Tree Valley, Edmondson Park

Economic Impact Assessment

Prepared for Inspire Urban Design and Planning

June 2013

Appendix 5.
Economic Impact Assessment, Location IQ

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INTRODUCTION

This report presents an independent assessment of the demand for the retail component of a proposed mixed use development at the Tree Valley Golf Course site at Edmondson Park in South West Sydney. The report also considers the likely economic impacts that would result from the proposed development. The proposal is referred to as the Tree Valley retail centre throughout the remainder of this report.

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

- **Section 1** details the location of the Tree Valley site and discusses the context of the site within the South West Growth Centre of Sydney. The planning environment and the proposed development scheme are also reviewed.
- **Section 2** examines the trade area which is relevant to the proposal, including current and projected population and retail spending levels.
- **Section 3** provides an overview of the retail structure within the surrounding region.
- **Section 4** outlines our assessment of the sales potential for the retail component of the proposed Tree Valley development then presents an economic impact assessment. Likely trading impacts on other retailers throughout the surrounding region are considered, as are the employment and other economic impacts, both positive and negative, of the proposal.
- **Section 5** outlines the key findings of the analysis.

EXECUTIVE SUMMARY

The key points of this report, regarding the demand and market scope for the proposed Tree Valley retail centre, include:

i. The Tree Valley site is located within the Edmondson Park Release Area in the South West Growth Centre of Sydney. Edmondson Park is a key future residential growth area of Sydney and is zoned for the development of some 6,000 new dwellings (approximately 15,000 residents) over the next 10 – 20 years.

ii. The proposed site enjoys a high profile location at the intersection of Camden Valley Way and the South West Motorway, two major arterial roads throughout the South West Sydney region. The proposed site also has significant exposure to passing traffic, with approximately 14.3 million vehicles passing the site per annum.

iii. The proposed site is currently zoned for residential uses; however, it has been identified as a "Village Centre" in planning for the Edmondson Park Release Area, reflecting the strategic location of the site. As a Village Centre, any retail facilities at the site will complement the planned Edmondson Park Town Centre.

iv. The proposed Tree Valley retail centre will be anchored by a supermarket of 1,500 sq.m, a service station and three fast food outlets/family restaurants (approximately 2,300 sq.m in total). The retail centre will be provided as part of a larger mixed used development, including 52 residential dwellings, childcare centre, golf course clubhouse, function centre/fitness centre and motel/serviced apartments. The proposed retail offer at the Tree Valley development would serve local residents by providing a food and convenience offer, anchored by a small supermarket.

Are all these uses permissible in B6 zone?

v. The defined Tree Valley main trade area population is estimated at 21,980 in 2013, including 13,210 persons in the primary sector. The main trade area is projected to grow strongly over the forecast period at an average annual rate of around 2.3%, increasing to 29,530 by 2026. The primary sector is projected to increase to 19,410 persons by 2026, representing an additional 6,200 persons (2013 – 2026).

vi. The socio-economic profile of the main trade area population is typical of an outer-suburban residential growth area and is characterised by a younger, ethnically diverse family market.

vii. There is currently one supermarket of 600 sq.m provided within the main trade area at Prestons Shopping Village. As such, residents are currently travelling to larger sub-regional facilities beyond the main trade area at Casula Mall and Carnes Hill Marketplace for their full-line supermarket shopping needs. ?

viii. Reflecting the current main trade area population of nearly 22,000 persons and the low provision of supermarket floorspace, there is significant scope for the proposed Tree Valley supermarket. In addition, the projected growth in the market indicates strong demand for food catering and service station floorspace.

ix. The projected impacts on other retailers as a result of the Tree Valley development will be 7.5% or less and, therefore, well within the normal competitive range. The development of the Tree Valley retail centre will not threaten the viability or continued operation of any facilities. Prestons Shopping Village (impact of 7.5%) will continue to serve the top-up, convenience shopping needs of the primary sector population. In addition, there is unlikely to be any discernable impact on the approved Costco at Crossroads Homemakers Centre which will draw from the entire South West Sydney region.

x. A development application has been lodged for an Aldi supermarket (1,599 sq.m) at Village Square Edmondson Park (primary sector). If this store was to proceed, it would serve a much broader catchment area than the defined main trade area, with Aldi supermarkets typically serving a population of around 20,000 – 30,000 persons. As such, the development of an Aldi supermarket at Village Square Edmondson Park does not impact on the potential for a supermarket at the Tree Valley site.

and the B2 rezoning for Woolworth on Camden Valley Way

xi. Reflecting substantial market growth and likely growth in traffic volumes along Camden Valley Way, there is unlikely to be an impact on surrounding retail centres from the food catering and service station components of Tree Valley.

xii. The proposed Tree Valley retail centre will complement the retail hierarchy, with Casula Mall, Carnes Hill Marketplace and the planned Edmondson Park Town Centre continuing to form the major shopping destinations for residents' comparison food and non-food shopping.

xiii. The planned Edmondson Park Town Centre is unlikely to be developed until post 2021, resulting in a major shortfall of supermarket and retail facilities for residents in the surrounding area until this time. The proposed Tree Valley development would complement the planned sub-regional centre, helping to satisfy current supermarket floorspace demand, with over 13,000 persons currently provided within the primary sector. The planned sub-regional centre would serve the wider South West Sydney area while the Tree Valley retail centre will be substantially smaller and will better serve the convenience needs of the immediate surrounding population. Wrong assumption 2016.

xiv. The proposed Tree Valley development would form an optimal use of land, providing a high profile and easily accessible location for convenience shopping. The development would be centrally located to serve the convenience needs of the existing and future main trade area population. Existing and future residents within the region will continue to travel to facilities such as the proposed Edmondson Park Town Centre regularly, particularly for their higher order shopping needs.

xv. Taking the above into account, there is clearly demand for supermarket, food catering and service station floorspace at the Tree Valley site. The addition of these retail facilities will provide a convenient offer, allowing main trade area residents to undertake a proportion of shopping locally and retaining customers within the main trade area. ?

xvi. The development of the Tree Valley retail centre will create further employment, both during the construction period and, more importantly, on an ongoing basis once the development is complete and operational. Some 111 permanent positions are likely to result from the proposed development, generating a further 105 jobs within the broader community. In addition, some 143 jobs are likely to be created both directly and indirectly from the construction stage of the development.

1 SITE LOCATION AND PROPOSED DEVELOPMENT

This section of the report reviews the regional and local context of the proposed Tree Valley site and provides an overview of the composition of the proposed development scheme.

1.1 Regional and Local Context

i. The Tree Valley site is located within the Edmondson Park Release Area in the South West Growth Centre of Sydney; approximately 40 km from the Sydney Central Business District (CBD) (refer Map 1.1). The Edmondson Park Release Area is provided within both the Liverpool and Campbelltown Local Government Areas (LGAs).

ii. The South West Growth Centre comprises 18 precincts and has the capacity for around 110,000 new dwellings, or some 300,000 additional residents over the longer term. The Edmondson Park Release Area was one of the first precincts to be planned within the South West Growth Centre and is zoned for the development of 6,000 new dwellings over the next 10 – 20 years (around 15,000 residents).

iii. The development of the South West Growth Centre has been slowed by land fragmentation and infrastructure shortages. In 2011, Sydney Water commenced construction of vital infrastructure to Edmondson Park, delivering water services to around 2,000 lots. Construction of two estates (Talana and Village Square) is currently underway, with Landcom's Edmondson Park South receiving concept plan approval in 2011. In addition, construction of the South West Rail Link is currently underway, including a new twin track passenger railway line from Glenfield to Leppington via Edmondson Park.

iv. Map 1.2 illustrates the local context of the Tree Valley site. The proposed site is strategically located at the intersection of Camden Valley Way and the South West Motorway (M5), two major arterial roads throughout the outer south-western suburbs of Sydney.

v. According to the *Roads and Maritime Service* (former RTA), some 39,240 vehicles travel along Camden Valley Way, past the intersection of Ash Road (opposite the proposed site) on a daily basis (latest data from 2005). This equates to an annual passing traffic volume of 14.3 million vehicles past the Tree Valley site.

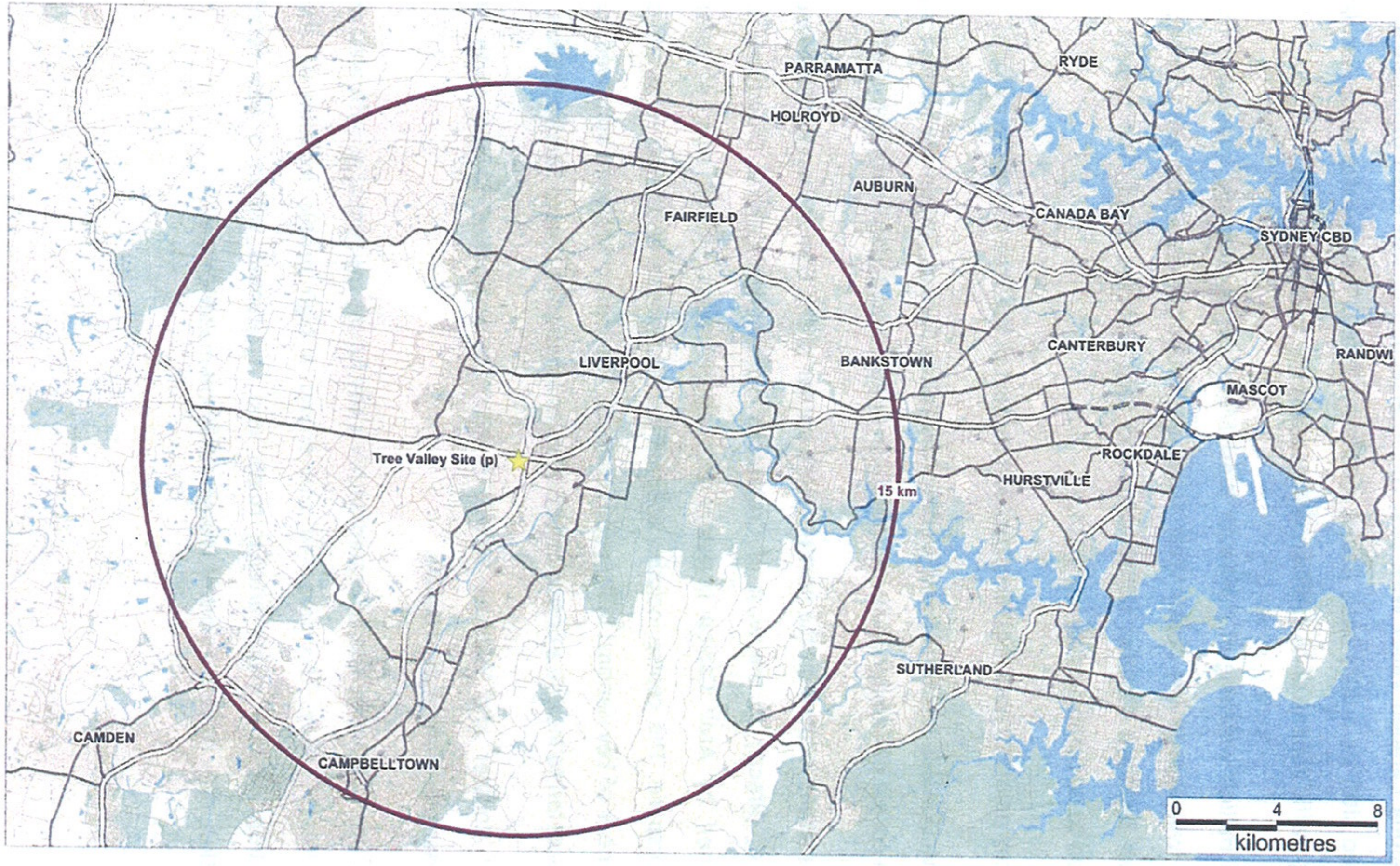
vi. A $400 million widening of the South West Motorway is currently underway. The project will expand the South West Motorway from two to three lanes in each direction between Camden Valley Way and King Georges Road. The project is expected to be completed by late 2014.

vii. Other key points to note regarding the local context of the Tree Valley site include:

- A McDonalds restaurant and Woolworths Caltex Service Station are located on the corner of Camden Valley Way and Ash Road, immediately north of the site.
- The site is located on the north-eastern corner of the Edmondson Park Release Area, directly to the west of Crossroads Homemaker Centre. Crossroads is owned by AMP Capital Investors and encompasses 34,488 sq.m of retail floorspace. The centre includes a Bunnings Warehouse of 15,560 sq.m and a number of key national bulky goods tenants. The centre has been approved for expansion to include a Costco of 13,009 sq.m as well as a Costco Service Station.
- Red Rooster and 7-Eleven Service Station are positioned to the north of Crossroads Homemaker Centre.

viii. Overall, the Tree Valley site is located within a key future residential growth area of South West Sydney. The proposed site enjoys a high profile location at the intersection of two major arterial roads and is situated within a key retail destination, directly to the west of Crossroads Homemaker Centre.

MAP 1.1 – TREE VALLEY REGIONAL CONTEXT



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

MAP 1.2 – TREE VALLEY LOCAL CONTEXT

1.2 Planning Environment

i. Based on the *Liverpool Retail Centres Hierarchy* prepared for Liverpool City Council by Hill PDA in July 2012, the Liverpool City Centre acts at the Regional Centre serving the Outer South West Sydney area. Six Town Centres are identified at the following:

- Carnes Hill
- Casula Mall
- Edmondson Park
- Green Valley
- Miller
- Moorebank

ii. Town Centres are followed by six Village Centres, nine Small Village Centres and 24 Neighbourhood Centres in the hierarchy.

iii. The proposed Tree Valley site is currently zoned R3 Medium Density Residential (refer Figure 1.1). The site is proposed to be rezoned as B6 Enterprise Corridor to allow for the development of a small supermarket, service station, fast food outlets and motel. Based on the *Liverpool Local Environment Plan 2008*, retail premises of 1,600 sq.m or less are allowable under the B6 Enterprise Corridor zoning.

iv. According to the *Liverpool Development Control Plan, 2008, Part 2.11 Edmondson Park* the planned Edmondson Park Town Centre will be complemented by supporting neighbourhood centres:

> *"The vision of Edmondson Park is to create a primarily residential neighbourhood located and focused around neighbourhood centres or the Town Centre. The Neighbourhood Centres will provide a central node and will accommodate a mix of convenience retail, limited commercial uses and residential development. The Town Centre will be located centrally within the release area, supported by the future South West Rail Link Station. The Town Centre will provide a full range of retail, commercial and high density residential uses".*

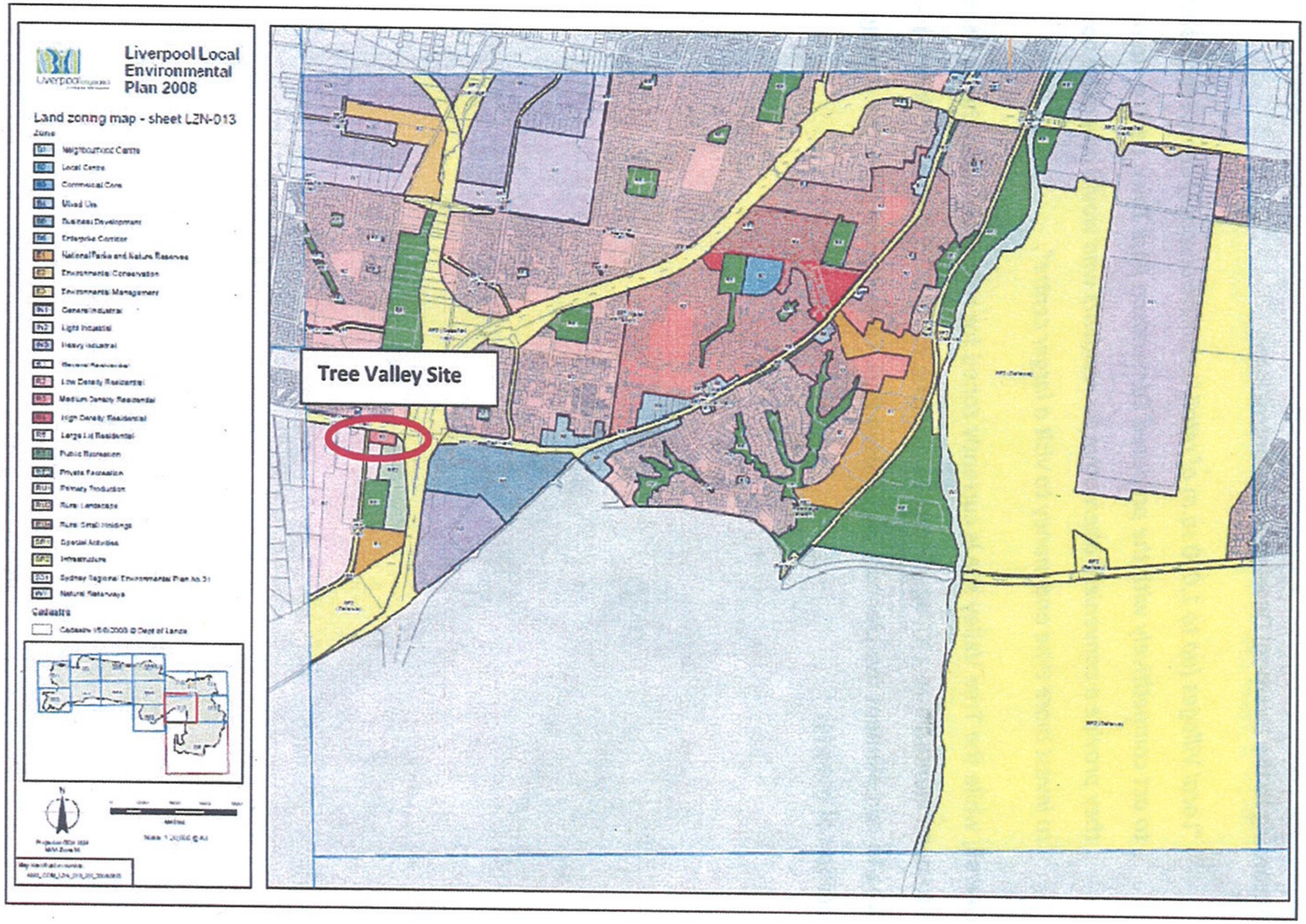
v. Given the strategic location of the site, the *Edmondson Park Indicative Layout Plan* (refer Figure 1.2) identifies the site as Village Centre.

vi. According to the Liverpool Development Control Plan:

> *"Local Villages (up to 1,000 sq.m of retail/commercial space) are not intended to act competitively with the proposed Edmondson Park Town Centre. Rather they provide a convenient alternative for residents who would otherwise have to invest more time and money to visit a larger centre".*

vii. Overall, while the Tree Valley site is currently zoned for residential uses, the site has also been identified as a Village Centre in planning for the Edmondson Park Release Area to complement the planned Edmondson Park Town Centre given the strategic location of the site.

FIGURE 1.1 – LIVERPOOL LOCAL ENVIRONMENT PLAN, 2008, LAND ZONING MAP



1.3 Proposed Development

i. A mixed use development is now proposed at the Tree Valley site to include to the following components:

- A small supermarket/fresh food grocer of 1,500 sq.m. For the purposes of this analysis, a supermarket has been assumed given it would be the highest trading tenant, and, therefore would have the largest impacts.
- The supermarket would be provided with a provision of 90 carspaces. This equates to a provision of 6 carspaces per 100 sq.m of supermarket floorspace.
- A service station.
- Three fast food/family restaurants.
- 52 residential dwellings.
- Childcare centre.
- Golf course clubhouse and a small function centre/fitness centre with motel/serviced apartments (approximately 100 rooms).

ii. Figure 1.3 illustrates the layout of the proposed development. The service station and fast food outlets would be located along Camden Valley Way with exposure to passing traffic along this busy arterial. The supermarket would be located to the south of the service station, accessible via a planned road off Camden Valley Way. The residential and golf course facilities would be located at the southern portion of the site, just north of the existing golf course.

iii. The proposed Tree Valley development would offer a high degree of customer amenity and convenience by way of its high profile location and simple, open-air design. The fast food outlets and service station would have significant exposure to passing traffic given their location along Camden Valley Road.

FIGURE 1.2 – INDICATIVE EDMONDSON PARK LAYOUT PLAN

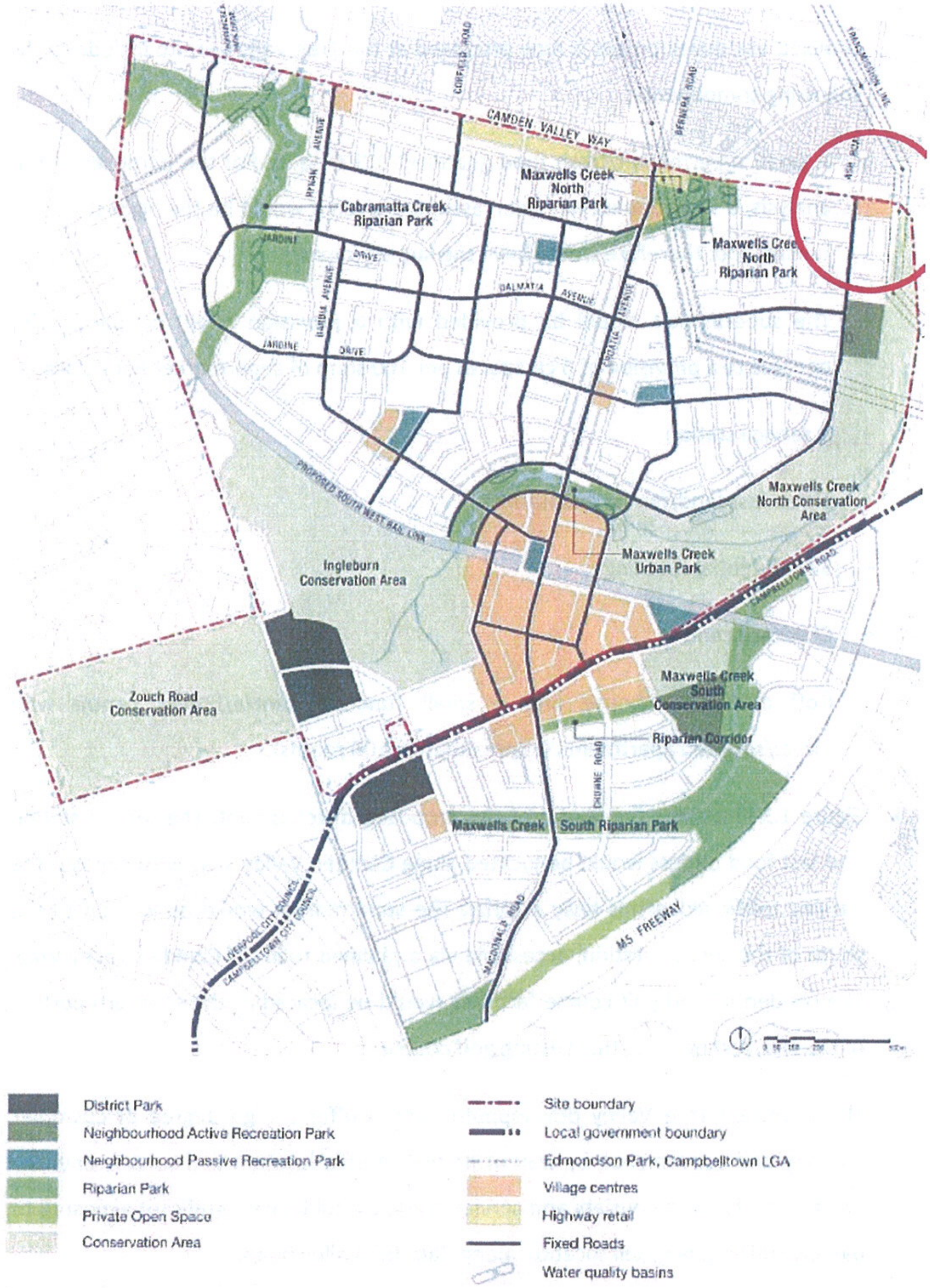


Figure 2 Indicative Edmondson Park Layout Plan

iv. The proposed supermarket, service station and fast food outlets would create a highly convenient retail destination for the existing and future population, providing for the food and grocery needs of surrounding local residents. In addition, the proposed retail centre would provide a high level of convenience for passing traffic.

FIGURE 1.2 – PROPOSED CENTRE LAYOUT

2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by the proposed Tree Valley retail centre including the current and projected population and retail spending levels. An overview of the socio-economic profile of the trade area population is also provided.

2.1 Trade Area Definition

i. The trade area for the proposed Tree Valley retail centre has been defined taking into account the following key considerations:

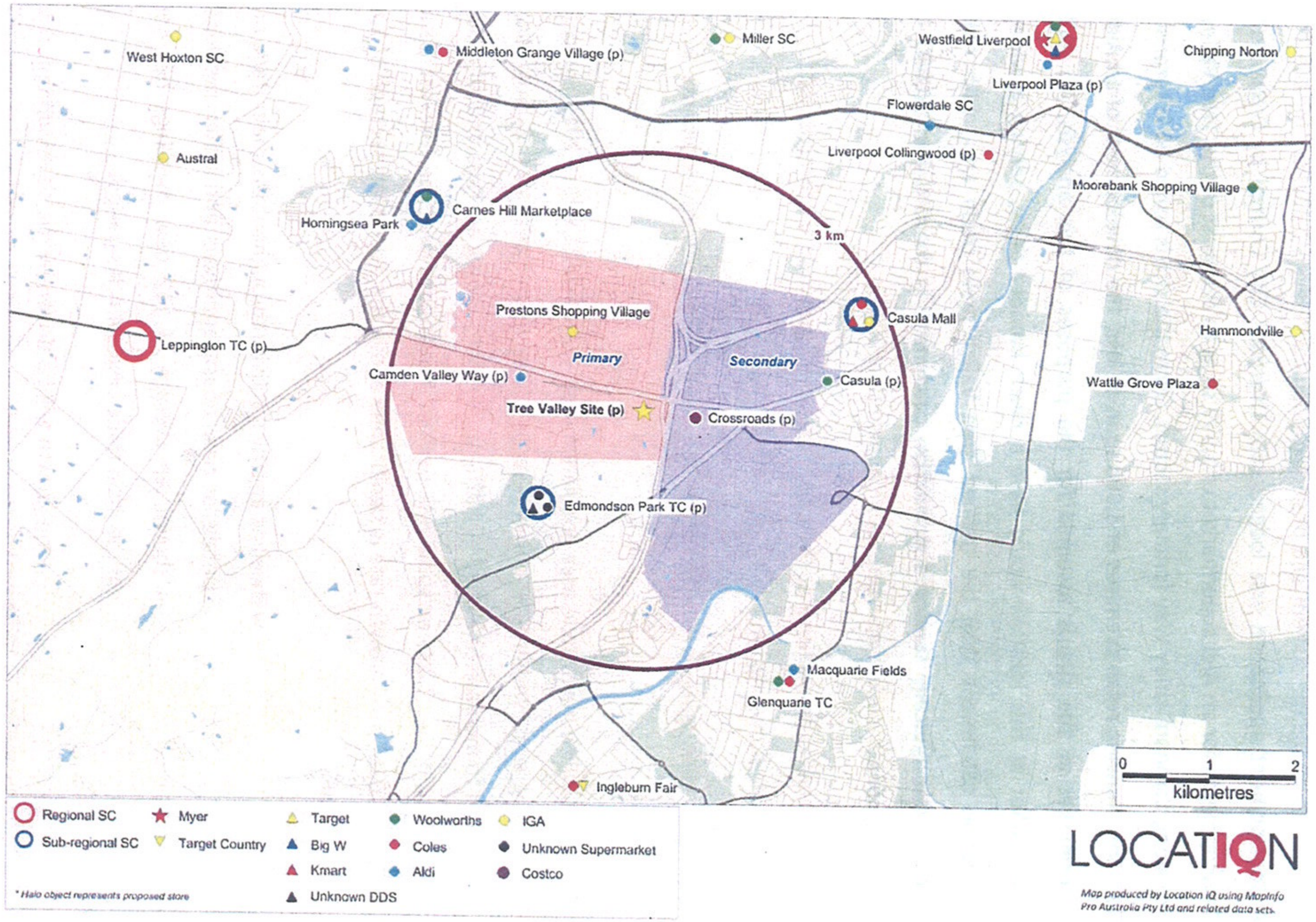
   - The scale and composition of the proposed Tree Valley retail centre which will be based on a supermarket of 1,500 sq.m as the anchor tenant.
   - The provision of retail facilities throughout the region.
   - Regional and local accessibility.
   - The pattern of urban development.
   - Significant physical barriers.

ii. Map 2.1 illustrates the defined Tree Valley main trade area which includes a primary sector and a secondary sector as follows:

   - The **primary sector** includes the suburb of Prestons and the northern portion of the Edmondson Park Release Area. This sector is bounded by Kurrajong Road in the north and the South West Motorway in the east.
   - The **secondary sector** encompasses the western portion of Casula and the north-western portion of Glenfield. This sector extends east of the South West Motorway and is limited in the north-east by retail facilities at Casula Mall.

iii. Overall, the defined main trade area which would be served by the proposed Tree Valley retail centre extends between 1 – 3 km around the site and is restricted by

MAP 2.1 – TREE VALLEY MAIN TRADE AREA



this map does
not show
Woollies at
1875-1975
Camden Valleyway
(Am. 31).

retail facilities at Casula Mall in the east, the planned Edmondson Park Town Centre in the south and Carnes Hill Marketplace in the north-west.

iv. A development application was lodged with Liverpool City Council by Crownland Developments for an Aldi supermarket of 1,599 sq.m to the west of the Tree Valley site along Camden Valley Way (primary sector). Given the site is zoned B6 Enterprise Corridor, allowing retail premises of 1,600 sq.m or less, the development of an Aldi supermarket at the site is assumed for the purposes of this analysis. An Aldi supermarket at this location would have a much broader draw, serving a wider population catchment than the defined Tree Valley main trade area, with Aldi supermarkets typically serving a population catchment in the order of 20,000 – 30,000 persons.

2.2 Main Trade Area Population

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

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

- The 2011 and 2006 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);
- New dwelling approval statistics sourced from the ABS;
- Population projections at the Statistical Local Area (SLA) level prepared by the *New South Wales Department of Planning* (July 2010);
- Population projections at the small area level prepared by *forecast.id.* for the Campbelltown region;
- And investigations by this office into new residential developments in the region.

iii. The Tree Valley main trade area population is estimated at 21,980 in 2013, including 13,210 persons within the primary sector. The main trade area population is projected to increase to 29,530 by 2026, representing strong average annual growth of approximately 2.3%, or some 581 persons per annum over the forecast period (2013 – 2026). This growth rate is significantly above the Australian average of 1.4% per annum.

iv. Table 2.2 summarises new dwelling approval activity throughout the main trade area from 2006/07 – 2011/12. Details of new house approvals and other residential dwellings are provided. As shown, an average of 112 new dwellings has been approved annually throughout the main trade area over this period.

v. Main trade area future population growth will be driven by the development of the Edmondson Park Release Area, with the defined primary sector incorporating the northern portion of the growth area (refer Map 2.2).

vi. Residential development currently under construction within the Edmondson Park Release Area (primary sector) is outlined as follows:

- Landcom and Allam Property Group are currently developing Talana Estate along Camden Valley Way, in the north-western corner of the Edmondson Park Release Area. Based on discussions with Allam Property Group representatives, construction commenced in 2011, with approximately 20 dwellings completed to date. Around 103 dwellings are planned in the first seven stages; with the estate planned include around 250 dwellings upon completion, dependent on future land acquisitions.

- Crownland Developments are currently developing Village Square Edmondson Park along Camden Valley Way, opposite the intersection of Corfield Road. Construction commenced in late 2012, with the estate planned to include some 250 dwellings upon completion.

vii. Planning of the Edmondson Park Release Area is still progressing with only two estates currently under construction. The amalgamation of land is currently underway, with 9.5 acres of land currently for sale at 40 Dalmatia Avenue for a residential subdivision with a yield of 17 dwellings per hectare. It is important to note, however, that a large proportion of land ownership throughout the Edmondson Park Release Area is fragmented. This has been a major contributor to the delayed development of the area.

viii. Given the defined primary sector only encompasses the northern portion of Edmondson Park, for the purposes of this report, the primary sector has been assumed to account for approximately 35% of the total planned dwellings within the Edmondson Park Release Area. This is based on the following:

- The defined primary sector encompasses some 3.25 sq.km of land, which equates to approximately 27.5% of the total Edmondson Park land area (11.18 sq.km).

- The proposed Edmondson Park Town Centre by Landcom has received concept plan approval for 3,550 dwellings (located to the south of the primary sector). Taking into account the 6,000 dwellings planned for the entire Edmondson Park Release Area, this allows 2,450 dwellings to be developed outside of the Edmondson Park Town Centre (i.e. within the defined primary sector). This equates to approximately 40% of the total dwelling yield of the Edmondson Park Release Area being located within the primary sector.

ix. Based on the above, a mid-point of approximately 35% has been adopted. Assuming the primary sector accounts for approximately 35% of the total planned dwellings within the Edmondson Park Release Area, this equates around 2,100 dwellings to be developed within the primary sector over the next 10 – 20 years. Assuming an average household size of 3.0 persons per household, this equates to approximately 6,300 additional residents. With Talana Estate and Village Square together planned to include around 500 dwellings, this indicates a further 1,600 dwellings to be developed within the primary sector.

incorrect Ed. Park by 2016.

x. Also within the primary sector, the Ash Road Subdivision is currently underway, which will include 35 new dwellings upon completion.

xi. Future population growth in the secondary sector is outlined as follows:

- As shown in Figure 2.1, the secondary sector incorporates the Glenfield Road Urban Release Area, which will include some 1,000 dwellings upon completion.
- As part of the Glenfield Road Urban Release Area, the largest residential development currently under construction is Panorama Estate by Mirvac, which will include approximately 600 dwellings upon completion. Construction of the estate commenced in 2005, with approximately 150 dwellings yet to be completed.
- Crownland Developments are also developing Glenfield Rise in the Glenfield Road Urban Release Area. The estate includes around 50 lots, with approximately 50% of all lots sold.

- Campbelltown City Council in a joint venture with the New South Wales Transport Construction Authority, propose the redevelopment of the Glenfield Town Centre, around the Glenfield Railway Station. Overall, approximately 1,000 – 1,500 new dwellings are planned. With the secondary sector extending west of the Glenfield Railway Station, a proportion of this residential development will fall within the secondary sector. This project is still in the early stages of planning. Consistent with *forecast.id.* population projections for the Glenfield area, for the purposes of this analysis, this development has not been assumed to proceed over the forecast period.

TABLE 2.1 – TREE VALLEY MAIN TRADE AREA POPULATION, 2006 – 2026

Trade Area Sector	**Estimated Resident Population** 2006	2011	2013	**Forecast Population** 2016	2021	2026
Primary Sector	10,960	12,810	13,210	14,410	16,910	19,410
Secondary Sector	6,300	8,270	8,770	9,370	9,870	10,120
Main Trade Area	**17,260**	**21,080**	**21,980**	**23,780**	**26,780**	**29,530**
		Average Annual Change (No.)				
		2006-2011	2011-2013	2013-2016	2016-2021	2021-2026
Primary Sector		370	200	400	500	500
Secondary Sector		394	250	200	100	50
Main Trade Area		**764**	**450**	**600**	**600**	**550**
		Average Annual Change (%)				
		2006-2011	2011-2013	2013-2016	2016-2021	2021-2026
Primary Sector		3.2%	1.5%	2.9%	3.3%	2.8%
Secondary Sector		5.6%	3.0%	2.2%	1.0%	0.5%
Main Trade Area		**4.1%**	**2.1%**	**2.7%**	**2.4%**	**2.0%**
Australian Average		*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.2%*

All figures as at June
All figures are based on 2011 SA1 boundary definition with the exception of 2006 which is based on 2006 CCD boundary definition. 2006 and 2011 ERP is calculated using 2011 enumeration factor.
Sources : ABS; NSW Department of Planning

LOCATION

TABLE 2.2 – TREE VALLEY MTA NEW DWELLING APPROVALS, 2006/07 – 2011/12

Sector	Primary Sector	Secondary Sector	Main TA
New Houses			
2006/07	59	44	103
2007/08	54	52	106
2008/09	41	46	87
2009/10	32	58	90
2010/11	31	35	66
2011/12	56	42	98
Total New Houses	**273**	**277**	**550**
Average	***46***	***46***	***92***
Other Dwellings			
2006/07	0	0	0
2007/08	0	5	5
2008/09	0	50	50
2009/10	0	52	52
2010/11	0	2	2
2011/12	0	10	10
Total Other Dwellings	**0**	**119**	**119**
Average	***0***	***20***	***20***
Total Dwellings			
2006/07	59	44	103
2007/08	54	57	111
2008/09	41	96	137
2009/10	32	110	142
2010/11	31	37	68
2011/12	56	52	108
Total Dwellings	**273**	**396**	**669**
Average	***46***	***66***	***112***

Source: ABS

LOCATION

MAP 2.2 – SOUTH WEST GROWTH CENTRE PRECINCTS

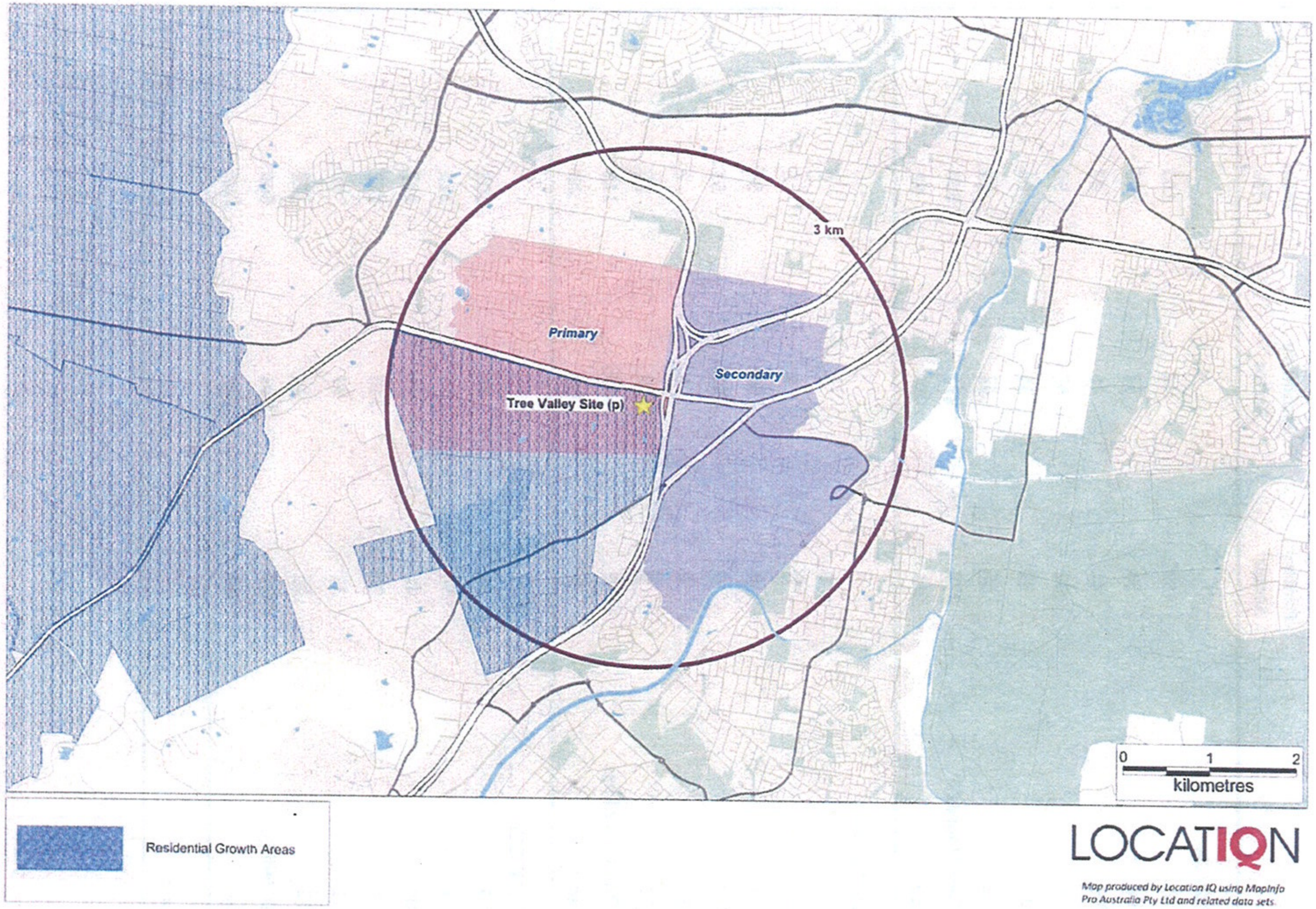


FIGURE 2.1 – GLENFIELD ROAD URBAN RELEASE AREA, CAMBELLTOWN CITY COUNCIL

2.3 Socio-economic Profile

i. Table 2.3 summarises the socio-economic profile of the Tree Valley main trade area population compared with the Sydney metropolitan benchmarks. This information is based on the 2011 Census of Population and Housing. Key points to note include:

- The main trade area population earn average household incomes that are slightly higher than the Sydney metropolitan benchmark. This is more evident in the primary sector, where average household incomes are 5.0% above the benchmark.

- The main trade area contains a young population, with an average age of 31.2 years, as compared with the benchmark of 37.2 years.

- There is a high proportion of home ownership.

- The main trade area population is ethnically diverse, with only 55.8% of residents born in Australia.

- The main trade area contains a large traditional family market (i.e. couples with dependent children), reflecting the outer-suburban location.

ii. Overall, the main trade area is characterised by a younger, ethnically diverse family market, which is typical of an outer-suburban residential growth area. It is important that convenience orientated retail facilities are provided within close proximity to family homes in order to serve the time poor main trade area population. Price competition for food and grocery items, food catering facilities and petrol is also very important for young families.

TABLE 2.3 – MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2011 CENSUS

Characteristics	Primary Sector	Secondary Sector	Main TA	Syd Metro Average	Aust Average
Income Levels					
Average Per Capita Income	$29,171	$30,089	$29,531	$36,941	$34,201
Per Capita Income Variation	-21.0%	-18.5%	-20.1%	n.a.	n.a.
Average Household Income	$104,608	$97,027	$101,440	$99,586	$87,928
Household Income Variation	5.0%	-2.6%	1.9%	n.a.	n.a.
Average Household Size	3.6	3.2	3.4	2.7	2.6
Age Distribution (% of Pop'n)					
Aged 0-14	28.1%	25.4%	27.1%	19.2%	19.3%
Aged 15-19	7.3%	7.9%	7.6%	6.3%	6.5%
Aged 20-29	13.0%	14.6%	13.6%	14.7%	13.8%
Aged 30-39	17.2%	17.4%	17.3%	15.3%	13.8%
Aged 40-49	15.8%	14.8%	15.4%	14.2%	14.2%
Aged 50-59	10.2%	10.0%	10.1%	12.3%	12.8%
Aged 60+	8.4%	9.8%	9.0%	18.0%	19.6%
Average Age	30.9	31.6	31.2	37.2	37.9
Housing Status (% of H'holds)					
Owner/Purchaser	84.8%	79.7%	82.8%	67.4%	69.3%
Renter	15.2%	20.3%	17.2%	32.6%	30.7%
Birthplace (% of Pop'n)					
Australian Born	55.8%	52.7%	54.6%	63.7%	73.9%
Overseas Born	44.2%	47.3%	45.4%	36.3%	26.1%
• Asia	12.1%	15.7%	13.5%	13.7%	7.6%
• Europe	7.5%	8.4%	7.8%	9.1%	9.4%
• Other	24.6%	23.2%	24.1%	13.6%	9.1%
Family Type (% of Pop'n)					
Couple with dep't children	67.3%	61.9%	65.2%	48.2%	45.3%
Couple with non-dep't child.	9.2%	8.5%	8.9%	9.1%	7.7%
Couple without children	10.7%	14.3%	12.1%	20.1%	23.0%
Single with dep't child.	7.5%	7.5%	7.5%	8.5%	9.2%
Single with non-dep't child.	2.2%	2.7%	2.4%	3.9%	3.5%
Other family	0.4%	0.8%	0.6%	1.2%	1.1%
Lone person	2.6%	4.2%	3.2%	9.0%	10.2%

Sources : ABS Census of Population and Housing 2011

LOCATIQN

2.4 Main Trade Area Retail Spending

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

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

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

iv. The estimated retail expenditure of the main trade area population, benchmarked with the averages for metropolitan Sydney, is shown in Chart 2.1 for food and groceries (which is most relevant for supermarkets), packaged liquor, Department Store Type Merchandise (DSTM i.e. spending on non-food retail goods) and total retail. Overall, total retail spending levels per person throughout the defined main trade area are generally below the comparable Sydney metropolitan averages, with the exception of Household Goods expenditure, reflecting the residential development and home formation within the area.

v. Table 2.4 outlines the retail expenditure levels generated by the Tree Valley main trade area population. The total retail expenditure level of the main trade area population is currently estimated at $254.5 million. This level is projected to increase at an average annual rate of around 3.1% to $379.6 million by 2026. All figures presented in this report are in constant 2013 dollars and include GST.

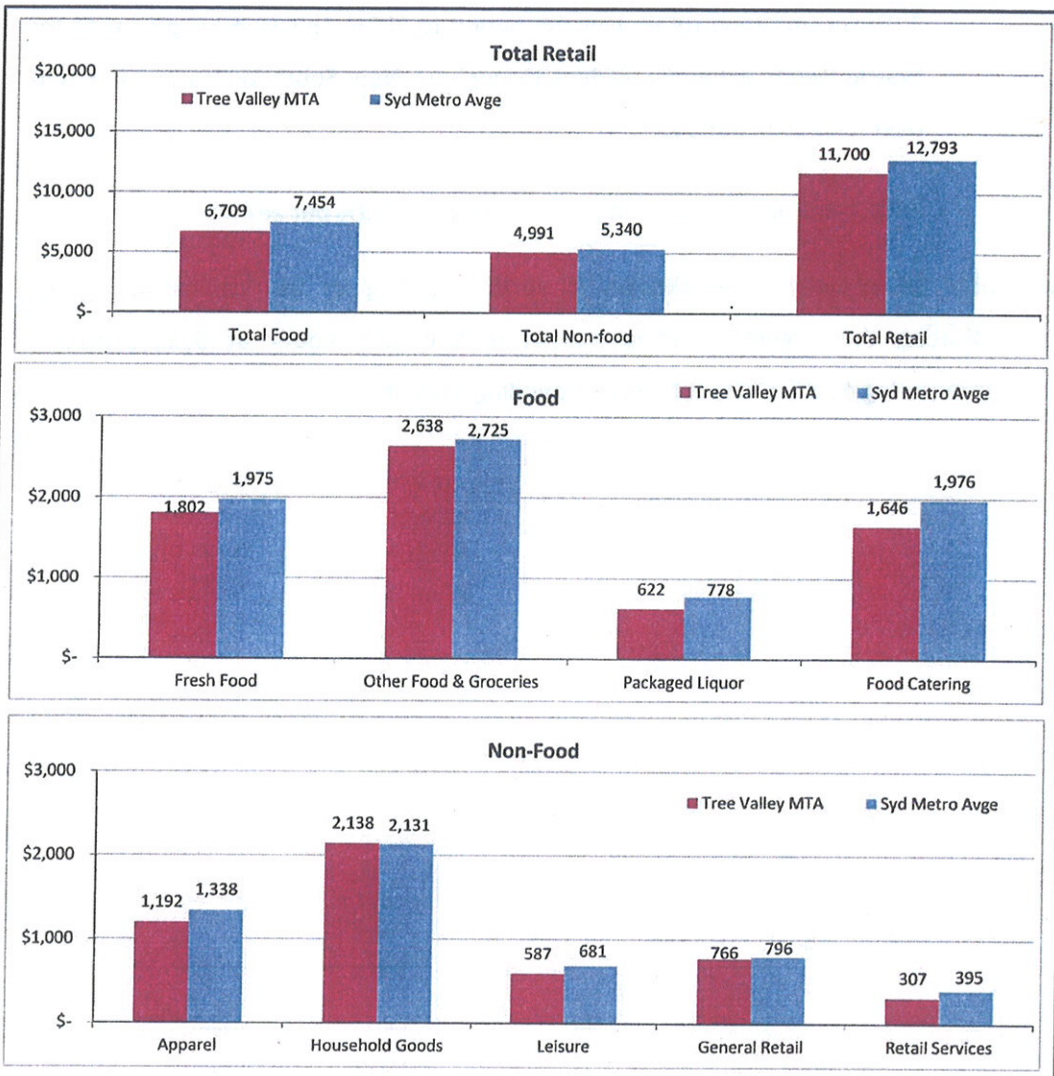
vi. The projected growth rate of the retail spending market of 3.1% per annum in the Tree Valley main trade area takes into account the following:

- Real growth in retail spending per capita of 0.5% annually for food retail and 1.0% for non-food retail over the period to 2026. This is in keeping with the typical trends generally evident throughout New South Wales and Australia over long-term periods.

- Main trade area population growth of around 2.3% per annum.

vii. Table 2.5 presents a breakdown of retail spending by key commodity group, indicating the largest spending market is food and liquor at $110.1 million, representing 43.3% of the total retail spending market.

CHART 2.1 – MAIN TRADE AREA RETAIL SPENDING PER PERSON, 2012/13



Source : Marketinfo

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TABLE 2.4 – MAIN TRADE AREA RETAIL EXPENDITURE, 2013 - 2026

Y/E June	Primary Sector	Secondary Sector	Main TA
2013	155.7	98.8	254.5
2014	160.5	102.1	262.6
2015	166.5	105.2	271.7
2016	172.7	108.4	281.1
2017	179.5	111.1	290.5
2018	186.8	113.1	299.9
2019	194.3	115.2	309.5
2020	202.2	117.3	319.6
2021	210.5	119.5	329.9
2022	218.5	121.3	339.9
2023	226.4	122.9	349.3
2024	234.6	124.5	359.1
2025	243.1	126.1	369.2
2026	251.8	127.7	379.6
Expenditure Growth			
2013-2016	17.0	9.7	26.6
2016-2021	37.8	11.0	48.8
2021-2026	41.4	8.3	49.6
2013-2026	96.1	29.0	125.1
Average Annual Growth Rate			
2013-2016	3.5%	3.2%	3.4%
2016-2021	4.0%	2.0%	3.3%
2021-2026	3.7%	1.3%	2.8%
2013-2026	3.8%	2.0%	3.1%

**Constant 2012/13 dollars & Including GST*
Source : Marketinfo

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TABLE 2.5 – MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2013 – 2026

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2013	110.1	35.8	25.9	46.5	12.8	16.7	6.7
2014	113.3	37.0	26.8	48.1	13.2	17.2	6.9
2015	116.9	38.4	27.8	49.9	13.7	17.9	7.2
2016	120.6	39.8	28.8	51.7	14.2	18.5	7.4
2017	124.3	41.2	29.9	53.6	14.7	19.2	7.7
2018	127.9	42.6	30.9	55.4	15.2	19.9	7.9
2019	131.7	44.1	31.9	57.3	15.7	20.5	8.2
2020	135.5	45.6	33.0	59.3	16.3	21.2	8.5
2021	139.5	47.2	34.2	61.4	16.8	22.0	8.8
2022	143.3	48.8	35.3	63.4	17.4	22.7	9.1
2023	146.9	50.2	36.3	65.3	17.9	23.4	9.4
2024	150.5	51.7	37.4	67.2	18.4	24.1	9.6
2025	154.3	53.3	38.6	69.3	19.0	24.8	9.9
2026	158.2	54.9	39.7	71.4	19.6	25.6	10.2
Expenditure Growth							
2013-2016	10.5	2.6	1.9	3.4	0.9	1.2	0.5
2016-2021	18.9	6.0	4.3	7.8	2.1	2.8	1.1
2021-2026	18.7	7.7	5.5	10.0	2.7	3.6	1.4
2013-2026	48.1	19.1	13.8	24.9	6.8	8.9	3.6
Average Annual Growth Rate							
2013-2016	3.1%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
2016-2021	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
2021-2026	2.5%	3.1%	3.1%	3.1%	3.0%	3.1%	3.1%
2013-2026	2.8%	3.3%	3.3%	3.4%	3.3%	3.3%	3.3%

**Constant 2012/13 dollars & Including GST*
Source : Marketinfo

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3 COMPETITIVE ENVIRONMENT

This section of the report reviews the competitive retail environment within which the proposed Tree Valley development would operate in order to assist in the assessment of likely trading impacts that the proposed centre would have on other competitive retailers.

Retail facilities within the surrounding region form a typical retail hierarchy, including:

- Regional centres are anchored by a department store, with Westfield Liverpool being the nearest existing regional centre around 6.5 km to the north-east of the proposed site. In addition, Leppington Town Centre is a planned regional centre, located around 6 km to the west.
- Sub-regional shopping centres are anchored by a discount department store, including Casula Mall and Carnes Hill Marketplace. Edmondson Park Town Centre is a planned sub-regional centre, located around 2.5 km to the south.
- A number of supermarket based centres to serve the local surrounding population.

The previous Map 2.1 highlights the key competitive facilities provided throughout the main trade area. Tables 3.1 and 3.2 provide a summary of the existing competitive retail facilities.

TABLE 3.1 – COMPETITIVE RETAIL FACILITIES

Centre	Shopfront GLA (sq.m)	**Anchor Tenants**	Dist. From Tree Valley (km)
Regional Shopping Centres			
Westfield Liverpool	84,200	Myer (18,766), Target (8,250), Big W (8,044), Coles (3,876), Woolworths (3,800)	6.5
Sub-regional Shopping Centres			
Casula Mall	20,100	Kmart (7,815), Coles (5,307), IGA (1,905)	3.0
Carnes Hill Marketplace	17,200	Big W (7,740), Woolworths (4,376)	5.0
Supermarket Based Shopping Centres			
Prestons Shopping Village	1,500	IGA (600)	1.8
Horningsea Park	1,400	Aldi (1,350)	5.0
Miller Central	9,700	Woolworths (3,327), IGA (1,543)	5.5
Flowerdale SC	2,500	Aldi (1,350)	6.5
Austral	1,500	IGA (900)	8.0
Camden Valley Way		Woollies	
Macquarie Fields			*7.0*
• Glenquarie TC	15,500	Woolworths (3,914), Coles (3,148)	
• Other	3,000	Aldi (1,350)	
Wattle Grove Plaza	3,900	Coles (2,135)	9.0
Moorebank Shopping Village	7,000	Woolworths (1,959)	9.5
West Hoxton SC	1,500	IGA (650)	9.5

Source : Australian Shopping Centre Council Database LOCATIQN

TABLE 3.2 – REGIONAL AND SUB-REGIONAL CENTRES

Enclosed Regional & Sub-regional Centres	**GLA** (sq.m)	**MAT** ($)	**MAT** ($ per sq.m)	**Specialty MAT** ($ per sq.m)	**No. of Mini-majors**	**No. of Spec.**
Regional SC						
Westfield Liverpool	84,182	456	5,891	8,279	9	320
Sub-Regional SC						
Casula Mall	20,128	177	9,087	9,611	2	46
Carnes Hill Marketplace	17,208	131	8,063	n.a.	1	36

Source: Shopping Centre News Publications 2012 (Big Guns; Little Guns; Mini Guns) LOCATIQN

3.1 Regional Centres – Liverpool CBA

i. Regional shopping centres are anchored by a department store, namely Myer or David Jones.

ii. The Liverpool Central Business Area (CBA) is located around 6.5 km to the north-east of the Tree Valley site, with the largest component being Westfield Liverpool. The regional centre encompasses 84,182 sq.m (Gross Lettable Area) and is anchored by a Myer department store, Big W and Target discount department stores as well as Woolworths and Coles supermarkets. According to *Shopping Centre News – Big Guns 2012*, Westfield Liverpool records a Moving Annual Turnover (MAT) of $456 million, achieving $8,279 per sq.m across the provision of specialty floorspace.

iii. The Liverpool CBA also includes Liverpool Plaza, which is currently undergoing a redevelopment and expansion. The centre was previously anchored by a Franklins supermarket which closed in November 2012. An Aldi supermarket is now proposed as the anchor tenant.

iv. The Liverpool CBA acts as the regional centre for the non-food needs of residents throughout a very broad region in South West Sydney. The proposed Tree Valley retail centre will serve a different role in the retail hierarchy and will not compete with the CBA to any degree.

3.2 Sub-regional Centres

i. A sub-regional shopping centre is anchored by at least one discount department store and typically also includes at least one supermarket.

ii. There are two sub-regional centres located immediately beyond the main trade area, outlined as follows:

- Casula Mall is situated 3 km to the north-east of the Tree Valley site. The centre encompasses 20,128 sq.m and is anchored by a Kmart discount department store as well as Coles and IGA supermarkets. Casula Mall records sales of $177 million, achieving a productivity level of $9,611 per sq.m across the provision of specialty floorspace *(Little Guns, 2012).*

- Carnes Hill Marketplace is positioned around 5 km to the north-west of the site. The centre encompasses 17,208 sq.m and is based on a Big W discount department store, Woolworths supermarket and Dan Murphy's liquor outlet. The centre achieves sales of $131 million *(Mini-Guns, 2012).* A free-standing Aldi supermarket is located adjacent to the centre at Horningsea Park.

iii. Both Casula Mall and Carnes Hill Marketplace include a large provision of at grade carparking and are highly convenient for the surrounding local population.

iv. The trade area for these centres would overlap with the Tree Valley trade area to some extent, primarily for non-food retail. The distance from the subject site to these centres of more than 3 km, in effect, means they would service different supermarket catchments.

3.3 Supermarket Based Shopping Centres

i. There is currently only one supermarket provided within the defined main trade area at Prestons Shopping Village, located around 1.8 km to the north of the Tree Valley site. The centre is anchored by an IGA supermarket of 600 sq.m and 11 retail specialty stores, with no vacancies. Prestons Shopping Village is internally located within the suburb of Prestons and incorporates key convenience based tenants including a liquor store, pharmacy and newsagency. All tenants front a provision of at grade carparking.

ii. Supermarket based retail facilities beyond the main trade area are of more limited relevance given their distance from the site. These include:

- Miller Central is located around 5.5 km to the north of the site and is anchored by Woolworths (3,327 sq.m) and IGA (1,543 sq.m) supermarkets. Miller Central was acquired by a private investor in 2011, who undertook an $8 million upgrade of the centre in 2012, including the addition of two mini-major tenants (Go-Lo of 800 sq.m and Fruit Town of 400 sq.m).

- Flowerdale Shopping Centre is located around 6.5 km to the north-east of Edmondson Park and is anchored by an Aldi supermarket and 14 specialty stores, including a KFC PAD site as well as key convenience based tenants such as a newsagency and pharmacy. The centre includes one vacancy.
- Macquarie Fields is located around 7 km to the south-east of the site and is based on Glenquarie Town Centre (Woolworths and Coles supermarkets) and a free-standing Aldi supermarket.

3.4 Main Trade Area Retailers

i. In addition to Prestons Shopping Village, the only other retail facilities provided within the primary sector include a McDonalds Restaurant and a Woolworths Caltex Service Station located to the north of Camden Valley Way, directly opposite the Tree Valley site.

ii. In the secondary sector, the largest provision of retail facilities are provided at Crossroads Homemaker Centre, located at the intersection of Beech Road and Camden Valley Way, directly to the east of the site. The centre is owned by AMP Capital Investors and encompasses 34,488 sq.m of retail floorspace. The centre includes a Bunnings Warehouse of 15,560 sq.m as well as a number of key national bulky goods tenants, including:

- Fantastic Furniture
- Beacon Lighting
- The Sleeping Giant
- Plush
- The Good Guys
- Forty Winks
- Freedom
- Curtain Wonderland
- Bing Lee
- Godfrey's

iii. Crossroads Homemaker Centres also includes two Food Catering tenants, namely Heet Cafe and a KFC PAD site. Approximately 1,600 at grade carparks are provided, which equates to a provision of 4.6 carspaces per 100 sq.m of retail floorspace. The centre is a key bulky goods retail destination throughout Outer South West Sydney and serves an extensive catchment area.

iv. Red Rooster and a 7-Eleven Service Station are located directly to the north of Crossroads Homemaker Centre, on the northern side of Camden Valley Way.

v. Other retail facilities provided within the secondary sector include:

- Casula Central is located along the Hume Highway, incorporating 21 tenants, including six non-retail tenants and four vacancies. The centre mostly includes independent traders with the only national tenant being Oporto.
- Casula Village Centre includes four bulky good tenants as well as a vacancy.
- Retail Focus Centre includes four non-retail tenants and a hairdresser.
- Remaining retailers are provided in an ad hoc fashion along the Hume Highway, with the most relevant including Caltex and BP Service Stations.

vi. The majority of retail facilities within the main trade area have a bulky goods focus and are unlikely to complete with the Tree Valley development. Main trade area retailers including McDonalds, Red Rooster, Oporto, KFC, 7-Eleven Service Station, Woolworths Caltex, BP and Caltex are the most relevant competitors.

3.5 Proposed Developments

i. Proposed retail developments of relevance within the main trade area include the following:

- A development application was lodged with Liverpool City Council by Crownland Developments as part of Village Square Edmondson Park on the 19th of April 2013 for an Aldi supermarket of 1,599 sq.m at 1972 – 1976 Camden Valley Way. A separate development application has also been lodged a for a First Choice liquor outlet of 1,000 sq.m. Based on discussions with Council, both development applications are still being assessed. The proposed Aldi supermarket and First Choice liquor outlet are planned to be provided as part of a highway retail centre that will include a 7-Eleven Service Station, McDonalds, Gymnasium, retail floorspace and 94 residential lots.

The site is currently zoned B6 Enterprise Corridor. According to the *Liverpool Local Environment Plan, 2008*:

"Development consent must not be granted to development for the purposes of retail premises on land in Zone B6 Enterprise Corridor if the gross floor area of the retail premises is more than 1,600 sq.m."

For the purposes of this analysis, an Aldi supermarket and First Choice liquor outlet are assumed to proceed by 2016.

It is important to note that an Aldi supermarket would serve a much broader area than the defined Tree Valley main trade area, with Aldi supermarkets typically serving a population of around 20,000 – 30,000 persons. As such, the development of an Aldi supermarket does not impact on the potential for a supermarket and associated retail floorspace at the Tree Valley site, which will serve its local catchment as well as highway retail.

- Based on discussions with Liverpool City Council, an application ~~has been~~ lodged to rezone the land at 1975 – 1985 Camden Valley Way (15,841 sq.m), on the corner of Corfield Road (primary sector), from B6 Enterprise Corridor to B2 Local Centre. The rezoning application was lodged in January 2013 and has not yet been approved. For the purposes of this analysis, a retail centre is not assumed to proceed at the site given the land is not zoned.
- The development of a service station and a small provision of retail floorspace were previously approved at 1985 Camden Valley Way.

- A service station, convenience store and fast food restaurant were approved at 14 Bernera Road in Prestons (primary sector) in 2005. It is understood that the site was for sale; however, the approval has subsequently lapsed.
- The development of a 13,000 sq.m Costco and Costco Service Station has been approved at Crossroads Homemaker Centre, directly to the east of the proposed site. The store is expected to be trading by 2016. Typically, 69% of sales generated by Costco are in the Food & Liquor category. The Costco development will be the second store in Sydney and will serve the entire South West Sydney region. This compares to the Tree Valley retail centre which will serve the catchment immediately surrounding the site.
- A development application was lodged in July 2012 with Liverpool City Council to rezone the land at 607 – 611 Hume Highway in Casula (secondary sector) from B6 Enterprise Corridor to B2 Local Centre for the development of a Woolworths supermarket of 4,300 sq.m. The development was approved at gateway by New South Wales Planning and Infrastructure on the 15th of March 2013. Based on discussions with Council, the application is still being assessed. Given the land is not currently zoned to allow for a supermarket of 4,300 sq.m, the proposed Woolworths supermarket has not been assumed in this analysis.
- A development application was also lodged at 609 – 611 Hume Highway for the development of Casula Square, including 20 retail tenancies ranging in size from 50 – 100 sq.m and a restaurant of 780 sq.m. Given that the Woolworths development application has subsequently been lodged at this site, Casula Square is not assumed to proceed.
- The construction of a small commercial building of around 500 sq.m containing retail/business premises and highway uses has been approved on the north-western corner of the Hume Highway and Pine Road.

ii. Beyond the main trade area, south of the primary sector, Edmondson Park Town Centre is designated as a future sub-regional shopping centre in the Liverpool City

4 ASSESSMENT OF POTENTIAL FOR RETAIL FACILITIES

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

4.1 Sales Overview

i. In order to assess the potential economic benefits and impacts that may arise from the development of Tree Valley, the sales level which the development is projected to achieve is outlined.

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

- The composition and quality of the facility, including the major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.
- The size of the available catchment which the facility serves.
- The locations and strengths of competitive retail facilities.

iii. The sales potential for the retail component of the proposed Tree Valley development, which would be anchored by a small supermarket, service station and fast food outlets, is now considered taking into account these factors.

4.2 Supermarket Sales Potential

i. The proposed Tree Valley development will be anchored by a small supermarket/fresh food grocer of 1,500 sq.m. For the purposes of this analysis, a supermarket has been assumed given it would be the highest trading tenant and would, therefore, have the highest impacts. Supermarkets generate sales primarily from the food and groceries market, as discussed and measured in Section 2 of this report.

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

iii. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout both New South Wales and Australia. Projected sales are detailed for the proposed Tree Valley supermarket of 1,500 sq.m as well as other main trade area supermarkets (the existing IGA at Prestons and the proposed Aldi at Village Square Edmondson Park). For the purposes of this analysis, Costco, which is assumed to be trading by 2016, is excluded from the defined main trade area, given the store will serve the entire South West Sydney region. Supermarkets are defined as grocery and dry goods stores of at least 500 sq.m. Smaller foodstores are excluded from this analysis.

iv. The analysis in Table 4.1 is as follows:

- For the main trade area defined earlier in this report, the total food and grocery spending market is projected at $100.2 million by 2016. The food and grocery spending market for the main trade area population is projected to grow to $116.1 million (in constant 2013 dollar terms) by 2021.
- Typically in Australia, approximately 70% - 75% of food and grocery expenditure is directed to supermarkets and major foodstores (i.e. grocery stores greater than 500 sq.m), not including small corner stores, convenience stores and milk bars. This ratio varies from location depending on the provision of such facilities and the socio-economic profile of the trade area population. Reflecting the ethnically diverse nature of the main trade area population and the low level of supermarket floorspace in the surrounding area, the proportion of spending to supermarkets is estimated at 65% with the addition of the proposed Tree Valley supermarket and Aldi at Village Square Edmondson Park in 2016.

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

- The existing IGA supermarket of 600 sq.m at Prestons is currently the only supermarket within the main trade area. With the addition of the proposed Tree Valley supermarket (1,500 sq.m) and Aldi (1,599 sq.m) at Village Square Edmondson Park, the level of retained spending is projected at 34.1%, indicating that around $2 in every $3 of main trade area food and grocery spending is projected to escape the main trade area. This indicates substantial escape expenditure to surrounding retail facilities such as Carnes Hill Marketplace and Casula Mall from the growing population base.

- Main trade area supermarkets area estimated to attract around 20% of sales from beyond the main trade area in 2016, reflecting the location of the Tree Valley site which is well positioned to attract business from passing traffic and the assumed opening of Aldi which will serve a much broader catchment as compared with the Tree Valley main trade area.

v. The steps detailed above generate the annual estimates of food and grocery spending available to supermarkets within the main trade area. On this basis, after the Tree Valley supermarket and Aldi development, this figure is projected at $27.8 million in 2016. These projected figures do not include retail inflation, thus the increase shown over this time period reflects real growth. In 2021, available food and grocery spending directed to main trade area supermarkets is projected to increase to $32.5 million, expressed in constant 2013 dollar terms.

vi. Finally, to estimate the likely sales volume available to main trade area supermarkets, additional components of sales other than food and grocery are taken into account. This is includes general merchandise and non-food items, which generate around 6% of total store sales for modern supermarket chains.

vii. On this basis, the total volume of sales available to main trade area supermarkets is estimated at $29.5 million in 2016 and is projected to increase to $34.6 million in 2021.

viii. After the addition of the proposed Tree Valley supermarket and Aldi at Village Square Edmondson Park in 2016, the average trading level for supermarkets provided within the main trade area is solid at approximately $8,208 per sq.m. Over time, sales for main trade area supermarkets (excluding inflation), would be expected to increase to $9,599 per sq.m by 2021. This is above the average trading level of major national supermarket chains throughout Australia of around $8,500 - $9,000 per sq.m.

ix. With the addition of two supermarkets in 2016, the IGA supermarket at Prestons would still be viable and would continue to serve the top-up convenience shopping needs of residents immediately surrounding the centre. Prestons Shopping Village also includes a provision of specialty stores which will not be provided at the Tree Valley development. The existing Prestons IGA supermarket is around 600 sq.m in size and is significantly smaller than the proposed Tree Valley supermarket of 1,500 sq.m. As such, the existing IGA would not cater for the weekly shopping needs of local residents who are currently travelling beyond the main trade area for their weekly food and grocery needs.

x. In addition, the assumed development of an Aldi supermarket at Village Square Edmondson Park would not impact on the potential for the proposed Tree Valley supermarket, with all supermarkets in the trade area, achieving solid sales above the Australian average of $8,500 - $9,000 per sq.m by 2021.

xi. Taking the above into account, there is clearly demand for an additional supermarket at the Tree Valley site. The addition of the Tree Valley supermarket would provide a food and grocery offer, allowing residents to undertake a convenience shop locally as opposed to travelling to supermarkets beyond the main trade area. The addition of this tenant would result in the retention of customers in the local area, with surrounding retailers standing to benefit from higher customer flows.

TABLE 4.1 – SUPERMARKET SALES POTENTIAL, 2016 - 2021

	Financial Year	
	2016	2021
Total Food & Grocery (F&G) Spending		
Primary Sector	61.0	73.0
Secondary Sector	39.2	43.1
Main Trade Area	**100.2**	**116.1**
F&G Spending to Supermarkets		
Primary Sector (@ 60% incr. to 65% in 15/16)	39.6	47.5
Secondary Sector (@ 60% incr. to 65% in 15/16)	25.5	28.0
Main Trade Area (@ 60% incr. to 65% in 15/16)	**65.1**	**75.5**
F&G Spending Retained by TA Smkts		
Primary Sector (@ 11% incr. to 40% in 15/16)	15.8	19.0
Secondary Sector (@ 1.5% incr. to 25% in 15/16)	6.4	7.0
Main Trade Area (@ 7.3% incr. to 34.1% in 15/16)	**22.2**	**26.0**
F&G Sales from Beyond TA (@ 5% incr. to 20% in 15/16)	5.6	6.5
Total F&G Sales for TA Smkts	**27.8**	**32.5**
General Merchandise Sales (@ 6%)	1.8	2.1
Total TA Smkt Sales	**29.5**	**34.6**
Smkt Floorspace in TA (sq.m)**	3,600	3,600
Average Trading Level ($/sq.m)	8,208	9,599

**Constant 2012/13 dollars & Including GST*
***Existing supermarket in TA as at June 2013 is IGA Preston Shopping Village.*
Aldi supermarket at Village Square Edmondson Park assumed from 2015/16.
Costco not assumed in TA as it would draw from the wider South West Sydney market.

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4.3 Demand for Food Catering Outlet Floorspace

i. There are currently four fast food outlets provided within the defined main trade area (refer Map 4.1). There is also a small provision of other food catering facilities, including at Crossroads Hotel, Prestons Shopping Village, Heet Cafe, Can's Canton Village Chinese Restaurant, Rocko's Restaurant and the like.

ii. Table 4.2 assesses the future demand for food catering floorspace within the Tree Valley main trade area. Key points to note include:

- Total food catering spending by main trade area residents is currently estimated at $35.8 million and is projected to increase to $54.9 million by 2026 (constant 2013 dollars and including GST).
- This represents an increase of $19.1 million in food catering spending over the period to 2026.
- Food catering tenants (including take away stores and cafes) are estimated to typically achieve sales of around $5,000 per sq.m.
- Based on this, around 3,825 sq.m of additional food catering floorspace will be demanded throughout the main trade area over the period to 2026 (i.e. $19.1 million divided by $5,000).

iii. This indicates that there will be significant demand for further food catering floorspace throughout the main trade area over the next 15 years. This will allow for not only the development of the proposed Tree Valley retail centre but also for other proposals throughout the area.

iv. It is important to note that this analysis does not account for increased food catering spending from residents beyond the main trade area, particularly traffic along Camden Valley Way and the South West Motorway. This is likely to be enhanced by the co-location of food catering facilities with a petrol station and in close proximity to Crossroads Homemaker Centre, a major shopping destination throughout South

West Sydney. The analysis in Table 4.2, therefore, is a conservative view of the future demand for food catering floorspace within the main trade area.

v. Overall, strong population growth within the main trade area will result in additional demand for food catering floorspace at the Tree Valley site. Given Edmondson Park is a major residential growth area, planned to include some 15,000 persons in the longer term; the proposed site is an ideal location for major national chains to consider adding a further store to their network. This is evidenced by the recent opening of McDonalds and Red Rooster along Camden Valley Way.

vi. Three fast food outlets are proposed at the Tree Valley development, totalling an estimated 600 sq.m. Assuming an average sales level of $6,000 per sq.m, this would result in combined sales of around $3.6 million. The projected sales for the food catering floorspace at Tree Valley will only account for a small proportion of the growth in food catering spending over the next 15 years (18.8%).

vii. The development of fast food outlets at Tree Valley will impact on surrounding fast food stores to some degree, however, the majority of impacts will fall on chains that already have a store in the surrounding area (i.e. second stores in the network). Population growth over time will offset these impacts.

viii. There is still likely to be impacts on other individual fast food outlets around the site, however, this will be to a lesser degree and will not affect the viability of precincts.

TABLE 4.2 – DEMAND FOR FOOD CATERING FLOORSPACE

		Main Trade Area
	Food Catering Spend ($'000)	
(1)	2013	35,805
(2)	2026	54,929
(3)=(2)-(1)	Growth (2013-2026)	19,124
	Food Catering Floorspace Demand	
(4)	Average Sales per sq.m ($)	5,000
(5)=(3)*1,000/(4)	Future Floorspace Demand (sq.m)	3,825

**Constant 2012/13 dollars & Including GST*
Source : Marketinfo

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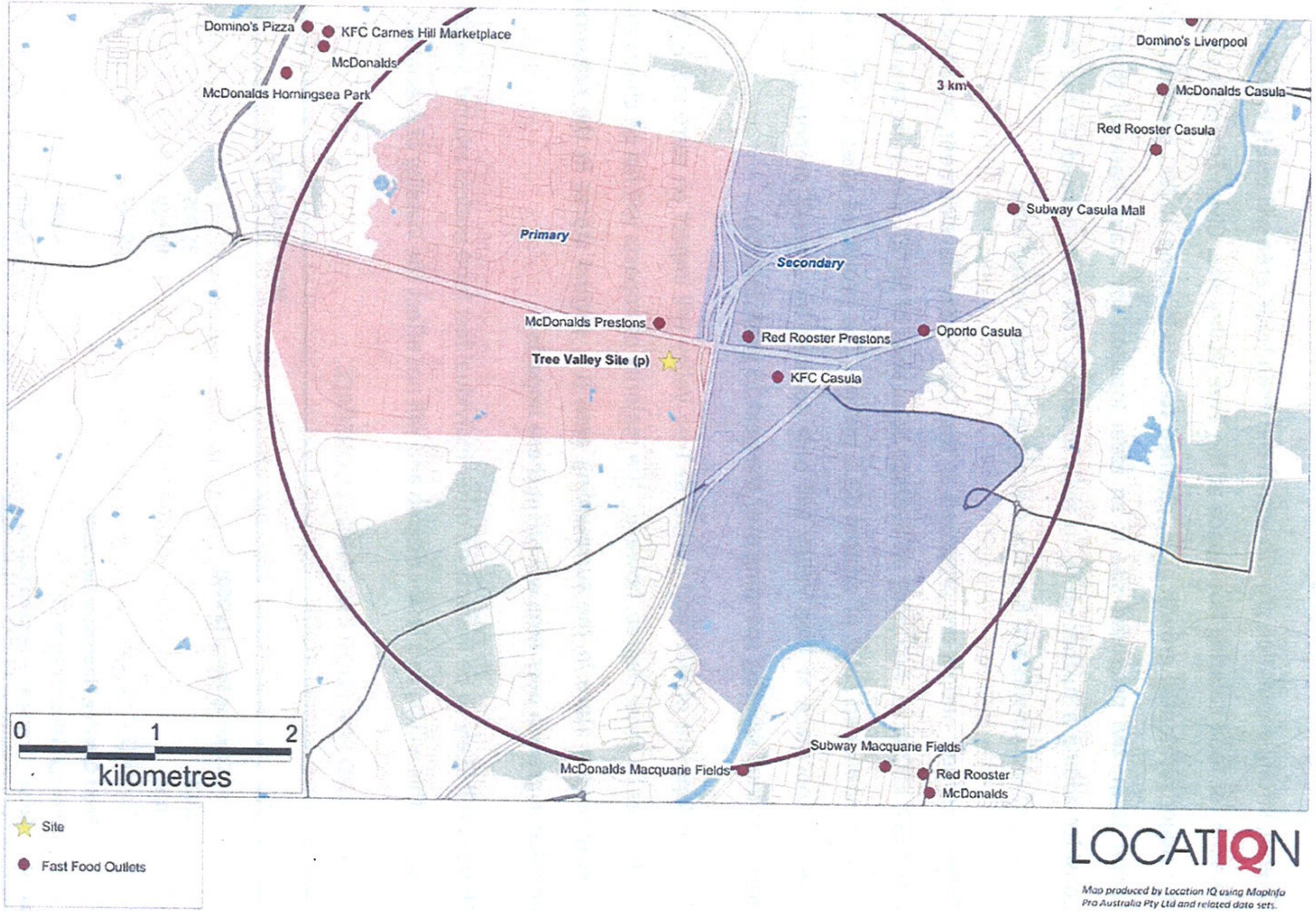
MAP 4.1 – FAST FOOD COMPETITION



4.4 Demand for Service Station Floorspace

i. There are currently five service stations provided within the Tree Valley main trade area, located along the Hume Highway and Camden Valley Road, reflecting the significant traffic flows in this area. A Costco Petrol Station has also been approved at Crossroads Homemaker Centre in the secondary sector and a service station is also proposed in the primary sector at Village Square Edmondson Park. Service stations in the secondary sector along the Hume Highway serve significant passing traffic as well as the broader Casula area. There is currently only one Woolworths Caltex Service Station serving primary sector residents along Camden Valley Way.

ii. Tables 4.3 and 4.4 outline the primary sector market for fuel currently and over the period to 2026. The current primary sector fuel market is around 14.1 million litres, which is projected to increase to 21.3 million litres by 2026.

iii. This excludes demand from passing traffic. Given the location of the existing primary sector petrol station and the proposed Tree Valley site along Camden Valley Way, fuel consumption by passing traffic is likely to be high.

iv. According to the *Roads and Maritime Service* (former RTA), some 39,240 vehicles travel along Camden Valley Way, past the intersection of Ash Road on a daily basis (latest data from 2005). This equates to an annual passing traffic volume of 14.3 million vehicles, which would add substantially to demand for petrol within the primary sector.

v. The above annual traffic recorded by the *Roads and Maritime Service* in 2005 represents an increase of 7.9% per annum or a total of 16,299 additional vehicles since 1996, indicating strong growth in traffic volumes along Camden Valley Way. This strong growth in traffic volumes is likely to continue in the future at a similar or even faster rate with an additional 15,000 residents projected in the Edmondson Park Release Area over the next 10 – 15 years. Therefore, this analysis is a conservative view of the future demand for service stations.

vi. A modern petrol outlet on average records sales of 3 - 3.5 million litres a year. The size of the primary sector petrol market can currently support around 4 - 5 service stations, with one currently provided. Over the period to 2026, population growth within the primary sector will enable the area to support around 6 – 7 service stations or an additional 5 - 6 outlets.

vii. Excluding sales from passing traffic, the significant growth in the primary sector market alone would support additional service stations in the area, indicating strong demand for a service station at the Tree Valley retail centre.

viii. A service station at the Tree Valley site would be ideally located to serve the established resident population of Prestons as well as the growing Edmondson Park Release Area. The co-location of the service station with the proposed Tree Valley supermarket would make it easy for residents to complete their shopping in one convenient and easily accessible location.

ix. The primary sector socio-economic profile is characterised by young, two parent working families who are likely to be very time poor. It is important to provide a basic provision of convenience based facilities within close proximity to their homes. These residents would also benefit strongly from the use of fuel vouchers, lessening the cost of a major weekly expense item (i.e. fuel).

x. The proposed Tree Valley service station will attract a large proportion of sales from passing traffic, and as such, will draw business from a broad region rather than competing directly with nearby service stations. Consequently, the impact on local service stations will be limited. This is particularly the case for the Woolworths Caltex Service Station located on the northern side of Camden Valley Way, serving east-bound traffic. In contrast, the proposed Tree Valley service station would primarily serve west bound traffic.

TABLE 4.3 – TOTAL VEHICLES IN PRIMARY SECTOR

	Year			
	2011	2016	2021	2026
Estimated Resident Population (ERP)	12,810	14,410	16,910	19,410
Total Dwellings	3,572	4,018	4,716	5,413
Average Household Size	3.6	3.6	3.6	3.6
Average Vehicles per Household	2.0	2.0	2.0	2.0
Total Vehicles	**7,187**	**8,084**	**9,487**	**10,889**

Source: 2011 Census of Population & Housing

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TABLE 4.4 – PRIMARY SECTOR RESIDENT MARKET (FUEL)

	Year			
	2011	2016	2021	2026
Fuel Consumption Per Annum				
Average NSW Travel (km)	14,200	14,200	14,200	14,200
Average Australia Fuel Consumption/100L	13.8	13.8	13.8	13.8
Average Fuel Usage (L)	**1,960**	**1,960**	**1,960**	**1,960**
Total Vehicles	7,187	8,084	9,487	10,889
Total Consumption Per Annum (L)	**14,082,977**	**15,841,974**	**18,590,408**	**21,338,843**

Source: ABS Survey of Motor Vehicle Use; 2011 Census of Population & Housing

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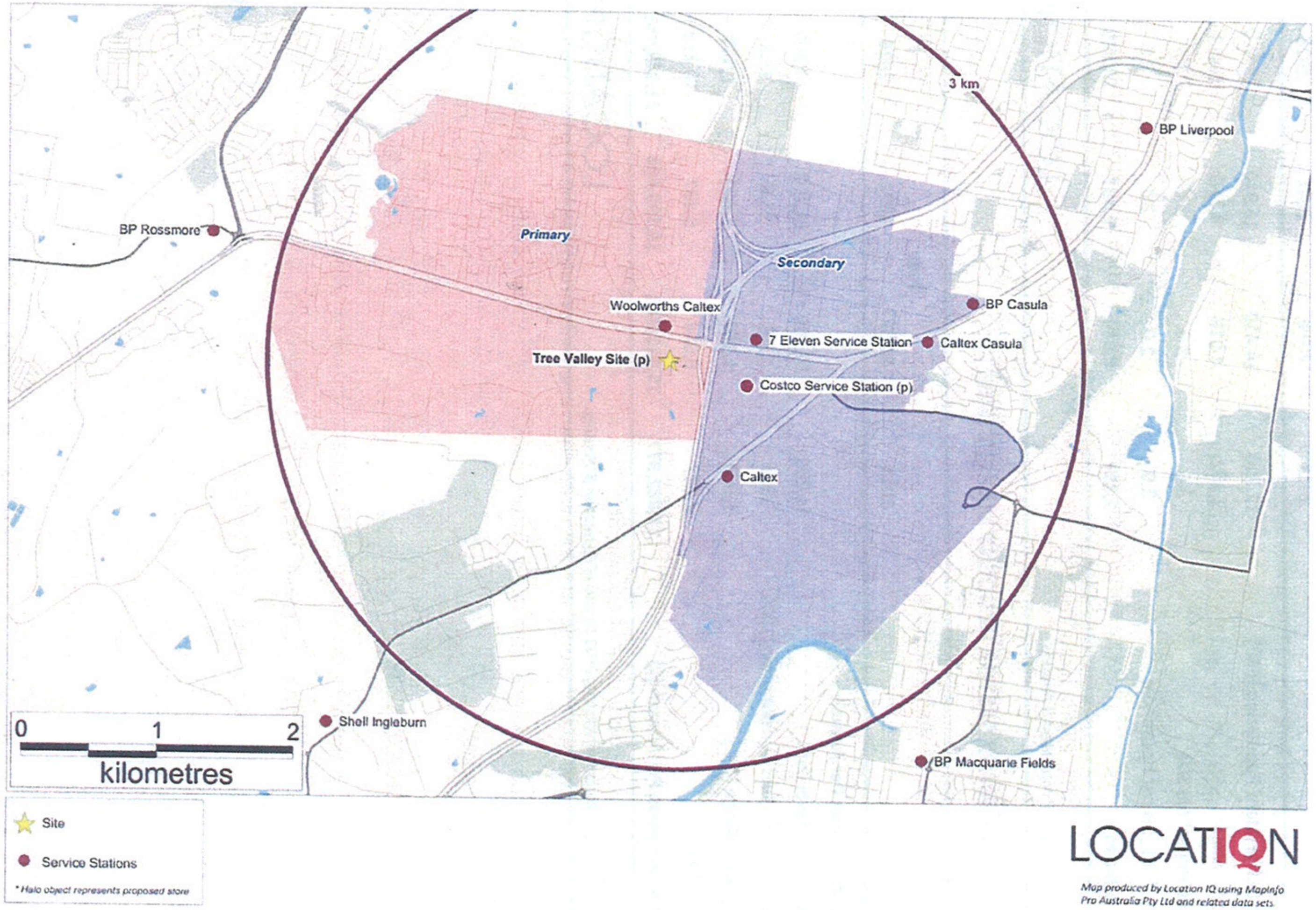
MAP 4.2 – SERVICE STATION COMPETITION



4.5 Sales Impacts - Supermarket

i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities as a result of the development of the Tree Valley retail centre.

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

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

iii. For all these reasons and other similar factors, sales impacts outlined in this report should be used as a broad indication. It is relevant to note that we have inspected all the major competing shopping facilities, and assessed the likely level of competition that these stores would present with the Tree Valley retail centre in terms of tenant type, convenience and likely future mix of Tree Valley being a convenience based supermarket centre.

Supermarket Sales Impacts

iv. Table 4.5 outlines projected sales impacts from the supermarket component of the proposed Tree Valley retail centre. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:

- Step 1 - Project sales for existing and proposed centres in the 2016 financial year, the first full year of trading for the proposed Tree Valley supermarket. These projections allow for retail market growth and new retailers/centres. All sales projections in 2016 are presented in constant 2013 dollars (i.e. excluding inflation).

- Step 2 - Outline the change in sales at each centre in 2016 as a result of the development of the Tree Valley retail centre. Again, all sales are expressed in constant 2013 dollars.

- Step 3 - Show the impact on sales in 2016, both in dollar terms and percentage of sales.

TABLE 4.5 – PROJECTED CENTRE IMPACTS, 2013 - 2016

	Unit	Estimated 2013	Projected 2016 Pre Dev.	Projected 2016 Post Dev.	Impact 2016 $M	Impact 2016 %
Tree Valley Aldi Supermarket	*$M*	*n.a.*	*n.a.*	*10.6*	*n.a.*	*n.a.*
Sub-regional Shopping Centres						
Casula Mall	$M	183.0	197.9	193.9	-4.0	-2.0%
Carnes Hill						
• Carnes Hill Marketplace	$M	135.5	143.8	140.2	-3.6	-2.5%
• Horningsea Park	$M	14.0	13.9	13.8	-0.1	-0.5%
Main Trade Area Retailers						
Prestons Shopping Village	$M	9.5	9.7	9.0	-0.7	-7.5%
Village Square Aldi & First Choice Liquor	$M	n.a.	24.5	23.3	-1.2	-5.0%
Crossroads Homemaker Centre**	$M	249.9	393.3	393.3	0.0	0.0%

**Constant 2012/13 dollars & Including GST*
[1] Proposed centres and expansions assumed to be trading for a full year by FY2016, including Aldi & Costco.

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v. The key information outlined in Table 4.5 is summarised as follows:

- The proposed Tree Valley supermarket is projected to record sales of $10.6 million in 2016.

- Of this total, some $2.0 million is projected as a result of a redirection of spending from competitive facilities in the main trade area (IGA at Prestons and Aldi at Village Square Edmondson Park), with the remainder ($8.6 million) being a reduction in expenditure from facilities beyond the main trade area. Of this remaining impact, some $1.0 million is likely to result in impacts on a range of smaller retail facilities beyond the trade area that are not currently represented in this analysis.

Existing and Proposed Centres Within Main Trade Area

- There is likely to be a minimal impact on Prestons Shopping Village in the order of 7.5%, or around $0.7 million, which is well within the normal competitive range. All existing traders at Prestons Shopping Village will continue to remain viable. A number of retail specialty tenants will not be impacted, including the pharmacy, newsagency and retail services traders which will not be replicated at the Tree Valley retail centre. Prestons Shopping Village will continue to serve the convenience and top-up shopping needs of the Prestons population, reflecting its convenient internal location within the residential suburb.

- There is also likely to be a minimal impact on the proposed Aldi supermarket at Village Square Edmondson Park (assumed from 2016) of around 5.0%, which again is well within the normal competitive range. The Aldi supermarket would serve a much broader region than the defined Tree Valley main trade area, with Aldi supermarkets typically serving a population in the order of 20,000 – 30,000 persons. As such, the development of an Aldi supermarket at Village Square Edmondson Park does not impact on the potential for a supermarket at the Tree Valley site.

- The current primary sector population of over 13,000 persons, primarily located to the north of Camden Valley Way, immediately surrounding Prestons Shopping Village, could easily support the existing IGA supermarket of 600 sq.m as well as the proposed Aldi and Tree Valley supermarkets. Even with the addition of the Tree Valley supermarket and Aldi at Village Square Edmondson Park, the main trade area supermarket floorspace provision at 144 sq.m per 1,000 persons in 2016 is significantly below the Sydney metropolitan benchmark of 240 sq.m per 1,000 persons.

- Reflecting the strong future population growth projected throughout the primary sector of 2.3% per annum (2013 – 2026), any impact on surrounding retail facilities, including Prestons Shopping Village, is only likely to be in the short-term, reflecting strong market growth throughout the area.

Existing Centres Beyond Main Trade Area

- The largest impacts in dollar terms are projected to fall on Carnes Hill Marketplace and Casula Mall, which are currently the major shopping destinations for main trade area residents. Both centres are projected to be impacted by around 2.0% - 2.5%, or approximately $3 - $4 million, which is well within the normal competitive range. There is also likely to be a minimal impact on the Aldi supermarket at Horningsea Park at around $0.1 million.

vi. All supermarkets within the surrounding area would remain viable. Projected impacts on all facilities will be less than 10% and therefore, well within the normal competitive range. Of all other retail facilities throughout the main trade area, excluding Prestons Shopping Village, there are only three other Food & Liquor traders. Each of these smaller retailers serve a convenience role and are unlikely to compete with the proposed Tree Valley supermarket.

vii. The proposed Tree Valley supermarket will not impact on the viability or continued operation of any existing retail centre in the surrounding region, given that the centre will be convenience based, serving its local catchment.

viii. In addition, any impact on surrounding facilities, particularly, Prestons Shopping Village, Casula Mall and Carnes Hill Marketplace, are only likely to be in the short-term, reflecting substantial growth in the market.

Costco Crossroads Homemaker Centre

- There is unlikely to be a discernable impact on the approved Costco at Crossroads Homemaker Centre (assumed from 2016) given that Costco will serve the entire Outer South West Sydney region, serving a catchment area of around 1 million persons. This compares to the proposed Tree Valley supermarket of 1,500 sq.m which will serve its local catchment only.

Edmondson Park Town Centre

- The Tree Valley development will not impact on the timing and development of Edmondson Park Town Centre, which will be located 2.5 km to the south.

- The composition of the proposed Tree Valley retail centre, anchored by a small supermarket of 1,500 sq.m, is of a scale and size that would only serve the immediate surrounding population and would not attract a substantial amount of business from the broader region. Edmondson Park Town Centre will provide a substantially larger retail and non-retail offer (at around 35,000 – 45,000 sq.m) and would effectively serve a different, broader segment of the retail market to the proposed Tree Valley retail centre.

- Based on the *Liverpool Retail Centres Hierarchy* prepared for Liverpool City Council by Hill PDA in July 2012, Edmondson Park is designated as a Town Centre, servicing the higher order retail and community needs of residents within the local and broader South West Growth Centre. Residents within the defined main trade area will utilise facilities at both Tree Valley and Edmondson Park Town Centre, with the Edmondson Park Town Centre being the focus for higher order retail needs including non-food shopping.

- The Town Centre is planned to occupy some 35,000 – 45,000 sq.m upon completion and as such, will be around 20 times larger than the proposed Tree Valley retail centre.

- The Tree Valley site is identified as a Village Centre within planning documents for the Edmondson Park Release Area and will complement the planned Edmondson Park Town Centre by providing convenience based shopping facilities anchored by a small supermarket. This is particularly important given that a small supermarket is not currently planned at Edmondson Park Town Centre.

- Indeed, given that Edmondson Park Town Centre is unlikely to proceed prior to 2021, the proposed Tree Valley development would help to satisfy current supermarket floorspace demand until the sub-regional centre is developed, with over 13,000 persons currently provided within the primary sector.

- As an example of a smaller development within the North West Growth Centre, an Aldi supermarket and three fast food outlets (McDonalds, Red Rooster, Hungry Jacks and Siams Corner Thai Restaurant) were developed in a high profile location at the intersection of Windsor Road and Mile End Road in Rouse Hill (refer Map 4.3). Like the Tree Valley site, retailers at this location would serve substantial passing traffic.

The development is located around 1 km to the north of Rouse Hill Town Centre and around 500 metres to the south of the existing IGA supermarket at Rouse Hill Village Centre.

The development of the supermarket and fast food outlets did not impact or delay the development of the planned Rouse Hill Town Centre, nor did it impact on success of the centre. According to *Big Guns, 2013*, Rouse Hill Town Centre encompasses 68,600 sq.m (significantly larger than the planned Edmondson Park Town Centre) and achieves sales of $375.8 million. As such, the development of a supermarket 1 km to the north of the centre, did not impact the ability of Rouse Hill Town Centre to achieve a strong sales volume.

Furthermore, the existing IGA supermarket at Rouse Hill Village Centre, less than 500 metres to the north, continued to trade at viable levels.

The development of the supermarket and fast food outlets along Windsor Road did not inhibit the development of Rouse Hill Town Centre or impact on the sustainability of the existing IGA supermarket. This indicates that the development of a local centre anchored by a small supermarket in close proximity to a larger, sub-regional shopping centre is a normal part of the retail hierarchy.

In addition, the development did not impact on the number of planned retail centres throughout the surrounding area. This is particularly important for the proposed Costco supermarket along Windsor Road.

The development of McDonalds along Windsor Road at Rouse Hill in close proximity to an existing McDonalds at Kellyville did not impact the viability of surrounding fast food outlets. Indeed, another McDonalds was added to the store network at Rouse Hill Town Centre.

MAP 4.3 – ROUSE HILL RETAIL HEIRACHY

Food Catering and Petrol Sales Impacts

- As evidenced in the previously, there is strong demand for additional food catering and service station floorspace within the defined main trade area.

- Given the strong market growth throughout the main trade area and increasing demand for food catering and service station floorspace, there is unlikely to be any significant impact on surrounding retail centres.

- There will be an impact on surrounding fast food outlets. However, in our view, the majority of impacts will fall on chains that already have a store in the surrounding area and are opening a second store in the network. There is still likely to be impacts on other individual fast food outlets surrounding the site, however, this will be to a lesser degree.

- There is clearly demand for further retail facilities, and in an environment in Australia where competition is encouraged, impacts on individual tenants are not meant to be a planning consideration. There is obviously general need for further retail facilities within this area.

- The proposed Tree Valley retail centre, particularly the food catering and service station components, will attract a large proportion of sales from passing traffic and as such, will draw business from a broad region rather than competing directly with nearby centres/stores. This trend will continue as traffic volumes increase along Camden Valley Way in the future. Consequently, the impact on nearby local centres/stores will be limited.

- Indeed, the development of the Tree Valley retail centre, including a supermarket, food catering facilities and a service station, will strengthen the surrounding precinct, establishing a strong convenient retail destination and providing increased choice and price competition for consumers.

4.6 Employment and Consumer Impacts

i. The development of the proposed Tree Valley retail centre will result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts will include the following:

- The provision of a wider range of shopping facilities for local residents, including a supermarket, service station and fast food outlets/family restaurants in one convenient location, central to significant future population growth which will be characterised by young families.

- The retail component of the development is projected to employ around 123 persons as summarised in Table 4.6. Taking a conservative view and allowing for an estimated 10% of the total increase to be as a result of the reduced employment at existing retail facilities, the net additional jobs are estimated at 111.

- The additional 111 permanent retail employees would earn an average annual wage of around $28,800 as sourced from the ABS. This represents an additional $3.2 million in salary and wages for the local economy, directly as a result of the retail component of the proposed development.

- Further jobs would be created from the supplier induced multiplier effects as a result of the retail jobs for the on-going running of the retail component of the proposed Tree Valley development. Jobs created are full-time equivalent jobs, which may include both full-time and part-time positions. In total, some 216 jobs are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.7).

- The proposed Tree Valley retail centre will create a substantial number of additional jobs, both for the construction and related industries during the construction phase of the development and for the economy generally once the development is completed.

- The estimated total capital costs for the construction of the development are $10 million. By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of $7.9 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed Tree Valley retail centre would create some 55 jobs (refer Table 4.8).

- The additional construction jobs (55), will result in a further 88 jobs in the broader community based on ABS Input/Output Multipliers (refer Table 4.8). As a result, in total some 143 jobs are likely to be created both directly and indirectly as a result of the construction of the Tree Valley retail centre.

ii. These employment projections are based on the Input-Output employment multipliers released by the ABS and last produced in 1996/97. The multipliers are modelled by the ABS based on results from the Australian National Accounts. The employment multipliers attempt to outline the ratio of jobs likely to be created for every $1 million dollars of capital input for existing retail developments across Australia as well as providing the estimated employment ratio during the construction process. It is difficult to estimate with certainty the exact level of employment likely to be generated from any development; however, this represents the best guide and is a standard method of estimating employment in Economic Impact Assessments.

TABLE 4.6 – ESTIMATED PERMANENT EMPLOYMENT

Type of Use	Estimated Employment Per '000 sq.m	One Tree Valley Change in GLA (sq.m)	One Tree Valley Employment (persons)
Supermarket	50	1,500	75
Retail Specialty Shops/Service Station	60	800	48
Total Centre[1]		**2,300**	**123**
Net Increase[2]			**111**

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

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TABLE 4.7 – ESTIMATED EMPLOYMENT IMPACT

Original Stimulus	Direct Employment	Supplier Employment *Multiplier Effects*	Total	
Centre Employment[1]	111	105	216	354

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

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TABLE 4.8 – ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

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

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

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5 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the impact analysis for the proposed Tree Valley retail development.

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

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

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

5.1 Population and supermarket demand

i. The Tree Valley main trade area population is currently estimated at 21,980 in 2013, including 13,210 persons within the primary sector. Substantial population growth is projected to occur throughout the main trade area of approximately 2.3%, or some 581 persons per annum over the forecast period (2013 – 2026). The main trade area population is projected to increase to nearly 30,000 persons by 2026, including nearly 20,000 persons within the primary sector.

ii. Typically, a full-line supermarket of 3,000 sq.m or larger is provided for every 8,000 – 9,000 persons in metropolitan areas of Australia.

iii. There is currently only one small IGA supermarket of 600 sq.m provided within the defined main trade area at Prestons Shopping Village, which is located internally within the suburb of Prestons, serving the population immediately surrounding the centre. As such, the provision of supermarket floorspace within the defined main trade area at 18 sq.m per 1,000 persons is significantly below the Sydney metropolitan benchmark of 240 sq.m per 1,000 persons.

iv. Based on the current main trade area population of nearly 22,000 persons and the current limited provision of supermarket floorspace, there is clearly demand for additional supermarket floorspace throughout the main trade area. Assuming the development of both the Tree Valley supermarket (1,500 sq.m) and the Aldi development (1,599 sq.m – assumed from 2016), the provision of supermarket floorspace within the main trade area is only 156 sq.m per 1,000 persons in 2016. This is still significantly below the Sydney benchmark of 240 sq.m per 1,000 persons.

v. Taking the above into account, there is clearly demand for the proposed Tree Valley supermarket, which will add to competition and choice for local residents as well as provide a convenient offer. Furthermore, the main trade area population, including a younger, family population, should be provided with affordable, convenient retail facilities in close proximity to their homes.

5.2 Consumer Trends

i. There is a strong need for convenience shopping facilities and a wider choice of facilities within close proximity to the homes of main trade area residents.

Prestons.
1,500

ii. Consumers visit supermarkets, on average, two to three times a week. There is currently only one supermarket of 600 sq.m provided within the main trade area, which is positioned in an internalised location within the suburb of Prestons. As such, residents do not have convenient access to a wide range of food and grocery items in close proximity to their homes.

iii. The proposed supermarket offer at the Tree Valley retail centre would cater to the needs of the local population and allow them to undertake a supermarket, fast food and service station shop in one convenient location in close proximity to their homes.

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

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

v. Time pressures are ranked highly as an issue that consumers face when undertaking their regular food and grocery shopping. As a result of the increasing time pressures that consumers face when it comes to food and grocery shopping, there is growing demand for convenient shopping facilities to meet the needs of local residents.

vi. The main trade area contains a large number of young, two parent working families, who are likely to be very time poor. It is important to provide this market with an adequate provision of convenience based retail facilities within close proximity to their homes. This should include supermarket, service station and food catering floorspace.

vii. Given the proposed tenant mix of the Tree Valley retail centre including a supermarket, fast food outlets/family restaurants and a service station, the proposed centre will be highly convenience focused and cater to the needs of the current and future main trade area population which will be characterised by younger, time poor families.

5.3 Supply of Retail Facilities

i. The Tree Valley retail centre would provide a small supermarket in addition to a service station and three fast food outlets/family restaurants.

ii. In Australia, there is around 2.2 sq.m of retail floorspace provided for every resident. This is the generally accepted standard provision used throughout the Australian

iv. Main trade area specialty retailers that are most relevant to the proposed Tree Valley development include McDonalds, Red Rooster, Oporto, KFC, 7-Eleven Service Station, Woolworths Caltex, BP and Caltex.

v. Given the nature of the proposed retail developments within the surrounding area, the proposed Tree Valley retail centre is unlikely to compete to any significant degree with these future developments. The proposed Aldi supermarket to the west of the site will have a much broader draw throughout the surrounding area as compared with the defined Tree Valley main trade area.

vi. In addition, both the approved expansion of Crossroads Homemakers Centre and the planned Edmondson Park Town Centre will serve extensive catchment areas throughout the South West Sydney region. Each of these centres will be over 30,000 sq.m in size as compared with the subject development at 2,300 sq.m. Given the size of the centre, the proposed Tree Valley retail centre will only serve its local population catchment. This is particularly important given that the development of Edmondson Park Town Centre is unlikely to occur prior to 2021, leaving a significant under-supply of convenient supermarket based shopping facilities in the local area until that time.

TABLE 3.3 – MAIN TRADE AREA SUPERMARKET PROVISION, 2013

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2013 Population	GLA per 1,000 persons
Primary Sector	1	600	13,210	45
Secondary Sector	0	0	8,770	0
Main Trade Area	**1**	**600**	**21,980**	**27**
Sydney Average				*240*
Australian Average				*312*

** Defined as 500 sq.m or larger* LOCATIQN

Wrong
assumption

Prestons _ 1500
Aldi _ 1350
Camden _ 5800
Valley
Way
Ed Park _ 7000

Council retail hierarchy. Landcom received major project concept plan approval in 2011 for the Edmondson Park South Overall Concept Plan which proposes approximately 3,550 dwellings and a Town Centre some 35,000 – 45,000 sq.m of retail and commercial floorspace. The Town Centre is intended to operate as a District Centre, including a discount department store and two supermarkets. Given the rate of residential development in the area, it seems unlikely that the Edmondson Park Town Centre will be developed prior to 2021. wrong

Based on discussions with *New South Wales Planning and Infrastructure*, while the Development Control Plan (DCP) has been prepared for the residential component of Edmondson Park Town Centre, preparation of the DCP for the retail component of Edmondson Park Town Centre has been deferred. The DCP needs to be submitted and gazetted before any development can occur at the site.

3.6 Summary

i. There is currently only one small IGA supermarket of 600 sq.m provided within the defined main trade area at Prestons Shopping Village. The centre is located internally within the suburb of Prestons and serves the immediate population surrounding the site.

ii. As shown in Table 3.3, the current provision of supermarket floorspace throughout the main trade area at 27 sq.m per 1,000 persons is significantly below both the Sydney metropolitan and Australian averages of 240 sq.m and 312 sq.m per 1,000 persons, respectively.

iii. The largest provision of retail facilities within the main trade area is provided at Crossroads Homemakers Centre, directly to the east of the site which includes primarily bulky goods retailers as well as two Food Catering stores. As such, the proposed Tree Valley development will not compete with the majority of tenants at this centre.

retail industry, with the last Retail Census undertaken by the ABS in 1991/92. The provision of retail floorspace has increased from around 1.8 sq.m in the late 1980's, representing an average annual increase of 1.7% over this period.

iii. For the purposes of this report, a conservative approach has been adopted, assuming a provision of 2.2 sq.m of retail floorspace per person over the period to 2026. Table 5.1 details the demand for retail floorspace in the Tree Valley primary sector from 2016 - 2026. In 2016, the primary sector population of 14,410 could support 31,702 sq.m of retail floorspace at a rate of 2.2 sq.m per person.

iv. With an estimated 1,900 sq.m of retail floorspace currently supplied within the primary sector (including Prestons Shopping Village, McDonalds and a Woolworths Caltex Service Station), this would indicate an under-supply of around 29,802 sq.m. ?

v. The proposed Tree Valley retail centre of around 2,300 sq.m (assuming 200 sq.m each for the three fast food outlets and service station) would account for approximately 7.7% of this under-supply, indicating strong demand for the retail development as well as other retail floorspace (such as the proposed Aldi at Village Square Edmondson Park).

TABLE 5.1 – PRIMARY SECTOR RETAIL FLOORSPACE DEMAND, 2016 – 2026

Factor	Unit	
2016		
Primary Sector Population	(No.)	14,410
Retail Floorspace Demand (@ 2.2 sq.m per person)	(sq.m)	31,702
Existing Primary Sector Retail Floorspace	(sq.m)	1,900
Additional Demand	(sq.m)	29,802
2026		
Primary Sector Population	(No.)	19,410
Retail Floorspace Demand (@ 2.2 sq.m per person)	(sq.m)	42,702
Existing Primary Sector Retail Floorspace	(sq.m)	1,900
Additional Demand	(sq.m)	40,802

** Inspection as of February 2013* LOCATION

5.4 Impacts on Existing Retailers

i. The analysis of impacts provided in the previous section shows the projected impacts on other retailers throughout the area from the development of the Tree Valley retail centre would not threaten the viability or continued operation of any centres.

ii. The proposed Tree Valley retail centre would be convenience based and would predominantly serve its local catchment.

iii. All impacts on surrounding retailers will be 7.5% or less and, therefore, well within the normal competitive range. The main trade area is projected to grow at an average annual rate of 2.3% over the forecast period, increasing to nearly 30,000 persons by 2026. Consequently, any impact from the proposed Tree Valley retail centre is only likely to be experienced in the short term as all retailers stand to benefit from substantial market growth after the impact is absorbed.

iv. Given the substantial and growing main trade area population, there is clearly demand for the food catering and service station components of the Tree Valley development, which are unlikely to impact on any surrounding retail centres. There is obviously general need for further retail facilities within the area.

5.5 Impacts on Retail Hierarchy

i. The proposed Tree Valley development will not impact on the timing or development of the planned Edmondson Park Town Centre.

ii. The Tree Valley retail centre anchored by a small supermarket of 1,500 sq.m is of a scale and size that would only serve the immediate surrounding population and would not attract a substantial amount of business from the broader region. Edmondson Park Town Centre will provide a substantially larger retail and non-retail offer and would effectively serve a different, broader segment of the retail market to the proposed Tree Valley retail centre.

5.7 Net Community Benefits

i. It is the conclusion of this report that a substantial net community benefit will result from the development of the Tree Valley retail centre. Offsetting trading impacts on some retailers, there are very substantial positive impacts including the following:

- Significant improvement in the range of retail facilities that will be available to residents, particularly in terms of convenient supermarket retailing. The main trade area is currently only served by a small supermarket of 600 sq.m located internally within the suburb of Prestons, meaning residents currently have to travel a round trip of some 6 km to the nearest full-line supermarket.

- The addition of the proposed Tree Valley retail centre will improve choice of location and also allow for price competition in terms of supermarkets, food catering facilities and service stations.

- Residents of the region should be provided with a wider range of affordable and conveniently located retail shops within close proximity to their homes.

- The creation of additional employment which will result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is completed and operational. In total, some 359 jobs are likely to be provided both directly and indirectly as a result of the proposed Tree Valley retail centre. This includes a number of youth employment opportunities with retail developments generally employing a large number of younger staff.

- The reduction in travel time and petrol cost savings for the main trade area population to frequent retail facilities located beyond the main trade area.

ii. It is concluded that the combination of the substantial positive economic impacts serve to more than offset the trading impacts that could be anticipated for a small number of the existing retail stores, particularly supermarkets, in the region. Further, the impacts would not threaten the viability of any of these retailers or centres or limit the future development of planned/proposed centres.

iii. As evidenced by the development of an Aldi supermarket at Rouse Hill, local centres anchored by small supermarkets in close proximity to larger retail centres are part of the normal retail hierarchy. Edmondson Park Town Centre will be the focus for higher order retail needs, including non-food shopping, while the proposed Tree Valley retail centre will provide convenience based food and grocery shopping.

iv. Given that Edmondson Park Town Centre is unlikely to proceed prior to 2021, the proposed Tree Valley development would help to satisfy current supermarket floorspace demand until the sub-regional centre is developed, with over 13,000 persons currently provided within the primary sector.

5.6 Location

i. The Tree Valley site is situated in a high profile location, at the intersection of two major arterial roads. As such, the proposed supermarket, service station and fast food outlets will have substantial exposure to passing traffic.

ii. The centre would provide excellent accessibility and a high level of convenience for the surrounding established and growing population. The site is located within a key future residential growth area, with some 6,000 lots planned to be provided within the Edmondson Park Town Centre over the next 10 – 20 years (approximately 15,000 persons).

iii. The proposed Tree Valley site is designated as a Village Centre in planning for the Edmondson Park Release Area and, therefore, is consistent with the planning scheme.

iv. The development would be in keeping with surrounding retail facilities located along Camden Valley Way including fast food outlets and service stations. This would strengthen the precinct as a convenient retail destination, providing choice for local residents and passing traffic along Camden Valley Way.

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