	0.9%
The Hills	158.5	11.7%
Total	1,356.3	100%

Source: ELDP 2014

Moreover, there are approximately 1,356.3 hectares of undeveloped and zoned industrial land in the West Central region. Comprising approximately 3.9 hectares, the subject site represents just 0.29% of total future supply for the region; an insignificant contribution for the region.

Overall, the key conclusion is that the scale of new development across outer western Sydney has been huge by comparison. And while activity has been solid in Holroyd LGA, the volume of industrial investment and development around the subject site has diminished significantly. Lacklustre business growth, particularly in key growth industries such as Transport, Postal and Warehousing, indicates that the subject site's locality is not favoured by these businesses.

We have also demonstrated that the connection with the future key infrastructure projects (e.g. Moorebank Intermodal Terminal) is impaired and inefficient. Constrained

road access and therefore access to broader markets means that subject site's relative proximity to Western Sydney is irrelevant.

From a future supply perspective, the subject site represents just 0.28% of future industrial land capacity in the West Central region. This comparison underlines the miniscule impact of the subject site on the supply of industrial space in the region, relative to the recent trends in demand.

Moreover, these observed trends are not temporary, but rather a result of major structural and permanent changes to industry practices. In light of these circumstances, continued use and redevelopment potential of the subject site for industrial uses is compromised.

Therefore, from a ranking perspective, the subject site is inferior to other industrial locations in outer Western Sydney. Furthermore, the significance of the subject site will be diluted by sustained growth in designated outer south western industrial destinations such as Prestons and Smeaton Grange, and by traditional north-west locations such as Eastern Creek, Erskine Park and Greystanes in the near future.

MacroPlan Dimasi has also assessed the operational employment potential of the subject site under three different scenarios, being:

1. "As is" i.e. no redevelopment;
2. Redevelopment under current B5 planning controls; and
3. Redevelop a proportion of the site under B4 Mixed Use zoning.

1. "As is" i.e. no redevelopment

As advised by Tiberius, the subject site is occupied by WesTrac and accommodates 125 on-site workers. Encompassing 9,471m² of operational floorspace, the employment density on the subject site equates to around 76m² per worker.

Overall, this low employment outcome suggests that the subject site is relatively underutilised and redevelopment may be required to maintain the site's employment relevance.

Given the facility was purpose built for a Caterpillar dealer, the availability of better-connected and more cost effective industrial locations in Western Sydney means the

subject site is inferior. MacroPlan Dimasi envisages that re-tenanting the site for industrial purposes (once WesTrac vacates the site) will be challenging, and that the subject site's employment relevance, in the absence of redevelopment, will diminish over time. The current employment outcome (which will soon change) represents the highest and best scenario for the site (as it is zoned).

2. Redevelopment under current planning settings

As presented in Section 1.3, the current B5 Business Development zoning permits (with consent) bulky goods premises, child care centres, food and drinks premises and a range of light industrial uses.

Bulky goods retailers tend to be co-located in large complexes (or 'centres') or along major arterial roads. In Western Sydney, these standalone complexes generally require larger sites, in the order of 4+ hectares. Typical tenants at bulky goods complexes include electronic and white-goods (e.g. Good Guys, Bing Lee), auto-parts (e.g. SuperCheap Auto and Autobarn Car Accessories), furniture (e.g. Forty Winks, Fantastic Furniture and Freedom) and other food and service based (e.g. Fitness First, Battery World, Pet Barn, O'Portos, Hungry Jacks) retailers. An example of this type of complex is 'Home Central' at Bankstown.

Home Central (Bankstown)



Source: Google Maps

These standalone complexes are generally situated on sites with multiple street frontages and access points. As presented in the image above, Home Central at

Bankstown is at the intersection of two major arterial roads in Bankstown LGA (e.g. Canterbury Road and Chapel Street), and has a total of four entry/exits points.

While the subject site is positioned at a major intersection (e.g. Woodville and Parramatta Roads), access from these roads is relatively constrained; accessibility to the site can only be obtained via Woodville Road and Crescent Street. Given that access is a major pre-requisite for bulky goods centres, it is unlikely that the subject site will be pursued by bulky goods operators. Moreover, given that there is already considerable representation from bulky goods operators along Parramatta and Woodville Roads, the market potential or gap for another standalone bulky goods destination within this sub-market is questionable.

Although unlikely to occur, we have modelled the potential employment outcome if the site was to be redeveloped for light industrial (50%) and bulky goods (50%) purposes; as permissible (with consent) under the current B5 Business Development zoning.

Having regard for current planning settings (an FSR of 1:1 and a height limit of 15m), the maximum employment floorspace that could be attained from the site is 38,700m². A desktop analysis has confirmed that bulky goods and light industrial premises in Western Sydney typically occupy 50% of the site area. As such, the employment-generating floorspace from this development format would be in the order of 19,000m².

Although unlikely to eventuate from a market demand perspective, we have derived an employment outcome of approximately 169 - 258 workers for the entire subject site under the current planning controls.

Employment Outcome, Redevelopment B5 - Business Development

Potential Land Use Type	Area (m ²)	m ² /employee	Employment Outcome (jobs)
Bulky Goods	9,675	60 - 80	121 - 161
Light Industrial	9,675	100 - 200	48 - 97
Total	19,350	-	169 - 258

Source: MacroPlan Dimasi (2015)

3. Redevelop to B4 Mixed Use (and R4 High Density Residential)

The planning proposal seeks to rezone a proportion of the subject site from B5 Business Development to B4 Mixed Use (which permits employment generating land uses).

The redevelopment under B4 Mixed Use zoning is proposed to include:

- Retail (supermarket/specialty) – 4,900m²
- Retail (showroom) – 2,000m²
- Other commercial – 1,600m²

Overall, the employment outcome from redevelopment of the subject site would provide an employment outcome better aligned with market need. **A mixed use format, encompassing 8,500m² of new commercial floorspace has the capacity to accommodate between 206 and 250 workers.**

Employment Outcome, Redevelopment (B4 Mixed Use)

Potential Lane Use Type	Area (m ²)	m ² /employee	Employment Outcome (jobs)
Supermarket/speciality retail	4,900	30 - 40	123-163
Other Commercial	1,600	30	54
Retail/Showroom	2,000	60-70	29-33
Total	8,500	-	206-250

Source: MacroPlan Dimasi (2015)

The variety of candidate uses will support industry diversification. Essentially, they will help fill the employment void left by WesTrac's exit, provide residents with diversity in employment. Given that it is more congruent with the worker resident industry profile, it will most likely improve job-containment in the Holroyd LGA.

Moreover, it is expected the proposed mixed use development will contribute to a superior employment outcome for the Holroyd LGA through indirect job creation. The planning proposal comprises of between 1,800 and 1,900 residential dwellings which will dramatically increase household expenditure, supporting local businesses (within the Merrylands and Granville Town Centres, along Parramatta Road and within the Parramatta CBD).

Additionally, there is an underlying need for more residential accommodation, congruent with the objectives of the new Sydney Metropolitan Strategy (2014). A shortage in new residential supply has impacted housing affordability in the Holroyd LGA and within the Holroyd – Merrylands SA2. As such:

1. The delivery of a mix of housing options is beneficial for potential new owner-occupiers.

2. More supply can alleviate shortages in the rental market (for workers, students and migrants).
3. Given that the resident population is ageing, mixed use developments in central locations (such as that proposed for the subject site) present trade down opportunities for older residents in the area (who seek to downsize but also remain within the locality).

Furthermore, the value of apartment stock associated with this development is expected to be more affordable than that of other nearby precincts (i.e. Parramatta CBD and outskirts), where a significant proportion of residential development has occurred. Desktop research has confirmed the asking prices for new apartments in Parramatta are in the order of \$600,000 to \$700,000 for a one bedroom apartment and \$700,000 to \$850,000 for a two bedroom apartment. The delivery of approximately 1,800-1,900 residential units will deliver much needed, affordable housing and consequently, attracting new residents to the Holroyd LGA.

Lastly, the provision of significant residential, in close proximity to employment, amenity and public transportation is congruent with Government policy, particularly the Sydney Metropolitan Strategy (2014), as outlined below.

"identify suitable locations for housing and employment growth coordinated with infrastructure delivery (urban renewal), including around priority precincts, established and new centres, and along key public transport corridors" (Pg. 114, Sydney Metropolitan Strategy 2014);

- Direction 1.2: Grow Greater Parramatta – Sydney's Second CBD;
- Direction 1.4: Transform the productivity of Western Sydney through growth and investment;
- Direction 1.7: Grow strategic centres – providing jobs closer to home;
- Direction 2.1: Accelerate housing supply across Sydney;
- Direction 2.2: Accelerate urban renewal across Sydney – providing homes closer to jobs;
- Direction 2.3: Improve housing choice to suit different needs and lifestyles;
- Direction 3.1: Revitalise existing suburbs;
- Direction 3.2: Create a network of interlinked, multipurpose open and green spaces across Sydney;

- Direction 3.3: Creating healthy built environments.

After a review of Government policy, plans and strategies and an account of market trends and drivers, it is evident that the proposed B4 Mixed Use and R4 High Density Residential development at 1 Crescent Street, Holroyd complies, and furthermore delivers on achieving the objectives of Government policy. The proposal is more consistent with market trends, and will maintain the employment relevance of the subject site. Overall, the proposed redevelopment presents an ideal integrated residential and employment outcome for the Holroyd LGA.

Section 1: Introduction

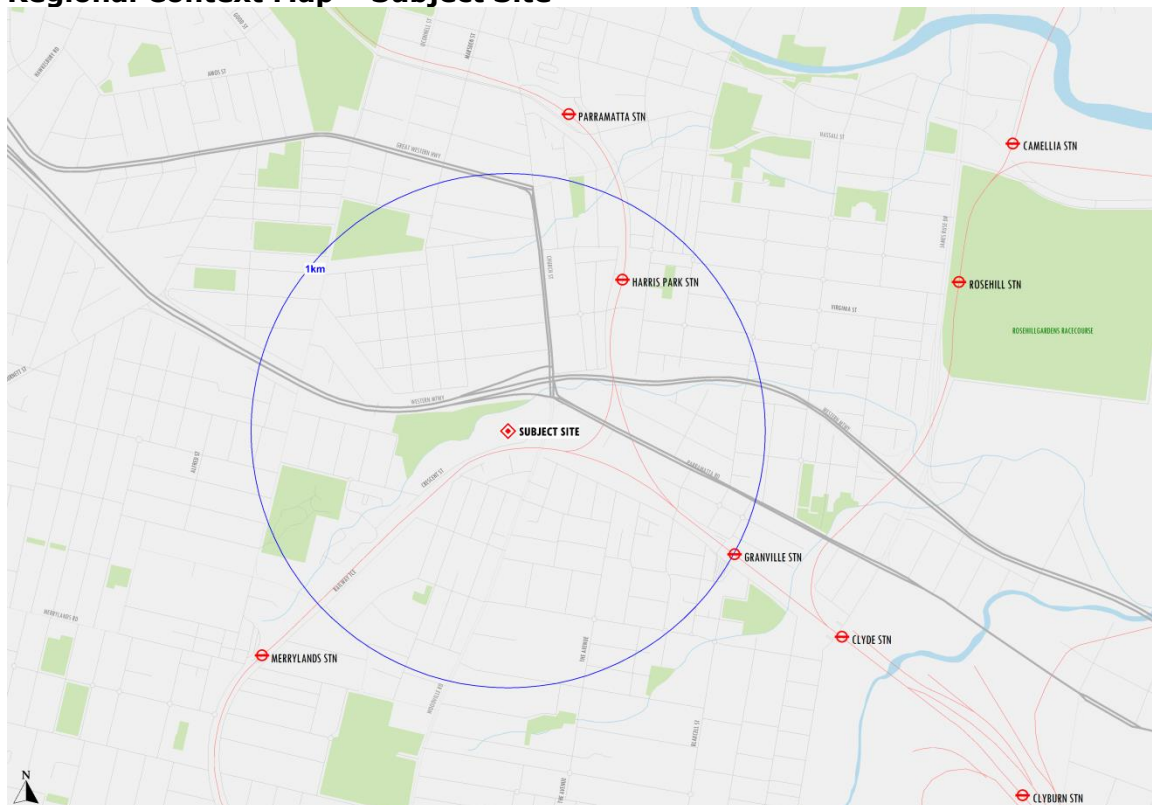
MacroPlan Dimasi has been commissioned by Tiberius to assess the economic benefits and implications of a proposed rezoning of a development site at 1 Crescent Street, Holroyd.

1.1 Regional Context

The subject site is located within the Holroyd Local Government Area (LGA). Located in Western Sydney, the subject site is approximately 2km from the Merrylands Town Centre and the Parramatta CBD, and 25km from Sydney CBD. From Granville Train Station, access to the Parramatta and Sydney CBD is gained through the Northern and Inner West train lines.

The site has street frontages to Crescent Street, Woodville and Parramatta Road, and is 1.2km from the Merrylands Train Station, 1km from Granville Train Station and 750m from Harris Park Station.

Regional Context Map – Subject Site



Source: MacroPlan Dimasi (2015)

1.2 Subject Site

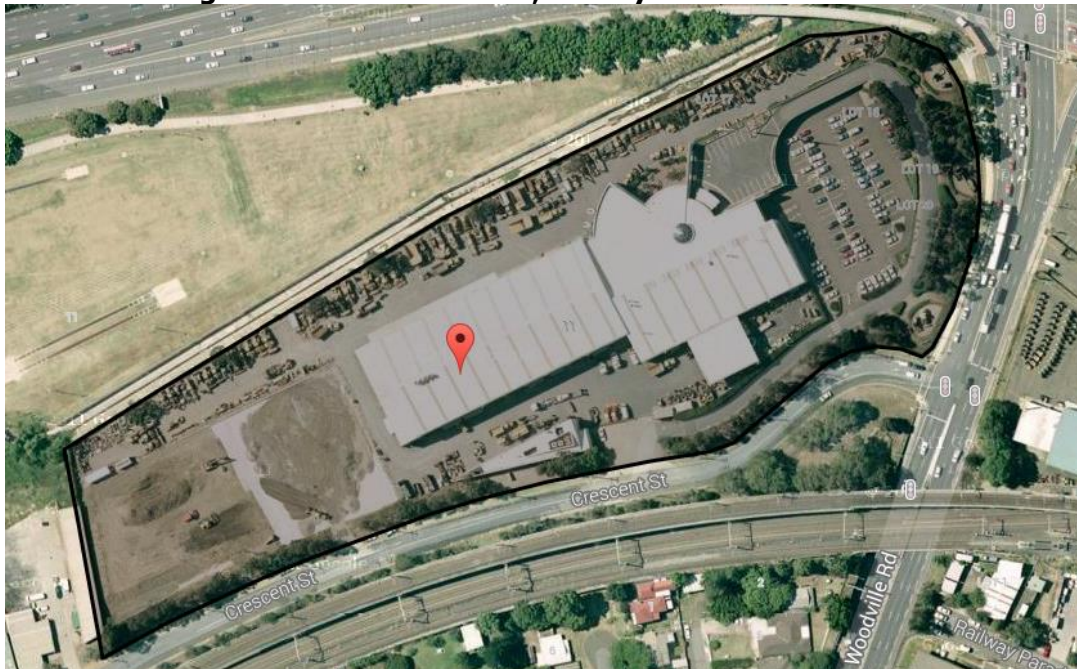
The subject site at 1 Crescent Street, Holroyd is occupied by WesTrac at present. However, it has relocated its NSW/ACT operational headquarters to Tomago, Newcastle (as at June, 2012)

The site has frontage to the Parramatta Road/Church Street intersection, as well as Woodville Road and the Holroyd Sportsground. Vehicular access is gained from Crescent Street via Woodville Road. The site does not have a direct link to the M4 Motorway.

In its entirety, the subject site is enclosed by Crescent Street together with:

- Holroyd Sports Ground and the M4 Western Motorway to the north;
- Adjoins the Parramatta Road and Church Street intersection (to the north-east);
- Woodville Road and Parramatta Road, car yards and other commercial and light industrial uses to the east;
- A railway line and a combination of low and medium density residential dwelling formats to the south; and
- Light industry to the West.

Satellite Image – 1 Crescent Street, Holroyd



Source: E-Planning (2015)

The site has a total area of 38,700m², with a building area of 9,471m² (24.7% site cover) and 14,000m² of hardstand area (36% site coverage).

Specifically, the subject site provides administration offices, amenities, training facilities, workshop and machine servicing bays, spare parts warehousing, laboratory, and on-site parking for specialist heavy earthmoving equipment and motor vehicles. Overall, there are approximately 125 workers on-site. There are currently 167 car parking spaces on the site (equates to one space per 56m²). Estimated operational floorspace areas are presented in the next table.

Estimated Operational Floorspace, Subject Site

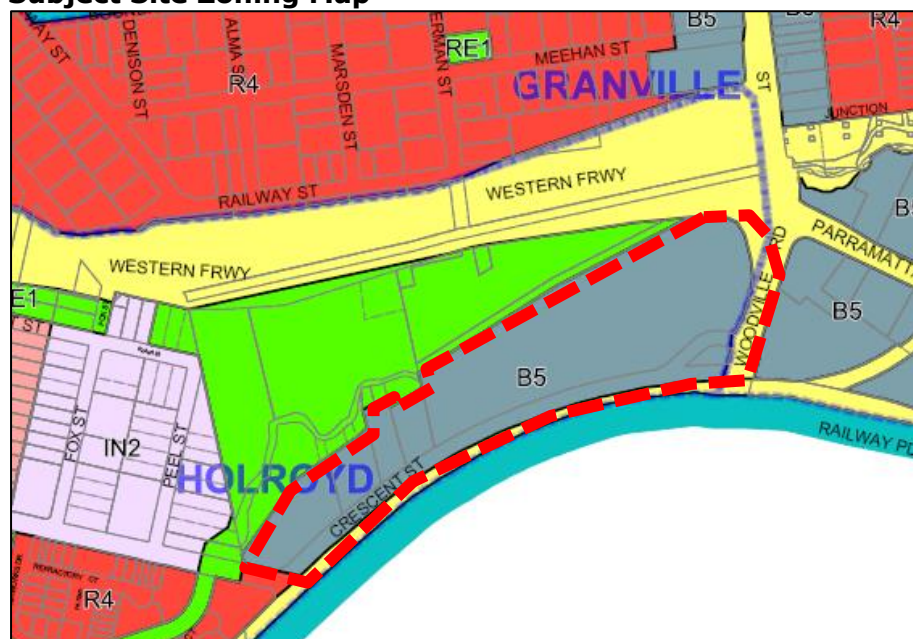
Building Use	Area (m ²)
Workshop	3,912
Warehouse	1,862
Office (ground floor)	1,661
Office (first floor)	1,616
Plant room	350
Mezzanine	27
Stairs	22
Gatehouse	18
Other	2
Total	9,471

Source: McKenzie Group (2014)

1.3 Planning Context

The subject site comprises one lot, legally described as Lot 10 of Deposited Plan 808585. As per the Holroyd LEP (2013), the subject site is zoned B5 – Business Development (refer to zoning map below).

Subject Site Zoning Map



Source: Holroyd LEP (2013)

The objectives of B5 – Business Development zoning according to the Holroyd LEP (2013) are:

B5 Business Development – Objectives of the Zone

- To enable a mix of business and warehouse uses, and bulky goods premises that require a large floor area, in locations that are close to, and that support the viability of, centres;
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.

Currently planning controls permit a building height of 15m and a floor space ratio of 1 under B5 – Business Development (Holroyd LEP, 2013).

Under the current planning setting, permissible uses (as per the Holroyd LEP, 2013) include; bulky goods premises; child care centres; food and drink premises; funeral homes; garden centres; hardware and building supplies; landscaping material supplies; light industries; neighbourhood shops; passenger transport facilities; plant nurseries; respite day care centres; roads; self-storage units; timber yards; vehicle sales or hire premises and warehouse or distribution centres.

The proposed development requires a change in the current land use zoning. As such, Tiberius (Parramatta) Pty Ltd seeks to rezone the subject site from B5 Business Development into B4 Mixed-Use and R4 High Density Residential.

The objectives of B4 Mixed Use are outlined below.

B4 Mixed Use – Objectives of the Zone

- To provide a mixture of compatible land uses;
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling;
- To facilitate a vibrant, mixed-use centre with active retail, commercial and other non-residential uses at street level;
- To encourage the development and expansion of business activities that will strengthen the economic and employment role of the Merrylands town centre.

Permissible uses under B4 Mixed Use zoning (as per the Holroyd LEP 2013) include: boarding houses; child care centres; commercial premises; community facilities;

educational establishments; entertainment facilities; function centres; hostels; hotel or motel accommodation; information and education facilities; medical centres; passenger transport facilities; recreation facilities (indoor); registered clubs; respite day care centres; restricted premises; roads; seniors housing; and shop top housing.

The objectives of R4 High Density Residential are presented below.

R4 High Density Residential – Objectives of the Zone

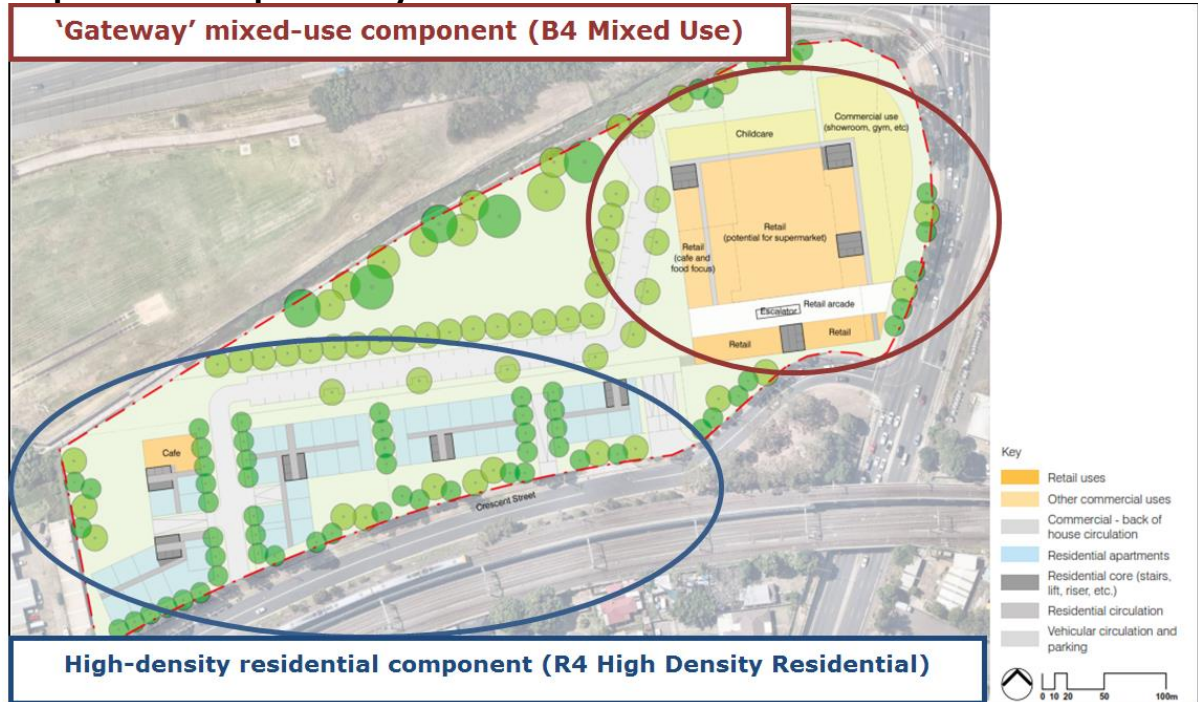
- To provide for the housing needs of the community within a high density residential environment;
- To provide a variety of housing types within a high density residential environment;
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.

Permissible uses under R4 High Density Residential (as per the Holroyd LEP 2013) include: attached dwellings; boarding houses; building identification signs; business identification signs; child care centres; community facilities; environmental protection works; exhibition homes; home businesses; home industries; hostels; kiosks; multi dwelling housing; neighbourhood shops; places of public worship; recreation areas; residential flat buildings; respite day care centres; roads; seniors housing as well as shop top housing.

1.4 Proposed Development

The current Masterplan comprises a mix of integrated residential and commercial uses, as well as a significant provision of open space. The proposed development will include two distinctive components; a 'gateway' component containing a mix of integrated residential and commercial uses, and a high density residential component (as presented below).

Proposed Development Layout



Source: Architectus and Tiberius (Parramatta) Pty Ltd (2015)

In totality, the proposed development will deliver between 1,800-1,900 apartments and approximately 8,500m² of employment-generating floorspace to Holroyd LGA. Employment uses envisaged under the proposed B4 Mixed Use (with the 'gateway' component) zoning include:

- Retail (supermarket/specialty) – 4,900m²
- Retail (showroom) – 2,000m²
- Other commercial – 1,600m²

Section 2: Socio-demographic & Business Profile

In this section of the report, MacroPlan Dimasi identifies key socio-demographic and business/industry trends which are expected to influence housing choice and employment in the Holroyd LGA. Essentially, this section serves as a background to the justification and net community benefit test.

2.1 Socio-Demographic Trends

2.1.1 Population growth

As at 2013, the Holroyd LGA entailed 108,889 residents, making it the 18th largest LGA in metropolitan Sydney.

Population Change, Holroyd LGA and Greater Sydney (2008 – 2013)

LGA	2008	2013	Change (no.)	CAGR* (%)
Holroyd LGA	98,038	108,889	10,851	2.1%
Parramatta LGA	161,894	184,622	22,728	2.7%
Greater Sydney	4,409,562	4,757,083	347,521	1.5%

**Compound Annual Growth Rate*

Source: ABS Regional Population Growth, Australia

Between 2008 and 2013, the population increased by a total of 10,851 persons, equating to average growth of 2.1% per annum. This rate of growth surpassed that observed in Greater Sydney (1.5% per annum). Compared to other Greater Sydney LGAs, Holroyd LGA incurred the sixth highest rate of growth.

Population Growth, Top 20 Greater Sydney LGAs (2008-2013)

LGA	2008	2013	Total Change (no.)	CAGR (%)
Camden	53,736	63,248	9,512	3.3%
Canada Bay	72,320	84,906	12,586	3.3%
Auburn	72,630	83,367	10,737	2.8%
Parramatta	161,894	184,622	22,728	2.7%
Blacktown	292,002	325,185	33,183	2.2%
Holroyd	98,038	108,889	10,851	2.1%
Manly	39,852	44,232	4,380	2.1%
Botany Bay	39,018	43,292	4,274	2.1%
Sydney	172,985	191,918	18,933	2.1%
Ku-Ring-Gai	107,976	119,027	11,051	2.0%
Liverpool	177,372	195,355	17,983	2.0%
Wollondilly	42,401	46,295	3,894	1.8%
North Sydney	63,484	69,248	5,764	1.8%
Pittwater	57,137	62,070	4,933	1.7%
Strathfield	35,343	38,358	3,015	1.7%
Randwick	131,136	142,310	11,174	1.6%
The Hills Shire	169,508	183,563	14,055	1.6%
Bankstown	182,679	196,974	14,295	1.5%
Leichhardt	53,133	57,266	4,133	1.5%
Ryde	104,602	112,545	7,943	1.5%

Source: ABS Regional Population Growth, Australia

2.1.2 Population by Age

On the surface, the age profile of residents living in the Holroyd LGA is not dissimilar from Greater Sydney. As at 2011, the median age of Holroyd LGA and Greater Sydney was 34 and 36 years, respectively.

More detailed analysis of population by age data indicates that the Holroyd LGA age profile is somewhat younger. From a proportional perspective, the dominant cohorts in the Holroyd LGA are the 0-19 and 20-34 age groups, accounting for 27% and 25% of the resident population. In contrast, representation in Greater Sydney amongst these age groups is 25% and 23% respectively.

Population by Age, Holroyd LGA and Greater Sydney (2013)

Age Cohort	Holroyd LGA		Greater Sydney	
	Number of Persons	Proportion (%)	Number of Persons	Proportion (%)
0 - 19	28,999	27%	1,185,384	25%
20 - 34	27,748	25%	1,115,117	23%
35 - 49	22,309	20%	1,008,172	21%
50 - 64	16,420	15%	819,220	17%
65+	13,413	12%	629,190	13%
Total	108,889	100%	4,757,083	100%

Source: ABS Population by Age and Sex (2013)

Population growth in the Holroyd LGA has been dominated by 65+ cohort. Over the five years to 2013, this cohort expanded by 1,817 persons, at an average rate of 3.0% per annum. This rate of growth is consistent with that observed in Greater Sydney for this age group (3.2% per annum), suggesting that 'ageing' is in fact a regional trend.

Population Change by Age, Holroyd LGA (2008 – 2013)

Age Cohort	2008	2013	Total Change	CAGR*
0 - 19	26,102	28,999	2,897	2.1%
20 - 34	24,784	27,748	2,964	2.3%
35 - 49	20,326	22,309	1,983	1.9%
50 - 64	15,230	16,420	1,190	1.5%
65+	11,596	13,413	1,817	3.0%
Total	98,038	108,889	10,851	2.1%

*Compound Annual Growth Rate

Source: ABS Population by Age and Sex (2013)

In relation to other age cohorts, solid growth was also observed in the 0-19 and 20-34 age cohorts in Holroyd LGA, which is expected to maintain Holroyd LGA's young age profile. Between 2008 and 2013, these cohorts expanded at an average rate of 2.1% and 2.3% per annum respectively, surpassing that observed in Greater Sydney – 1.0% and 1.3% per annum respectively. This indicates population growth is apparent on both ends of the age spectrum in Holroyd LGA, and is not just confined to senior age cohorts.

2.1.3 Place of Birth

The majority of residents within the Holroyd LGA (2011) were born in Australia, comprising 50.4% of the resident population.

Place of Birth, Holroyd LGA and Greater Sydney (2011)

Place of Birth	Holroyd LGA	Greater Sydney
Australia*	50.4%	59.9%
Overseas	43.1%	34.2%
Not stated	6.5%	5.9%
Total	100.0%	100.0%

* Includes external authorities

Source: Census 2011

Relative to Greater Sydney, the Holroyd LGA has a larger proportion of persons who were born overseas (39.6% compared with 31.1% for Greater Sydney). By country, the three main birth locations for Holroyd LGA residents are India (7.5%), Lebanon (4.5%) and China¹ (2.8%).

The disparity in cultural diversity is expected to have an impact on housing choices and preferences. Generally, compared to local residents, greater cultural diversity is supportive of higher density dwelling options, which is accommodated by the proposed development.

2.1.4 Household Composition

As at 2011, the dominant household format in the Holroyd LGA was couple families with children, accounting for 38.1% of households. Other key household groups include couple family with no children (20.4%), lone person (19.9%) and one parent family (12.7%).

Household Composition, Holroyd LGA and Greater Sydney (2011)

Family/household structure	Holroyd LGA		Greater Sydney	
	Number	Composition (%)	Number	Composition (%)
Couple Family with children	13,175	38.1%	556,697	34.8%
Couple Family with no children	7,048	20.4%	361,158	22.6%
Lone Person Household	6,902	19.9%	343,808	21.5%
One Parent Family	4,403	12.7%	173,045	10.8%
Other Household	1,602	4.6%	80,136	5.0%
Group Household	885	2.6%	64,950	4.1%
Other Family	599	1.7%	21,735	1.4%
Total	34,614	100.0%	1,601,529	100.0%

Source: Census 2011

Relative to Greater Sydney, representation in Holroyd LGA is higher amongst couples with children (38.1% compared to 34.8%), one parent families (12.7% compared to 10.8%) and other family (1.7% compared to 1.4%) households, but lower in couple family with no children (20.4% compared to 22.6%), lone person (19.9% compared to

¹ Excluding SARs and Taiwan

21.5%), other household (4.6% compared to 5.0%) and group household (2.6% compared to 4.1%) arrangements.

Change in Households, Holroyd LGA (2006 & 2011)

Family/household structure	2006	2011	Change	Contribution (%)
Couple family with children	11,588	13,175	1,587	71.3%
One parent family	4,047	4,403	356	16.0%
Couple family with no children	6,725	7,048	323	14.5%
Other family	530	599	69	3.1%
Other households	1,607	1,602	-5	-0.2%
Group households	906	885	-21	-0.9%
Lone person households	6,985	6,902	-83	-3.7%
Total	32,388	34,614	2,226	100.0%

Source: Census 2011

Between 2006 and 2011, the number of households in Holroyd LGA increased by 2,226, with the largest contribution coming from couple family with children, accounting for 71.3% of the total increase. A solid contribution was also observed in one parent families (16.0%) and couple families with no children (14.5%). Interestingly, when compared to the composition observed in 2011, there has been a significant increase in couple families with children.

2.1.5 Dwelling Structure

As at 2011, the dwelling structure composition in Holroyd LGA was similar to Greater Sydney. In both areas, 'separate house' represented the modal dwelling structure, accounting for 61.6% and 61.0% of total private occupied dwelling stock respectively.

Dwelling Structure Composition, Holroyd LGA and Greater Sydney (2011)

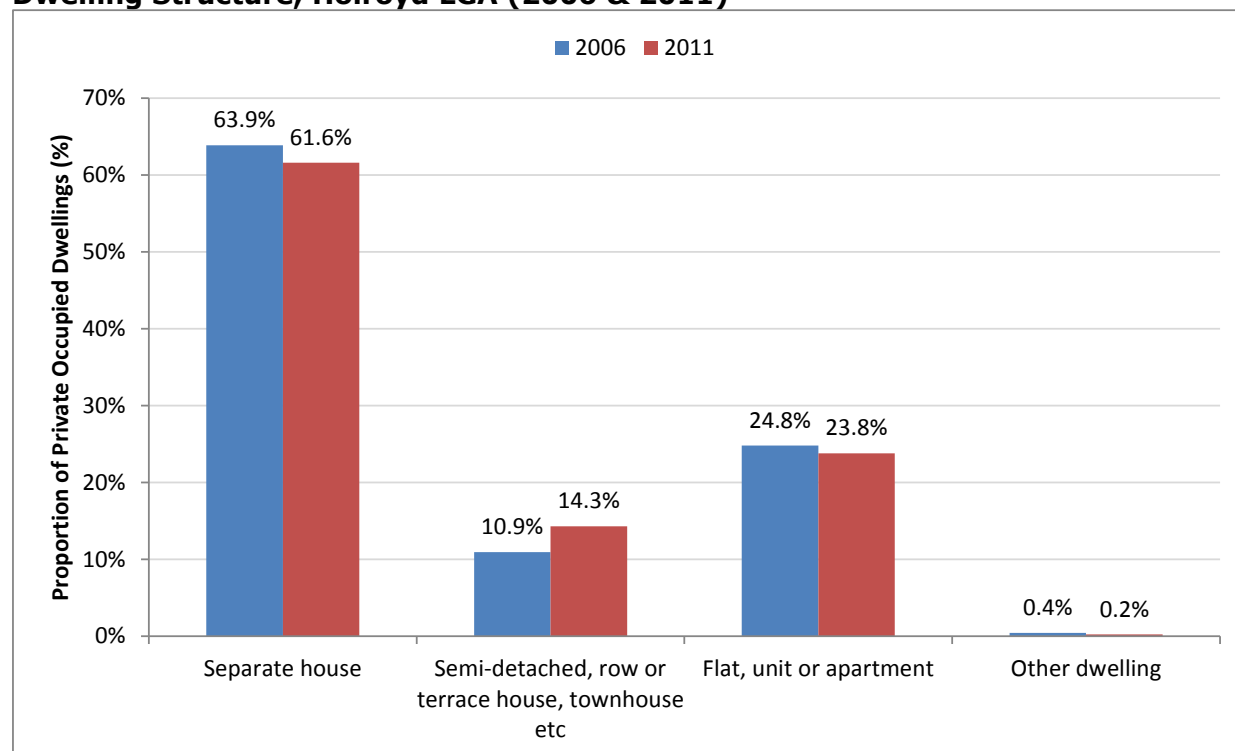
Dwelling Structure	Holroyd LGA	Greater Sydney
Separate house	61.6%	61.0%
Semi-detached, row or terrace house, townhouse etc	14.3%	12.8%
Flat, unit or apartment	23.8%	25.8%
Other dwelling	0.2%	0.5%
Total	100.0%	100.0%

Source: Census 2011

In relation to other dwelling typologies, the Holroyd LGA entails a greater share of semi-detached, row or terrace house, townhouse dwellings relative to Greater Sydney (14.3% compared to 12.8%), but less flats, units or apartments (23.8% compared to 25.8%).

Over the five years to 2011, the share of semi-detached, row or terrace house, townhouse increased in Holroyd LGA – rising from 10.9% to 14.4%. This increase has been achieved at the expense of separate houses, which decreased from 63.9% to 61.6% over the five year period to 2011. Notably, the proportion of apartments decreased during this period.

Dwelling Structure, Holroyd LGA (2006 & 2011)



Source: Census 2006 & 2011

2.1.6 Working Residents

As at 2011, there were 42,294 working residents in the Holroyd LGA. Of all industries, the Manufacturing industry engaged the most working residents, providing jobs for approximately 11.1% of Holroyd LGA's residents. Health Care and Social Assistance (11.0%) and Retail Trade (9.8%) were the next two largest employing industries.

Working Residents by Industry, Holroyd LGA & Greater Sydney (2011)

Family/household structure	Holroyd LGA		Greater Sydney	
	Number	Comp. (%)	Number	Comp. (%)
Manufacturing	4,683	11.1%	175,274	8.5%
Health Care and Social Assistance	4,636	11.0%	224,833	10.9%
Retail Trade	4,463	10.6%	202,738	9.8%
Construction	3,451	8.2%	145,529	7.1%
Professional, Scientific and Technical Services	2,816	6.7%	198,027	9.6%
Financial and Insurance Services	2,721	6.4%	135,224	6.6%
Transport, Postal and Warehousing	2,668	6.3%	109,361	5.3%
Public Administration and Safety	2,588	6.1%	115,587	5.6%
Wholesale Trade	2,556	6.0%	108,521	5.3%
Accommodation and Food Services	2,502	5.9%	127,863	6.2%
Education and Training	2,458	5.8%	156,628	7.6%
Administrative and Support Services	1,594	3.8%	75,364	3.7%
Information Media and Telecommunications	1,406	3.3%	72,124	3.5%
Rental, Hiring and Real Estate Services	959	2.3%	61,795	3.0%
Arts and Recreation Services	650	1.5%	28,918	1.4%
Electricity, Gas, Water and Waste Services	628	1.5%	25,460	1.2%
Agriculture, Forestry and Fishing	521	1.2%	36,224	1.8%
Mining	458	1.1%	33,122	1.6%
Other Services	423	1.0%	18,528	0.9%
Inadequately described	70	0.2%	7,796	0.4%
Not stated	43	0.1%	4,354	0.2%
Total	42,294	100.0%	2,063,270	100.0%

Source: Census 2011

Compared to Greater Sydney, pertinent observations include:

- The Health Care and Social Assistance, Retail Trade and Financial and Insurance Services industries provide a similar proportion of jobs for working residents in Holroyd LGA and Greater Sydney.
- A greater proportion of Holroyd LGA's working residents are engaged in the Manufacturing, Construction and Transport, Postal and Warehousing industries.
- There are less working residents in Holroyd LGA employed in the Professional, Scientific and Technical Services and Education and Training industries.

MacroPlan Dimasi has reviewed 2006 and 2011 industry profile data for working residents of Holroyd LGA. Over the five year period, the number of working residents employed in the Manufacturing industry (the largest employing industry) declined by 114. Other traditional employing industries such as Construction, Health Care and Social Assistance and Retail Trade all incurred significant increases – although their contribution to change was lower than their 2011 representation.

Notably, there has been a significant increase in working residents employed in service-orientated or high-order technical industries. Over the five years to 2011, Health Care and Social Assistance accounted for nearly one-quarter of total change (i.e. increase in working residents), while Professional, Scientific and Technical Services accounted for another 15.2% of total change. Overall, this suggests that the industry composition of employed working residents in the Holroyd LGA is evolving, and is essentially transitioning away from 'traditional' industries such as Manufacturing to higher-order and professional orientated industries.

Subsequently, to increase job containment rates in the Holroyd LGA, employment opportunities in high order industries should be promoted.

Change in Working Residents Composition, Holroyd LGA (2006-2011)

Industry	2006	2011	Composition % (2011)	Change (2006-2011)	Change composition (%)
Manufacturing	4,765	4,651	11.0%	-114	-2.8%
Health care and social assistance	3,670	4,635	11.0%	965	23.7%
Retail trade	4,204	4,464	10.6%	260	6.4%
Construction	3,258	3,433	8.1%	175	4.3%
Professional, scientific and technical services	2,183	2,804	6.7%	621	15.2%
Financial and insurance services	2,378	2,725	6.5%	347	8.5%
Transport, postal and warehousing	2,384	2,663	6.3%	279	6.8%
Public administration and safety	2,205	2,579	6.1%	374	9.2%
Wholesale trade	2,404	2,533	6.0%	129	3.2%
Accommodation and food services	2,251	2,498	5.9%	247	6.1%
Education and training	2,151	2,449	5.8%	298	7.3%
Other services	1,494	1,594	3.8%	100	2.5%
Administrative and support services	1,292	1,398	3.3%	106	2.6%
Inadequately described/Not stated	1,207	1,275	3.0%	68	1.7%
Information media and telecommunications	845	950	2.3%	105	2.6%
Rental, hiring and real estate services	533	517	1.2%	-16	-0.4%
Arts and recreation services	378	451	1.1%	73	1.8%
Electricity, gas, water and waste services	359	421	1.0%	62	1.5%
Agriculture, forestry and fishing	67	71	0.2%	4	0.1%
Mining	42	36	0.1%	-6	-0.1%
Total	38,070	42,147	100.0%	4,077	100.0%

Source: Census 2011

2.1.7 Household Income (and distribution)

According to Census data, Holroyd LGA households, on average, earn less than the Greater Sydney region. As at 2011, total weekly household income in the Holroyd LGA was \$1,207 per household, around 16.6% less than the Greater Sydney weekly average of \$1,447 per household.

In addition, income growth in Holroyd LGA has not kept pace with the Greater Sydney region. Over the five years to 2011, total household income expanded on average by 3.9% per annum in Holroyd LGA, considerably less than the 4.6% per annum observed for Greater Sydney. This suggests that the income gap between Holroyd LGA and

Greater Sydney household is in fact increasing, and that, on average, households in the Holroyd LGA are in fact more susceptible and sensitive to housing affordability.

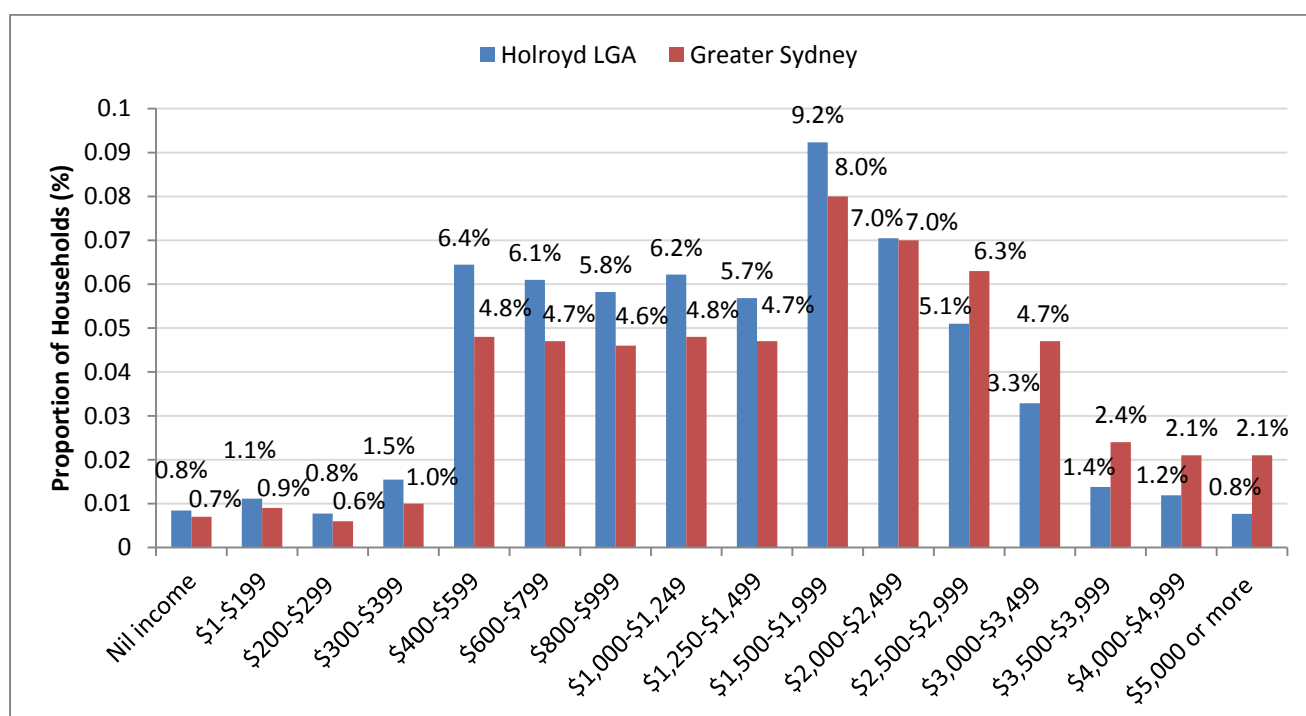
Median Weekly Household Income (\$/week), Holroyd LGA & Greater Sydney (2006-2011)

Median Weekly Household Income (\$)	2006	2011	CAGR* (%)
Holroyd LGA	997	1,207	3.9%
Greater Sydney	1,154	1,447	4.6%

*Compound Annual Growth Rate
Source: Census 2006 & 2011

We have also reviewed income distribution in Holroyd LGA, and compared it to Greater Sydney. Relative to Greater Sydney, the Holroyd LGA household income distribution is skewed towards lower income brackets. According to Census 2011 data, approximately 22.5% of households earn below \$999 per week. For Greater Sydney, representation in this group is closer to 17.3%.

Household Income Distribution (%), Holroyd LGA and Greater Sydney (2011)



Source: Census 2006 & 2011

Moreover, the proportion of households earning higher incomes (i.e. above \$2,500 per week) is significantly less in Holroyd LGA. Based on Census 2011 data, the share of households earning 'higher' incomes in Holroyd LGA is just 11.8%, which is far below the 17.6% observed for Greater Sydney.

In all, it is evident that the income earning capacity in Holroyd LGA is, on average, significantly less than for Greater Sydney. When combined with an income distribution which is skewed towards lower income brackets, lower growth in the future is expected to increase the income gap between households in Holroyd LGA and Greater Sydney.

2.1.8 NSW Government Projections

According to Department of Planning and Environment (DP&E) projections, the resident population of Holroyd LGA is expected to total 136,050 persons as at 2031. Compared to 2011 estimates, this equates to an increase of 31,900 persons, or average growth rate of 1.3% per annum.

By age, the number of 65+ residents is expected to expand rapidly, increasing by close to 71% on the 2011 DP&E figure. The predicted rate of 2.7% per annum for this period is similar to that observed between 2008 and 2013. Interestingly, growth in young working adults (i.e. 20-34 year olds) is anticipated to recede on current levels from 2.3% per annum (over the five years to 2013) to just 0.4% per annum over the forecast period.

DP&E Population Projections, Holroyd LGA (2011 – 2031)

Age Cohort	2011	2031	Total Change	CAGR* (%)
0-19	27,450	36,700	9,250	1.5%
20-34	26,600	28,600	2,000	0.4%
35-49	21,400	28,400	7,000	1.4%
50-64	16,150	21,050	4,900	1.3%
65+	12,550	21,300	8,750	2.7%
Total	104,150	136,050	31,900	1.3%

**Compound annual growth rate*

Source: DP&E Population Projections (2014)

The DP&E figures also anticipate a change in the household composition for Holroyd LGA. Between 2011 and 2031, couple families with children are expected to remain the dominant type, accounting for 34.3% of new households – consistent with the 2011 composition (38.1%). Other household types which are expected to remain on par with current composition settings include couple only households, single parent and group households.

DP&E Household Projections, Holroyd LGA (2011 – 2031)

Household Type	2011	2031	Total Change	Change composition (%)
Couple with children	14,800	19,000	4,200	34.3%
Lone person	7,100	10,450	3,350	27.3%
Couple only	7,550	9,800	2,250	18.4%
Single parent	4,650	6,550	1,900	15.5%
Multiple-family households	1,000	1,250	250	2.0%
Other family households	650	800	150	1.2%
Group	900	1,050	150	1.2%
Total	36,650	48,900	12,250	100.0%

**Compound annual growth rate*

Source: DP&E Household Projections (2014)

Of significance is the anticipated rise in lone person households. According to DP&E projections, this group is earmarked to become the second largest household type in Holroyd LGA, eclipsing couples only (i.e. family couples with no children). As at 2031, DP&E expects there will be 10,450 lone person households in Holroyd LGA.

Overall, the DP&E projections portray an environment dominated by solid growth in 65+ persons and lone person households. Importantly, this future profile for Holroyd LGA is supportive of higher density living, as proposed by the development.

2.1.9 Final remarks

Overall, our review of Holroyd LGA's socio-demographic profile and account on demographic trends and projections has revealed:

- The Holroyd LGA resident population expanded by 2.1% per annum between 2008 and 2013, exceeding the Greater Sydney average (1.5%);
- The resident population of Holroyd LGA has a greater concentration of children (27.0%) and young working adults (25%);
- There has been considerable growth in the 65+ age cohort (3.0%) and the 20-34 age cohort (2.3% per annum) between 2008 and 2013;
- The LGA entails a larger proportion of resident who were born overseas (43.1%), relative to Greater Sydney (34.2%);
- The most predominant dwelling structure is separate houses (61.7%), followed by flat, units or apartments (23.9%);

- Between 2006 and 2011, the proportion of total dwellings classified as a separate house has declined by 3.3%. Conversely, the proportion of medium density dwellings has increased by 3.3%;
- As at 2011, couple families with children are the dominant household typology (38.1%), followed by couple families with no children (20.4%);
- Over the five years to 2011, couple families with children have contributed to the greatest change in household structure (71.3%), followed notably by one parent families (16.0%);
- Manufacturing is the dominant industry of employment for working residents within the LGA (11.1%), followed by health care and social assistance (11.0%) and the retail trade (10.6%);
- As at 2011, the median weekly household income is low (\$1,207), compared with Greater Sydney (\$1,447);
- Income growth has also been slow in the Holroyd LGA (3.9% per annum), relative to Greater Sydney (4.6% per annum), over the five years to 2011.

2.2 Industry and Business Profile

2.2.1 Jobs in Holroyd LGA

According to Census data, the Holroyd LGA accommodates 28,723 jobs as at 2011. At the time, the largest employing industry, Manufacturing, supported 7,369 of these jobs, equivalent to 25.7% of total jobs in the LGA. Of remaining industries, the next two largest employing industries operating in Holroyd LGA are Retail Trade (3,116 jobs or 10.8%) and Transport, Postal and Warehousing (3,034 jobs or 10.6%).

Number of Jobs by Industry, Holroyd LGA (2011)

Industry	Number of Persons	Proportion (%)
Manufacturing	7,369	25.7%
Retail Trade	3,116	10.8%
Transport, Postal and Warehousing	3,034	10.6%
Wholesale Trade	2,973	10.4%
Health Care and Social Assistance	2,138	7.4%
Construction	1,917	6.7%
Education and Training	1,771	6.2%
Accommodation and Food Services	1,352	4.7%
Other Services	1,210	4.2%
Professional, Scientific and Technical Services	910	3.2%
Public Administration and Safety	868	3.0%
Administrative and Support Services	477	1.7%
Financial and Insurance Services	373	1.3%
Inadequately described	373	1.3%
Rental, Hiring and Real Estate Services	358	1.2%
Electricity, Gas, Water and Waste Services	167	0.6%
Information Media and Telecommunications	133	0.5%
Arts and Recreation Services	107	0.4%
Agriculture, Forestry and Fishing	46	0.2%
Mining	22	0.1%
Not stated	9	0.0%
Total	28,723	100%

Source: Census 2011

Relative to Greater Sydney, the job/industry profile for Holroyd LGA differs in that it encompasses greater representation amongst traditional industries (e.g. Manufacturing, Wholesale Trade, Transport, Postal and Warehousing), and lower representation in service-orientated and professional based industries (e.g. Professional, Scientific and Technical Services, Health Care and Social Assistance, Public Administration and Safety and Financial and Insurance Services).

Jobs Composition Comparison, Holroyd LGA and Greater Sydney (2011)

Industry	Greater Sydney	Holroyd LGA	Difference	Holroyd Weighting
Manufacturing	8.8%	25.7%	16.9%	Over
Retail Trade	10.1%	10.8%	0.7%	Over
Transport, Postal and Warehousing	5.2%	10.6%	5.4%	Over
Wholesale Trade	5.5%	10.4%	4.8%	Over
Health Care and Social Assistance	11.3%	7.4%	-3.8%	Under
Construction	5.4%	6.7%	1.3%	Over
Education and Training	8.0%	6.2%	-1.9%	Under
Accommodation and Food Services	6.3%	4.7%	-1.6%	Under
Other Services	3.7%	4.2%	0.5%	Over
Professional, Scientific and Technical Services	10.2%	3.2%	-7.0%	Under
Public Administration and Safety	6.0%	3.0%	-3.0%	Under
Administrative and Support Services	3.2%	1.7%	-1.5%	Under
Financial and Insurance Services	7.0%	1.3%	-5.7%	Under
Inadequately described	1.1%	1.3%	0.2%	Over
Rental, Hiring and Real Estate Services	1.9%	1.2%	-0.6%	Under
Electricity, Gas, Water and Waste Services	0.9%	0.6%	-0.3%	Under
Information Media and Telecommunications	3.2%	0.5%	-2.7%	Under
Arts and Recreation Services	1.6%	0.4%	-1.2%	Under
Agriculture, Forestry and Fishing	0.4%	0.2%	-0.2%	Under
Mining	0.2%	0.1%	-0.1%	Under
Not stated	0.1%	0.0%	0.0%	Under
Not applicable	0.0%	0.0%	0.0%	Over
Total	100.0%	100.0%	0.0%	

Source: Census 2011

2.2.2 Employment (jobs) growth

Over the five years to 2011, the Holroyd LGA incurred an outright job reduction, shedding approximately 2,861 jobs on the 2006 figure. The majority of these job losses were incurred in Manufacturing, which lost approximately 2,060 jobs. Significant job reductions were also observed in Wholesale Trade (-524 jobs) and Retail Trade (-222 jobs).

Despite the overall reduction, a few industries delivered additional jobs for the Holroyd LGA. Collectively, these industries delivered an additional 308 jobs. Over the five years to 2011, jobs growth in the Holroyd LGA has been dominated by service oriented and high-order professional industries e.g. education and training, financial and insurance services.

This signifies that the employment mix in the Holroyd LGA is undergoing a transition; away from once dominated by traditional industries to a service-orientated and greater diversified workforce. Specific industries of growth include:

1. Transport, Postal and Warehousing (+96 jobs)(most likely due to Quarry West);
2. Education and Training (+79 jobs);
3. Construction (+69 jobs);
4. Financial and Insurance Services (+24 jobs);
5. Public Administration and Safety (+11 jobs)

Jobs Growth (number of jobs), Holroyd LGA (2006 & 2011)

Industry	2006	2011	Change (no.)
Transport, Postal and Warehousing	2,938	3,034	96
Education and Training	1,692	1,771	79
Construction	1,848	1,917	69
Financial and Insurance Services	349	373	24
Inadequately described	350	373	23
Public Administration and Safety	857	868	11
Agriculture, Forestry and Fishing	40	46	6
Not applicable	0	0	0
Other Services	1,214	1,210	-4
Mining	29	22	-7
Arts and Recreation Services	115	107	-8
Electricity, Gas, Water and Waste Services	186	167	-19
Information Media and Telecommunications	154	133	-21
Rental, Hiring and Real Estate Services	389	358	-31
Not stated	46	9	-37
Professional, Scientific and Technical Services	960	910	-50
Accommodation and Food Services	1,404	1,352	-52
Administrative and Support Services	541	477	-64
Health Care and Social Assistance	2,208	2,138	-70
Retail Trade	3,338	3,116	-222
Wholesale Trade	3,497	2,973	-524
Manufacturing	9,429	7,369	-2,060
Total	31,584	28,723	-2,861

Source: Census 2006 & 2011

2.2.3 Business Composition

As at 2013, there were 6,949 businesses operating within the Holroyd LGA. Of this total, 3,008 were employing businesses, with the remainder (3,941 businesses) being non-employing e.g. self-employed or sole traders. Of employing businesses, the Construction industry encompasses the most businesses (768), followed by Manufacturing (288) and Retail Trade (288).

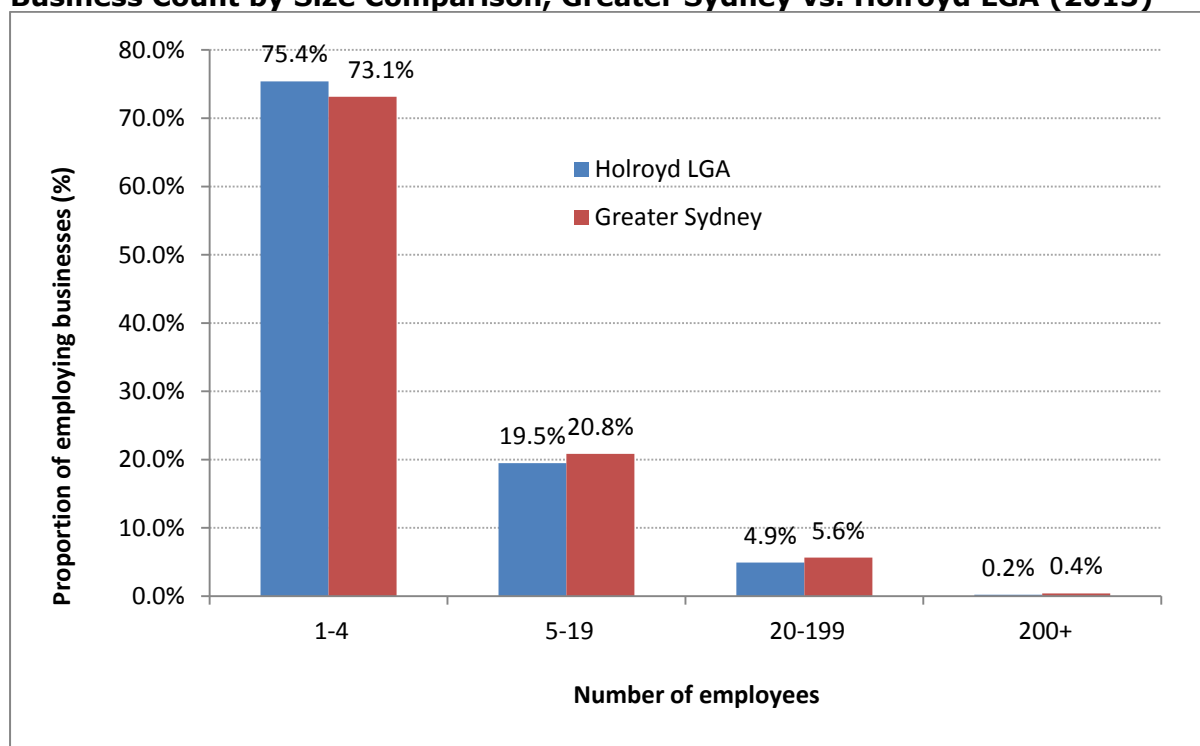
Business Count by Workforce Size, Holroyd LGA (2013)

Industry	Non employing	1-4	5-19	20-199	200+	Employing	Employing (%)	Total
Construction	919	663	86	0	19	768	25.5%	1,687
Manufacturing	145	138	112	0	38	288	9.6%	433
Retail Trade	228	227	55	0	6	288	9.6%	516
Wholesale Trade	141	148	95	0	25	268	8.9%	409
Other Services	137	175	41	0	3	219	7.3%	356
Professional, Scientific and Technical Services	227	175	31	3	9	218	7.2%	445
Transport, Postal and Warehousing	748	194	13	0	8	215	7.1%	963
Accommodation and Food Services	63	110	34	0	10	154	5.1%	217
Administrative and Support Services	154	103	28	0	6	137	4.6%	291
Health Care and Social Assistance	86	77	40	3	9	129	4.3%	215
Unknown	293	93	17	0	0	110	3.7%	403
Rental, Hiring and Real Estate Services	479	53	6	0	0	59	2.0%	538
Financial and Insurance Services	181	41	3	0	3	47	1.6%	228
Public Administration and Safety	29	27	10	0	6	43	1.4%	72
Education and Training	24	17	6	0	0	23	0.8%	47
Electricity, Gas, Water and Waste Services	11	12	3	0	3	18	0.6%	29
Arts and Recreation Services	26	9	3	0	0	12	0.4%	38
Information Media and Telecommunications	22	6	3	0	3	12	0.4%	34
Agriculture, Forestry and Fishing	25	0	0	0	0	0	0.0%	25
Mining	3	0	0	0	0	0	0.0%	3
Total	3,941	2,268	586	6	148	3,008	100.0%	6,949

Source: ABS Count of Australian Businesses, including entries and exits (2015)

The majority of total businesses within the LGA engage between 1 and 4 employees (33%). Approximately 8.4% of employing businesses employ 5–19 workers, 0.09% engage 20-199 employees and 2.1% employ more than 200 workers. From a business count perspective, there appears to be a skew towards smaller businesses in Holroyd LGA.

Business Count by Size Comparison, Greater Sydney vs. Holroyd LGA (2013)



Source: ABS Count of Australian Businesses, including entries and exits (2015)

The Greater Sydney business size profile is generally consistent with that observed in Holroyd LGA, with a few minor variations. Albeit marginal, relative to Greater Sydney, the Holroyd LGA profile entails greater representation amongst businesses with 1-4 employees, and is slightly under-represented in relation to businesses with five or more employees. From a business size perspective, there is some resemblance between the two regions.

Business Count by Industry, Greater Sydney vs. Holroyd LGA (2013)

Employing Industry	Greater Sydney	Holroyd LGA	Difference
Professional, Scientific and Technical Services	17%	7%	-10%
Construction	16%	26%	10%
Retail Trade	9%	10%	1%
Health Care and Social Assistance	7%	4%	-3%
Accommodation and Food Services	7%	5%	-2%
Wholesale Trade	6%	9%	3%
Manufacturing	6%	10%	4%
Administrative and Support Services	5%	5%	-1%
Other Services	5%	7%	2%
Financial and Insurance Services	5%	2%	-3%
Transport, Postal and Warehousing	5%	7%	2%
Rental, Hiring and Real Estate Services	4%	2%	-2%
Unknown	2%	4%	2%
Education and Training	2%	1%	-1%
Information Media and Telecommunications	2%	0%	-1%
Arts and Recreation Services	1%	0%	-1%
Agriculture, Forestry and Fishing	1%	0%	-1%
Public Administration and Safety	1%	1%	1%
Electricity, Gas, Water and Waste Services	0%	1%	0%
Mining	0%	0%	0%
Total	100%	100%	0%

Source: ABS Count of Australian Businesses, including entries and exits (2015)

Relative to Greater Sydney, representation amongst employing industries in the Holroyd LGA is:

- Greater in the Construction, Manufacturing and Wholesale Trade industries.
- Lesser in Professional, Scientific and Technical Services, Health Care and Social Assistance, Accommodation and Food Services and Financial and Insurance Services.

2.2.4 Business growth

Between 2011 and 2013, the number of businesses in the Holroyd LGA contracted by a net of 622. Notably, 620 of these were non-employing and two were employing.

By industry, the number of employing businesses in the Construction industry increased by 50, comprising mainly of small businesses (i.e. less than four employees). In contrast, the number of employing businesses in Professional, Scientific and Technical Services as well as Accommodation and Food Services contracted by 48 and 21 businesses respectively. Moreover, significant employing business reductions were also observed in Manufacturing (16 businesses) and the Retail Trade (15 employing businesses).

Business Count Change, Holroyd LGA (2011–2013)

Industry	Non employing	1-4	5-19	20-199	200+	Employing	Total
Professional, Scientific and Technical Services	-198	-54	-6	9	3	-48	-246
Accommodation and Food Services	-12	-18	0	-3	0	-21	-33
Manufacturing	-24	-19	12	-9	0	-16	-40
Retail Trade	-30	11	-26	0	0	-15	-45
Financial and Insurance Services	-83	-10	0	-3	0	-13	-96
Rental, Hiring and Real Estate Services	-70	-4	-6	-3	0	-13	-83
Administrative and Support Services	-81	-17	3	2	0	-12	-93
Agriculture, Forestry and Fishing	-12	-9	0	0	0	-9	-21
Education and Training	-25	1	-6	0	0	-5	-30
Mining	3	-3	0	0	0	-3	0
Information Media and Telecommunications	-12	-1	-3	3	0	-1	-13
Transport, Postal and Warehousing	8	5	-10	5	0	0	8
Arts and Recreation Services	-14	-2	3	0	0	1	-13
Health Care and Social Assistance	-43	-10	11	-1	3	3	-40
Other Services	-46	6	0	-3	0	3	-43
Wholesale Trade	-46	-4	18	-7	-3	4	-42
Electricity, Gas, Water and Waste Services	-1	4	0	3	0	7	6
Public Administration and Safety	-5	10	4	3	0	17	12
Construction	-65	57	-15	8	0	50	-15
Unknown	136	55	14	0	0	69	205
Total Change	-620	-2	-7	4	3	-2	-622

Source: ABS Count of Australian Businesses, including entries and exits (2015)

Overall, our review of business growth for Holroyd LGA presents a mixed message. While the number of employing businesses in the Construction industry expanded significantly over the two year period, other traditional industries such as Manufacturing induced large contractions. Similarly, a large reduction in Professional, Scientific and Technical Services occurred concurrently with an expansion in Public Administration and Safety and Health Care and Social Assistance businesses.

2.2.5 Journey to work

Approximately 15.3% of working residents from the Holroyd LGA also work in the LGA, meaning that 84.7% leave the LGA for work. As presented in the table below, popular workplace destinations for working residents of Holroyd LGA include Parramatta (16.3%), Sydney (11.6%), Blacktown (6.6%), Auburn (5.3%) and Fairfield (4.4%).

Workplace Destinations of Working Residents in Holroyd LGA (2011)

Workplace Destination	Number	%
Holroyd	6,246	15.3%
Other LGAs	34,515	84.7%
<u>Major workplace destination LGAs</u>		
Parramatta	6,631	16.3%
Sydney	4,734	11.6%
Blacktown	2,680	6.6%
Auburn	2,176	5.3%
Fairfield	1,801	4.4%
Ryde	1,424	3.5%
The Hills Shire	1,300	3.2%

Source: Census 2011

By industry, we note that the largest retaining industry is Other Services, which engages 80% of Holroyd LGA's working residents. Other industries displaying high levels of local worker retention include Accommodation and Food Service (21%), Education and Training (20%) and Retail Trade (19%), followed by traditional industries such as Construction (17%), Transport, Postal and Warehousing (17%) and Manufacturing (16%).

In contrast, there are a host of industries in which retention of working residents is lower than the Holroyd LGA industry average (approximately 15%) – as presented in the next table. Not considering those which engage less than 100 local workers (e.g. mining), the most prolific of low-retaining industries include Financial and Insurance Services (4%), Public Administration and Safety (8%), Rental, Hiring and Real Estate Services (11%), Administrative and Support Services (11%) and Health Care and Social Assistance (13%). Notably, the majority of these industries are service-orientated or professional in nature. This suggests that there is an imbalance between the resident worker profile and jobs offered in the Holroyd LGA.

Retention of Local Workers by Industry (2011)

Industry	Working residents	Work and live in Holroyd LGA	Retention rate
Other Services	423	340	80%
Accommodation and Food Services	2,502	533	21%
Education and Training	2,458	483	20%
Retail Trade	4,463	866	19%
Construction	3,451	595	17%
Transport, Postal and Warehousing	2,668	451	17%
Manufacturing	4,683	764	16%
Professional, Scientific and Technical Services	2,816	409	15%
Wholesale Trade	2,556	344	13%
Health Care and Social Assistance	4,636	620	13%
Administrative and Support Services	1,594	173	11%
Rental, Hiring and Real Estate Services	959	103	11%
Arts and Recreation Services	650	54	8%
Public Administration and Safety	2,588	203	8%
Information Media and Telecommunications	1,406	67	5%
Financial and Insurance Services	2,721	112	4%
Electricity, Gas, Water and Waste Services	628	17	3%
Agriculture, Forestry and Fishing	521	8	2%
Mining	458	0	0%
Average	42,181	6,142	15%

Source: Census 2011

2.2.6 Final remarks

Overall, our review of business and industry profile indicates Holroyd LGA's profile is characterised by:

- As at 2011, the Holroyd LGA entailed approximately 28,723 jobs.
- Key employment industries include Manufacturing (25.7%), Retail Trade (10.8%), Transport, Postal and Warehousing (10.6%) and Wholesale Trade (10.4%).
- Relative to Greater Sydney, the Holroyd LGA job/industry profile encompasses greater representation amongst traditional industries (e.g. Manufacturing, Wholesale Trade, Transport, Postal and Warehousing), and lower representation in service-orientated and professional based industries (e.g. Professional, Scientific and Technical Services, Health Care and Social Assistance, Public Administration and Safety and Financial and Insurance Services).
- Over the five years to 2011, the Holroyd LGA incurred an outright job reduction, shedding approximately 2,861 jobs on the 2006 figure.

- The contraction in jobs was most pronounced in the Manufacturing sector, shedding around 2,060. Significant job losses were also observed in Wholesale Trade (-524 jobs) and Retail Trade (-222 jobs).
- There were a few industries which delivered additional jobs to the Holroyd LGA, including Transport, Postal and Warehousing (+96 jobs), Education and Training (+79 jobs) and Construction (+69 jobs).
- As at 2013, there were a total of 6,949 businesses operating within the Holroyd LGA - 3,008 employing and 3,941 non-employing.
- The majority of businesses in Holroyd LGA engage between 1-4 employees (32.7%).
- While generally consistent, relative to Greater Sydney, the Holroyd LGA profile entails greater representation amongst businesses with 1-4 employees, and is slightly under-represented in relation to businesses with five or more employees.
- By industry, representation amongst employing businesses in the Holroyd LGA is greater in the Construction, Manufacturing and Wholesale Trade industries, and less in Professional, Scientific and Technical Services, Health Care and Social Assistance, Accommodation and Food Services and Financial and Insurance Services (relative to Greater Sydney).
- Between 2011 and 2013, the number of businesses in the Holroyd LGA contracted by 622 - 620 non-employing and two employing.
- By industry, business growth was most pronounced in Construction (+50 employing businesses). In contrast, significant reductions have been observed in Manufacturing (-16 employing businesses) and Retail Trade (-15 employing businesses).
- Overall, there appears to be no correlation amongst industry types i.e. while the number of employing businesses in the Construction industry expanded significantly over the two year period, other traditional industries such as Manufacturing induced large contractions. Similarly, a large reduction in Professional, Scientific and Technical Services occurred concurrently with an

expansion in Public Administration and Safety and Health Care and Social Assistance businesses.

- Approximately 15.3% of working residents from the Holroyd LGA also work in the LGA, meaning that 84.7% leave the LGA for work. Popular workplace destinations for working residents of Holroyd LGA include Parramatta (16.3%), Sydney (11.6%), Blacktown (6.6%), Auburn (5.3%) and Fairfield (4.4%).
- Of all industries, retention of local working residents is highest in the Other Services, Accommodation and Food Services, Education and Training, Retail Trade and Construction. Notably, Financial and Insurance Services, Public Administration and Safety and Health Care and Social Assistance exhibit low retention of working residents – all less than the industry average of 15% for the Holroyd LGA.

Section 3: Government Policy Review

In this chapter we examine the legislative and policy context relevant to this study within the Holroyd LGA and how this context relates to this planning proposal for the subject site in Holroyd. Policies and strategies examined include:

- S117 Ministerial Direction;
- NSW State Plan 2021 (2011)
- Sydney Metropolitan Strategy to 2031 – 'A Plan for Growing Sydney' (2014);
- Draft West Central Sub-regional Delivery Plans
- Holroyd Local Environment Plan (2013)
- 'Living Holroyd' – Community Strategic Plan to 2033 (2013)
- Holroyd Economic Development Strategy (2014)
- Draft Holroyd Residential Development Strategy (2012)
- Parramatta CBD Planning Framework Draft Report (2014)
- Parramatta Road Urban Renewal Strategy Draft Report (updated 2015)

3.1 Section 117 Ministerial Directions

The purpose of this report is to fulfil the requirements of S117, specifically 1.1 - Business and Industrial Zones, 3.1 - Residential Zones and 7.1 - Implementation of a Plan for Growing Sydney.

1.1 Business and Industrial Zones

Objectives

(1) The objectives of this direction are to:

- (a) encourage employment growth in suitable locations,*
- (b) protect employment land in business and industrial zones, and*
- (c) support the viability of identified strategic centres.*

Where this direction applies

(2) This direction applies to all relevant planning authorities.

When this direction applies

(3) This direction applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).

What a relevant planning authority must do if this direction applies

(4) A planning proposal must:

- (a) give effect to the objectives of this direction,*
- (b) retain the areas and locations of existing business and industrial zones,*
- (c) not reduce the total potential floor space area for employment uses and related public services in business zones,*
- (d) not reduce the total potential floor space area for industrial uses in industrial zones, and*
- (e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.*

Consistency

(5) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:

(a) justified by a strategy which:

- (i) gives consideration to the objective of this direction, and*
- (ii) identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
- (iii) is approved by the Director-General of the Department of Planning, or*

(b) justified by a study (prepared in support of the planning proposal) which gives consideration to the objective of this direction, or

- (c) in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- (d) of minor significance.*

Note: In this direction, "identified strategic centre" means a centre that has been identified as a strategic centre in a regional strategy, sub-regional strategy, or another strategy approved by the Director General.

3.1 Residential Zones

Objectives

(1) The objectives of this direction are:

- (a) to encourage a variety and choice of housing types to provide for existing and future housing needs,*

- (b) to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and*
- (c) to minimise the impact of residential development on the environment and resource lands.*

Where this direction applies

- (2) This direction applies to all relevant planning authorities.*

When this direction applies

- (3) This direction applies when a relevant planning authority prepares a planning proposal that will affect land within:*

- (a) an existing or proposed residential zone (including the alteration of any existing residential zone boundary),*
- (b) any other zone in which significant residential development is permitted or proposed to be permitted.*

What a relevant planning authority must do if this direction applies

- (4) A planning proposal must include provisions that encourage the provision of housing that will:*

- (a) broaden the choice of building types and locations available in the housing market, and*
- (b) make more efficient use of existing infrastructure and services, and*
- (c) reduce the consumption of land for housing and associated urban development on the urban fringe, and*
- (d) be of good design.*

- (5) A planning proposal must, in relation to land to which this direction applies:*

- (a) contain a requirement that residential development is not permitted until land is adequately serviced (or arrangements satisfactory to the council, or other appropriate authority, have been made to service it), and*
- (b) not contain provisions which will reduce the permissible residential density of land.*

Consistency

- (6) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:*

- (a) justified by a strategy which:*
 - (i) gives consideration to the objective of this direction, and*
 - (ii) identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and*
 - (iii) is approved by the Director-General of the Department of Planning, or*
- (b) justified by a study prepared in support of the planning proposal which gives consideration to the objective of this direction, or*
- (c) in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or*
- (d) of minor significance.*

7.1 Implementation of A Plan for Growing Sydney

Objective

(1) The objective of this direction is to give legal effect to the planning principles; directions; and priorities for subregions, strategic centres and transport gateways contained in A Plan for Growing Sydney.

Where this direction applies

(2) This direction applies to land comprising of the following local Government areas:

Ashfield

Auburn

Bankstown

Blacktown

Blue Mountains

Botany Bay

Burwood

Camden

Campbelltown

Canada Bay

Canterbury

Liverpool

Manly

Marrickville

Mosman

North Sydney

Parramatta

Penrith

Pittwater

Randwick

Rockdale

City of Sydney

Fairfield

Hawkesbury

Holroyd

Hornsby

Hunters Hill

Hurstville

Kogarah

Ku-ring-gai

Lane Cove

Leichhardt

Ryde

Strathfield

Sutherland

The Hills

Warringah

Waverley

Willoughby

Wollondilly

Woollahra

When this direction applies

(3) This direction applies when a Relevant Planning Authority prepares a planning proposal.

What a Relevant Planning Authority must do if this direction applies

(4) Planning proposals shall be consistent with:

(a) the NSW Government's A Plan for Growing Sydney published in December 2014.

Consistency

(5) A planning proposal may be inconsistent with the terms of this direction only if the Relevant Planning Authority can satisfy the Secretary of the Department of Planning & Environment (or an officer of the Department nominated by the Secretary), that the extent of inconsistency with A Plan for Growing Sydney:

(a) is of minor significance, and

(b) the planning proposal achieves the overall intent of the Plan and does not undermine the achievement of its planning principles; directions; and priorities for subregions, strategic centres and transport gateways.

This assessment of the subject site in Holroyd gives significant consideration to Section 117 Ministerial Directions, specifically 1.1 - Business and Industrial Zones, 3.1 - Residential Zones and 7.1 - Implementation of a Plan for Growing Sydney.

A detailed analysis of S117 Ministerial Directions (with regard for the Sydney Metropolitan Strategy) is provided in section 8.

3.2 NSW State Plan 2021

Introduced in 2011, the 'NSW State Plan 2021' is a 10 year plan to "rebuild the economy, provide quality services, renovate infrastructure, restore Government accountability, and strengthen our local environment and communities" (pg. 2).

Strategies and specific goals relevant to this study are outlined below.

1. Rebuild the economy

- Place downward pressure on the cost of living;
- **Improve housing affordability and availability;**

- More land available for housing and jobs;
- **Facilitate the delivery of 25,000 new dwellings in Sydney per year;**
- **Increase uptake of 'empty nester' opportunities.**

The provision of between 1,800 and 1,900 residential dwellings will significantly contribute to state dwelling targets (i.e. an additional 25,000 new dwellings in Sydney per year). An increase in diverse residential supply (in the form of apartments) will place downward pressure on the cost of living by providing alternative housing supply. The costs associated with apartments tend to be lower than that of semi-detached dwelling (i.e. mortgage repayments, weekly rent, maintenance costs). Reducing home ownership costs will particularly benefit residents within the Holroyd LGA whom tend to be price sensitive.

With regard for employment, the proposed development encompasses 8,500m² of commercial floorspace and is expected to support up to 250 jobs (See Section 6.3). Moreover, employment uses proposed will contribute to diversity in employment.

Upon rezoning and occupation, future residents will provide an additional source of trade and support for existing and future surrounding uses. Obvious beneficiaries include business along Parramatta Road, Merrylands Town Centre, Granville Town Centre and the Parramatta CBD, as well as commercial tenants within the proposed development.

2. Return Quality Services

- **Grow patronage on public transport by making it a more attractive choice;**
- Increase the proportion of total journeys to work by public transport in the Sydney Metropolitan Region to 28% by 2016;
- **Increase walking and cycling;**
- Keep people healthy and out of hospital;
- Reduce overweight and obesity rates.

The proposed mixed use development is located within close proximity of four railway stations including Harris Park, Merrylands, Parramatta and Granville Train Stations. In addition, the site is in walking distance to Woodville Road and Parramatta Road (literally on the 'doorstep'). Subsequently, the availability of bus and rail services will contribute to a reduction in car dependency, promote walking and cycling and increase public transport patronage to work and places of leisure.

In addition, the development includes plans to connect existing cycle and pedestrian networks to the subject site, again supporting the notion of 'increased walking and cycling'.

A significant portion of the subject site is to be set aside for publically accessible open space, this will have a positive impact on obesity rates and will support the goal of keeping people healthy and out of hospital.

3. Renovate Infrastructure

- **Build liveable centres;**
- Planning to encourage job growth in centres close to where people live and to provide access by public transport;
- Increase the percentage of the population living within 30 minutes by public transport of a city or major centre in metropolitan Sydney.

Essentially, the proposed development could be considered its own 'liveable centre' comprising of commercial, residential and recreational floorspace, in close proximity to public transport. Residential in close proximity to employment and public transport is congruent with the concepts of 'liveable centres', 'self-containment' and 'transport oriented development' (TOD).

The proposed development comprises 8,500m² of commercial floorspace and is expected to support between 206 and 250 jobs, encouraging jobs growth 'close to where people live' and to public transport.

In close proximity to the Parramatta CBD and Merrylands Town Centre, as well as public transport infrastructure, the proposal will increase the proportion of the population living within 30 minutes of a city or major centre in Metropolitan Sydney.

4. Strengthen our local environment and communities

- **Make it easier for people to be involved in their communities;**
- **Build supportive connections between community members using sport, recreation and cultural activities, events, facilities and venues;**
- Enhance cultural, creative, sporting and recreation opportunities;
- Increase participation in sport, recreational, arts and cultural activities in Sydney by 10% from 2010 to 2016.

A significant proportion of the redevelopment comprises of public recreational space. In close proximity to residential dwellings, the proposed development will provide a place for residents to interact, making it easier for people to be involved in their communities and will ultimately foster connections.

The proposal also includes plans to connect existing bike and pedestrian networks with the subject site, reiterating the importance of 'connections'.

Through the provision of significant open space, the development will support sporting and recreational opportunities, contributing to an increased participation rate of 10%.

3.3 Sydney Metropolitan Strategy to 2031 – 'A plan for growing Sydney' (2014)

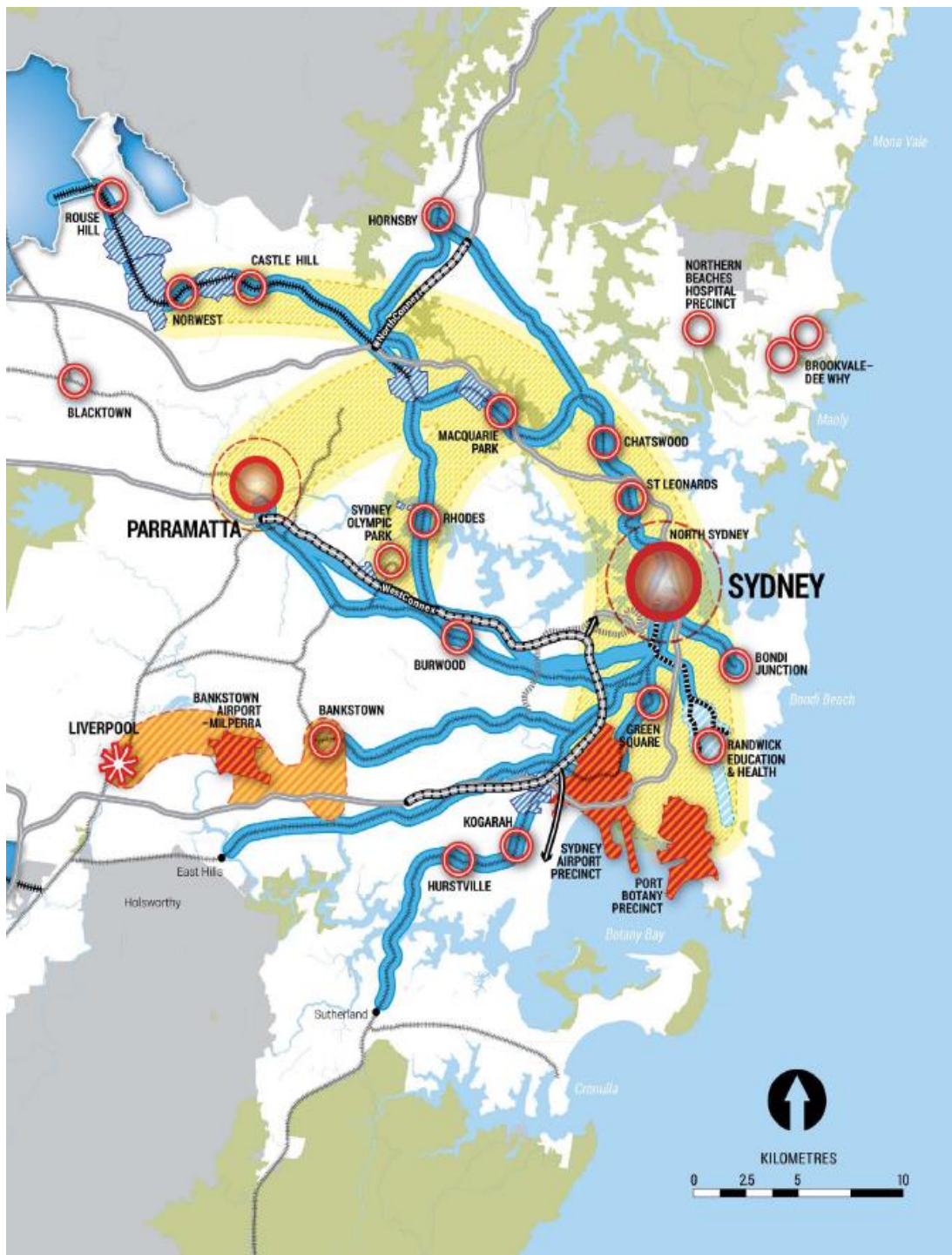
Released in December 2014, 'A Plan for Growing Sydney' will be used as a cornerstone reference for land-use planning decisions over the next 20 years. It will provide guidance on decisions regarding where people will live and work, and how we move around the city. It sets a path for Governments to work collaboratively to deliver housing where people want to live and jobs that are easy to get to.

Essentially, the plan presents a strategy for accommodating Sydney's future population growth. It balances the need for more housing, but also cultivates the creation of strong and resilient communities within a highly-liveable city whilst protecting the natural environment and biodiversity.

New housing will be located close to jobs, public transport, community facilities and services. It acknowledges the need to offer choice in housing location, size and typologies, to better suit our lifestyles and budgets. Most importantly, more intensive housing development across the city will be matched with investment in infrastructure and services, culture and the arts, a 'green-grid' of open spaces and renewed bushland to support healthy lifestyles and community life.

A Plan for Growing Sydney will also provide a framework for strengthening the global competitiveness of Sydney, in order to facilitate strong investment and jobs growth. It considers infrastructure projects and improvements to public transport, freight routes and other key assets such as airports.

A Vision for Sydney – 'A plan for Growing Sydney'



Source: DP&E (2014)

Specifically, the Holroyd LGA is located within the West Central subregion, earmarked for significant infrastructure investment and intensive growth over the next 20 years.

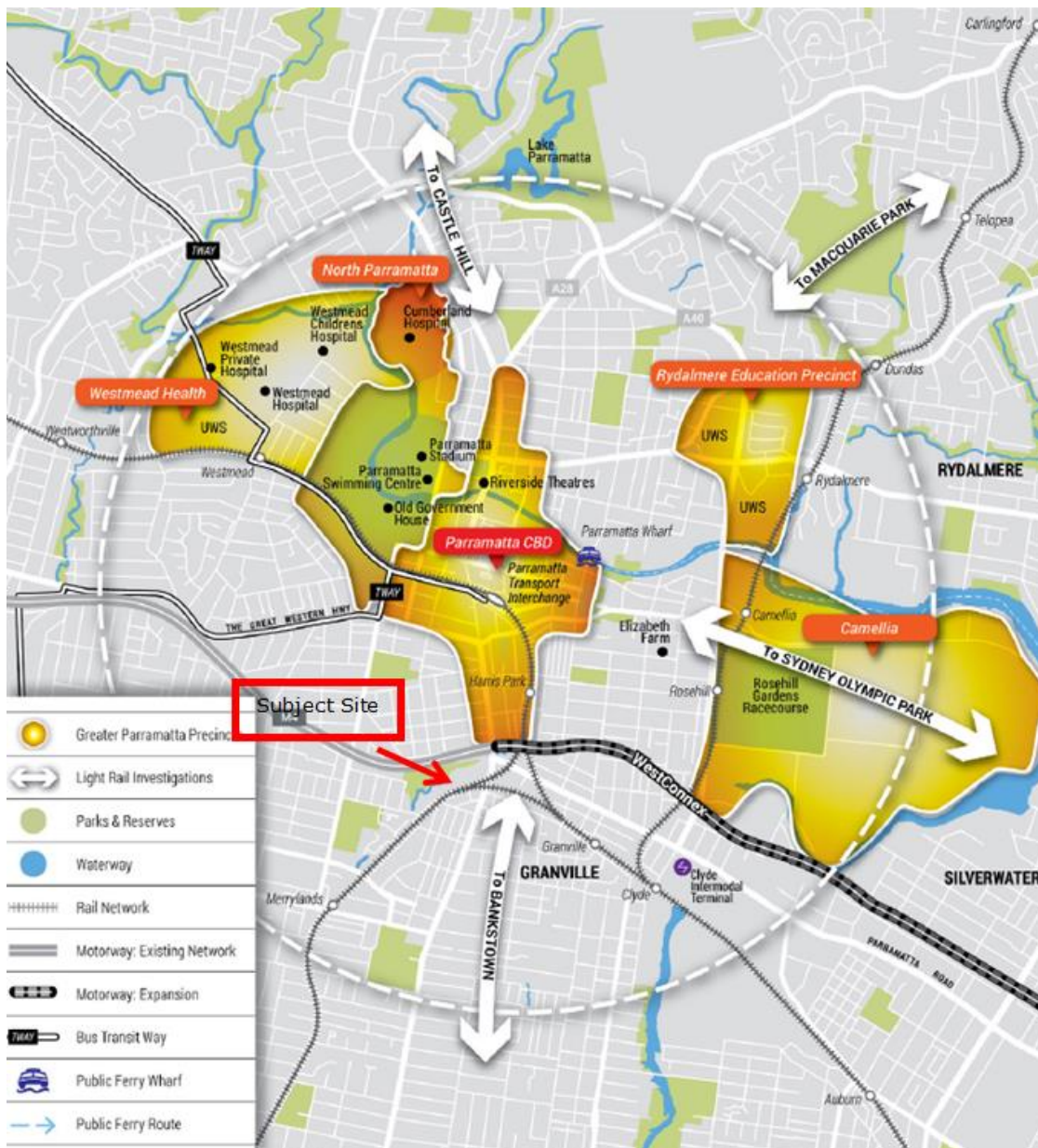
With particular regard for the West Central subregion, the strategy outlines the need to:

- **“identify suitable locations for housing and employment growth coordinated with infrastructure delivery (urban renewal), including around priority precincts, established and new centres, and along key public transport corridors” (Pg. 114, Sydney Metropolitan Strategy 2014);**
- Identify opportunities to revitalise suburbs and reduce concentrations of disadvantage.

Moreover, the subject site at 1 Crescent Street Holroyd is in close proximity to the Merrylands and Parramatta CBD and its surrounds. Parramatta has been earmarked to become Sydney’s second CBD within the Sydney Metropolitan Strategy. Priorities for Parramatta are outlined below.

- Parramatta as a transformational place with the potential to reach 100,000 jobs over the next 20 years;
- Plan Greater Parramatta as Sydney’s second CBD and Western Sydney’s number one location for employment, supported by a vibrant mixture of land uses; and
- Provide capacity for long-term employment growth in Greater Parramatta, particularly in its CBD.

Subject site in close proximity to the Parramatta CBD and Greater Parramatta



Source: DP&E (2014), MacroPlan Dimasi (2015)

More broadly, the strategy outlines a number of directions.

- Direction 1.2: Grow Greater Parramatta – Sydney's Second CBD;
- Direction 1.4: Transform the productivity of Western Sydney through growth and investment;
- Direction 1.7: Grow strategic centres – providing jobs closer to home;
- Direction 2.1: Accelerate housing supply across Sydney;
- Direction 2.2: Accelerate urban renewal across Sydney – providing homes closer to jobs;
- Direction 2.3: Improve housing choice to suit different needs and lifestyles;

- Direction 3.1: Revitalise existing suburbs;
- Direction 3.2: Create a network of interlinked, multipurpose open and green spaces across Sydney;
- Direction 3.3: Creating healthy built environments.

Collectively, the Government would like to see Sydney as:

- A competitive economy with world-class services and transport;
- A city of housing choice with homes that meet our needs and lifestyles;
- A great place to live with communities that are strong, healthy and well connected.

This proposal is congruent with the directions outlined above. The rezoning associated with the provision of approximately 1,800-1,900 residential units, 8,500m² of commercial floorspace (associated with up to 250 jobs) and 1.1 hectares of recreational space will support:

- Parramatta as a CBD;
- The growth of Merrylands and Granville, identified as 'town centres';
- The growth of Western Sydney;
- Jobs closer to home and homes closer to jobs;
- The acceleration of housing growth,
- An improvement in housing choice and affordability;
- The revitalisation of existing suburbs
- The creation of interlinked multipurpose open and green spaces across Sydney; and
- The creation of healthy built environments by contributing to mixed-use centres, walkable cities and the concepts of 'new urbanism' and 'Transit Oriented Development (TOD)

3.4 Draft Sub-regional Delivery Plans, West Central Sub-region

It is also important to acknowledge that the now out-dated Draft West Central Sub Regional Strategy (2007) will soon be replaced by a new Strategic Delivery Plan. The new Strategic Delivery Plans will update and augment the strategic direction of all employment lands in the context of the Sydney metropolitan area.

The plan recognises employment lands as an important component of the West Central region's economy. It aims to concentrate employment and economic activity in

employment lands and strategic centres to gain the advantages of economies of agglomeration and to improve access to transport and services.

The Key Directions identified in the Draft South Sub Regional Strategy are to:

- Provide local employment opportunities;
- Provide greater housing choice and affordability.

Prior to any rezoning of employment uses to alternative uses (category 3), it must be demonstrated that the area:

- Does not provide a strategic local or regional economic role and is therefore not required to meet local future demand for employment land;
- **Through their redevelopment, must contribute towards supporting other planning objectives such as residential growth through mixed use in areas of high accessibility and amenity or renewal of identified local and strategic centres.**

This planning proposal and redevelopment will support other planning objectives. It will supply greater residential through Mixed Use in an area of high accessibility and will diversify employment (i.e. employment in sport and recreation) contributing to desirable residential and employment outcomes.

3.5 Holroyd Local Environment Plan (2013)

The Holroyd Local Environment Plan (LEP) 2013 is a primary reference point for land use development in the Holroyd LGA over the next 20 years and is guided by the Environmental Planning and Assessments Act 1979. Through various planning controls including zoning, height, lot size and floorspace ratios, the plan seeks to:

- Provide for expanded business and employment opportunities throughout Holroyd City;
- Cater for significant growth in the Merrylands CBD (council has identified Merrylands as one of their major centres, with 5,000 new dwellings forecasted for the next 10-20 years as well as 3,000 new jobs);
- **Focus development around commercial centres and major transport nodes;**
- **Rezone land to accommodate over 15,000 new dwellings (over 40,000 new residents) over the next 20 years;**

- **Include development standards that allow higher density development.**

The planning proposal seeks to rezone the subject site to R4 – High Density Residential and B4 – Mixed Use.

The objectives of R4 – High Density Residential (according to the Holroyd LEP (2013) are to:

R4 High Density Residential - Objectives of the Zone

- Provide for the housing needs of the community within a high density residential environment;
- Provide a variety of housing types within a high density residential environment;
- Enable other land uses that provide facilities or services to meet the day to day needs of residents.

The objectives of B4 – Mixed Use (according to the Holroyd LEP (2013) are to:

B4 Mixed-Use, Objectives of the Zone

- Provide a mixture of compatible land uses;
- Integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling;
- Facilitate a vibrant, mixed-use centre with active retail, commercial and other non-residential uses at street level;
- Encourage the development and expansion of business activities that will strengthen the economic and employment role of the Merrylands town centre.

The proposed redevelopment, incorporating high density residential, recreational space and commercial floorspace is congruent with the overall objectives of the Holroyd LEP (2013).

- The provision of between 1,800 and 1,900 residential dwellings at 1 Crescent Street Holroyd will support local businesses including the Merrylands CBD, associated with an increase in household expenditure on local goods and services.

- Located in close proximity to the Granville Town Centre and Merrylands Town Centre, as well as multiple train stations (i.e. Granville and Harris Park), and bus routes along Woodville and Parramatta Road; the subject site is in a suitable location for residential development;
- The rezoning related to this proposal would allow for approximately 1,800-1,900 residential dwellings and is consistent with high density development.

Moreover, the planning proposal is congruent with the objectives of R4 and B4 zoning.

3.6 'Living Holroyd' – Community Strategic Plan to 2033 (2013)

Adopted in 2013, 'Living Holroyd' (LH) provides a 20 year vision for the City of Holroyd, encompassing the subject site. The strategy places an importance on five specific values:

1. Active Holroyd
2. Growing Holroyd
3. Balanced Holroyd
4. Connected Holroyd
5. Dynamic Holroyd

1. Active Holroyd

Active Holroyd has a focus on "social inclusion, enhancing community safety and prioritising a feeling of wellbeing" (LH, 2013). The development seeks to provide a significant amount of recreational space, which will provide a place for the community to 'get-together', ultimately contributing to the concept of 'social inclusion'.

2. Growing Holroyd

Growing Holroyd outlines a vision for the Local Government Area (LGA) to be "A place that is focused on effective urban planning and economic development (LH, 2013)". By providing residential, commercial and recreational space in close proximity to public transport, the proposed development is in alignment with sound urban planning framework, congruent with the Sydney Metropolitan Strategy. In addition, the development will support diversity in employment (i.e. jobs growth within sport and recreation) within the LGA, encouraging economic development and economic growth.

3. Balanced Holroyd

"A place that values its environment, open space and sustainable development" is a key feature of Balanced Holroyd (LH, 2013). The direction places a priority on the sustainable

development of the built environment and the enhancement of natural assets. The proposed redevelopment includes a significant amount of recreational space. As such, the proposal associated with this rezoning will enhance the appearance of the built environment, local centres and neighbourhoods through the provision of open space.

4. Connected Holroyd

Connected Holroyd outlines the need to have “a place that is open and accessible for all” (LH. 2013), enabling the community to enjoy the city across efficient transport options and local connections, linking to state-wide infrastructure. Notably, the development will provide approximately 1,800-1,900 residential units in walking distance to a number of train stations (i.e. Merrylands, Granville and Harris Park), as well as bus routes along Woodville Road. Ultimately this will easily connect residents to employment and amenity in the CBD and Parramatta, supporting the use of public transport.

5. Dynamic Holroyd

Finally, Dynamic Holroyd envisions the LGA as a place that is engaged and innovative, building on community participation in local decision making.

The strategy outlines a number of targets to ensure these goals are reached. Ultimately it is intended that there will be an increase in:

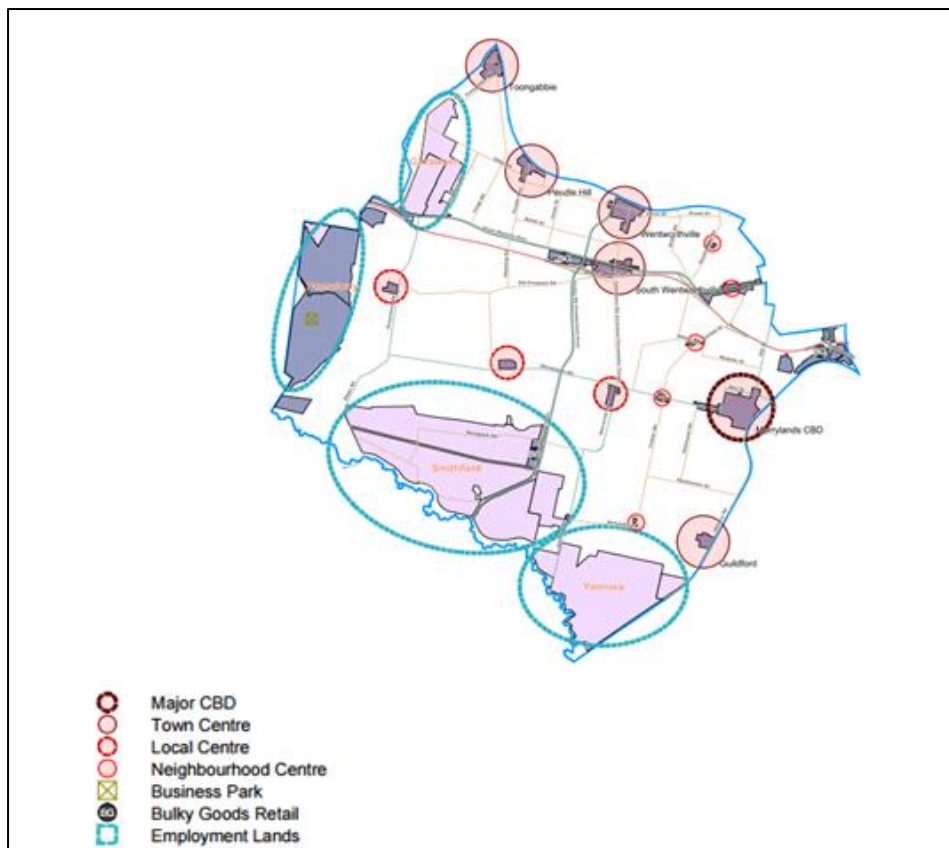
- The community’s overall sense of safety and cultural inclusion;
- Satisfaction with the maintenance of supporting infrastructure;
- Local employment and investment opportunities;
- Satisfaction in future planning of the LGA;
- Satisfaction with infrastructure to support growth;
- Take up of environmentally sustainable initiatives;
- Use of public transport; and
- Satisfaction with transport connections.

Overall, the proposed development at 1 Crescent Street, Holroyd is congruent with the Holroyd Community Strategic Plan – ‘Living Holroyd’ (2013).

3.7 Holroyd Economic Development Strategy (2014)

The Holroyd Economic Development Strategy (HEDS), adopted in 2014, foresees the Holroyd LGA as “the centre of enterprise in Western Sydney” and a thriving local economy, capitalising on its central Western Sydney location.

Holroyd LGA Commercial and Industrial Centres



Source: HDS (2014)

Relevant priorities of the strategy are outlined below.

1. Promote Holroyd
2. Enhance infrastructure
3. Develop business opportunities
4. Strengthen the competitiveness of industry
5. Providing business support

1. Promote Holroyd

'Promote Holroyd', highlights the importance of economic development within the LGA, associated with increased investment, driving economic growth and employment opportunities. The provision of operational commercial and recreational space will support a diversification of jobs within the LGA. In addition, the proposal seeks to develop approximately 1,800-1,900 residential units in walking distance to the Granville and Harris Park Train Station. This will increase accessibility amongst residents to job opportunities in Holroyd, Parramatta, Camellia and the Sydney CBD. Residential development will also increase the number of households, increasing expenditure on

goods and services within the LGA, inevitably supporting local businesses. Specifically, the Merrylands CBD will benefit from an increased consumer market.

2. Enhance Infrastructure

This particular direction to 'enhance infrastructure' places an importance on local infrastructure to "the local community, business and industry operators and visitors", integral in ensuring that "Holroyd is accessible, inviting and able to meet the needs of the growing population" (HEDS, 2014). Through the provision of 1,800 to 1,900 residential units, the proposed development will provide essential infrastructure needed to support a growing population. Moreover, the inclusion of commercial floorspace will provide infrastructure to support jobs for existing and future residents, and the provision of significant recreational space will contribute to Holroyd as an 'inviting' place.

3. Develop Business Opportunities

'Develop Business Opportunities' seeks to "ensure that business in Holroyd remains competitive in maintaining and expanding local economic development" (HEDS, 2014). This strategy outlines a priority to support clusters of commercial activity in centres along transport nodes. In close proximity to Woodville and Parramatta Road, the implementation of a significant number of residential dwellings will support existing businesses within this precinct.

4. Strengthening competitiveness of industry

This particular strategy aims to maximise the "strengths and assets of employment lands" (HEDS, 2014). There is a significant amount of employment land in Western Sydney. The redevelopment will divert industry to more suitable and efficient locations such as Prestons and Hoxton Park with superior access to the Sydney Orbital Road network, 'strengthening competitiveness of industry'.

5. Business support and collaboration

The direction 'Business Support and Collaboration' places an importance on an "environment that is attractive for business" which will facilitate economic growth (HEDS, 2014). The provision of a significant number of residential dwellings in close proximity to businesses along Woodville Road, Parramatta Road as well as businesses in the Granville and Merrylands Town Centres and the Parramatta CBD, will ultimately support the region's economic growth through increased household expenditure on local businesses.

Ultimately, the proposed development incorporating residential and commercial floorspace, as well as a significant amount of recreational space (likely to provide employment benefits) is in alignment with the objectives of the Holroyd Economic Development Strategy (2014).

3.8 Draft Holroyd Residential Development Strategy (2012)

Drafted in 2012, the objectives of the Holroyd Residential Development Strategy are:

To provide a strategic framework to guide residential development within the City of Holroyd over the next 25 years that will deliver on the objectives and initiatives identified in the Sydney Metropolitan Strategy and West-Central Sub-regional Strategy;

- To provide recommendations that will inform the preparation of Council's new LEP and DCP;
- To align housing supply with demand insofar as possible with a view to meeting the State Government's dwelling targets identified in the West-Central Sub-regional Strategy;
- To ensure that future residential development occurs in a way that promotes environmental, social and economic imperatives;
- To ensure that future residential development responds to community needs and expectations.

The redevelopment seeks to provide diversity in housing stock (apartment style dwellings) in close proximity to local businesses, public amenity (i.e. green space and cycling networks) as well as public transport. Moreover, the development through an increase in household expenditure will support the Merrylands Town Centre. Cumulatively, this will promote environmental, social and economic imperatives and will respond to community needs and expectations.

3.9 Parramatta CBD Planning Framework Draft Report (2014)

In August of 2014, SGS Economics & Planning (in conjunction with Architects) released the 'Parramatta CBD Planning Framework: Economic analysis' Draft Report. The underlying purpose of the report is to address three key questions:

1. How can Parramatta compete with other centres to attract employment?
2. How can Parramatta protect its capacity to accommodate employment and housing in the future?
3. What are the implications for Parramatta's planning framework?

Relevant to this discussion, the SGS report (2014) made some key recommendations relating to employment outcomes, as outlined below.

- *"Consideration should be given to the potential to accommodate employment growth in other locations in the Greater Central Parramatta"* (pg. 3).
- *"Improved transport links will improve access to potential labour markets relative to other centres and enhance the prospects of attracting additional employment to the Parramatta CBD"* (pg. 3).
- *"Maximising capacity and minimising congestion requires a focus on all 'sustainable transport' options such as mass transit, walking and cycling"* (pg. 3).

Specifically, SGS highlighted the complementary centres, neighbourhood and employment nodes located in close proximity to the Parramatta CBD as an asset to the region. These include North Parramatta, Harris Park, Westmead, Granville, Rosehill, Camellia and Rydalmere. The subject site is in close proximity to the Granville and Harris Park Town Centres.

***"Their role in accommodating future employment and housing or both might be considered a means of reducing development pressures for say residential land uses in the CBD. Accommodating growth in adjoining areas might also help to reduce the likely traffic and transport burden that will result from residential and employment growth, provided a high degree of self-containment can be achieved. Growth in local neighbourhoods will also provide opportunities for active transport"* (pg. 14).**

Moreover, the report also found that there is:

- Limited capacity for employment growth within the Parramatta CBD under current planning controls. According to SGS there is capacity for a further 17,500 jobs (pg. 17).
- Capacity for close to 4,000 residential dwellings within the CBD, given various constraints (pg. 17). There is projected to be *"demand for an additional 4,600 dwellings in Parramatta CBD between 2011 and 2036"* (pg. 21).

The proposed development is consistent with the findings and recommendations of the SGS Parramatta CBD Planning Framework - Economic Analysis (Draft Report, 2014). By providing approximately 1,800-1,900 residential units as well as public

recreational space, the redevelopment will support the Merrylands, Granville and Harris Park Town Centres as complementary centres to the Parramatta CBD. The development will:

- Support employment and housing growth in complementary locations within the Greater Central Parramatta region, reducing the likely traffic and transport burden that will result from residential and employment growth in the Parramatta CBD;
- Provide opportunities for active transport (the subject site is in walking distance to the Granville and Harris Park Train Stations);
- Alleviate employment and residential demand side pressures for the Parramatta CBD to 2036.

3.10 Parramatta Road Urban Renewal Strategy Draft Report (updated February 2015)

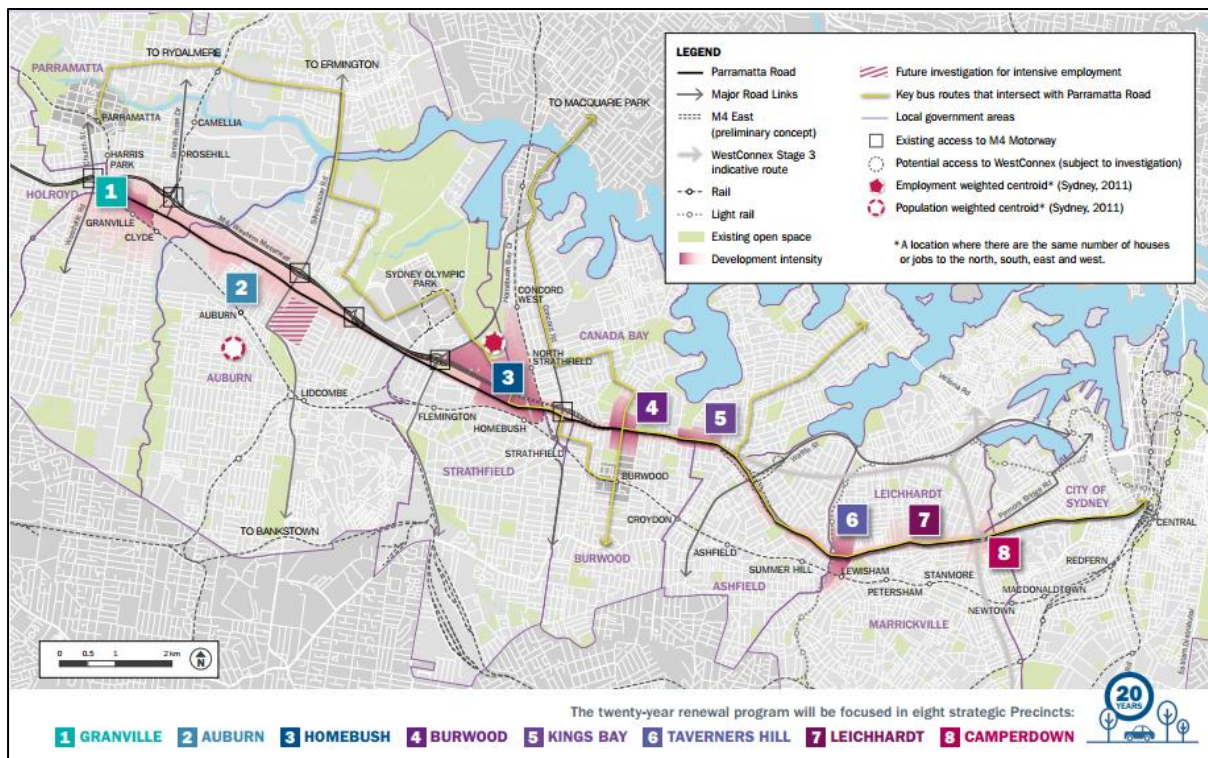
Supported by Urban Growth NSW and the NSW Government, precincts along Parramatta Road are set to undergo significant urban renewal. The subject site at 1 Crescent Street, Holroyd is now specifically part of this strategy.

"The right combination and balance of density, good design, a mix of land uses, location, house choice and access to public transport create a successful urban environment" (pg. 17).

Precincts identified for urban renewal include **Granville**, Auburn, Homebush, Burwood, Kings Bay, Taverners Hill, Leichhardt and Camperdown. The subject site is part of the Granville Precinct.

As defined in the report, 'precincts' are **"special areas identified for growth and change where planning rules and zonings may change in the future" (pg. 4).**

Draft Integrated Land Use and Transport Concept



Source: Urban Growth (2015)

These precincts have been specifically identified for their:

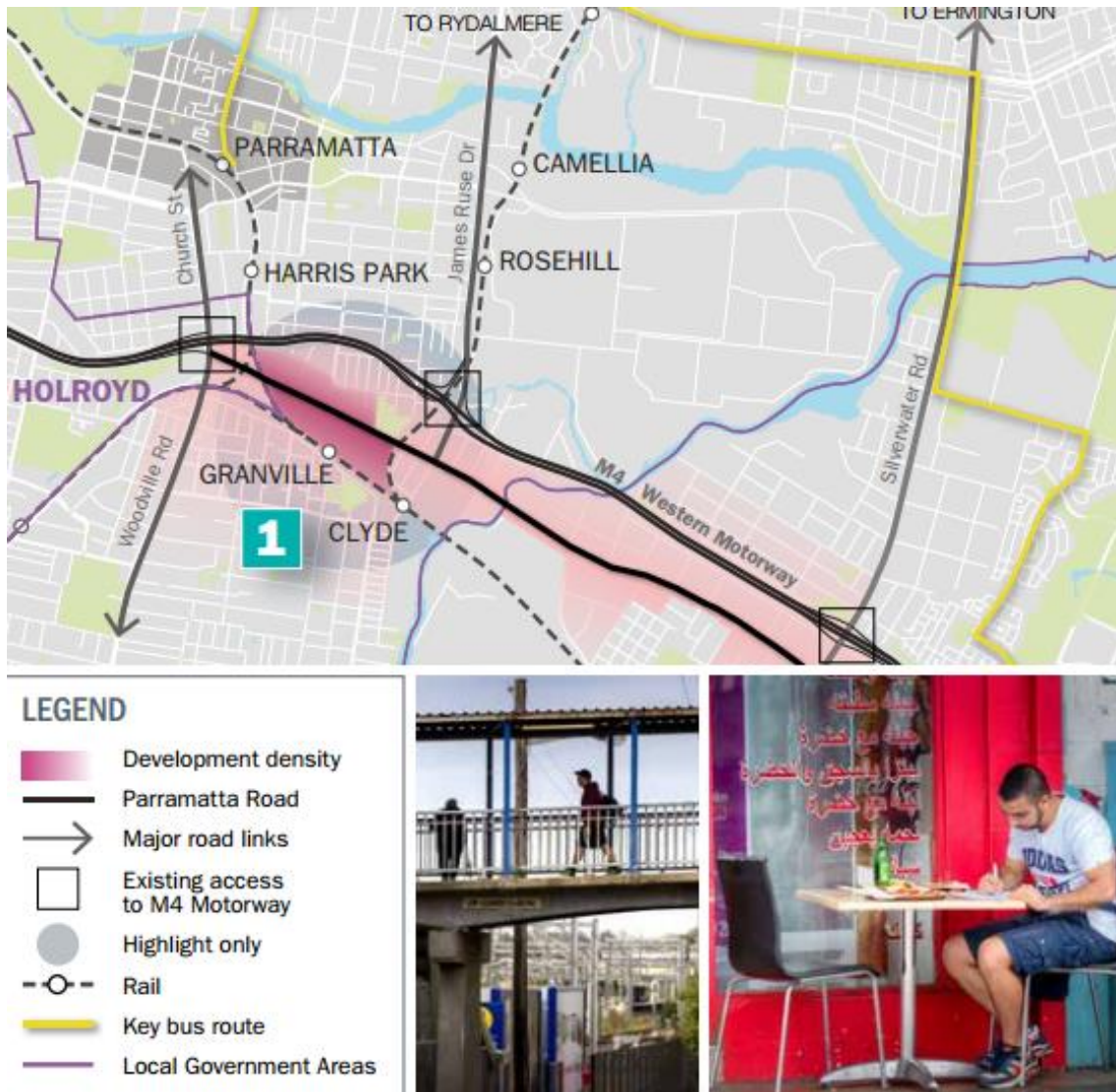
- Proximity to places of employment;
- Accessibility, especially to public transport;
- Capacity to support new housing types;
- Proximity to existing infrastructure;
- Opportunity sites for future development;
- Unique character and diversity;
- Places of interest with potential for new or refreshed linkages.

Specific to the subject site, in close proximity to the Granville Town Centre, the report notes that:

- *"improvements to streetscape could encourage new development and create a vibrant live/work precinct with access to major services, shops and employment. This precinct could have a similar development intensity to ultimo"* (pg. 9).
- ***The "precinct could evolve to support the Parramatta CBD and have a residential/mixed use focus"* (pg.22)**

- The report notes that by 2031, it is anticipated that the Granville Precinct could accommodate 26% of overall population growth in the corridor and could see 16,000 to 19,000 new dwellings over the long terms (2050+).

Granville Area Precinct



Source: Urban Growth (2015)

Although not directly within the Granville Town Centre, the redevelopment, in close proximity, will support its growth. Through the implementation of approximately 1,800-1,900 residential dwellings, the proposed development will support and is an important part of the vision outlined within the Draft Parramatta Road Urban Renewal Strategy (2015). Furthermore, this development may act as a catalyst for further commercial and residential development, again supporting the objectives of the strategy.

3.11 Conclusion

Within the Government plans and strategies addressed, a number of common themes have presented including:

- The importance of mixed use precincts and self-containment;
- Residential and commercial development in close proximity to public transportation;
- An increase in public transport utilisation and a decrease in car usage;
- The support of local businesses;
- Urban renewal along Parramatta Road;
- The support of Parramatta as a second CBD;
- The growth of Western Sydney;
- The growth and support of the Granville Town Centre and Merrylands CBD;
- The acceleration of housing growth and affordability;
- An improvement in housing choice to provide increased residential opportunities for 'empty nesters' and retirees;
- The importance of green space and the wellbeing of community members.

Through the provision of approximately 1,800-1,900 dwellings, 8,500m² of commercial and 1.1 hectares of recreational space, the proposed redevelopment will not only achieve the above-mentioned objectives, it will act as a catalyst for further development in the region.

Section 4: Industry Market Overview

This section of the report presents a broader market overview, highlighting the trends and drivers which have influenced industrial markets in Greater Sydney. We focus on the impact these trends and drivers have on choice of location, and specifically within the context of Holroyd LGA. Finally, we assess the future relevance of the subject site for industrial purposes.

4.1 Industrial Development Trends

Since the Global Financial Crisis the combined pipeline of factory and warehousing projects across New South Wales has recovered. From a value perspective, however, annual factory and warehouse starts, being almost equal at around \$300 million in 2002 are now almost \$300 million apart (as at June 2014). Clearly, warehouse development has become the dominant format.

Warehouse & Factory Commencements (\$m, MAT), NSW (2002-2014)



* NB: MAT – Moving Annual Total

Source: ABS Building Activity, Australia (2015)

The need to have an extensive distribution and warehouse node network throughout Greater Sydney has diminished. In fact, market forces are coercing many existing industrial and warehousing operators into more streamlined supply-chain networks with

fewer nodes. Slimmer inventory management practices have reduced the demand for industrial floorspace, particularly at more expensive locations in established locations.

Ultimately, the goal of consolidation is to limit the time that products remain in storage, and ultimately the degree of handling. Logistics operators aim for constant improvements in warehouse through-put which requires the latest storage and warehouse technology, as well as larger, taller warehouses, cross-docking facilities and well-positioned locations which can effectively limit the amount of handling.

Consolidation of operations offers businesses with an opportunity to extract cost savings. Whether extracted in the form of a reduced workers (consolidation of overlapping business functions), centralised logistics & infrastructure utilisation, co-location with wholesale trading partners, opportunity to customise premises or simply cheaper rental rates.

As a result, many industrial businesses have occupied industrial premises in western Sydney in the past ten years². Rising rents in established industrial regions and greenfield residential development (and hence access to labour) have provided the impetus for this movement. The provision of newer, larger and more suitable industrial sites in western Sydney has also assisted in enticing businesses out to western Sydney, to new locations near the M4, M7 and major networks where better logistics exist for reducing operating costs.

The gravitation to the M7 is evidenced by recent building activity figures. Over the four years to March 2013, approximately 970,100 m² of new industrial space commenced in Greater Sydney. Of the total, Eastern Creek accounted for the majority of this activity, with industrial commencements of 457,600 m². Erskine Park (192,800 m²) and Prestons (116,900 m²) represented the next two most popular destinations. The pattern and extent of new industrial development across western Sydney is depicted in the following diagram and table.

² Some examples include Linfox, Toll Express, DHL, and major distribution centres for Coca Cola Amatil, Coles, Arnotts, Woolworths & Myers.

Industrial Building Commencements (FY2009-FY2013 cumulative)*

Suburb	LGA	Net additions (m ²)
Eastern Creek	Blacktown	457,600
Erskine Park	Penrith	192,800
Prestons	Liverpool	116,900
Smithfield	Fairfield	38,400
Wetherill Park	Fairfield	36,500
Glendenning	Blacktown	19,600
Greystanes	Holroyd	18,400
Bankstown	Bankstown	17,900
Narellan	Camden	16,900
Castle Hill	The Hills Shire	16,200
Prospect	Blacktown	8,500
St Marys	Penrith	7,200
Penrith	Penrith	5,400
Minto	Campbelltown	5,000
Ingleburn	Campbelltown	4,800
Moorebank	Liverpool	4,000
Milperra	Bankstown	2,500
Hoxton Park	Liverpool	1,500
Total		970,100

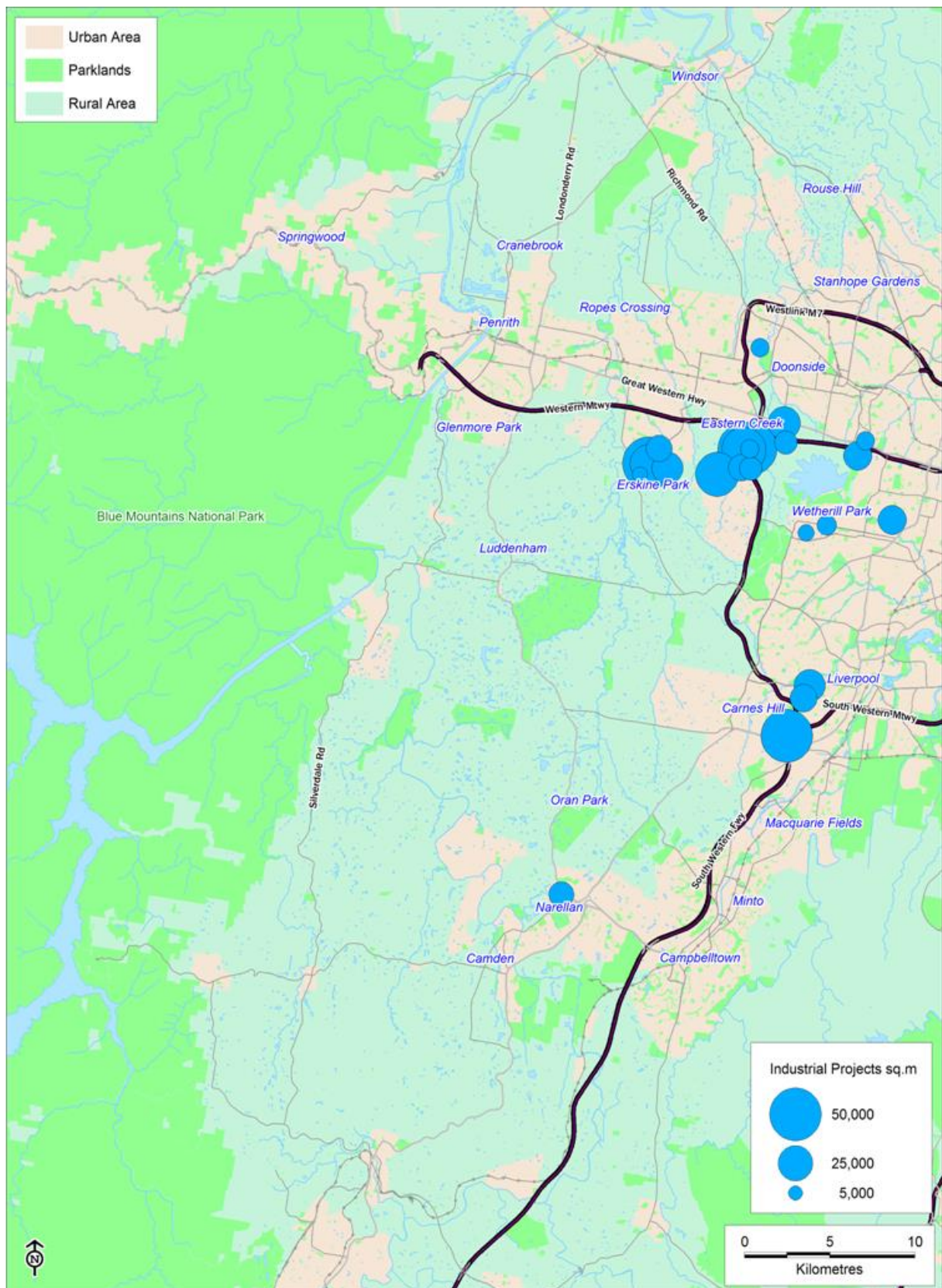
Source: Cordell Connect, ABS custom data, MacroPlan Dimasi (2014)

*ABS data discontinued as at June 2011

* FY2012 and FY2013 commencement data derived from Cordell Connect

MacroPlan Dimasi notes that while floorspace additions have been solid in Holroyd LGA, it has been somewhat confined to Greystanes, and more specifically the Quarry Industrial Estate.

Industrial Commencements by Floorspace (m²), 2008/09 to 2012/13



Source: Cordell Connect, ABS Custom Data, MacroPlan Dimasi (2014)

A related driver has been the release of new industrial land adjoined to the Westlink M7 motorway. This new land has enabled provision of newer and larger industrial building formats, facilitating delivery of customised and tailored solutions to the industrial market. In addition, the scale and accessibility presented by these locations has permitted operators to reduce costs through the streamlining and consolidation of distribution networks.

The outflow to outer Western Sydney has also been facilitated by significant investment in road and freight infrastructure, with the Sydney Road Orbital Network representing the pivotal infrastructure item.

Accordingly, businesses that operate in the logistics, warehouse and distribution industry have been drawn to this location. This is where industrial development has been most pronounced i.e. at the intersection of the M4 and M7. More recently, industrial development at the M5 and M7 intersection has gathered momentum, where more affordable industrial land is available. This is evidenced by western Sydney's (outer) increased contribution to total employment in industrial related sectors between 2007 and 2013, as prescribed in Figure 7 below.

Logistics, Warehouse and Distribution Jobs ('000s), Sydney Region (2007-2013)

Statistical Region	Jobs ('000s)		Composition	
	2007	2013	2007	2013
Western Sydney	133.7	128.1	34%	36%
St George-Sutherland	51.9	37.2	13%	10%
Canterbury-Bankstown	34.2	30.1	9%	8%
Central Northern Sydney	33.1	28.9	8%	8%
Central Western Sydney	33.6	25.5	8%	7%
Inner Sydney	22.3	21.4	6%	6%
Northern Beaches	19.4	19.6	5%	6%
Gosford-Wyong	19.6	19.1	5%	5%
Inner Western Sydney	15.5	16.7	4%	5%
Lower Northern Sydney	19.4	14.8	5%	4%
Eastern Suburbs	14	13.1	4%	4%
Greater Sydney	396.7	354.5	100%	100%

Source: Labour Force, Australia, Detailed, Quarterly (2014)

Another key factor for businesses opting for less-centralised location is the trade-off between travel time, property values, rents and more generally, accessibility. Suburbs closer to inner Sydney have significantly higher land values than the Outer West³. With

³ Outer West comprises of North West and South West ELDP regions

rentals being marginally higher, land values are in some cases up to double in the inner Sydney locations⁴.

Industrial Annual Face Rents by Region (\$ per m²), 2014

Region	Prime Stock
North Shore	135-190
South Sydney	130-190
Central West Sydney*	105-135
Western Sydney	100-120
South West Sydney	95-120
North West Sydney	95-115
Outer South West Sydney	80-100

**Location of the subject site*

Source: Savills Research (Spotlight Sydney Industrial, January 2015)

From the table above, it is evident that rents and values in Central West Sydney (in which the subject site is positioned in) are significantly higher than in Outer South West and Western Sydney (outer). Despite being more cost-effective, the industrial offering in outer western Sydney tends to be more compatible and hence accommodating to the needs of contemporary industrial and warehousing/distribution functions and operators. So in addition to higher rents, established industrial locations in Central West Sydney are less attractive in format when compared with industrial space in outer west Sydney.

This trend is important in highlighting why a parcel of land such as that at 1 Crescent Street, Holroyd will struggle to maintain its industrial employment relevance over the long term, and why an alternate zoning should be considered.

4.2 Employment Land Take-up

According to the Employment Land Development Program (2014)⁵, employment land take-up has been most pronounced in the outer west, which includes the West Central, South West and West sub-regions. Collectively, these subregions have accounted for

⁴ Inner locations comprises of East region, which is made up of the suburbs of Alexandria, Port Botany, Marrickville and Leichhardt.

⁵ The 2014 ELDP Update Report is a comprehensive analysis of the current state of play of industrial land supply and major business parks across the Sydney Region. It provides unparalleled data on existing and future planned stocks of industrial and business park lands. It offers valuable insights into the current availability of vacant industrial and business park land, where land is already serviced and ready for development, where industrial development is currently taking place and where future land will be provided.

approximately two-thirds of employment land take-up in Greater Sydney. In comparison, absorption in inner locations⁶ has been relatively weak (e.g. South and Central) – as presented in the next table.

Take-up of industrial land (ha) by Region (Jan 2008 – Jan 2014)

Sub-region	Take-up (ha)	Composition (%)
West-Central*	337.9	31.3%
South West	210.6	19.5%
West	158.3	14.6%
Central Coast	55.4	5.1%
South West	25.3	2.3%
Central Coast	7.2	0.7%
Major regions	794.7	73.5%
Other smaller regions	286.3	26.5%
Total Sydney Region	1081	100.0%

*Location of the subject site

Source: ELDP 2014

The subject site is located in the West Central region. Over the six years to January 2014, absorption within this region accounted for nearly one-third of total activity in Greater Sydney. Of all LGAs, Blacktown accounted for the majority of absorption (75%), followed by Holroyd (14%) and Auburn (7%) – as shown in the next table.

Composition of Central West Industrial Land Absorption (2009-2014)

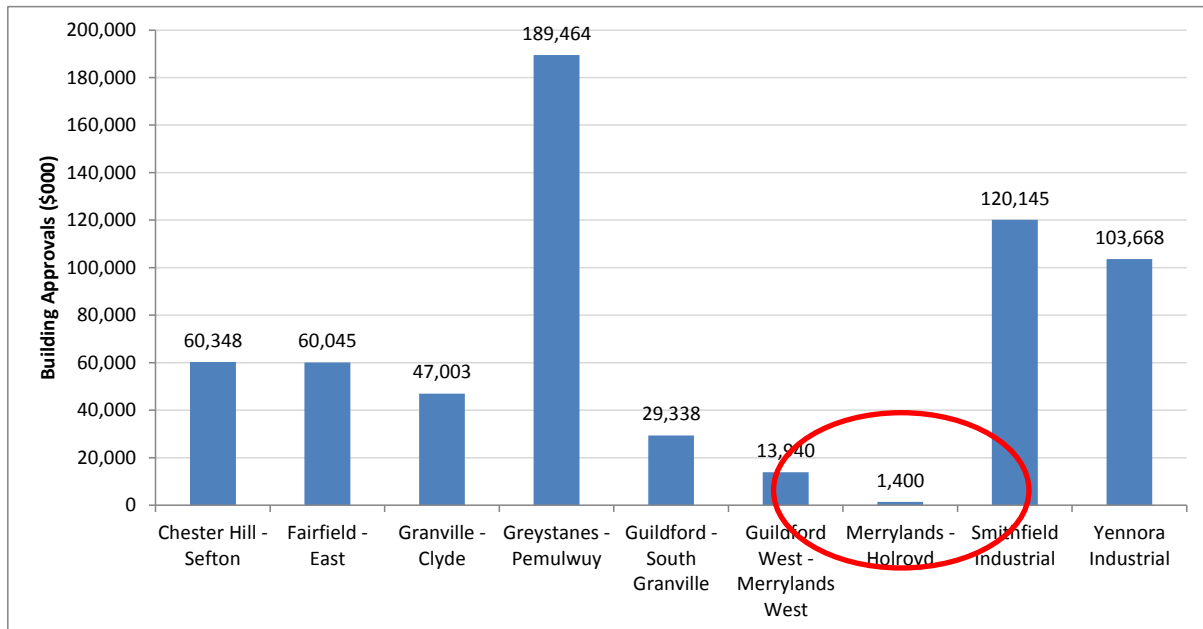
Region	LGA	Precinct	Total Ha	Proportion (%)
West Central	Auburn	Chullora	11.4	3.4%
	Auburn	Refents Park	12.4	3.7%
	Blacktown	Blacktown Rd, St Martins	5.4	1.6%
	Blacktown	Eastern Creek	92.0	27.2%
	Blacktown	Former Wonderland	46.0	13.6%
	Blacktown	Glendenning	19.2	5.7%
	Blacktown	Huntingwood West	45.5	13.5%
	Blacktown	Marsden Park	16.7	4.9%
	Blacktown	Minchinbury	6.5	1.9%
	Blacktown	Ropes Crossing	10.5	3.1%
	Blacktown	Sevel Hills	11.8	3.5%
	Holroyd	Greystanes	46.2	13.7%
	Parramatta	Rydalmere	8.3	2.5%
	The Hills	Annangrove	6.0	1.8%
Total			337.9	100.0%

Source: ELDP 2014

⁶ NSW Planning & Infrastructure (2014), Employment Lands Development Program (Update Report)

While take-up has been solid in Holroyd LGA (accounting for 14% of the region), the majority of the absorption has occurred in the suburb of Greystanes, most likely at the Quarry Industrial Estate. This suggests that take-up throughout the rest of Holroyd LGA was negligible.

Total Industrial Approvals (\$), Holroyd SA2 regions (2002 – 2014)



Source: ABS Building Approvals, Australia (2015)

This is evidenced by building approvals data. According to ABS, industrial building approvals have been most pronounced in the Greystanes-Pemulwuy SA2 region, totalling \$189.5 million since FY2002, which includes the Quarry Industrial Estate. Notably, in the subject site's SA2 region (i.e. Merrylands – Holroyd SA2) just \$1.4 million in industrial building approvals were registered over the same period.

4.3 Existing Industrial Land Capacity

Compared to the West Central region, the amount of land at the subject site is relatively insignificant. According to the ELDP (2014), there are approximately 1,356 hectares of undeveloped and zoned industrial land in the West Central region, of which the majority is positioned in the Blacktown and The Hills LGAs. Consisting of 3.9 hectares, the subject site makes up just 0.28% of total future supply for the region.

Undeveloped and Zoned Land (ha), West Central Subregion, As at January 2014

West Central Subregion	Undeveloped	Proportion (%)
Blacktown	1,092.1	80.5%
Holroyd	73.3	5.4%
Parramatta	20.8	1.5%
Auburn	11.6	0.9%
The Hills	158.5	11.7%
Total	1,356.3	100%

Source: ELDP (2014)

Evidently, the impact from the proposed rezoning would be negligible for the region. Moreover, the insignificance of the site from an industrial perspective is accentuated by the fact that it is positioned in a location that is not sought after by industrial developers, businesses and investors.

4.4 Industrial Investment in Holroyd LGA

The lack of new industrial investment (as shown in the previous section) in Merrylands-Holroyd SA2 region is also apparent in business count data. The next table presents change in business numbers between 2012 and 2014 for key industrial-based sectors.

Business Count for Industrial Uses, Merrylands-Holroyd LGA (2012-2014)

Industry Type	2012	2014	Change
Merrylands - Holroyd SA2			
Electricity, Gas, Water and Waste Services	3	0	-3
Manufacturing	23	27	4
Wholesale Trade	31	29	-2
Transport, Postal and Warehousing	51	53	2
Total Industrial Based	108	109	1

Source: ABS Count of Australian Businesses, including entries and exits (2015)

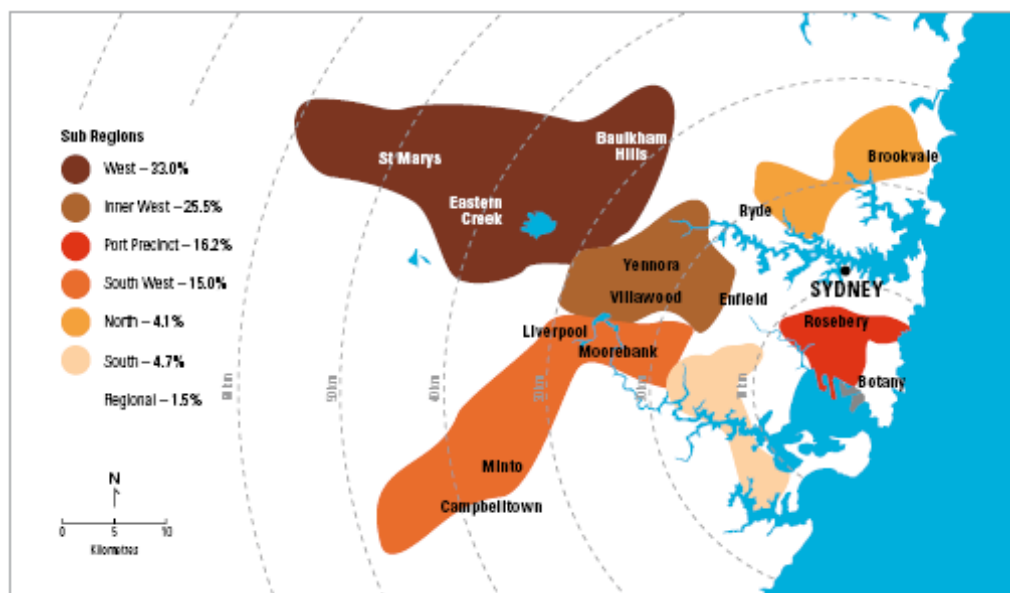
Between 2012 and 2014, the number of employing “industrial” businesses in the Merrylands-Holroyd SA2 expanded by one (1). While there was an expansion in the number of businesses in the Manufacturing industry (+4 businesses), the observed growth is negligible compared to Western Sydney. Moreover, the number of employing businesses in wholesale trade contracted by two over the same period – which is another growth sector. It appears that the Merrylands-Holroyd SA2 region is not a popular destination for industrial operators.

4.5 Future Drivers

The dominance of outer western Sydney as a location for industrial development has been strongly underpinned by large-scale infrastructure investment. In the absence of additions to existing rail freight capacity, road transport has facilitated the movement of freight from Port Botany over the past decade.

Whilst the distribution of access points for Port Botany have been skewed in the past to north western Sydney, construction of the M7 has altered the nature of this balance. As a result, development has been concentrated around the M4/M7 intersection. More recently, investment in the M5 has also supported industrial development at the intersection of the M5 and M7 (i.e. at Prestons and Hoxton Park).

Sydney Metro - Import Destinations (% of volume transported)



Source: Sydney Ports Corporation (2012)

MacroPlan Dimasi has examined potential transport infrastructure projects that could impact the distribution of demand for industrial space in Sydney. Potential projects are from the NSW Long Term Transport Master Plan (2012) and Infrastructure NSW's 20-Year Infrastructure Strategy (2012). This information has been updated based on recent announcements. The table also includes the Badgerys Creek airport and the Western Sydney Infrastructure Plan.

Potential Transport Infrastructure Projects and Timing

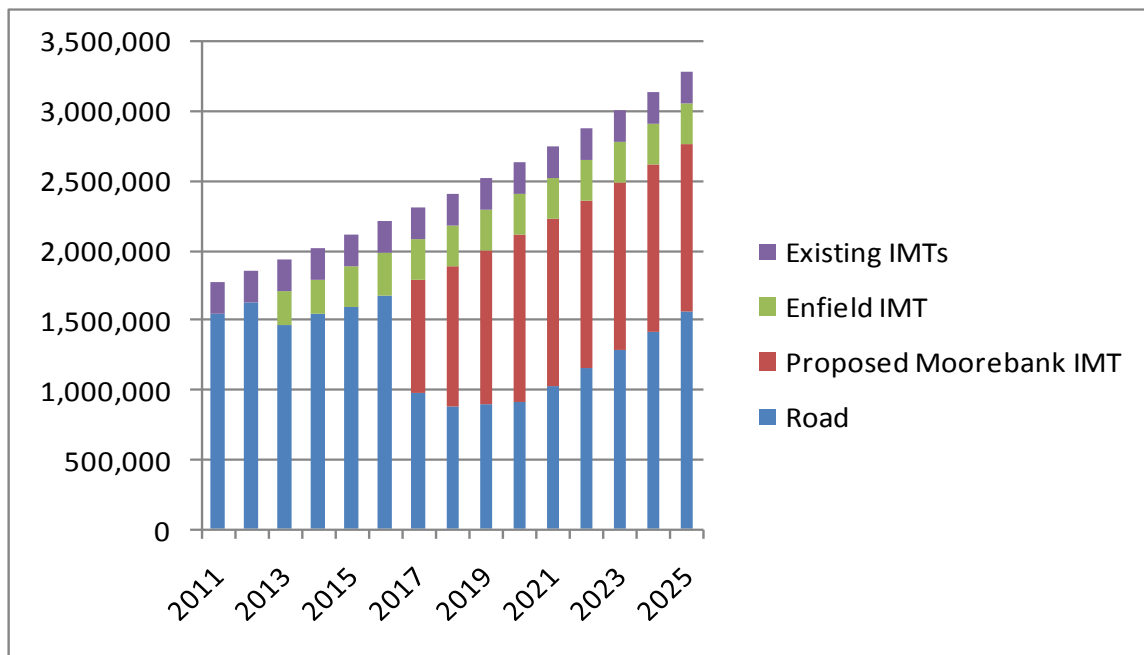
Project	Status	Timing
Regional Infrastructure		
M7 Westlink	Completed	0-5 years
M5 west widening	Completed	0-5 years
Enfield IMT	Commenced	0-5 years
South West Rail (to Leppington)	Commenced	0-5 years
M2	Approved	0-5 years
Moorebank IMT	Approved	0-5 years
George Street to Eastern Suburbs Light Rail	Announced/planning	5-10 years
Northconnex	Announced/planning	5-10 years
Westconnex (Component 1: M4 widening and connection)	Announced/planning	5-10 years
Westconnex (other)	Announced/planning	5-10 years
Westconnex (other)	Announced/planning	5-10 years
Westconnex (other)	Announced/planning	5-10 years
North West Rail	Commenced	5-10 years
Western Sydney Light Rail	Announced/planning	10+ years
Sydney Rapid Transit (NW to Bankstown Station)	Announced/planning	10+ years
North and South West Rail Link Connection	Concept	10+ years
Maldon-Dombarton Rail	Concept/feasibility testing	10+ years
M9	Land acquisition	10+ years
Badgerys Creek Airport	Announced	10+ years
Rail Freight (NW line)	Concept	10+ years
Rail Freight (SW line)	Concept	10+ years
Local Infrastructure		
Greystanes to Wetherill Park (Reconciliation Road)	Underway, approaching completion	0-5 years
Erskine Park Link Road	Underway, approaching completion	0-5 years
Oran Park Road Duplication	Commenced	0-5 years
Western Sydney Infrastructure Plan		
Series of local road upgrades and connections (view map below)	Recently announced, Federal/State government funded	varies by item
Source: Department of Infrastructure and Regional Development		

Source: Infrastructure NSW, Department of Transport, Department of Infrastructure & Regional Development, MacroPlan Dimasi (2015)

New capacity is under construction, through the Enfield Intermodal Logistics Centre. Enfield is planned to have a maximum capacity of 300,000 twenty-foot equivalent unit (TEU) per annum. Enfield Intermodal Terminal (IMT) is anticipated to commence operations by the end of 2013. The Moorebank IMT site layout has a capacity of approximately 1.2 million TEU p.a. for the IMEX facility, and 0.5 million TEU p.a. for the interstate terminal.

Once the Moorebank IMT is complete and operational, road freight movements through inner western Sydney will become less frequent. This outcome means that inner western locations will become much less valuable for industrial redevelopment. The range of freight being transported along the road network (to the east) is set to drop sharply as the Moorebank IMT begins operation. Based on the projections shown below, the volume of road freight would not recover to current levels until beyond 2025.

Projected TEU Movements from Port Botany (2011-2025)



Source: Sydney Ports Corporation (2012)

As freight movements (presented as TEUs) more than double at Port Botany by 2025, this outcome will greatly reduce freight traffic along key arterial roads. In the short term, road freight will continue as the main mode for distribution and logistics of containerised goods. This will continue to support demand for warehouse space and distribution facilities in locations at the M4/M7 and M5/M7 Sydney Orbital intersections. The recent pattern of industrial development (i.e. in outer North West and South West Sydney) is consistent with current long term strategies to build an employment presence in Sydney's outer west.

4.6 Concluding Remarks

Broader market and development trends have been analysed to assess the relevance of the subject site for industrial uses. While there has been some activity in the Holroyd LGA, our investigation has demonstrated that industrial redevelopment has been concentrated in the Quarry Industrial Estate, eluding the subject site. Given that the observed change is part of a broader restructuring of the industrial market, which has and will continue to be underscored by significant infrastructure investment, it is expected that future industrial development activity will intensify in outer Western Sydney.

Overall, the key conclusion is that the scale of new development across outer western Sydney has been huge by comparison. And while activity has been solid in Holroyd LGA, the volume of industrial investment and development around the subject site has diminished significantly. Lacklustre business growth, particularly in key growth industries such as Transport, Postal and Warehousing, indicates that the subject site's locality is not favoured by these businesses.

We have also demonstrated that the connection with the future key infrastructure projects (e.g. Moorebank Intermodal Terminal) is impaired and inefficient. Constrained road access and therefore access to broader markets means that subject site's relative proximity to Western Sydney is irrelevant.

From a future supply perspective, the subject site represents just 0.28% of future industrial land capacity in the West Central region. This comparison underlines the miniscule impact of the subject site on the supply of industrial space in the region, relative to the recent trends in demand.

Moreover, these observed trends are not temporary, but rather a result of major structural changes, permanent changes to industry practices and significant investment in major transport infrastructure. In light of these circumstances, continued use and redevelopment potential of the subject site for industrial uses is compromised.

Therefore, from a ranking perspective, the subject is inferior to other industrial locations in outer Western Sydney. Furthermore, the significance of the subject site will be diluted by sustained growth in designated outer south western industrial destinations such as Prestons and Smeaton Grange, and by traditional north-west locations such as Eastern Creek, Erskine Park and Greystanes in the near future.

Section 5: Residential Justification

This section identifies and justifies the need for increased residential accommodation within the locality of the subject site.

Overall, the provision of residential accommodation at this site adheres to the principles of the new Metropolitan Strategy and is consistent with the directions pertaining to housing supply, i.e. the need to:

- Accelerate housing supply across Sydney (Direction 2.1);
- Accelerate urban renewal across Sydney – providing homes closer to jobs (Direction 2.2); and
- Improve housing choice to suit different needs and lifestyles (Direction 2.3).

The proposed development is consistent with the express views of the Sydney Metropolitan Strategy, in that housing and employment growth is co-ordinated with infrastructure delivery, as per the following excerpt:

“identify suitable locations for housing and employment growth coordinated with infrastructure delivery (urban renewal), including around priority precincts, established and new centres, and along key public transport corridors” (Pg. 114, Sydney Metropolitan Strategy 2014)

In addition to direct housing supply, there are other considerations to support the case for residential accommodation. The inclusion of residential uses would:

- Complement the character of the immediate region, which is predominately residential in nature (to the south);
- Provide a buffer between residential uses in the south and commercial uses along Parramatta Road;
- Assist in supporting the Merrylands and Granville Town Centre through a significant increase in household expenditure;
- Provide greater utilisation of existing bike networks and green space (i.e. Holroyd Sportsground and the Holroyd Gardens Park);
- Be supplemented by ample car parking provision for new residents, due to the size of the subject site;

- Provide development contributions which could be used to improve public space within the LGA.

The subject site promotes an optimal outcome for Holroyd, the Merrylands and Granville Town Centres as well as the Holroyd LGA as a whole.

5.1 The Need for More Housing (Direction 2.1)

The Sydney Metropolitan Strategy (2014) outline the need to provide “more housing and different types of housing as the population grows”, reducing pressure on rising house prices (Pg. 64). According to the strategy, the housing market reflects consumer demand and willingness to pay for particular types of housing in particular locations. This section outlines the need for more housing in the Holroyd LGA.

According to the ABS, population growth in the Holroyd LGA has been solid, expanding at an average rate of 2.3% over the five years to 2011 – significantly above the Greater Sydney average of 1.2% per annum. In level terms, this equates to a net increase of 11,327 residents.

Estimated Resident Population, Holroyd LGA (2006 – 2011)

Age Cohort	2006	2011	Total Change	Annual Change	CAGR* (%)
0-19	24,742	27,441	2,699	539.8	2.1%
20-34	23,059	26,603	3,544	708.8	2.9%
35-49	19,408	21,387	1,979	395.8	2.0%
50-64	14,516	16,124	1,608	321.6	2.1%
65+	11,027	12,524	1,497	299.4	2.6%
Total	92,752	104,079	11,327	2,265	2.3%

*Compound Annual Growth Rate

Source: Census 2006 & 2011

Over the corresponding period, the number of private occupied dwellings in the Holroyd LGA expanded by 611 dwellings. Comparing the rise in the number of private occupied dwellings against population growth it is evident that supply has not kept up with demand over this period. Utilising the average household size of 2.8 persons per dwelling⁷, a shortage of 3,434 dwellings would have accumulated during this period.

⁷ ABS Census of Population and Housing (2011) – Holroyd LGA Census QuickStats

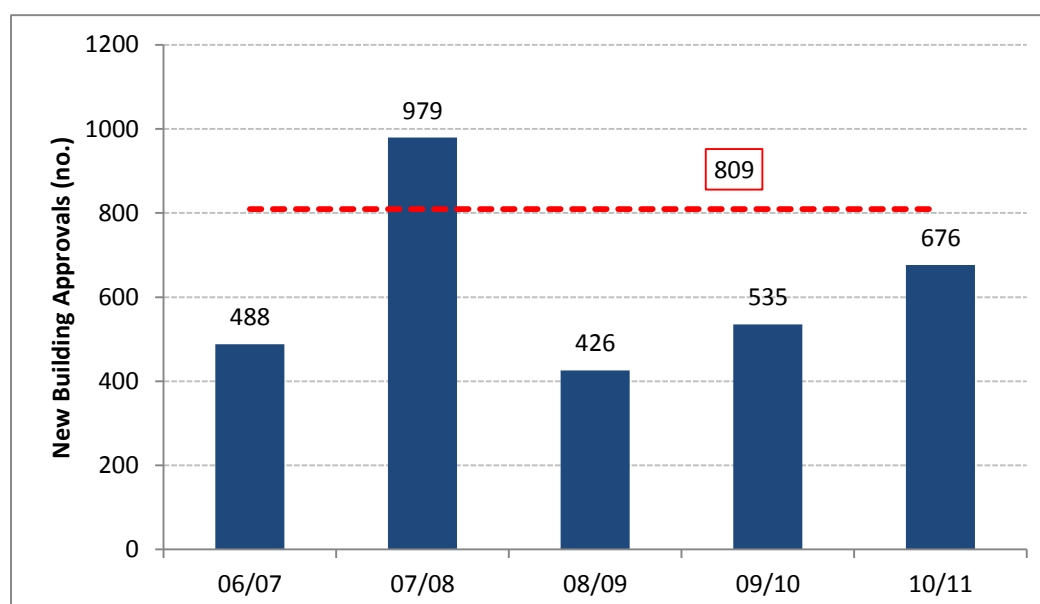
Private Occupied Dwellings, Holroyd LGA (2006 – 2011)

Dwelling Structure	2006	2011
Separate house	20,690	20,343
Semi-detached, row or terrace house, townhouse etc	3,534	4,713
Flat, unit or apartment	8,027	7,871
Other dwelling	135	70
Total	32,386	32,997

Source: Census 2006 & 2011

Building approvals data also suggests a net shortage of residential dwellings would have accumulated between 2006 and 2011 within the Holroyd LGA. Comparing the rise in the number of building approvals against population growth and required dwellings given household size, a shortage of 941 dwellings would have presented over this period.

Buildings Approvals vs. Estimated Dwelling Demand, Holroyd LGA (2006 – 2011)



Source: ABS Building Approvals, Australia; MacroPlan Dimasi 2015

A shortfall in supply has resulted in house price escalation. In fact, solid rental and median house price growth are symptoms of an undersupplied market. According to Census 2011, approximately 34.8% of private dwellings in the Holroyd LGA are tenanted by renters, which is higher than that observed in Greater Sydney (31.6%) and Australia (29.6%).

While rental growth has been solid throughout most of Greater Sydney, rental growth in the Holroyd LGA has been more pronounced. Over the five years to 2011, median weekly rents increased from \$225 to \$350 per week, equating to a compound annual

growth rate of 9.2%. In comparison, average rents in Greater Sydney expanded by 7.0% per annum over this period.

Rental Growth, Holroyd LGA and Greater Sydney (2006 & 2011)

Year	Holroyd LGA	Greater Sydney
2006	\$225	\$250
2011	\$350	\$351
CAGR (%)	9.2%	7.0%

Source: Census 2006 & 2011

More importantly, rental escalation has exceeded household income growth in the Holroyd LGA over this five year period. As a result, the share of household income attributed to covering rents increased from 22.5% to 28.9% over the five years to 2011. Given that 34.8% of private dwellings are occupied by renters, the impact from deteriorating rental affordability is expected to be significant in the Holroyd LGA relative to Greater Sydney (31.6%).

Rental Affordability, Holroyd LGA (2006 - 2011)

Indicator	2006	2011
Annual household rental cost	\$11,700	\$18,200
Annual household income	\$51,896	\$62,868
Rent share of income (%)	22.5%	28.9%

Source: Census 2006 & 2011; MacroPlan Dimasi (2015)

Furthermore, in the absence of adequate new dwelling additions, median rents will continue to climb over the forecast period. Through new apartment additions, the proposed redevelopment will help alleviate rental pressures.

Affordability issues can be extended to consideration of prices facing current and future owner-occupiers. According to NSW Housing data, the median price for all dwellings sold in the Holroyd LGA reached \$541,900 (September 2014⁸), increasing at an average rate of 6.5% over the five years prior. Considering the average annual income of residents in the Holroyd LGA is \$62,868⁹ (well below the Sydney average of \$75,244), it would be reasonable to presume that home ownership is a challenging proposition in the Holroyd LGA.

⁸ NSW Housing Rental and Sales Overview (December 2014)

⁹ Census 2011 – Median Household Income for Holroyd LGA

Mortgage repayments relative to household income further reinforces the need for a greater supply of housing. As at 2011, median annual household mortgage repayments totalled \$24,969 (ABS). Given annual household income is \$62,868, the mortgage payment to household income ratio is significantly high (39.3%). Notably this rate has not eased since 2006, despite a sharp reduction in interest rates from 2008 (which would lower mortgage repayments).

Mortgage Affordability (%), Holroyd LGA (2006-2011)

Indicator	2006	2011
Median annual household mortgage repayments	\$20,400	\$24,696
Annual household income	\$51,896	\$62,868
Mortgage repayments share of income (%)	39.3%	39.3%

Source: Census 2006 & 2011; MacroPlan Dimasi (2015)

Relative to the historical experience, Government population projections suggest a period of higher population growth for the Holroyd LGA. According to DP&E projections, the resident population of the Holroyd LGA is projected to increase by 16,400 persons in the ten years to 2021. Without a corresponding surge in housing construction, higher population growth will intensify the rate of housing affordability deterioration.

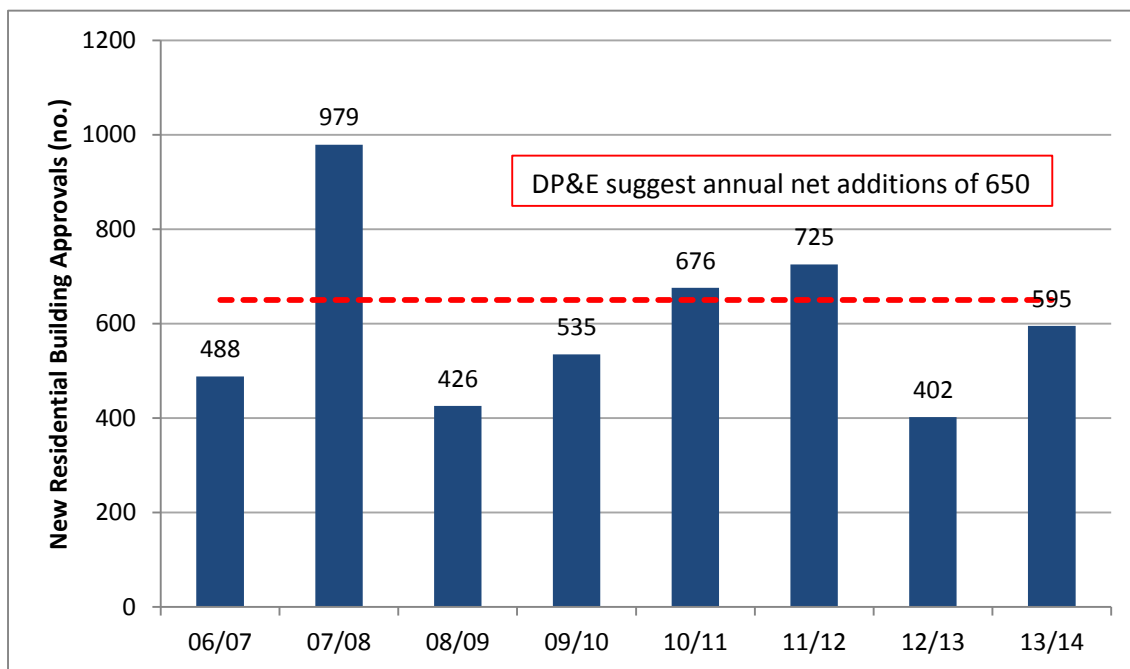
DP&E Population and Housing Projections, Holroyd LGA (2011, 2021, 2031)

	2011	2021	2031	2011-2021	2021-2031
Population (residents)	104,150	120,550	136,050	16,400	15,500
Dwellings (no.)	38,700	45,200	51,550	6,500	6,350
Households (no.)	36,700	42,900	48,950	6,200	6,050
Household Formation					
Number of occupants (persons per dwelling)	2.69	2.67	2.64	2.52	2.44
Average household size (persons per household)	2.84	2.81	2.78	2.65	2.56

Source: DP&E (2011), MacroPlan Dimasi (2015)

To accommodate this population growth trajectory, DP&E projections suggest net additions of 650 dwellings per annum (2011 – 2021). Notably, while it is questionable whether this level of provision is adequate, the suggested level of additions has been achieved just three times; in FY 2008 (979 dwelling approvals), FY 2011 (676 dwellings) and FY 2012 (725 dwelling approvals).

New Residential Dwelling Approvals, Holroyd LGA (2006 – 2014)



Source: ABS Building Approvals, Australia (2015)

Moreover, there are demographic drivers which are expected to result in a greater rate of household formation, supporting higher levels of housing demand in The Holroyd LGA. Key trends that are expected to influence housing demand include:

- Higher participation from single parent, lone-person and couple families without children (including young couples and retiree households) at the expense of traditional household structures such as couple families with children.
- Sustained levels of strong population growth young working adult cohorts.

Overall, there is a compelling case for more housing supply in the Holroyd LGA to satisfy current population trends of growth and household formation.

5.2 Promoting Housing Diversity (Direction 2.3)

The new Metropolitan Strategy states the need to “improve housing choice to suit different needs and lifestyles”, as prescribed by Direction 2.3. The objective of this direction is to promote greater housing diversity for the purpose of accommodating Sydney’s growing population and demographic projections.

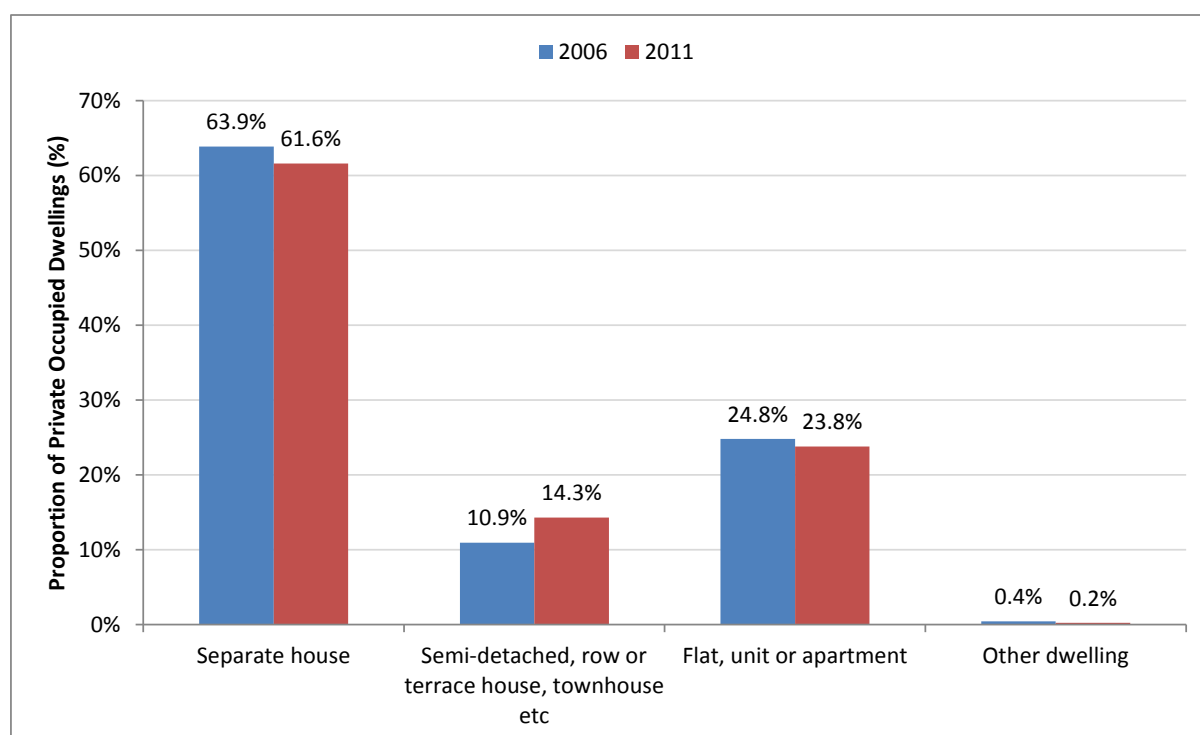
The strategy notes that there is “a current shortage of semi-detached houses across Sydney and a shortage of apartments in the middle and outer areas of the city. This is affecting the capacity of people to buy or rent a home”. The demand for more

apartments close to public transport is increasing, reflective of consumer demand for housing to meet budget and lifestyle requirements.

In relation to other dwelling typologies, the Holroyd LGA entails a greater share of medium density residential relative to Greater Sydney (14.3% compared to 12.8%), and less flats, units or apartments (23.9% compared to 25.8%), as evidenced in section 2.4.

Notably, there has been a decline in the proportion of flats, units or apartments (1.0%) between 2006 and 2011. Conversely, there has been growth in semi-detached, row or terrace housing (3.4%) over the same period.

Dwelling Structure, Holroyd LGA (2006 & 2011)



Source: Census 2006 & 2011

As apartments tend to be more cost-effective than detached housing, limited apartment supply is expected to mostly impact first home buyers. A desktop review has revealed the price of a new one bedroom apartment in the Holroyd LGA is in the order of \$350,000 to \$450,000. As a comparison, the value of a new detached dwelling tends to be above \$800,000. We note that there are variances in property values depending on a number of factors (i.e. number of bedrooms, location within LGA).

Given that the movement of owner-occupier households from inner and middle ring locations has increased, a lack of suitable dwelling accommodation will stymie activity.

Given that these groups tend to be the most price-sensitive, a lack of affordable provision (in the form of new apartments) may stem growth in young working residents. Moreover, a lack of housing choice is expected to have an adverse impact on existing and future mature households.

Trade-down activity is also facilitated by new apartment development. Through the sale of their existing dwelling, retirees purchase new smaller dwellings which require less maintenance, and invest the residual capital for income-generating purposes.

The apparent shortfall in higher-density stock additions means that local residents are denied an opportunity to trade down within their locality. With an appropriate housing option, these residents may opt for neighbouring locations where apartment construction has occurred.

The overall impact of a lower number of first home buyer and retiree households in the region is expected to have direct consequences on the viability of existing businesses and an array of future businesses. It is through consumption of services and goods in a given area, that a maximum number of local jobs are supported.

Moreover, the household and population growth profile for the Holroyd LGA is expected to lead to greater demand for apartments in the future. In addition to DP&E projections, this view is constructed having regard for observed housing trends, such as:

- 1. The contribution from couples with no children, one-parent family households increased by 679 persons in the Holroyd LGA between 2006 and 2011. Based on DP&E household projections, the observed composition is expected to persist over the forecast period.*
- 2. By age, population growth has been most pronounced amongst senior residents. Between 2008 and 2013, the number of 65+ persons expanded on average 3.0% per annum. According to DP&E population projections, strong growth is expected to continue (2.7% per annum out to 2031).*

Population Projections by Age, Holroyd LGA (2011-2031)

Age Cohort	2011	2031	Total Change	CAGR* (%)
0-19	27,450	36,700	9,250	1.5%
20-34	26,600	28,600	2,000	0.4%
35-49	21,400	28,400	7,000	1.4%
50-64	16,150	21,050	4,900	1.3%
65+	12,550	21,300	8,750	2.7%
Total	104,150	136,050	31,900	1.3%

Source: Department of Planning & Environment

*CAGR = Compound Annual Growth Rate

Overall, it is evident that the need for greater housing diversity in the Holroyd LGA is significant. Through the provision of up to 1,900 apartments (including a significant number of one and two bedroom), the proposed redevelopment will deliver on much needed apartment stock, in close proximity to public transport. It will be very suitable for downsizers and retirees, who wish to remain in their local community. In turn, diversity of residents provides a better spread of retail spending across the day and night. This distribution is preferable for local retail businesses.

5.3 Jobs closer to home; homes closer to jobs (Direction 2.2)

"Grow strategic centres – providing jobs closer to home" - (Direction 1.7)

&

"Accelerate urban renewal across Sydney – providing homes closer to jobs" - (Direction 2.2)

Essentially, the objective of these directions is to deliver new housing close to jobs, transport, community facilities and services, providing the following outcomes/benefits:

1. Higher productivity through reduced congestion;
2. Lower infrastructure costs due to reduced commuting distances for work;
3. Exercise and health-related benefits;
4. Increased job opportunities.

In relation to the subject site, delivering homes in and around the Merrylands Town Centre well as Granville and Harris Park Train Station is expected to alleviate road capacity constraints for business functions, support increased job-containment and promote alternative travel to work modes.

Having regard for traffic issues, the delivery of housing (as proposed) within a reasonable distance to workplace destinations and public transportation would reduce private vehicle utilisation, as well as, promoting alternative and healthier modes of transport, including walking and cycling.

5.4 Residential Provision in the Merrylands–Holroyd SA2

There is also a particular need for increased residential accommodation within the locality of the subject site (Merrylands–Holroyd SA2).

Merrylands-Holroyd SA2 Region



Source: MapData Services Pty Ltd (2015)

The provision of approximately 1,800-1,900 residential units including a large provision of one and two bedrooms, will contribute much needed dwelling stock. According to the ABS, population growth in the Merrylands–Holroyd SA2 has been solid, expanding by 1,986 persons at an average rate of 1.6% per annum between 2006 and 2011 (above the Greater Sydney average). As a relatively affordable location, it has proven to be an attractive location for rental households. Rental households now account for 40.5% of all tenure types (ABS 2011).

Population by Age, Merrylands - Holroyd SA2 (2011)

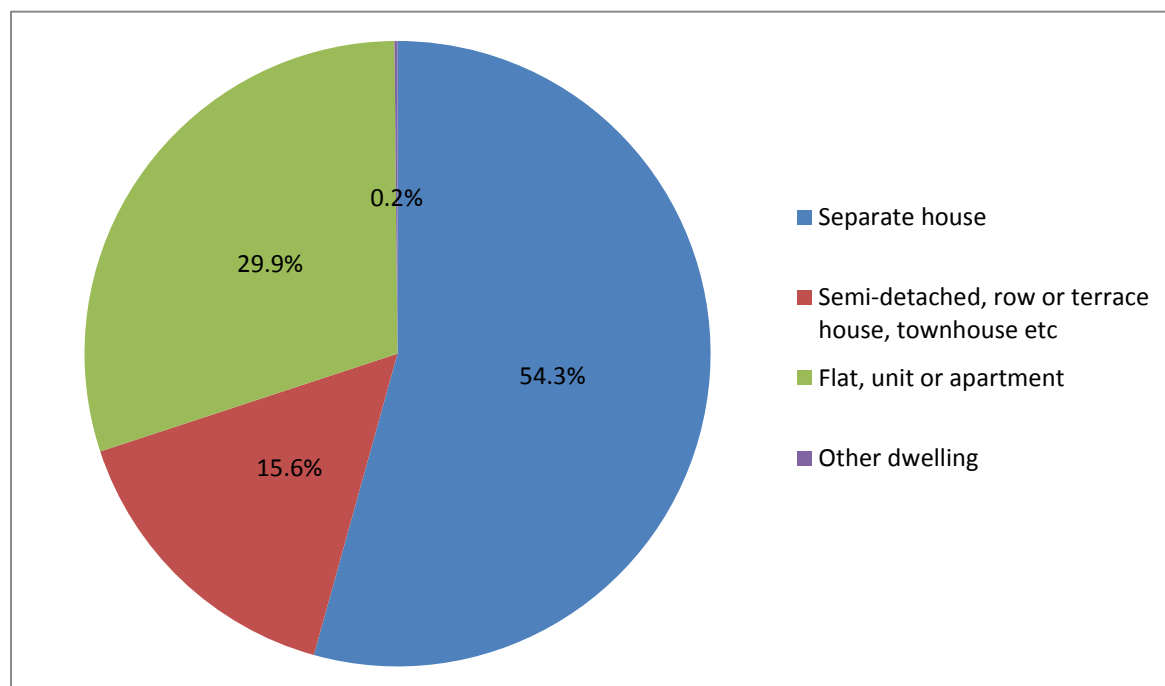
Age Cohort	2006	2011	Total Change	Annual Change	CAGR* (%)
0-19	6,729	7,029	300	60	0.9%
20-34	5,999	6,850	851	170.2	2.7%
35-64	8,299	9,037	738	147.6	1.7%
65+	2,857	2,954	97	19.4	0.7%
Total	23,884	25,870	1,986	397	1.6%

Source: ABS Population by Age and Sex, Regions of Australia

As has been the case with the Holroyd LGA, ABS dwellings data confirms there have not been significant additions to private dwelling stock between 2006 and 2011. In total, the number of dwellings increased by 476. With regard for population growth and the average household size (2.9 persons per household), a net shortage of 209 dwellings would have accumulated over this period.

Moreover, according to Census 2011 data, detached/separate houses are the dominant dwelling structure in the Merrylands-Holroyd SA2, accounting for an estimated 54.3% of total occupied dwellings. Conversely, the allocation attributed to apartments (and other high density dwellings), as well as semi-detached dwellings was just 29.9% and 15.6%, respectively.

Dwelling Structure – Private Occupied Dwellings, Merrylands-Holroyd SA2 (2011)



Source: Census 2011

On this basis, there is a strong need for greater housing diversity in the Merrylands-Holroyd SA2. This is supported by Direction 2.3 of the Sydney Metropolitan Strategy (2014) – “improving housing choice to suit different needs and lifestyles”, as well as the Draft Holroyd Residential Development Strategy (2012).

Furthermore, the value of apartment stock associated with this development is expected to be more affordable than that of other nearby precincts (i.e. Parramatta CBD and outskirts) where a significant proportion of residential development has occurred. A desktop search has confirmed the asking prices for new apartments in Parramatta are in the order of \$600,000 to \$700,000 for a one bedroom apartment and \$700,000 to \$850,000 for a two bedroom apartment. The delivery of approximately 1,800-1,900 residential units will deliver much needed, affordable housing and consequently, will attract residents to the Holroyd LGA.

Asking Prices of Major Parramatta Apartment Projects

Project	Attributes	Price	Size	\$/m ²
Altitude - Church Street	1 bedroom, 1 bathroom	\$635,000	50	\$12,700
	1 bedroom, 1 bathroom, 1 car space	\$660,000	50	\$13,200
	2 bedrooms, 2 bathrooms, 1 car space	\$785,000	80	\$9,813
	3 bedrooms, 2 bathrooms, 2 car spaces	\$1,100,000	110	\$10,000
V by Crown - Marsden St	Studio	\$490,000		
	1 bedroom, 1 car space	\$628,000	50	\$12,560
	2 bedrooms, 2 bathrooms, 1 car space (lower levels)	\$848,000	87	\$9,747
	2 bedrooms, 2 bathrooms, 1 car space (higher levels)	\$975,000	95	\$10,263
Promenade	1 bedroom, 1 car space	\$510,000		
	2 bedrooms, 2 bathrooms, 1 car space (lower levels)	\$595,000		
	2 bedrooms, 2 bathrooms, 1 car space (higher levels)	\$660,000		
	3 bedrooms, 2 bathrooms, 2 car spaces	\$950,000		

Source: realestate.com.au (2015), MacroPlan Dimasi (2015)

Overall, the proposed development will provide diverse and affordable apartment stock to a market deprived of supply. This will:

- Assist workers, students and migrants in finding affordable rental accommodation;
- Deliver affordable housing for potential owner occupiers (i.e. young professionals);
- Provide opportunities for older residents in the area to “trade down”, particularly important, as the 65+ cohort is anticipated to experience significant growth.

5.5 Other Considerations

There are a host of other considerations that support the case for greatly increasing the residential accommodation at the subject site.

- Located 1.2km from the Merrylands Town Centre as well as the Granville and Harris Park Train Stations, the provision of residential in close proximity to amenity, and employment opportunities will contribute to the concepts of self-containment as well as transport oriented development (TOD), promoted in the Sydney Metropolitan Strategy (2014).
- Upon rezoning and occupation, the future residents and new workers will provide an additional source of trade and support for existing and future surrounding uses. Obvious beneficiaries include business in the Merrylands Town Centre and along Parramatta Road. Moreover, access to the rail station will provide workers with an easy point of entry to work.

Overall, the case for residential uses at the subject site is compelling. It will assist in activating and enhancing the Merrylands Town Centre, an objective of local Government, and will contribute to the directions for Greater Sydney and in particular, Western Sydney, in the new Sydney Metropolitan Plan.

Section 6: Employment Outcome

In this section of the report we justify the planning proposal through quantifying the operational employment potential of the subject site under three different scenarios, being:

1. "As is" or "status quo" i.e. no redevelopment;
2. Redevelopment under a B5 Business Development zone; and
3. Redevelop site under the proposed B4 mixed-use zoning.

6.1 "As is" (i.e. no redevelopment)

At present, the subject site is occupied by WesTrac, used as a modern industrial and warehousing facility. Services provided on-site include administration, training facilities, workshops and machine servicing bays, spare parts warehousing, laboratory services, and has dedicated parking for specialist heavy earthmoving equipment.

As advised by Tiberius, the site accommodates 125 workers, over an operational floorspace of 9,471m². This equates to an average employment density of 76m² per worker. Notably, WesTrac has relocated to Tomago in Newcastle, supported by the Government. The new site is significantly larger (approximately 25 hectares) and is better placed to capitalise from mining operations in Newcastle where WesTrac key clients are located. The size of the site also enables expansion of operations. Notably, WesTrac is also seeking to maintain a presence in western Sydney through the attainment of an alternate site.

Operational Floorspace, Subject Site

Building Use	Area (m ²)
Workshop	3,912
Warehouse	1,862
Office (ground floor)	1,661
Office (first floor)	1,616
Plant room	350
Mezzanine	27
Stairs	22
Gatehouse	18
Other	2
Total	9,471

Source: McKenzie Group (2015)

In our professional opinion, in the absence of redevelopment, finding a new tenant for the current tailored building is expected to be challenging. The building was originally custom-built for a Caterpillar Dealer and its unique set of operations. Targeting a niche market is considered a major constraint with regard to re-tenanting.

The rate of rents at the subject site are significantly higher, relative to other industrial locations due to the specialised nature of the improvements. According to Colliers International (2014), the average annual rental rate for commercial premises in Central West Sydney is \$80 - \$100 per square metre¹⁰. However, for industrial premises in Outer South West Sydney and North West Sydney, rents generally do not exceed \$90 per square metre¹¹, even in sought-after locations.

Further, there are superior industrial locations throughout Western Sydney, sites which are better connected to the Sydney Orbital Road network (i.e. Hoxton Park and Silverwater) and other major infrastructure items.

Overall, given the building was originally designed for a particular set of operations, as well as the availability of better-connected and cost effective industrial locations, it is evident that the subject site is clearly inferior from an light industrial perspective.

Once WesTrac vacates the site, the subject site's employment relevance will diminish. Therefore, from an industrial standpoint, the current employment outcome represents

¹⁰ Colliers International Research–Metropolitan Office Report (second half of 2014)

¹¹ Savills Research–Spotlight Sydney Industrial (January 2015)

the best case scenario. Given the difficulty associated with re-tenanting the current building, it is expected that employment on the site will diminish significantly over the immediate future.

6.2 Potential for Redevelopment under B5 Zone

As presented in Section 1.3, the current B5 Business Development zoning permits (with consent) bulky goods premises, child care centres, food and drinks premises and a range of light industrial uses.

Bulky goods retailers tend to be co-located in large complexes (or 'centres') or along major arterial roads. In Western Sydney, these standalone complexes generally require larger sites, in the order of 4+ hectares. Typical tenants at bulky goods complexes include electronic and white-goods (e.g. Good Guys, Bing Lee), auto-parts (e.g. SuperCheap Auto and Autobarn Car Accessories), furniture (e.g. Forty Winks, Fantastic Furniture and Freedom) and other food and service based (e.g. Fitness First, Battery World, Pet Barn, O'Portos, Hungry Jacks). An example of this type of complex is 'Home Central' at Bankstown.

Satellite Image – Home Central (Bankstown)



Source: Google Maps

These complexes are generally situated on sites with multiple street frontages and access points. As presented in the image above, Home Central at Bankstown is on the intersection of two major arterial roads in Bankstown LGA (e.g. Canterbury Road and Chapel Street), and has a total of four entry/exits points.

While the subject site is at a major intersection (e.g. Woodville and Parramatta Roads), access from these roads is relatively constrained; access to the site can only be obtained via Woodville Road and Crescent Street. Given that access is a major pre-requisite for bulky goods centres, it is unlikely that the subject site will be pursued by bulky goods operators. Moreover, given that there is already considerable representation from bulky goods operators along Parramatta and Woodville Roads, the market potential or gap for another standalone bulky goods destination is questionable.

Although unlikely to occur, we have modelled the potential employment outcome if the site was to be redeveloped for light industrial (50%) and bulky goods (50%) purposes; as permissible (with consent) under the current B5 Business Development zoning.

Having regard for current planning settings (an FSR of 1:1 and a height limit of 15m), the maximum employment floorspace that could be attained from the site is 38,700m². A desktop analysis has confirmed that bulky goods and light industrial premises in Western Sydney typically occupy 50% of the site area.

Having regard for average employment densities, we have derived an employment outcome of approximately 170 - 260 workers for the entire subject site, under a redevelopment scenario (given current planning controls).

Employment Outcome under Current Planning Controls

Potential Land Use Type	Area (m ²)	m ² /employee	Employment Outcome (jobs)
Bulky Goods	9,675	60 - 80	121 - 161
Light Industrial	9,675	100 - 200	48 - 97
Total	19,350	-	169 - 258

Source: MacroPlan Dimasi (2015)

6.3 Post-development Employment Considerations

The planning proposal seeks to rezone a proportion of the subject site from B5 Business Development to B4 Mixed Use (which permits employment generating land uses).

The proposed development indicates a commercial floorspace yield of 8,500m².

Specific uses are as follows:

- Retail (supermarket/specialty) – 4,900m²
- Retail (showroom) – 2,000m²
- Other commercial – 1,600m²

With regard for average employment densities of candidate uses, we have derived an employment outcome of 206 - 250 workers.

Employment Outcome - Redevelopment

Potential Lane Use Type	Area (m ²)	m ² /employee	Employment Outcome (jobs)
Supermarket/speciality retail	4,900	30 - 40	123-163
Other Commercial	1,600	30	54
Retail/Showroom	2,000	60-70	29-33
Total	8,500	-	206-250

Source: MacroPlan Dimasi (2015)

The provision of superior quality commercial and retail floorspace is expected to achieve a superior employment outcome for the subject site. It will attract a different profile of tenants and businesses, which typically engage more workers per square metre.

Once vacated and if left undeveloped, it is our belief the subject sites employment relevance will diminish (particularly as the premise begins to age). The premise was custom-built for WesTrac. Re-tenanting the site for industrial uses will prove difficult, reinforced by its location and rent relative to other industrial locations in Greater Sydney.

Redevelopment under current planning controls (B5 Business Development) is unlikely. Bulky goods and light industrial premises tend to occupy larger floorplates in co-location with other retail and commercial premises. As such, this site proves inferior.

Subsequently, a favourable employment outcome can only be achieved through redevelopment. It is clear that redevelopment of the subject site to B4 Mixed Use will provide a superior outcome, relative to an "as is" scenario and a redevelopment scenario given current planning controls (B5 Business Development).

Employment Outcome Comparison- Onsite Jobs

Scenario	Employment Outcome
As is' i.e. no redevelopment	0-125
Redevelopment under current planning controls	169-258
Redevelopment to B4 Mixed Use	206-250

Source: MacroPlan Dimasi (2015)

6.4 Other Employment Based Benefits

In addition to direct employment benefits outlined, there are also a number of indirect employment outcomes that would be derived from the proposed development. These benefits include:

- A realignment of the industry composition to suit the working resident population and subsequently greater self-containment;
- Greater industry diversification;
- A reduced reliance on Manufacturing as a primary industry within the LGA (which has been on the decline);
- The proposed development includes approximately 1,800 and 1,900 residential units, resulting in an increased number of households and subsequently, greater overall expenditure within the Merrylands Town Centre and Parramatta CBD;
- Support of various professional service industries during the planning and design phase e.g. consulting, architecture, engineering, planning and so forth.
- Support a large and diverse range of trade, professional and construction-based businesses e.g. construction managers, labourers, bricklayers, surveyors as well as plumbers, electricians, heating and ventilation trades.
- Support maintenance and trade service employment once operational.

Moreover, with regard to a simple multiplier, indirect employment outcomes tend to be higher in service-oriented businesses (e.g. food catering; cleaning services; support services) than in businesses that trade (produce) goods (e.g. supermarkets).

Overall, it is our professional opinion that the proposed rezoning and redevelopment format would deliver a superior employment outcome accommodating between 206 - 250 jobs on the site as well as indirect employment. This would, in our view, provide direct benefits to the Merrylands Town Centre and the Holroyd LGA as a whole.

Section 7: Assessment of Economic Impacts

This section of the report demonstrates the overall economic impacts of the proposed redevelopment of 1 Crescent Street as outlined below.

- The provision of necessary residential infrastructure to meet the needs of a growing population and changing demographic;
- A significant supply of much needed affordable residential accommodation (in close proximity to public transport);
- Reduced traffic congestion when compared against other major residential/mixed use sites due to the subject sites proximity to public transport, and amenity (within the development and along Parramatta Road). As such, travel times will be reduced, contributing to an improvement in economic efficiency;
- Redevelopment of the site from primarily light industrial uses, which in our professional opinion would have rendered the site substandard from an employment generating perspective (given superior industrial locations in Greater Sydney). Moreover, given the uniqueness of the built form, re-tenanting the site will be a challenging proposition. The site is likely to become derelict in the years to come, if left un-developed;
- A realignment of the industry composition to suit the working resident population and subsequently greater self-containment;
- Greater industry diversification (improving the local economy's resistance to broader market shocks);
- Filling the employment void of a departing Manufacturing industry;
- The proposed development includes approximately 1,800-1,900 residential units, resulting in an increased number of households and subsequently, greater overall expenditure within the Merrylands Town Centre and Parramatta CBD (supporting local businesses);

- The provision of a 90 place child care centre will support parents, and enable them to re-enter the workforce;
- The inclusion of cafes and restaurants may contribute to a night time economy, rendering the site safer (particularly at night);
- An increase in the residential population will provide businesses in the Parramatta CBD with an expanded employment 'talent pool';
- Support of various professional service industries during the planning and design phase e.g. consulting, architecture, engineering, planning and so forth;
- Support a large and diverse range of trade, professional and construction-based businesses during the construction phase e.g. construction managers, labourers, bricklayers, surveyors as well as plumbers, electricians, heating and ventilation trades;
- Support maintenance and trade service employment once operational;
- Section 96 development contributions which will improve the public domain;
- An increase in tax revenue (rates, stamp duty) for local and state Government, supporting increased and improved services and amenity within the Holroyd LGA.

Overall, through redevelopment of the subject to B4 Mixed Use and R4 High Density Resident, the positive economic impacts will be vast and varied. The proposed development, encompassing approximately 1,800-1,900 residential units, as well as commercial and retail floorspace will support economic growth within the Holroyd LGA, and the Greater Parramatta region, a notion endorsed in the Sydney Metropolitan Strategy (2014).

Section 8: Net Community Benefit Test

The Department of Planning and Environment has provided guidance on conducting a Net Community Benefit Test. This section of the report assesses the planning proposal for 1 Crescent Street, Holroyd against evaluation criteria set out by the NSW Government.

Overall, the development will have a significant benefit to the community. It will:

- Provide a buffer zone between residential and commercial uses along Parramatta Road;
- Make best use of land in walking distance of an existing train station within an established residential setting;
- Include a diverse range of uses in order to create a more active precinct;
- Support the economic activity of the Merrylands and Granville Town Centres;
- Provide a superior employment outcome;
- Provide greater diversity in employment;
- Increase sustainable transport patronage given the close proximity of the site to two train station as well as bus routes along Parramatta and Woodville Road;
- Increase the range of housing choice within the Merrylands – Holroyd SA2 area and within the Holroyd LGA, in line with the dwelling targets set out by Government;
- Provide publicly accessible open space that is multi-functional and highly useable for all cohorts of the local population. In addition, the development will connect existing pedestrian and bike networks to this open space;

Evaluation criteria (set out by the DP&E) and subsequently, the benefit to the community are outlined below.

Evaluation Criteria	Qualitative Community Benefit
Will the LEP be compatible with agreed State and regional strategic direction for	Yes. The proposal is consistent with the directions of the Sydney Metropolitan Strategy (2014), regional and local Government policies and strategies as demonstrated in Section 3. Specifically, the planning proposal is consistent with the directions that pertain to: <ul style="list-style-type: none">• Residential supply;

<p>development in the area (e.g. land release, strategic corridors, development within 800 metres of a transit node)?</p>	<ul style="list-style-type: none"> • Residential diversity; • Mixed-use precincts; • Transformation of Western Sydney; • Growth of the Parramatta CBD; • Revitalisation of existing suburbs; <p>The proposed development, encompassing approximately 1,800-1,900 dwellings will not only deliver on much needed housing stock, but also diversity in housing. An increase in the number of dwellings will ultimately increase household expenditure, and assist local businesses (i.e. within the Merrylands Town Centre). The provision of 8,500m² of employment floorspace will deliver diversity in employment and provide local residents with greater employment opportunities. Within close proximity of two train stations (Granville and Harris Park), as well as bus routes along Parramatta Road, the redevelopment will contribute to the objectives of Transport Oriented Development (TOD).</p>
<p>Is the LEP located in a global/regional city, strategic centre or corridor nominated within the Metropolitan Strategy or another regional/sub-regional strategy?</p>	<p>Yes (refer to Section 3.3). The subject site is located in close proximity to the Parramatta CBD and is in Western Sydney, earmarked for considerable residential and employment development, as per the Sydney Metropolitan Strategy – ‘A Plan for Growing Sydney’ (2014). The provision of approximately 1,800-1,900 residential dwellings will increase household expenditure and support existing and future businesses within the CBD. Moreover, an increase in the number of households will provide a greater ‘worker talent pool’ for companies located within the precinct.</p> <p>The subject site is also located in close proximity to the Granville Town Centre, set to undergo significant urban renewal by the NSW State Government, as outlined in the Granville Urban Renewal State Environmental Planning Policy (SEPP 2010). The development of approximately 1,800-1,900 residential dwellings will again assist existing and future businesses (within the Granville Town Centre), through an increase in household expenditure.</p> <p>In relation, the proposed redevelopment will support revitalisation of the Merrylands Town Centre, through an increase in the residential population and subsequently, household expenditure.</p>

Is the LEP likely to create a precedent or create or change the expectations of the landowner or other landholders?	The provision of a significant amount of residential in a suitable location will likely act as a catalyst for further residential and commercial development within the broader precinct. As such, urban renewal and revitalisation of the Granville and Merrylands Town Centres will occur at an accelerated pace, (an objective of Government).
Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?	A rezoning of 190-220 Dunmore Street, Pendle Hill from IN2 (Light Industrial) to R4 (High Density Residential), B2 (Local Centre) and RE1 (Public Recreation) has been approved at Gateway (February, 2015). Cumulatively, there will be an increase in the residential population from the proposed rezoning. More specific impacts include greater support for existing and future businesses (through increased household expenditure). The site at Pendle Hill is not proximate to the subject site, and therefore the impact from the Pendle Hill rezoning is expected to be negligible to the subject site and surrounds.
Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?	<p>The planning proposal currently encompasses 8,500m² of employment floorspace. As such, the redevelopment includes permanent employment generating activities (see Section 6).</p> <p>A rezoning from B5 (Business Development) to B4 (Mixed Use) has been proposed for the subject site. As a result, the employment potential of this section of the site has not been minimised, rather, the range of permissible uses has been changed. A rezoning to R4 High Density Residential (a proportion of the site) will result in a loss of employment lands; however the overall employment capacity of the site will increase.</p>
Will the LEP impact upon the supply of residential land and therefore housing supply and affordability?	Yes (see Section 5.1). The proposal seeks to develop approximately 1,800-1,900 apartment style dwellings (including one and two-bedroom) which will increase and diversify total housing stock within the Holroyd LGA. An increase in high density residential will provide an affordable alternative to the dominant dwelling typology - semi-detached, which tends to be more expensive. The redevelopment will also expand the quantity of rental accommodation, providing another affordable alternative.

	<p>Specifically, dwellings in Holroyd are relatively more affordable than that of Parramatta, reiterating the notion that this development will improve housing affordability within the greater precinct.</p> <p>The provision of affordable housing is particularly important in the Holroyd LGA in which residents are price sensitive.</p>
<p>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?</p>	<p>Yes. The subject site is in walking distance to bus stops along Parramatta Road as well as multiple train stations including Merrylands, Harris Park and Granville. Existing public infrastructure has the capacity needed to service residents and workers.</p> <p>In addition, the Granville Bus and Rail Interchange has recently been upgraded (September 2014), again supporting the notion that existing public infrastructure has the capacity to service future workers and residents.</p> <p>There are adequate pedestrian and cycle links connecting the subject site to the Granville Train Station (along Railway Parade). Furthermore, the subject site is in close proximity to a vast bike network (beneath Parramatta Road and the M4 Motorway), connecting the subject site to Parramatta and beyond.</p> <p>The planning proposal also includes provision to extend and connect the bike network to the subject site (and throughout).</p>
<p>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 road safety?</p>	<p>Yes. The subject site is in walking distance to bus and train networks, which will ultimately increase public transport utilisation and reduce car distances travelled.</p> <p>The redevelopment is unlikely to include parking provision for each dwelling (due to the sheer size of the development), reinforcing an increase in public transport utilisation.</p> <p>As such, the redevelopment will reduce car dependency and ultimately reduce the negative effects on the environment.</p>

<p>Are there significant Government investments in infrastructure or services in the area where patronage will be affected by the proposal? If so, what is the expected impact?</p>	<p>Yes. Patronage of the existing train network will increase. Existing train stations (i.e. Merrylands, Harris Park and Granville) have the capacity to support increased patronage, reinforced by the recent upgrade of the Granville Interchange.</p> <p>An increase in public transport patronage will increase the amount of revenue raised for the Government.</p> <p>A significant increase in the residential population will increase patronage of existing public schools. As advised by representatives from the Department of Education and Communities, Granville Public School is presently below capacity and is actively seeking to meet as well as expand on their current capacity. As such, the development will assist in filling this void.</p>
<p>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?</p>	<p>No. There are no known constraints over the land.</p>
<p>Will the LEP be compatible/ complementary with surrounding land uses? What is the impact on amenity in the</p>	<p>Yes. The subject site is surrounded by residential uses to the south. The planning proposal encompasses significant green space as well as commercial and retail uses, complementary to residential land uses. The redevelopment will also provide a buffer zone (mixed-use), between residential to the south and commercial uses along Parramatta Road.</p>

location and wider community? Will the public domain improve?	<p>It is anticipated that the development, through an increase in household expenditure will support urban renewal and growth of the Granville and Merrylands Town Centres, essentially improving the public domain.</p> <p>Moreover, the provision of significant green space, walkways and connections to existing pedestrian and bike networks will directly improve the public domain.</p>
Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?	Yes. At this stage in the development phase, the planning proposal includes a supermarket, speciality retail, a gymnasium, child care centre, showroom/bulky goods as well as cafes and restaurants.
If a stand-alone proposal and not a centre, does the proposal have the potential to develop into a centre in the future?	No. The quantum of retail and other ancillary floorspace will be subject to detailed trade area analysis. However, its close proximity to the Merrylands and Granville Town Centre suggests it will act as a complementary precinct and will not compete as a 'centre'. Moreover, it is anticipated that the subject site will be primarily developed for residential purposes.
What are the public interest reasons for preparing the draft plan? What are the implications of not proceeding at that time?	<p>The planning proposal includes a mixed use development comprising of approximately 1,800-1,900 much needed apartment style dwellings, retail and commercial floorspace, as well as significant green space. These land uses will provide necessary infrastructure and services to the broader community, congruent with Government policy objectives.</p> <p>If the site were to be retained for industrial uses, the potential to deliver much needed dwelling stock to an LGA starved of supply would be diminished.</p>

Section 9: Planning Proposal – Economic Summary

In this section we confirm that this planning proposal is consistent with Section 117 Directions, having regard for the Sydney Metropolitan Strategy (2014). Specifically, we assess the planning proposal against:

- Direction 1.1: Business and Industrial Zones
- Direction 3.1: Residential Zones
- Direction 7: Implementation of A Plan for Growing Sydney

9.1 Direction 1.1 – Business and Industrial Zones

The objectives of Direction 1.1 – Business and Industrial Zones are to:

- (a) encourage employment growth in suitable locations,*
- (b) protect employment land in business and industrial zones, and*
- (c) support the viability of identified strategic centres.*

We now individually address each of the objectives with findings from our report.

(a) encourage employment growth in suitable locations

At present, the subject site accommodates 125 workers within a light industrial setting. Given superior industrial locations within Greater Sydney (due to connectivity and value) as well as the uniqueness of the built form (rendering the site difficult to re-tenant for industrial uses once WesTrac vacates), the employment outcome of the subject site will diminish over the short to medium term.

Through partial redevelopment to a B4 Mixed Use setting, the site could accommodate between **206 – 250 operational jobs**. Not only will the proposed development result in a superior employment outcome, it will also support industry diversification and improve the immunity of Holroyd LGA's workforce to external market shocks. As such, this proposed development will fill the employment void left by the manufacturing industry and provide residents with diversity in employment, contributing to self-containment within the region.

As such, redevelopment of the subject site will result in a superior employment outcome (given the subject sites employment relevance will soon start to deteriorate), leading to positive overall employment outcomes. Furthermore, the subject site is in a suitable location for employment growth, as outlined in the Sydney Metropolitan Strategy (2014).

The Sydney Metropolitan Strategy emphasises the importance of Mixed Use precincts, i.e. the co-location of employment, residential and amenity in close proximity to public transport. The subject sites close proximity to the Parramatta CBD will also support the Government's vision for Parramatta as a key employment centre in Sydney (Direction 1.2).

"identify suitable locations for housing and employment growth coordinated with infrastructure delivery (urban renewal), including around priority precincts, established and new centres, and along key public transport corridors" (Pg. 114, Sydney Metropolitan Strategy 2014);

Moreover, the redevelopment (through an increase in household expenditure) will support other employment precincts in close proximity, such as the Merrylands and Granville Town Centres, congruent with the Sydney Metropolitan Strategy and the Granville Urban Renewal SEPP (2010).

(b) protect employment land in business and industrial zones

This planning proposal seeks to rezone a proportion of the site to B4 Mixed Use, with the redevelopment comprising a mix of employment-generating uses. As such, there will be no change to the stock of employment space (for the B4 component), rather a conversion to another employment facilitating land use zone.

The R4 component of the redevelopment will reduce the quantum of employment land; however it is in our view that redevelopment will provide a superior employment outcome.

The suggested candidate uses (associated with the B4 component of the redevelopment) are compatible with market need, promote industry diversification, serve the needs of future residents and workers of the precinct, and will assist the Holroyd LGA in achieving its employment goals.

(c) support the viability of identified strategic centres

The subject site is in walking distance to the Granville and Merrylands Town Centres, set to undergo significant urban renewal. The subject site is also in close proximity to the Parramatta CBD. The planning proposal includes approximately 1,800-1,900 residential dwellings, which will increase household expenditure and support these precincts, particularly Granville and Merrylands. The redevelopment will also assist Parramatta in realising its goal as Sydney's second CBD.

Increasing residential densities will support existing infrastructure and will contribute to the objectives of the Sydney Metropolitan Strategy; to support mixed use precincts, and essentially provide residential, amenity and employment in close proximity to public transport.

Moreover, through the provision of significant residential floorspace, existing and future businesses will have access to an expanded "labour talent pool".

9.2 Direction 3.1 – Residential Zones

The objectives of Direction 3.1 – Residential Zones are:

- (a) Encourage a variety and choice of housing types to provide for existing and future housing needs;*
- (b) make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and;*
- (c) minimise the impact of residential development on the environment and resource lands.*

We now individually address each of the objectives.

(a) encourage a variety and choice of housing types to provide for existing and future housing needs

Existing and emerging demographic and market trends that are expected to influence housing demand in the Holroyd LGA, including:

- Higher participation from single parent, lone person and couple families without children (i.e. young couple and retiree households) at the expense of traditional household structures such as couple families with children.
- Sustained levels of strong population growth amongst senior age cohorts, young working cohorts and migrants.

- Positive net overseas migration, accustomed to high density residential living.

The planning proposal seeks to provide a significant provision of high density residential within proximity to public transport and necessary services. Through this diversity, it is expected that some of the existing and future housing needs of the Holroyd LGA can be accommodated at the subject site.

(b) make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services

The development of a mixed use format within proximity to existing infrastructure (e.g. Granville Train Station, Harris Park Train Station, Holroyd Sportsground, Merrylands Town Centre and the Parramatta CBD) will ensure that the residents will have access to public transport infrastructure, services, amenity, open space and other necessary services. The co-location of local business services and convenience retailing at the subject site also provides direct access to necessary services.

(c) minimise the impact of residential development on the environment and resource lands

The development will have minimal impact on the environment and resource lands.

9.3 Direction 7.1 – Implementation of A Plan for Growing Sydney

The objective of Direction 7.1 – Implementation of A Plan for Growing Sydney is to:

(1) Give legal effect to the planning principles; directions; and priorities for subregions, strategic centres and transport gateways contained in A Plan for Growing Sydney.

This objective seeks to ensure that Planning Proposals are consistent with the strategic planning outcomes identified in the Sydney Metropolitan Strategy – ‘A Plan for Growing Sydney’. As identified earlier in Section 3.3 of this report, the proposal has been found to be consistent with those aspects of the plan which are of relevance to this report.

Overall, the case for rezoning is compelling. It is imperative that Government endorses the proposed development, which will support the transition of the subject site, and deliver employment and housing opportunities to existing and future residents of the Holroyd LGA. The proposed development will support the functional role of the Merrylands Town Centre and deliver on other Government objectives outlined in the Sydney Metropolitan Strategy:

- **Direction 1.2: Grow Greater Parramatta – Sydney’s Second CBD;**
- **Direction 1.4: Transform the productivity of Western Sydney through growth and investment;**
- **Direction 1.7: Grow strategic centres – providing jobs closer to home;**
- **Direction 2.1: Accelerate housing supply across Sydney;**
- **Direction 2.2: Accelerate urban renewal across Sydney – providing homes closer to jobs;**
- **Direction 2.3: Improve housing choice to suit different needs and lifestyles;**
- **Direction 3.1: Revitalise existing suburbs;**
- **Direction 3.2: Create a network of interlinked, multipurpose open and green spaces across Sydney;**
- **Direction 3.3: Creating healthy built environments.**

Overall, the redevelopment will promote public transport utilisation, provide greater housing choice, support surrounding strategic centres and will contribute to employment diversification.

9.4 Concluding remarks

Our examination has demonstrated that the proposed development, comprising 8,500m² of commercial and retail floorspace, as well as approximately 1,800-1,900 residential dwellings will provide a superior employment and residential outcome for the Holroyd LGA.

Once vacated and if left undeveloped, it is our belief the subject sites employment relevance will diminish (particularly as the premise begins to age). The premise was purpose-built for Caterpillar dealer and its unique set of operations. Re-tenanting the site for industrial uses will prove difficult, reinforced by its location and rent relative to other industrial locations in Greater Sydney.

Redevelopment under current planning controls (B5 Business Development) is unlikely. Bulky goods and light industrial premises tend to occupy larger floor plates in co-location with other retail and commercial premises. As such, this site proves inferior.

Comprising 8,500m² in employment floorspace, and a number of different candidate uses (as demonstrated below), we have derived an employment outcome of 206 - 250 workers associated with this redevelopment. The proposed redevelopment will fill the

employment void left by the manufacturing industry, provide residents with diversity in employment and will ultimately contribute to self-containment within the region.

Employment Comparison

Scenario	Employment Outcome
As is' i.e. no redevelopment	0-125
Redevelopment under current planning controls	169-258
Redevelopment to B4 Mixed Use	206-250

Source: MacroPlan Dimasi (2015)

Moreover, it is expected the proposed mixed use development will contribute to a superior employment outcome for the LGA and Greater Parramatta precinct through indirect job creation. The planning proposal comprises of approximately 1,800 and 1,900 residential dwellings which will dramatically increase household expenditure, supporting local businesses.

The proposed development will also improve housing choice and present affordable dwelling options for existing and future residents of the Holroyd LGA. More specifically, it may provide greater opportunity for future and existing residents to own their own home, provide affordable rental accommodation and provide trade-down activity for existing mature residents of the LGA.

Overall, the case for the planning proposal and redevelopment of the site is compelling.