

PRODUCTIVITY AND CENTRES STRATEGY

The Hills Shire Council | October 2019



THE HILLS
Sydney's Garden Shire



The *Productivity and Centres Strategy 2019* was adopted by Council on 22 October 2019, Minute No.565.

This Strategy represents the collaboration of information from a number of sources, including NSW Government plans and policies, and plans and policies of The Hills Shire Council.

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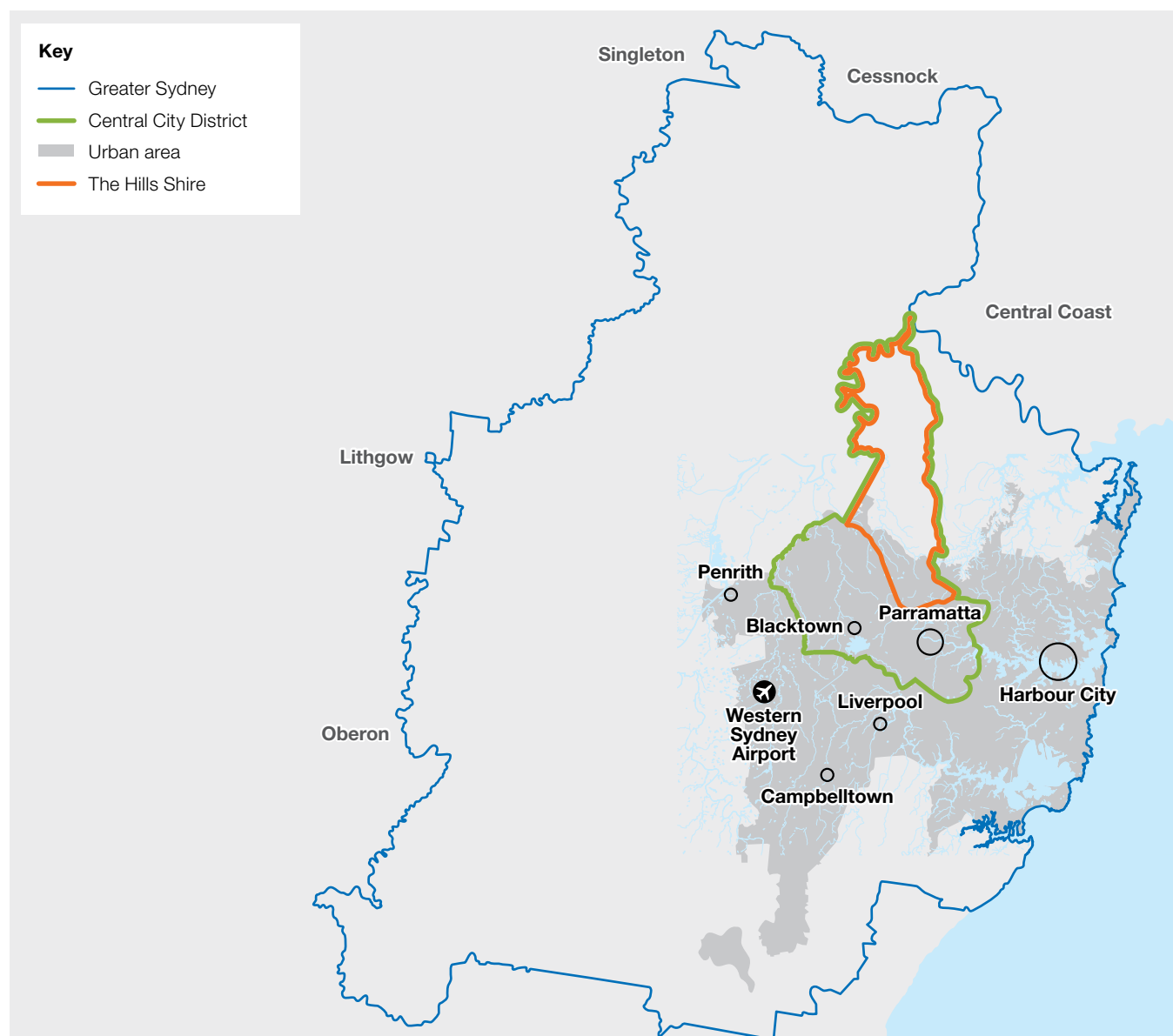
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The Hills Shire is a local government area (LGA) in the north west of Greater Sydney, around 30 kilometres from Sydney CBD. Spanning 38,500 hectares, it forms part of the Central City District, along with the Blacktown, Cumberland and City of Parramatta LGAs. The Shire includes land between Baulkham Hills and West Pennant Hills in the south, to Wisemans Ferry in the north.

The Hills Shire was home to approximately 162,500 people in 2016. We are planning for an 80 per cent increase in population by 2036, with the population of 290,900 people needing a mix of housing, access to services, shopping and public transport, and opportunities to connect with each other, with nature and with the rest of Greater Sydney.

While connected to the Central River City, centred around Parramatta, The Hills has strong links to the Eastern Harbour City and will grow connections to the future Western Parkland City and the Aerotropolis around the planned Western Sydney International Airport.





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Executive summary

The Hills Shire is home to around 80,000 residents who work or are available to work, and it accommodates 64,000 of Greater Sydney's jobs within its boundaries. Of those jobs, close to 25,000 (or 39 per cent) are filled by residents.

As the population of the Hills Shire increases by around 80 per cent over the next 20 years, we want to continue to create opportunities for employment and industrial activities and new and improved centres.

We estimate that we will require just over 50,000 additional jobs by 2036. While the Shire has capacity for these jobs in its strategic centres of Castle Hill, Rouse Hill and Norwest, and in other employment precincts, we also need to focus on better matching the type of jobs available to the skills of the people who live here, and to global trends and employment shifts that are seeing a transition to knowledge-based jobs.

Existing and planned local centres are integral to population growth and must continue to ensure day-to-day access to goods and services. They will evolve in response to the changing retail environment.

Planning for the Shire's productivity and centres must also consider how people get to and from work. While Sydney Metro Northwest is already making it easier for people to travel and creating commercial opportunities around station precincts, services and connections between The Hills Shire to Parramatta and the new Western Sydney International Airport will be crucial to leveraging economic growth.

The potential of a mass transit link between Norwest and Parramatta, in particular, will unlock economic potential in Norwest and in Baulkham Hills town centre. Kellyville village at Windsor Road will be another focus for master planning to create a stronger economic centre.

We will continue to protect important industrial and urban services land and plan for the development of Annangrove Road Employment Area and Box Hill Business Park, leveraging the success and reputation of Norwest Business Park.

We have developed this *Productivity and Centres Strategy 2019* around five planning priorities that themselves reflect the planning priorities of our Local Strategic Planning Statement *Hills Future 2036*. These priorities are:

- **plan for sufficient jobs, targeted to suit the skills of the workforce** by leveraging investment in regional transport connections and targeting the industries that match the skills of the workforce
- **build strategic centres** through a structure planning and phasing approach that encourages the right mix of employment-related land uses and enhances the design and amenity of Norwest, Castle Hill and Rouse Hill strategic centres, while also providing direct support to smaller businesses
- **provide retail services to meet residents' needs** by looking at the mix of different retail uses and comparing retail supply, demand and capacity in different centres and specialised retail clusters
- **renew and create great places**, with a focus on Baulkham Hills town centre, Kellyville village and neighbourhood centres
- **retain and manage valuable industrial and urban service land** by protecting it from residential encroachment and incompatible uses, supporting freight operations and enhancing the design and built form in existing precincts.

As the overall strategic approach to protecting and managing the Shire's economy, centres and employment-related land uses, the *Productivity and Centres Strategy 2019* also supports the commitments in our Community Strategic Plan, as expressed in the Hills Shire Plan, as well as the objectives of the higher-level *Central City District Plan* and *Greater Sydney Region Plan*.



INTRODUCTION

This *Productivity and Centres Strategy 2019* recognises that as the population grows, so too will the Shire's economy. We are planning for around 50,600 jobs by 2036 in strategic centres, busy retail areas and on industrial and urban services land.

This Strategy refreshes the *Employment Lands Direction* and the *Centres Direction*, which were prepared in 2009 prior to construction of the Sydney Metro Northwest. The refresh draws on the context provided by the *Greater Sydney Region Plan*, *Central City District Plan* and investment in substantial transport infrastructure.





Purpose

The *Productivity and Centres Strategy 2019* establishes the basis for strategic planning of employment lands and centres in the Shire to 2036. It informs the planning priorities and five-year actions contained in *Hills Future 2036*, our local strategic planning statement, and provides the finer detail about how we will achieve our vision for a productive and competitive Hills Shire.

To shape exceptional living, working and leisure places where expected growth brings vibrancy, diversity, liveability and prosperity for The Hills.

Vision – Hills Future 2036

Achieving the vision this vision requires us to collaborate with, and seek commitment from, all stakeholders including the community, the NSW Government, business and the development industry.

The Strategy aims to increase employment and support economic growth in line with population growth. It provides the strategic justification for our planning controls and will guide decision-making on planning proposals and development applications.

We expect agencies will use the Strategy when undertaking their own programming and planning within their core business activities in the Shire.

Developing the Strategy

The *Productivity and Centres Strategy 2019* complements the Hills Shire Plan, including the Community Strategic Plan, and will contribute to the themes of building a vibrant community and prosperous economy, proactive leadership, shaping growth and delivering and maintaining infrastructure.

The Strategy was informed by an understanding of the characteristics of the Shire's local workforce and resident workers.

These characteristics are assessed alongside a broader strategic context, prevailing trends, likely employment demands and economic forecasts to understand how the Shire's employment lands, centres, workers and industries will respond to growth and change.

In developing the Strategy we:

- reviewed NSW Government policies including the *Greater Sydney Region Plan*, *Central City District Plan* and *Future Transport 2056*
- investigated global and regional trends that impact the demand for and use of employment lands and centres
- analysed demographic indicators and projections to provide insights to current and future demands on employment lands and centres
- reviewed the Shire's industrial and employment precincts to audit their role and function and understand capacity
- analysed demographic indicators and projections to provide insights to the current and future demands on the transport network.

Additional documents supporting this Strategy and *Hills Future 2036*, including our *Strategic Review and Industrial and Employment Activities*, can be viewed at www.thehills.nsw.gov.au



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STRATEGIC CONTEXT

Understanding the strategic context ensures effective implementation of priorities and actions.

We have a legislative obligation to implement the objectives and vision of NSW Government strategic directions and other policies, as well as an obligation to The Hills community to create a place where people want to live, work and play.



2. STRATEGIC CONTEXT

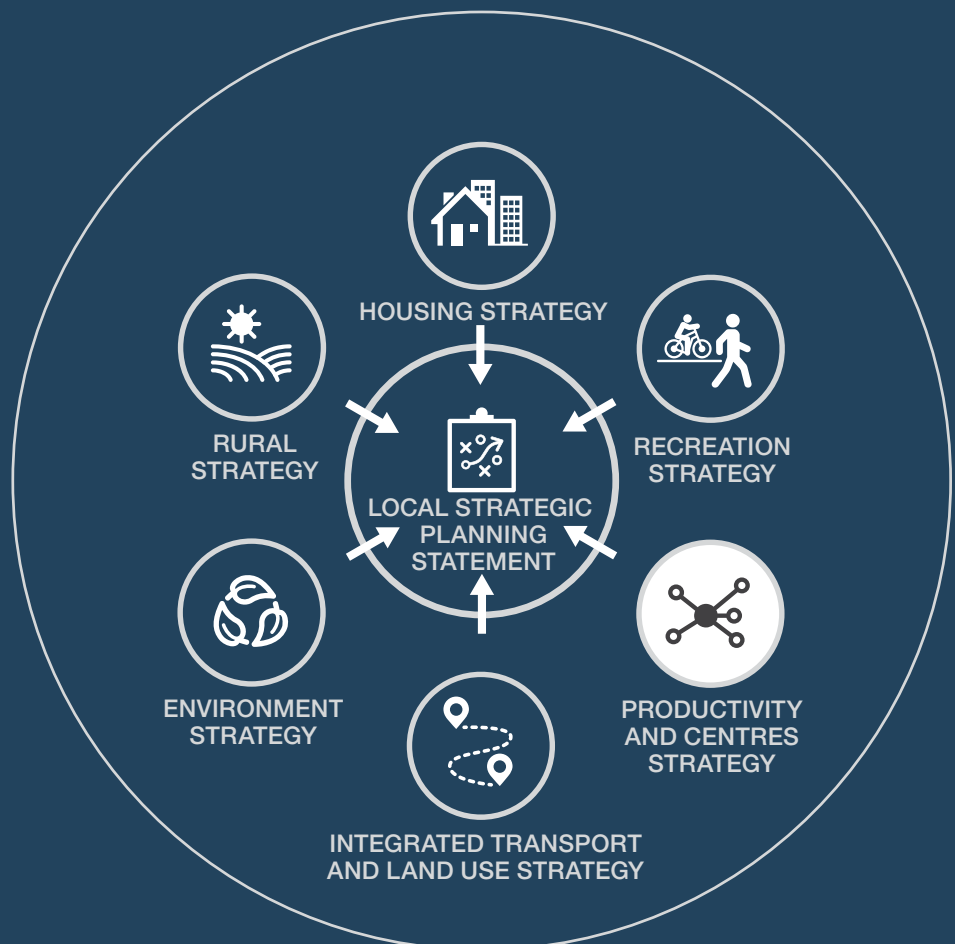
Figure 1: Links to the region and district plans



Hills Future 2036

communicates how we will address the priorities and actions of the Region Plan and District Plan at a local level. It is supported by background strategies, including this one, undertaken in key areas to provide the vision for the future of The Hills Shire.

Figure 2: Hills Future 2036 and supporting strategies



We have reviewed the State and local strategic planning framework and recognise that The Hills Shire will be integral in Greater Sydney and will feature places for people, accessible and walkable neighbourhoods and a diverse supply of new housing supported by vibrant centres and enhanced employment opportunities. The key documents in this framework are:

State level

- *Greater Sydney Region Plan*
- *Central City District Plan*
- State planning instruments
- North West Rail Link Corridor Strategy.

Local level

- *Hills Future 2036*
- Hills Shire Plan, including the Community Strategic Plan
- The previous Hills Local Strategy
- The Hills Corridor Strategy
- Local planning instruments.



THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

Planning for The Hills Shire's productivity and centres requires us to consider the area's economic characteristics, the kind of industries and workers in the Shire, the skills of the resident workforce, and what kind of capacity there is for commercial, retail, industrial and urban services land uses.

The demand for and use of the Shire's employment lands and centres is influenced by global and regional trends that affect location choices, labour requirements, land and floorspace requirements and the success of business activity.

Global and regional trends

The *Greater Sydney Region Plan* sets an aspiration for Greater Sydney to transition from a global city where the majority of economic activity is concentrated on the eastern edge to a metropolis of three cities that maximises economic growth and caters for population growth.

With improved transport connections, businesses in The Hills will be able to access the Central River City and Western Parkland City within reasonable timeframes, ideally positioning the region to become a leading service economy.

This will occur within the context of the following trends.

Knowledge-based economy

The knowledge-based economy describes the knowledge and information skills that more businesses and public sector organisations need. The *Greater Sydney Region Plan* points out that 21 per cent of all jobs in Greater Sydney are projected to be in the health and education sectors by 2036.

We can capitalise on this period of transition and continue to grow service and knowledge-based industries in the Shire. Government investment in major health facilities, including the new Rouse Hill Hospital, brings opportunity for local jobs and growth in ancillary services with potential for health clusters to evolve and increase economic productivity.

Changing work practices

As technology improves, industries and workers are more mobile and can generally establish in any location. They are less dependent on face-to-face client interaction and less influenced by factors including access to transport. They may therefore be more attracted to areas where land is more affordable.

Businesses are seeking to work smarter, controlling costs, optimising space and creating environments that attract and retain workers. Co-working spaces such as We Work or Space & Co are popular with smaller

start-up businesses. We can provide more flexible land use controls to achieve a balance of floorspaces, such as shared and flexible spaces, and work with the small business community to understand their needs.

Online and digital interactions

Evolving consumer preferences and technology are transforming traditional retail and consumers can shop anytime anywhere. Customer expectations regarding levels of service, delivery options and product range are increasing.

Marketplace-style companies like Amazon, Uber, Airbnb and global brands such as Zara, H&M and Uniqlo offer merchandise at the same time as it is offered in the northern hemisphere, which forces retailers here to re-examine their business models and operations. Transport, warehousing and logistics operations will become more important to enable fast delivery and localised service.

Despite the conveniences and efficiencies achieved by digital innovation in retail, physical interactions remain valuable to retailers. These are the opportunities that must be maximised to make customers feel like a valued member of their brand. Shopping centres are becoming 'experience centres', increasingly focused on growing entertainment and dining offerings.

Demographics

As of 2016, the Shire was home to a resident workforce of around 80,000 people – that is, people who live in the Shire and are employed – and around 64,000 local jobs. Of the jobs in the Shire, 24,870 (or 39 per cent) are filled by residents. The number of local workers increased by around 7,300 people or 12 per cent from 2011 to 2016.

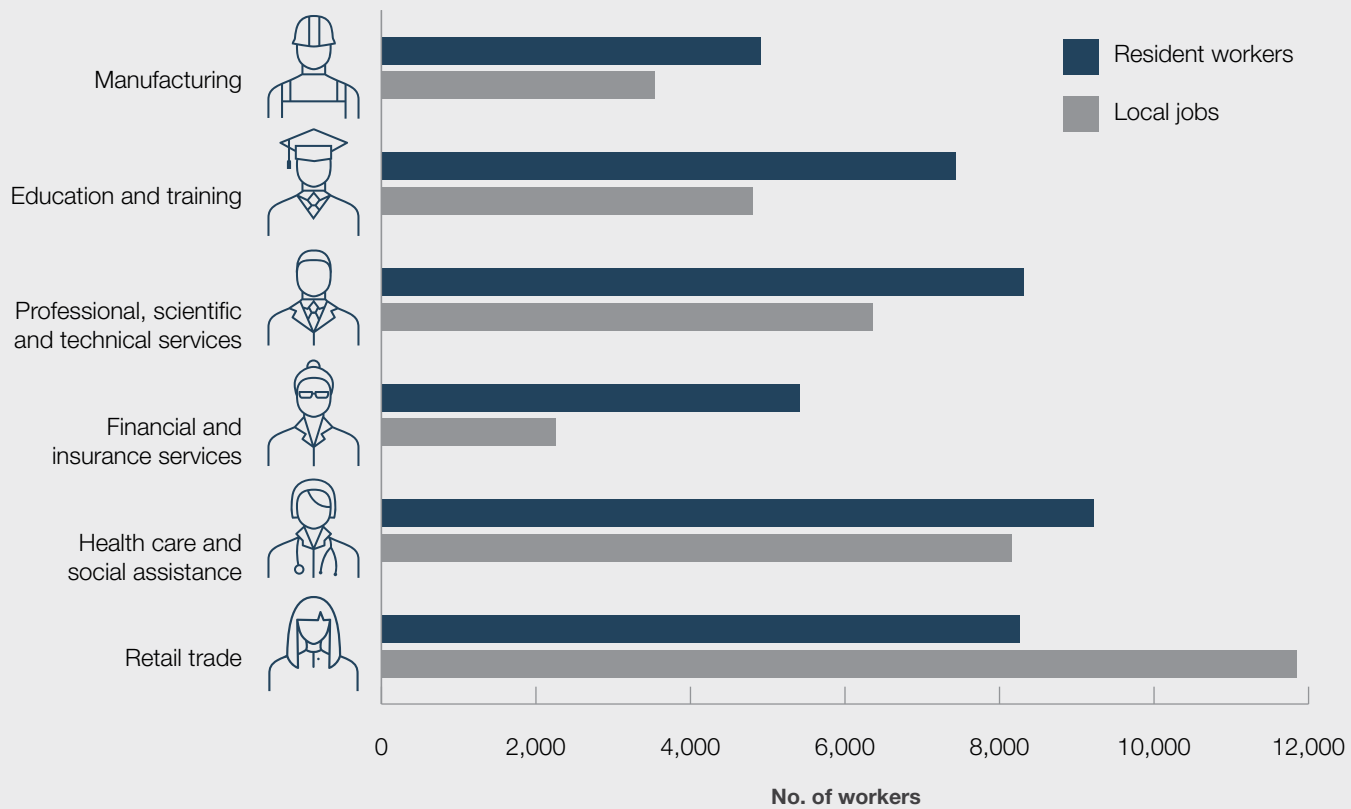
Approximately 95 per cent of residents engaged in the labour force are employed. Unemployment in The Hills has historically remained much lower than that of Greater Sydney, though fluctuations in the unemployment rate have followed similar trends.



Figure 3: Snapshot of workers and jobs in the Shire 2016



Figure 4: Comparison of local jobs vs skills of resident workers



3. THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

In terms of jobs in the Shire, the top industries are retail trade, health care and social assistance, construction and professional and technical services. While retail is still one of The Hills biggest employers, as a percentage of overall employment, retail has been decreasing, as has professional and technical services. Health care and social assistance is the fastest growing industry in The Hills. Construction is experiencing a sharp increase related to steady construction of new homes in the North West Growth Area, which is expected to continue in the short term owing to development around station precincts.

In terms of the resident workforce, the highest proportions of Hills residents are employed in technical and highly skilled industries including professional and technical services, finance, health care and education. This reflects the comparatively high levels of education attained by Hills residents. Health care and social assistance is the fastest growing industry both for the resident workforce and for local jobs.

Table 1: Top 10 Hills Shire industries for local jobs in 2016

Industry	2011		2016	
	Number of jobs	% of total	Number of jobs	% of total
Retail trade	11,278	19.9	11,846	18.6
Health care and social assistance	5,714	10.1	8,157	12.8
Construction	4,592	8.1	6,706	10.5
Professional, scientific and technical services	6,376	11.3	6,355	10.0
Education and training	4,032	7.1	4,813	7.5
Accommodation and food services	3,422	6.1	3,983	6.2
Manufacturing	4,693	8.3	3,536	5.5
Other services	2,279	4.0	2,684	4.2
Wholesale trade	3,625	6.4	2,550	4.0
Financial and insurance services	2,375	4.2	2,260	3.5

Source: ABS Census 2016



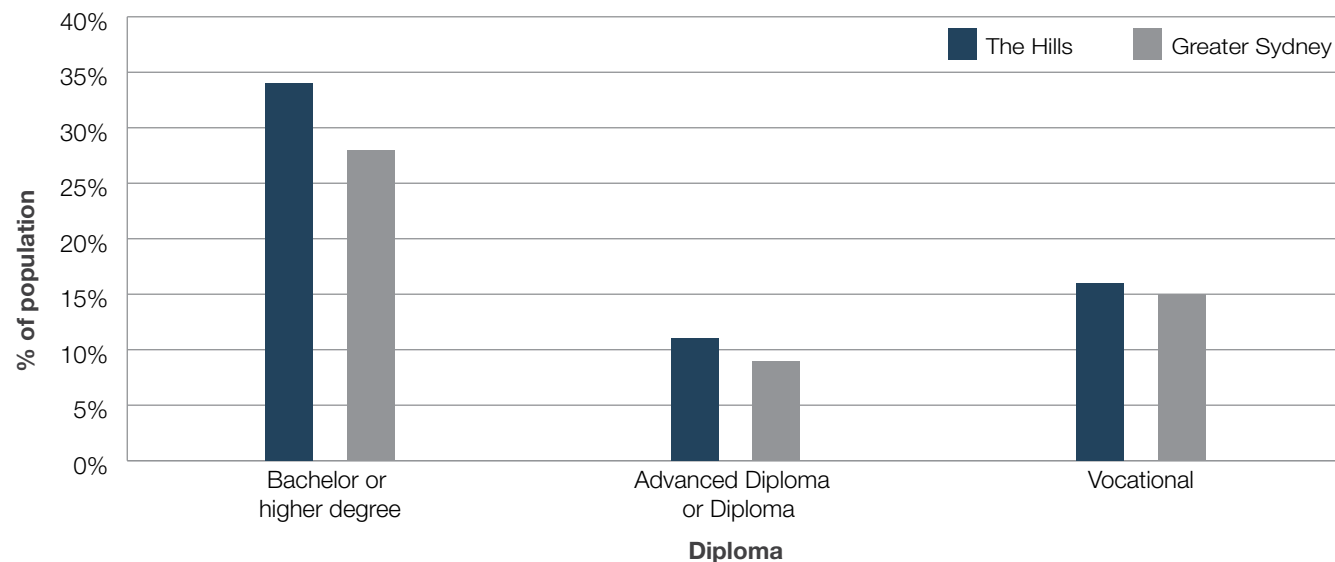
Table 2: Top 10 industries for Hills Shire residents in 2016

Industry	2011		2016	
	Number of jobs	% of total	Number of jobs	% of total
Health care and social assistance	7,876	10.6	9,228	11.5
Professional, scientific and technical services	7,432	10.0	8,316	10.4
Retail trade	8,233	11.1	8,260	10.3
Education and training	6,655	9.0	7,439	9.3
Construction	6,178	8.4	7,383	9.2
Financial and insurance services	4,699	6.4	5,412	6.8
Manufacturing	6,158	8.3	4,916	6.1
Public administration and safety	3,482	4.7	3,956	4.9
Wholesale trade	5,304	7.2	3,937	4.9
Accommodation and food services	3,313	4.5	3,797	4.7

Source: ABS Census 2016

The Hills has a predominantly highly educated, highly skilled, highly paid resident workforce. In 2016, The Hills had a larger proportion of high income earners than Greater Sydney, with over 30 per cent of households earning over \$3,000 per week. Hills residents also benefit from high levels of education. Over 60 per cent of residents have undertaken some form of higher education: 34 per cent of residents attained a Bachelor degree or higher, compared with 28 per cent in Greater Sydney.

Figure 5: Higher education attainment (% all people over 15)



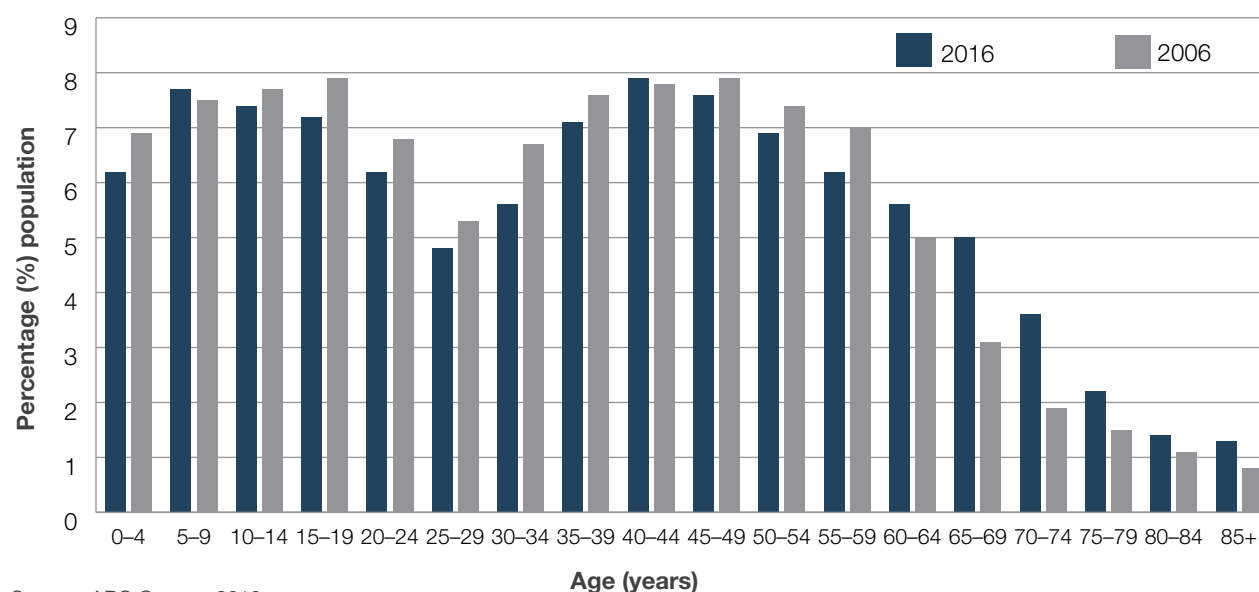
Source: ABS Census 2016

Young resident workforce

A major population characteristic for The Hills that influences employment and business is the tendency for younger people (25 to 34) to leave the Hills. This missing demographic is most likely leaving to pursue higher education and employment opportunities in other parts of Sydney.

Twenty-one per cent of workers in The Hills are within this age bracket. This indicates that the jobs that exist for this age group in The Hills are not the jobs that people of this age seek; equally, it indicates that the jobs they are seeking do not exist here.

Figure 6: Age structure and declining proportion of 25–35 year olds



Source: ABS Census 2016



Job containment and work locations

Understanding where residents choose to work and where workers live helps to determine the types and location of jobs needed in the future. It also influences travel choices and infrastructure requirements and the ability to contribute to the vision for Greater Sydney as a 30-minute city, where residents can reach their nearest metropolitan or strategic centre within 30 minutes by public transport.

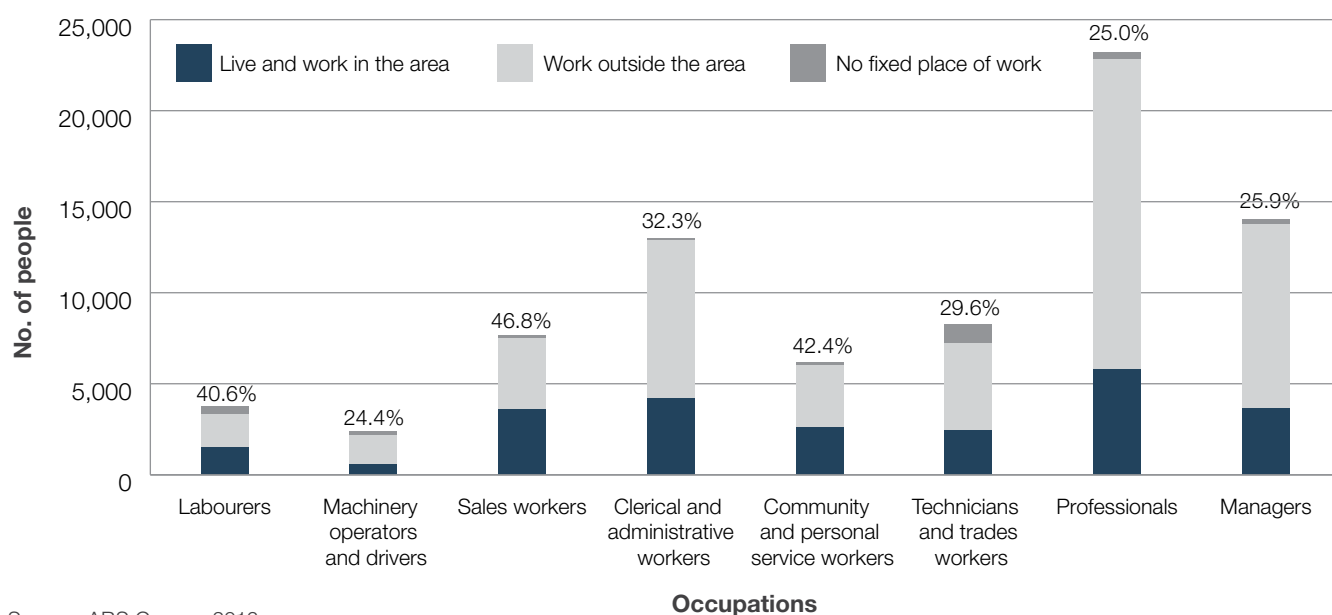
Job containment refers to the number of employed residents who both live and work in The Hills – this sits at 31 per cent. For lower skilled or lower paid professions, it is between 30–47 per cent; however, the comparative

number of residents employed in those professions is generally lower.

Of the Shire's higher proportion of professionals and managers, containment rates are lower at around 25 per cent. Twenty-four per cent of residents in these industries travel to Parramatta and the Sydney CBD for work.

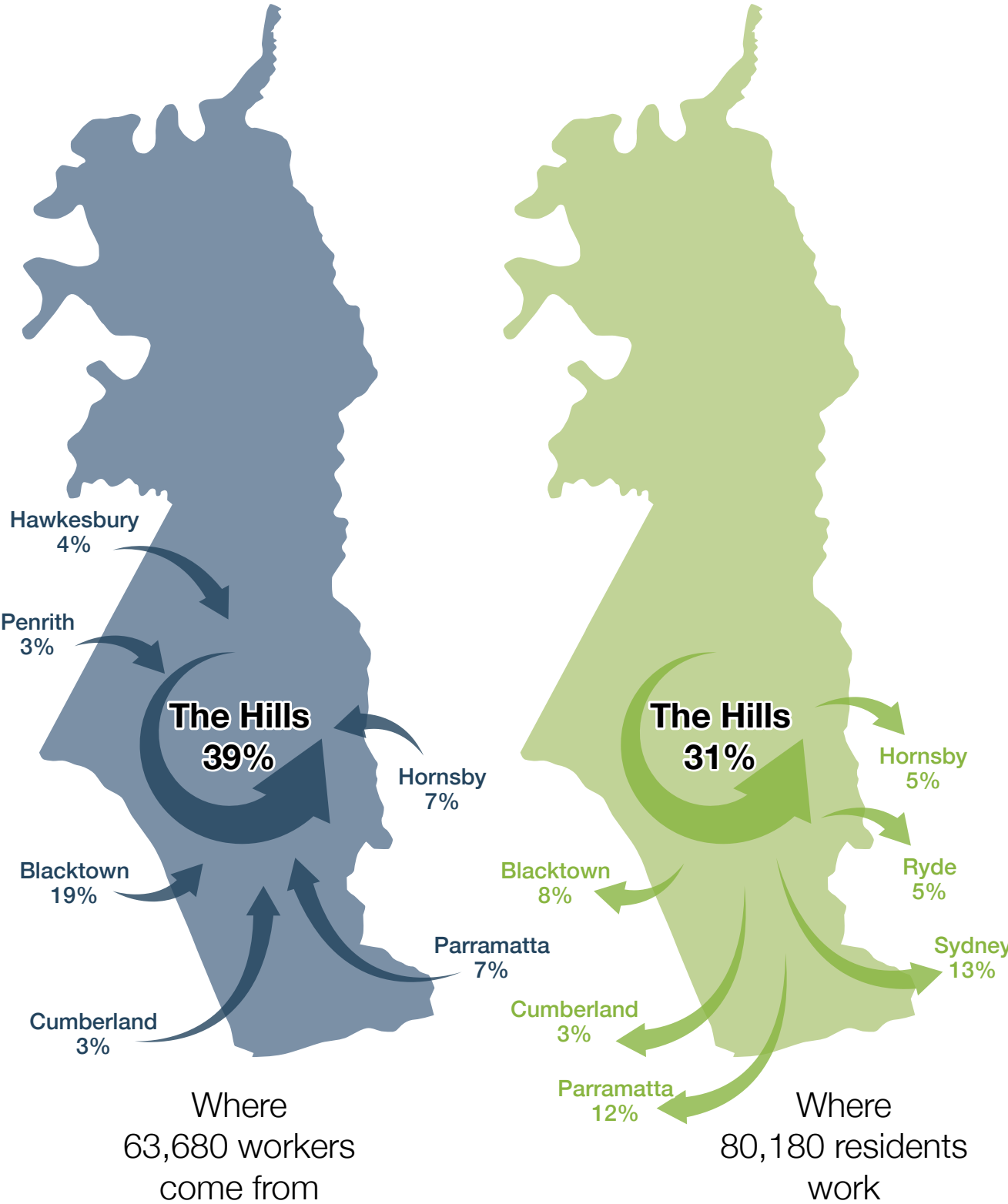
Thirty-nine per cent of the Shire's jobs are filled by people who live in the Shire; however, nearly 70 per cent of working residents work outside The Hills.

Figure 7: Job containment by occupation in The Hills Shire 2016



Source: ABS Census 2016

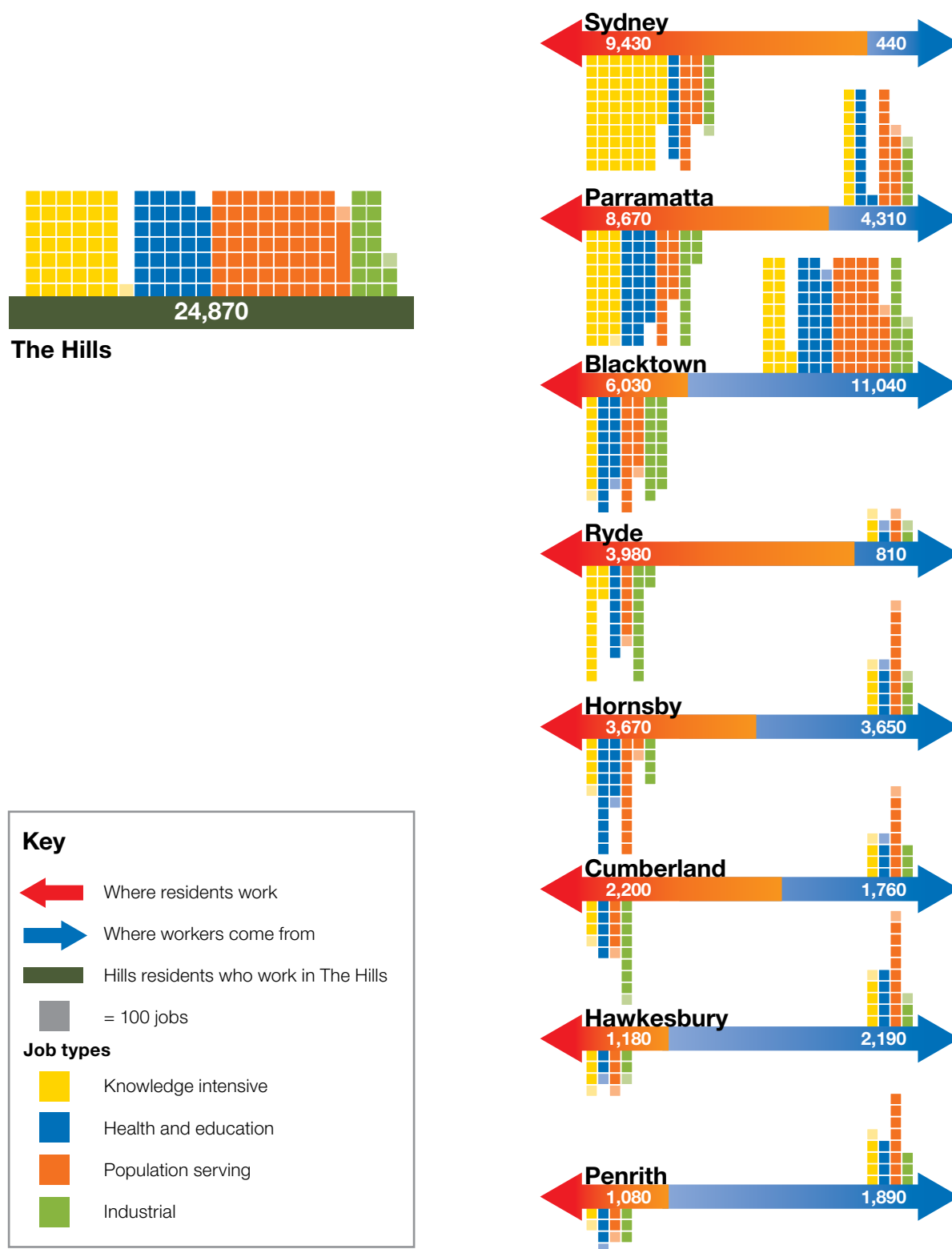
Figure 8: Residents' place of work and workers' place of residence by LGA



Source: ABS Census data 2016



Figure 9: Job types of resident workers and local workers (top eight locations)



Source: ABS Census data 2016



The workforce employed in local jobs, which has a higher proportion of lower skilled jobs than the resident workforce, draws primarily from The Hills and Blacktown. Most of the resident workforce work in Sydney CBD and Parramatta as the types of highly skilled and technical jobs available in these locations align with the levels of education in the resident workforce (refer to Figure 9).

While many resident workers travel to Parramatta and Sydney CBD, there are Hills residents who work in knowledge-intensive, professional and health and education jobs in more suburban locations.

Population growth

Strong population growth will increase the number of population-serving industries in the Shire and wider district, including retailing, construction, health and community services and education. A clear understanding of the expected number of people coming, the key growth locations and the expected timeframes enables us to respond to employment and retail demand and establish priorities.

We are planning for an 80 per cent increase in population between 2016 and 2036 to approximately 290,000 people. This is equivalent to 2.1 per cent annual growth.



Where people will live

Most new housing will continue to be developed in the North West Growth Area, including Balmoral and Box Hill North, and around Sydney Metro Northwest station precincts.

Table 3: Capacity for additional dwellings

	Area	By 2036	Beyond 2036
Greenfield areas	Balmoral Road Release Area	3,100	2,000
	North Kellyville Release Area	6,500	700
	Box Hill Release Area	5,800	9,900
	Box Hill North Release Area	3,200	1,800
	Total greenfield areas	18,600	14,400
Urban renewal areas	Castle Hill	6,500	3,000
	Hills Showground	7,000	3,800
	Bella Vista/Kellyville	2,000	7,100
	Norwest	2,100	3,400
	Cherrybrook	400	4,200
	Rouse Hill	800	900
	Baulkham Hills town centre	600	1,300
	Total urban renewal areas	19,400	23,700
Total		38,000	38,100
Total dwelling capacity			76,100

Rate of development

The rate at which development occurs drives demand for jobs, retail floorspace, open space and recreation, transport and other facilities and services. The estimated rate for residential development for the Shire to 2036 would result in an average development of 1,900 dwellings per year.

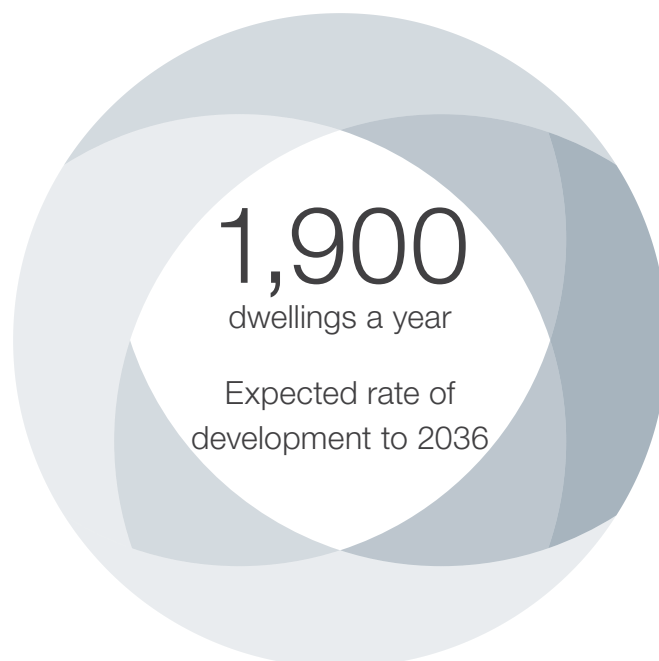
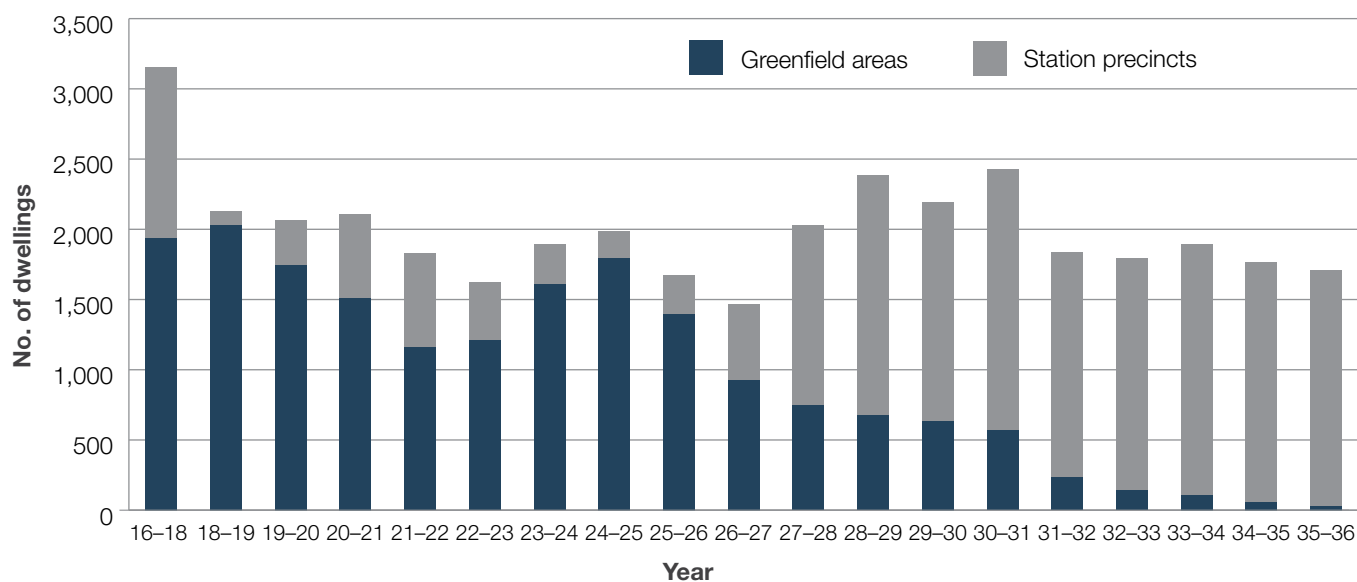


Figure 10: Estimated rate of development: greenfield areas and station precincts



Employment capacity

Population growth presents challenges that need to be addressed when planning for economic growth.

Challenges

Competition from other employment precincts

Many businesses may turn to Macquarie Park and Sydney CBD over Norwest and Box Hill.

Access to innovation and education

Lack of a university presence may inhibit growth in targeted industries including opportunities for research hubs to support innovation.

Affordability and access to key workers

Residential areas, surrounding Norwest in particular, may be seen to have limited capacity to accommodate key workers.

Responding to diverse business needs

Lack of medium sized commercial floorspace rentals requires flexibility for changing business practices without undermining the intent of land use zoning.

Protecting key employment lands

The principle of highest and best use places pressure on industrial lands, which may be attractive for other uses due to lower land prices.

Transport infrastructure

High levels of car ownership and dependence and traffic congestion detract from the attractiveness of strategic centres. Delayed timing or lack of commitment to key regional transport links can inhibit better connections for residents to jobs, workers to the Shire and freight to end destinations.

Fragmented land ownership

Strata titled industrial or commercial developments in Showground and Norwest are unlikely to redevelop in the short to medium term.

Responding to amenity objectives

Traditional employment lands may be seen as 'messy places' (Greater Sydney Commission, 2018) and need to be promoted and enhanced.

Realising potential in new areas

Given relative distance, difficulty finding anchor tenants in Box Hill Business Park, particularly while Norwest is developing.

3. THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

The Hills Shire is well placed for employment and economic growth given the expected population growth and availability of land to accommodate new business opportunities. Below are some of the key competitive strengths that can be leveraged to assist in attracting and retaining business investment.

Strengths

Road and rail accessibility

Good connections to Sydney's orbital network. The car-based accessibility of Norwest Business Park to the M2 and M7 motorways are factors in its success.

Sydney Metro Northwest opens easier access by both workers and visitors to strategic centres.

Planned transport infrastructure including the Outer Sydney Orbital, North South Rail Link and the Norwest to Parramatta mass transit can open markets for business.

Educated and skilled workforce

Low levels of unemployment and high levels of education.

Workforce characteristics are attractive to knowledge-based economy and global businesses.

Reputation as a prestigious location

Norwest Business Park's success can be a springboard for attracting and retaining businesses to the Shire.

Strategic centres with childcare centres, restaurants, gyms, open space, pedestrian and cycle tracks.

Quality homes and schools and access to diverse recreational, cultural and shopping opportunities.

Parking

Generous car parking compared to locations like Parramatta where parking is scarce.

Planned Rouse Hill Hospital

The planned hospital at Windsor Road opposite the Rouse Hill town centre creates opportunities for highly qualified jobs.

Employment demand

If the Shire is to retain the same ratio of jobs per resident worker of 0.8:1 there is an implied need for an extra 50,660 local jobs.

Employment lands supply

We have defined employment precincts for this Strategy based on a review of the *Central City District Plan*, precincts identified in the Department of Planning, Industry and Environment's Employment Lands Development Monitor and consideration of Greater Sydney Commission's Industrial Lands Database.

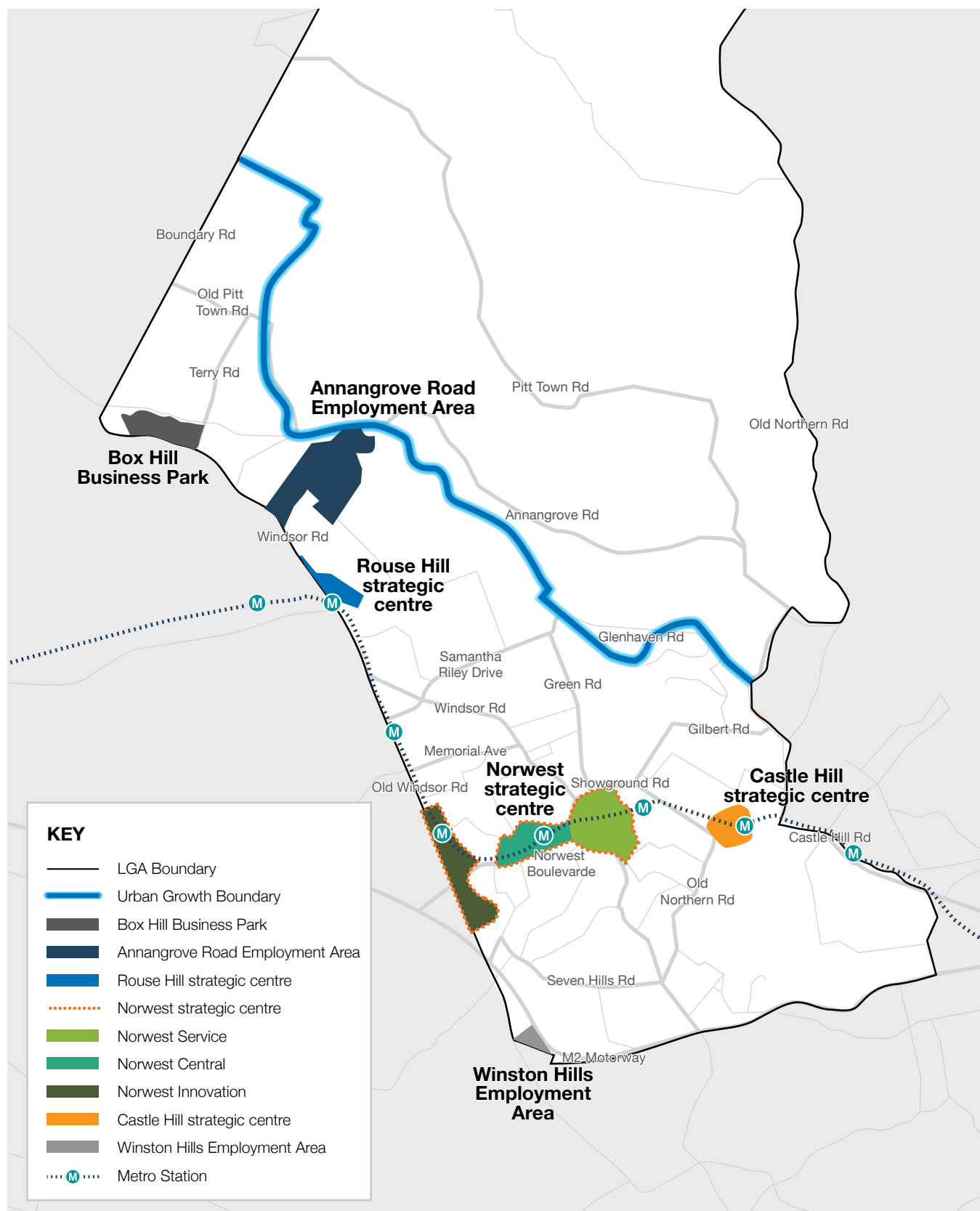
Table 4: Implied demand – number of jobs to maintain the ratio of shire workers to jobs

	Population	Resident workers	Local jobs	Ratio of Shire workers to jobs
Existing (2016)	162,500	80,170	63,865	0.8:1
Forecast (2036)	290,900	143,500	114,500	0.8:1
Growth 2016–2036	128,400	63,500	50,600	0.8:1

Source: The Hills Shire Council



Figure 11: The Hills Shire key employment precincts



3. THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

We describe Norwest strategic centre as all the land identified in the *Central City District Plan*. This encompasses land previously identified as Castle Hill light industrial area and employment lands identified as part of the planning for Bella Vista station precinct. Within this strategic area there are three sub-precincts warranting consideration as separate entities that make up the whole of Norwest.

There are approximately 775 hectares of land specifically zoned for employment purposes in The Hills. In addition, the general residential zoning has also been used to facilitate office and commercial opportunities in Castle Hill strategic centre, Baulkham Hills town centre, and the Showground and Kellyville station precincts. Overall a total of 797 hectares of land is zoned for retail, commercial and industrial purposes.

Figure 12: Norwest strategic centre sub-precincts

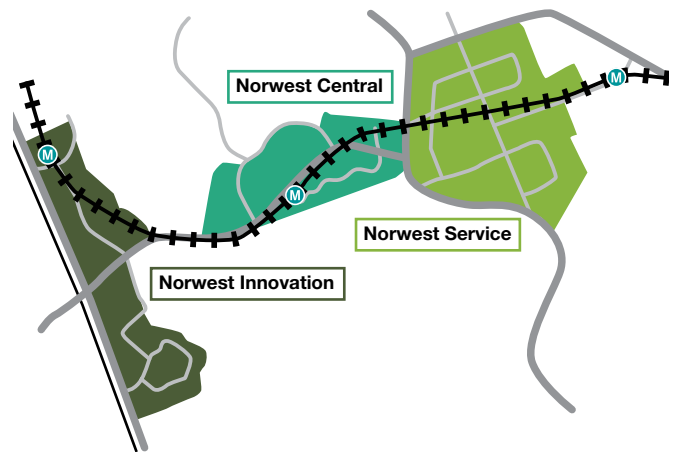


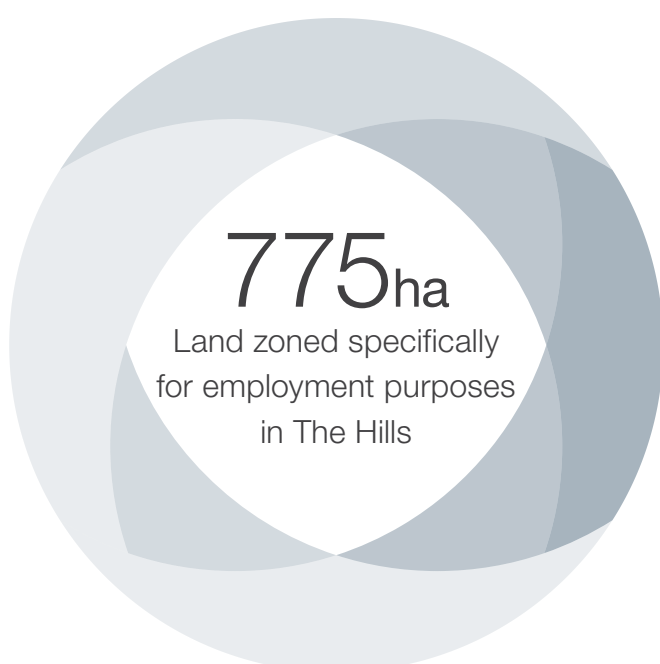
Table 5: Existing employment lands and centres

Precincts and centres	Hectares	Function
Strategic centres		
Norwest, including:		
Norwest Central	74.93	Commercial and retail
Norwest Service	143.52	Specialised retail, commercial and light industry
Norwest Innovation	108.89	Health services and commercial
Total	327.34	Commercial, retail, specialised retail, light industry, health services
Castle Hill	33.76	Retail and commercial
Rouse Hill	56.58	Retail, commercial and specialised retail
Town centres		
Baulkham Hills town centre	13.96	Retail and commercial
Kellyville town centre	6.37	Retail
Round Corner town centre	6.35	Retail and commercial
North Kellyville town centre	3.88	Retail



Precincts and centres	Hectares	Function
Transit centres		
Showground Station	8.33	Retail and commercial
Bella Vista Station	6.03	Retail
Kellyville Station	17.30	Retail and commercial
Other centres		
Villages and neighbourhood centres	39.36	Retail
Employment precincts		
Box Hill Business Park	72.56	Predominately commercial
Annangrove Road	183.68	Commercial and light industry
Winston Hills	20.31	Retail and industrial
Glenorie	1.02	Light industry
TOTAL	796.83	

* Table includes approximately 21 hectares of land zoned R1 General Residential (used in the absence of a Standard Instrument zone to allow for commercial adjacent to centres without retail)

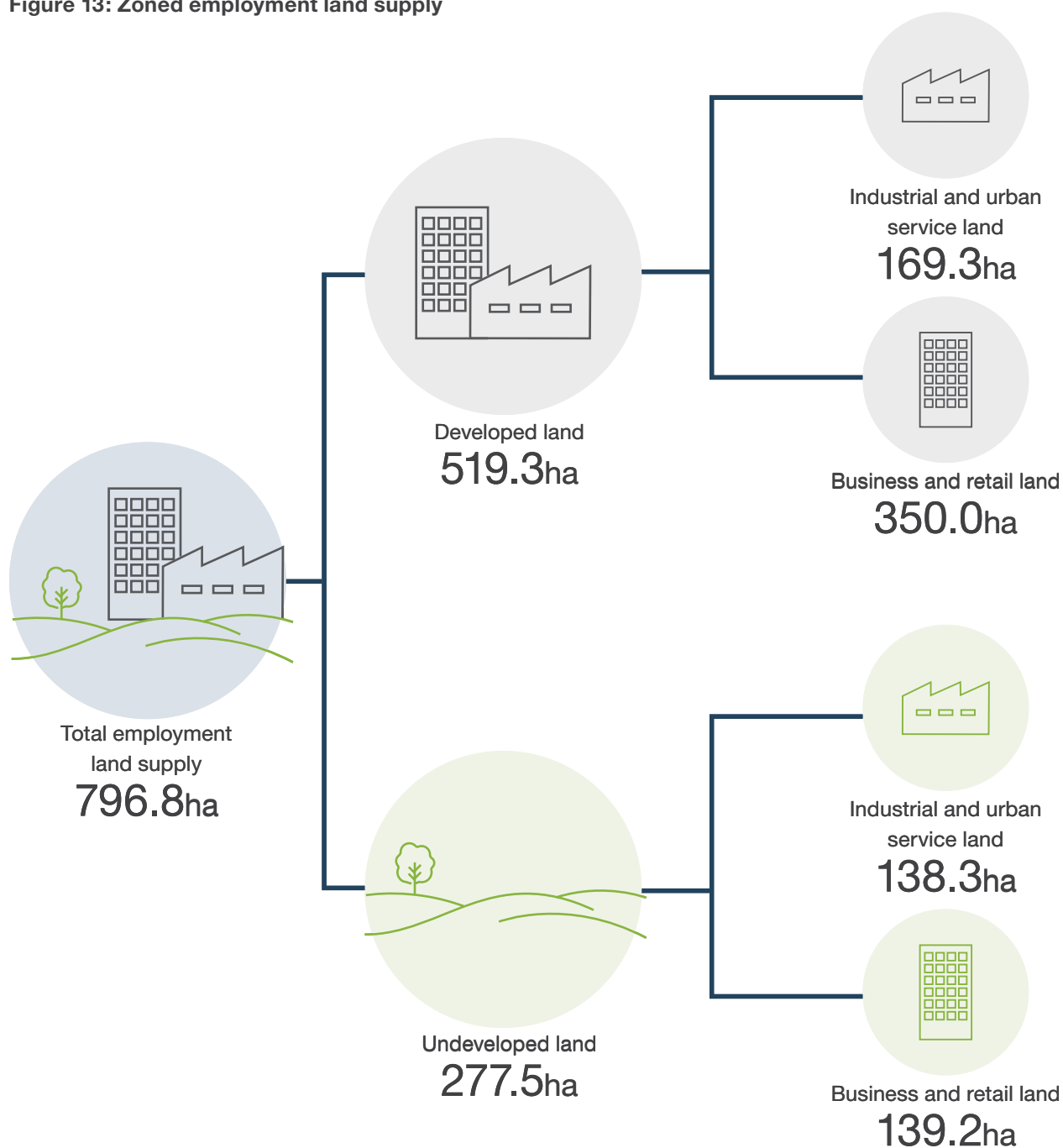


Employment lands capacity

The following image provides a snapshot of the remaining zoned vacant land for employment activities in the Shire, indicating 138 hectares of land available for industrial activities and 139 hectares for business and

retail activities. This land primarily comprises commercial and light industrial opportunities at Box Hill Business Park and Annangrove Road. In addition, the established areas of Norwest and Castle Hill offer employment capacity by way of redevelopment opportunities.

Figure 13: Zoned employment land supply



The Hills Shire has capacity to accommodate around 83,000 extra jobs, comprising 59,230 under current controls and a potential 23,770 in locations where master planning and the review of our Local Environment Plan (LEP) is yet to occur (Norwest, Castle Hill and Cattai

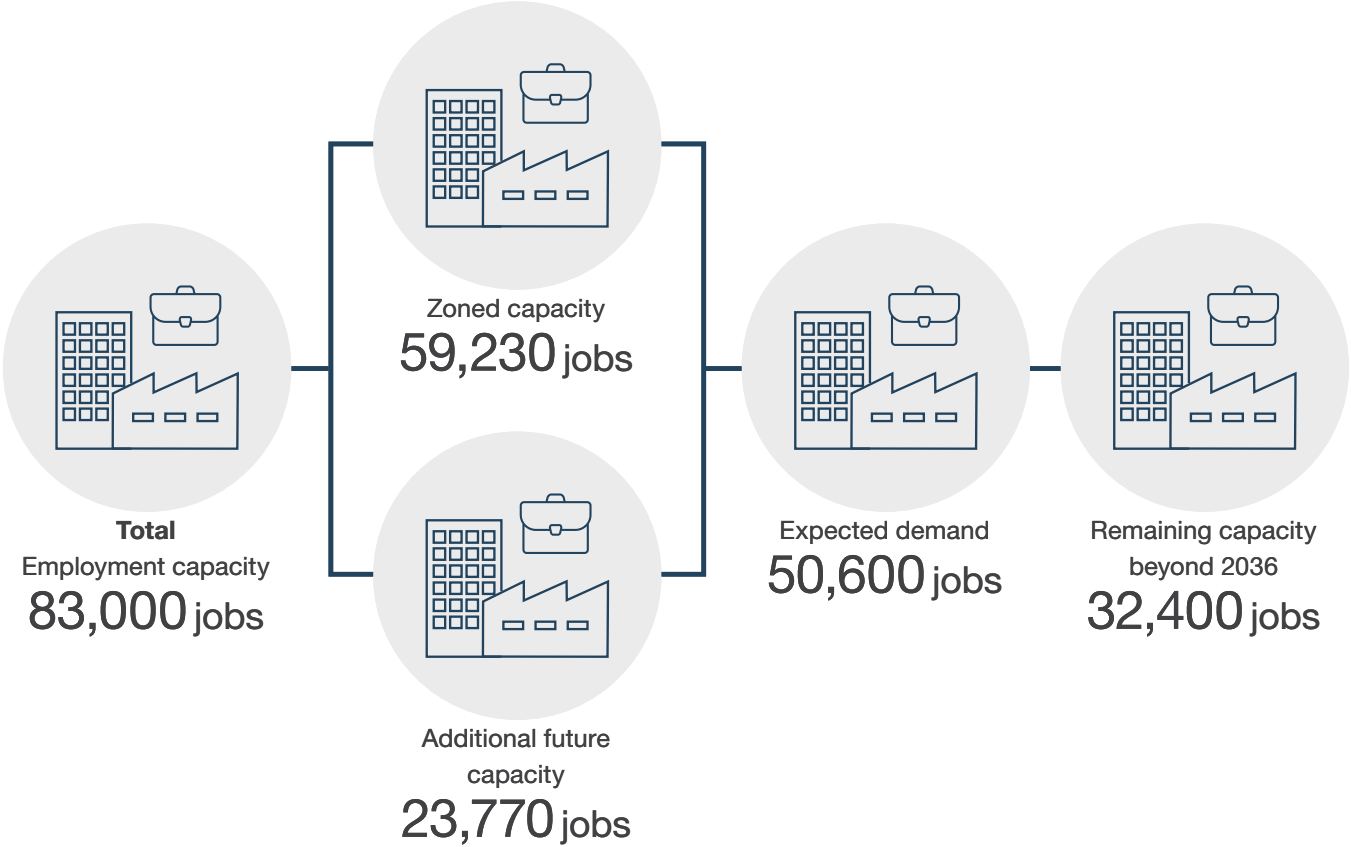
Creek West in Showground Precinct). The remaining capacity in existing and potential business and industrial lands will be required to accommodate growth beyond 2036.

Table 6: Estimated job capacity – current controls and future potential

Precinct	Existing jobs 2016	Capacity (zoned)	Future capacity (potential)
Norwest strategic centre	29,336	24,360	16,959
Norwest Central	9,266	2,490	13,420
Norwest Service	7,495	2,730	3,540
Norwest Innovation	12,575	19,140	–
Castle Hill strategic centre	5,880	1,220	6,810
Rouse Hill strategic centre	2,409	2,760	–
Town centres	3,023	2,230	–
Transit centres	–	650	–
Box Hill Business Park	–	11,620	–
Annangrove Road Employment Area	843	16,390	–
Winston Hills Employment Area	1,447	–	–
Dispersed employment estimate	20,927	Estimate not available	
Total	63,865	59,230	23,770
Total additional job capacity		83,000	

Source: economy.id

Figure 14: Future employment capacity



Calculating job capacity

Vacant land

- Determine forecast floorspace from development application or planning proposal data OR
- Multiply land area by applicable floorspace ratio control and apply an assumed employment yield depending on expected industry type.

Developed land

- Land use survey to determine existing floorspace.
- Determine net additional floorspace possible based on assumed floorspace ratio.
- Apply an assumed employment yield depending on industry type.

Assumed employment yields

Number of jobs per floorspace:

Business park	30m ² per job
Retail and commercial	38m ² per job
Light industry	70m ² per job
Enterprise corridor	55m ² per job (business and industry mix)



Dispersed employment opportunities

There are also jobs dispersed throughout the Shire, beyond strategic centres and precincts. These account for around 20,000 jobs at the 2016 Census and include jobs within the Shire's rural area. In addition to population-serving jobs, such as new education jobs, which will be located in areas throughout the Shire, strategic planning will also consider rural jobs and visitor economy jobs. The *Rural Strategy 2019* examines these activities.

Strategic centres

The *Greater Sydney Region Plan* and *Central City District Plan* focus on growing investment, business opportunities and jobs in strategic centres. Strategic centres are important to the economic growth of the local area, the wider district and Greater Sydney.

The strategic centres are expected to attract high levels of private sector investment and provide flexibility so that the private sector can choose where and when to invest. They should co-locate a range of activities and provide high levels of amenity, walkability and be cycle-friendly. Planning should allow for areas identified for commercial uses and, where appropriate, commercial cores.

The Shire's strategic centres of Norwest, Castle Hill and Rouse Hill offer an opportunity to increase jobs in targeted industries that are attractive to the resident workforce. Working to build strategic centres, apart from offering local jobs, also contributes to the Hills Shire lifestyle and helps to provide opportunities for local business growth.

Job targets

The *Central City District Plan* expects significant demand for additional retail floorspace and additional office floorspace over the next 20 years. It identifies job targets, expressed as a range, for each strategic centre to inform planning.

Table 7: Target total number of jobs for the Shire's strategic centres

Strategic centre	2016 estimate	2036 baseline target	2036 higher target
Castle Hill	9,800	16,000	19,500
Norwest	32,400	49,000	53,000
Rouse Hill	4,200	10,000	11,000

Source: *Central City District Plan*, 2018

The lower end of the range of these job targets reflects the baseline of projected job growth anticipated in the centre, while the upper end is an aspirational higher growth scenario to reflect future investment and land use planning.

Expected employment growth to 2036

In response to *Central City District Plan* targets, and given the delivery of Sydney Metro Northwest and interest in development opportunities around stations, we are focusing on higher level targets.

Analysis undertaken for the Department of Planning and Environment in 2015 sought to forecast the distribution of standalone office employment to 2035 (BIS Shrapnel Pty Limited 2015). The forecasts for the Shire's centres were relatively low, assuming no substantial change in planning policies such as zoning and floorspace ratio.

The analysis recognised the influence of Sydney Metro Northwest and continued high socio-economic population growth in the north west; that Norwest could accommodate overflow demand from Parramatta and Macquarie Park when rents get too expensive; and Castle Hill would increase its growth rate after 2020 as it captures overflow demand from Norwest.

Noting that precinct planning is not yet complete, and uptake will be influenced by market conditions, the estimates to 2036 assume that 80 per cent of the total zoned and potential capacity identified for Norwest and Castle Hill will be developed over the next 40 years. These realisation rates would equate to an average of 1,600 jobs delivered per annum across the strategic centres, slightly higher than the annual average job growth for the Shire from 2011 to 2016 (1,460 jobs per annum).

Table 8: District Plan job targets – strategic centres to 2036

Strategic centre	Targets for additional jobs	Estimated additional jobs
	Baseline – higher	Shire capacity
Castle Hill	6,200–9,700	5,500
Norwest	16,600–20,600	23,900
Rouse Hill	5,800–6,800	2,800
TOTAL	28,600–37,100	32,200

Source: *Central City District Plan*, 2018 and The Hills Shire Council

While there will be significant jobs growth in Norwest, more is needed to meet job targets for Castle Hill and Rouse Hill.

Other locations identified for growth in strategic centres, where precinct planning and review of the local environmental planning controls is yet to be completed, are:

- Norwest strategic centre – Station Precinct (part of Norwest Central sub-precinct)
- Norwest strategic centre – Cattai Creek West (part of Norwest Service sub-precinct)
- Castle Hill strategic centre – Station Precinct

Mixed use development

Mixed use development, where traditional commercial or retail development is co-located with apartment developments, provides a mix of uses close to busy, walkable areas. This kind of development is becoming more prevalent in Australia.

Despite this, commercial office precincts such as Norwest remain as clusters of higher order employment where businesses take advantage of opportunities to agglomerate. These economic clusters underpin Sydney’s status as a global economic and advanced services centre.

Permitting residential floorspace in areas identified as commercial office precincts can ultimately detract from the intended commercial function of the land and would likely decrease the viability and desirability of future commercial investment. Only 8.7 per cent of all urban land within the Shire has an employment zoning; it is critical to protect the availability, flexibility and integrity of core employment lands during the development cycle.

The inclusion of strata-titled residential development increases the complexity of ownership and management of commercial land and may deter the scale and type of commercial investment required for employment lands to achieve their anticipated role and function. In the longer-term, fragmented ownership inhibits future intensification of land for employment uses, hindering the ability to respond to changing demands and the longer-term evolution of employment precincts.

High density residential development at the expense of commercial floorspace limits the viability and potential of commercial cores. The Greater Sydney Commission’s Thought Leadership Series (2018) found that introducing residential uses to the city’s ‘working spaces’ brings a change in land pricing signals which undermines retention of employment uses over time. Once residential land use values are signalled, employment uses will struggle to compete.



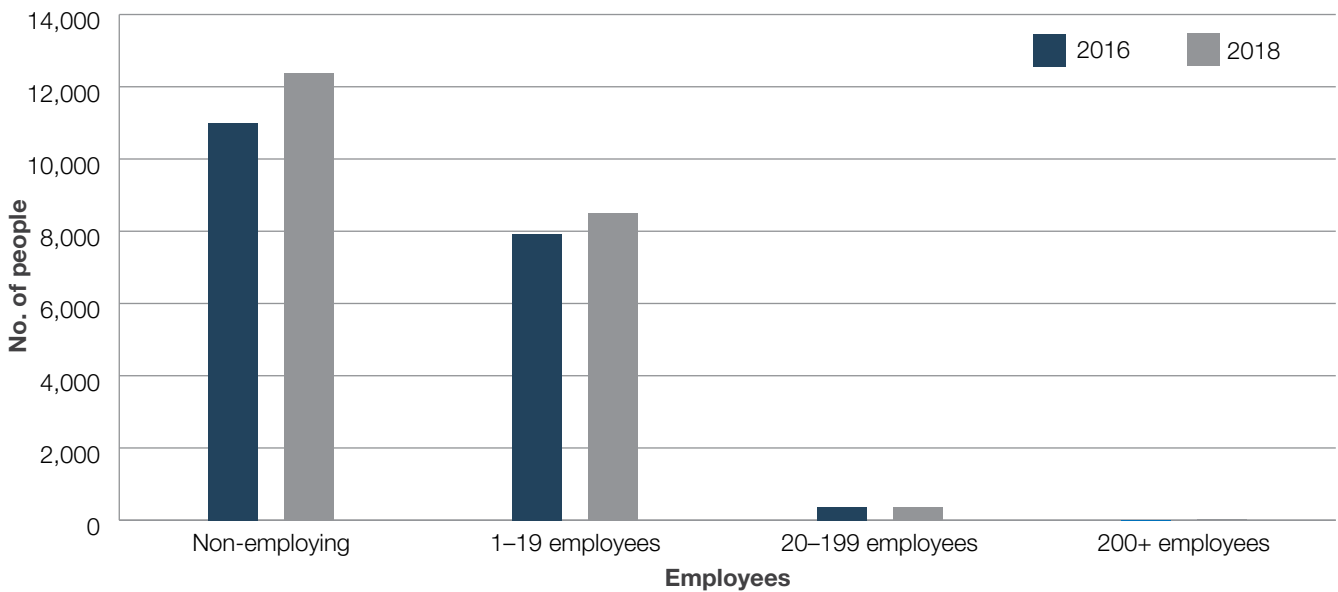
Large areas near or within the core of the Shire’s strategic centres are already identified as suitable for high density residential development, without the need for the progressive encroachment of residential development into significant employment land.

Local business

Small business makes up an overwhelming and growing proportion of businesses in The Hills. In 2018, sole traders and micro businesses (employing less than four people) comprised 90 per cent of the 21,270 businesses in the Hills. Small businesses (employing 5 to 19 people) comprised eight per cent and medium sized businesses just 1.85 per cent.

Major sectors for the smaller businesses are construction, professional, scientific and technical services, rental, hiring and real estate services, and financial and insurance services. Each of these sectors comprise a higher proportion of businesses compared to NSW. Apart from construction, the types of small business align with the predominance of knowledge-intensive industries in the Shire and will require continued focus on business retention and expansion in addition to new investment attraction.

Figure 15: Number and size of Hills businesses



Source: ABS 8165.0 Counts of Australian Businesses including Entries and Exits

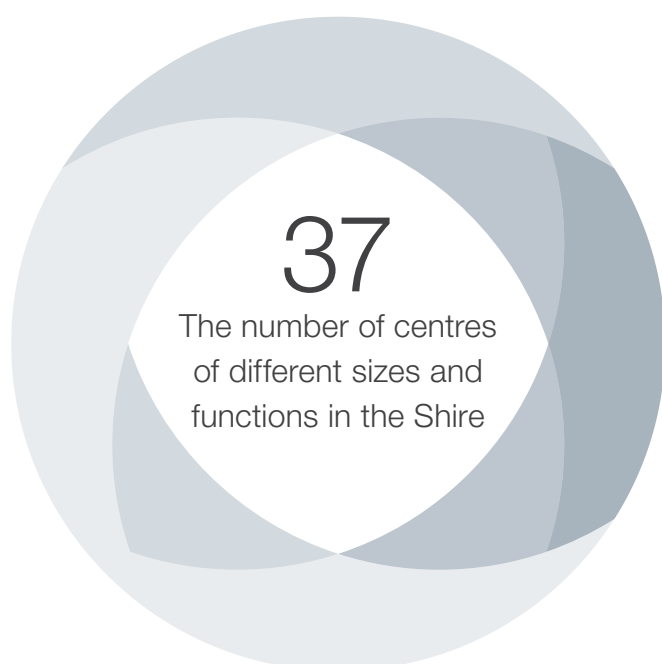
Table 9: Types of small business in the Shire

Industry	Businesses with 0–19 employees		
	The Hills		NSW
Construction	3,561	17.04%	16.2%
Professional, scientific and technical services	3,360	16.08%	13.12%
Rental, hiring and real estate services	2,692	12.88%	11.10%
Financial and insurance services	2,510	12.01%	9.27%
Health care and social assistance	1,587	7.59%	5.91%

Source: ABS Census 2016

Retail services

The Hills Shire has a strong and distinguishable hierarchy of retail and commercial centres. This ranges from Castle Hill as the main retail centre, providing major shopping, commercial floorspace, services and a civic and cultural function, to neighbourhood centres such as Arthur Street in Baulkham Hills that service the day-to-day needs of nearby residents.



Hierarchy of centres

The hierarchy of centres identifies each centre in terms of its size, geographic area of influence, role and function in relation to other centres. As a framework for land use decision-making, it supports orderly and sustainable development throughout the Shire, and the development of centres that are appropriate in scale and design for their location.

Using the hierarchy of centres helps us to plan for vibrant, viable and diverse centres, with minimal impacts on surrounding land uses.

Table 10 illustrates the hierarchy of the 37 existing or planned centres, as well as the desired typology of each centre (excluding specialised retail locations).



Table 10: The Hills Shire hierarchy and typology of centres

Location	Typology
3 strategic centres	
<ul style="list-style-type: none"> Norwest (planned) Castle Hill Rouse Hill (planned transition) 	<ul style="list-style-type: none"> Transport interchange. Higher order retail and destination shopping. Strong civic presence. Higher density residential and mixed use developments (only where it does not constrain identified retail and commercial outcomes). Community facilities including major libraries, police station, government offices. Pedestrian activity day and night. Recreation and entertainment facilities including restaurants and cafes, bars and/or cinemas that will facilitate daytime and night-time trading.
7 town centres	
<ul style="list-style-type: none"> Baulkham Hills North Kellyville Round Corner, Dural Wrights Road, Kellyville Box Hill (planned) Box Hill North (planned) Winston Hills 	<ul style="list-style-type: none"> Local transport node. Retail meets weekly shopping needs. Will typically accommodate large supermarkets and specialty fresh produce. Medium and higher density housing. Community services and facilities including library branch, post office, banks, private recreation, medical and health practices. Recreation and entertainment facilities including restaurants, cafes or children's play areas that will provide opportunities for planned and casual social interactions.
3 transit centres	
<ul style="list-style-type: none"> Kellyville Station (planned) Bella Vista Station (planned) Showground Station (planned) 	<ul style="list-style-type: none"> Rail hub. Retail for local residents. Civic spaces. Higher density residential around rail station. Typically a metro-scale supermarket. Services like a dry cleaner, post box, cafe, medical or health care services.

3. THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

Location	Typology
11 village centres	
<ul style="list-style-type: none"> • Beaumont Hills • Coonara Avenue • Hezlett Road, Kellyville • Knightsbridge • Mile End Rd, Rouse Hill • Windsor Rd, Kellyville (planned transition) • Nelson Rd, Box Hill (planned) • Mt Carmel Rd, Box Hill (planned) • Windsor Rd, Box Hill (planned) • Memorial Avenue, Kellyville (planned) • Circa, Norwest (transitioning) 	<ul style="list-style-type: none"> • Local bus stop with high frequency services. • Retail serves local residents' and workers' weekly to daily shopping needs. • Supermarket size varies from small to large depending on catchment area and physical size of centre. • Medium density housing around town centre. • Services and facilities including childcare centre, public open space, health care, ATM. • Recreation facilities usually limited to small-scale cafes due to the floor area.
7 neighbourhood centres	
<ul style="list-style-type: none"> • Arthur Street, Baulkham Hills • Bella Vista • Crestwood • Cross Street, Baulkham Hills • Glenhaven • Windsor and Wager Rds, Norwest (planned) • Stringer Road, Kellyville (planned) 	<ul style="list-style-type: none"> • Local bus stop. • Retail meets daily needs with a small-scale supermarket. • Low density residential. • Services include post box, childcare centre, medical or health care services. • Recreation facilities usually limited to small-scale cafes due to the floor area.
6 rural villages	
<ul style="list-style-type: none"> • Annangrove • Glenorie • Kenthurst • Maraylya • Dural • Wisemans Ferry 	<ul style="list-style-type: none"> • Low density rural-residential development. • Services may include post office or post box, health care services, public phone, service station or convenience store. • Higher order villages may also include retail for daily needs with a small-scale supermarket or cafes.



Location	Typology
3 specialised retail clusters	
<ul style="list-style-type: none"> Victoria Ave, Castle Hill Rouse Hill (transitioning) Annangrove Road Employment Area 	<ul style="list-style-type: none"> Combination of commercial and specialised retail. Dense employment area. Services that meet workers' daily needs including cafes or takeaway shops, post box or newsagency.

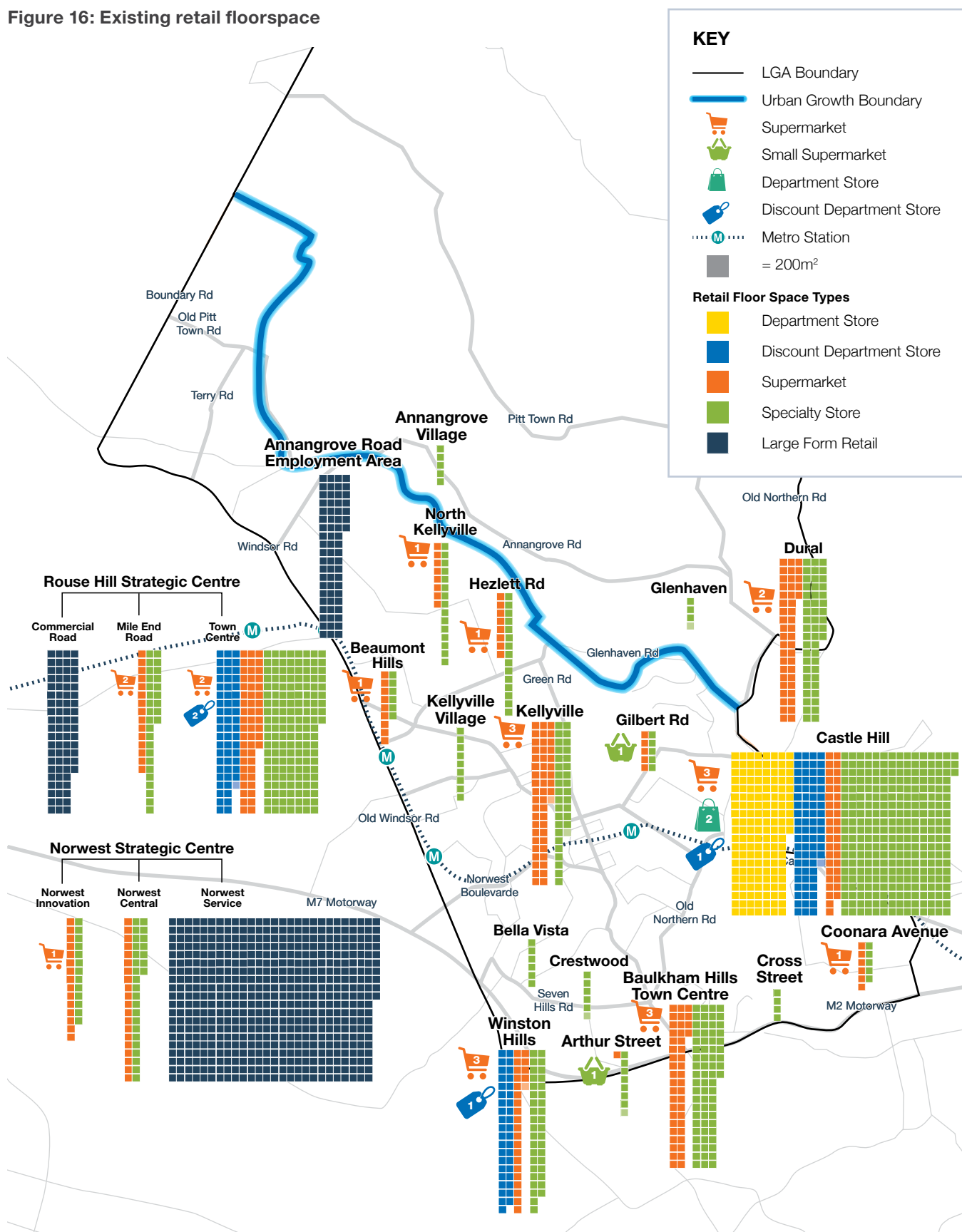
Existing retail floorspace

The Shire has approximately 436,600m² of retail floorspace across department stores, supermarkets, specialty and large format retail (bulky goods).

Table 11: Estimate of retail floorspace in the Shire (2019)

Retailer type	Existing m ²	Number
Department stores	30,550	2
Discount department stores	37,930	5
Supermarkets (>1,000m ²)	75,190	27
Specialty stores	158,600	Not available
Large format retail	134,330	
Total	436,600	

Figure 16: Existing retail floorspace



Benchmarking demand

In 2016 the Department of Planning and Environment commissioned Deep End Services to investigate retail floorspace and demand across Greater Sydney, to help councils plan for adequate retail and commercial capacity in centres. The resultant demand and supply datasets provided a starting point for establishing benchmarks to assess projected demand for retail

floorspace in the Shire to 2036 (Refer Appendix C for more information on the rationale for the benchmarks).

With expected population growth, The Hills will require at least 335,000m² of new retail floorspace to meet projections.

Table 12: Adopted benchmarks for average retail floorspace provision for the Hills Shire

Retailer type	Current	2021–2036
Department stores	0.19	0.11
Discount department stores	0.23	0.13
Supermarkets (>1,000m ²)	0.46	0.40
Specialty stores	0.98	1.25
Large format retail	0.83	0.73
Total	2.69	2.80

Table 13: Estimated additional retail demand in the Hills Shire to 2036

Retailer type	2019	2021	2026	2036	Total
	Existing	Additional floorspace in m ²			
Department stores	30,560	2,770	4,120	7,230	14,120
Discount department stores	37,920	3,010	4,500	7,890	15,400
Supermarkets (>1,000m ²)	75,190	10,060	15,000	26,300	51,360
Specialty stores	158,600	31,440	46,870	82,190	160,500
Large format retail	134,330	18,360	27,370	48,000	93,730
Total	436,600	65,640	97,860	171,610	335,110

3. THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

The following table apportions the floorspace to determine the number of discount department stores, supermarkets and specialty stores that are likely to be required over time, indicating that over the next 20 years

there is likely to be demand for at least one department store, two discount department stores, 14 supermarkets of varying size and 640 specialty stores (assuming an average size of 250m²).

Table 14: Estimated number of additional stores needed for the Hills Shire to 2036*

Retailer type	2021	2026	2036	Total
Department stores (12,000m ²)	0	0	1	1
Discount department stores (8,000m ²)	0	1	1	2
Supermarkets (4,000m ²)	2	4	6	12
Smaller supermarkets (approx 1,500m ²)	1	0	1	2
Specialty stores (250m ²)*	125	185	330	640

* 250m² is an estimate based on review of development applications and emergence of mini major stores

Retail capacity

Based on the current planning framework there is capacity for more than 250,000m² of additional retail floorspace primarily within growth centres and station precincts.

Table 15: Potential future retail floorspace

Location	Potential retail floorspace	Status
Growth centres		
North Kellyville Town centre and Stringer neighbourhood centre	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Planned and part approved.
Box Hill Town centre and village centres	<ul style="list-style-type: none"> One discount department store Four additional supermarkets Specialty retail 	Planned and part approved.
Balmoral Road Release Area Village centre (Memorial Ave) and neighbourhood centre (Windsor and Wager Rds)	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Planned and part approved.



Location	Potential retail floorspace	Status
Box Hill North Town centre	<ul style="list-style-type: none"> 1–2 additional supermarkets Specialty retail 	Planned – No application to date.
Strategic centres		
Castle Hill	<ul style="list-style-type: none"> Additional discount department store One additional supermarket Specialty retail 	Part approved.
Norwest	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Pending precinct planning.
Rouse Hill	<ul style="list-style-type: none"> Specialty retail 	Application lodged.
Station precincts		
Showground Station Transit centre	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Planned – No application to date.
Bella Vista Station Transit centre	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Planned – No application to date.
Kellyville Station Transit centre	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Planned – No application to date.
Other locations		
Annangrove Road Employment Area	<ul style="list-style-type: none"> 60,000m² specialised retail 	Planning proposal nearing finalisation.
Round Corner Dural Town centre	<ul style="list-style-type: none"> One additional supermarket Specialty retail 	Application lodged.

Supply to 2026

The locations identified in Table 15 will respond to a large part of the expected demand. They are zoned under our LEP and have the capacity to accommodate expected retail floorspace demand over the next 10 years and beyond.

The current Shire-wide supply of specialty retail shops (158,600m²) is 22 per cent lower than would be expected based on the Sydney-wide ratio of 1.25m² per capita (203,125m²).

We will focus on planned and potential supply in the right places and at the right time to avoid retail shops remaining vacant for extended periods.

We will conduct a retail floorspace analysis and review the functions of local centres to determine whether spatial distribution and scale will meet community needs in accordance with the District Plan's *Principles for Local Centres*.

Specialised retail clusters

Specialised retail (or bulky goods) stores sell a variety of household appliances, furniture, outdoor/camping supplies, furnishings and homewares, and floor and window coverings. These premises are located within the Homemaker-style centres in the Norwest Service Precinct (Victoria Avenue) and a smaller pocket at Commercial Road Rouse Hill.

We have identified these precincts due to their current function, highly visible locations and accessibility for shoppers. They are subject to a specific B5 Business Development zoning under our LEP.

Our retail analysis identifies demand for additional 93,730m² by 2036. Land at Withers Road and Annangrove Road has the capacity to provide up to 60,000m² of specialised retail floorspace to respond to short-term demand for this type of retail. In the longer term there could be opportunity to build a cluster around this location.



Figure 17: Potential specialised retail precinct

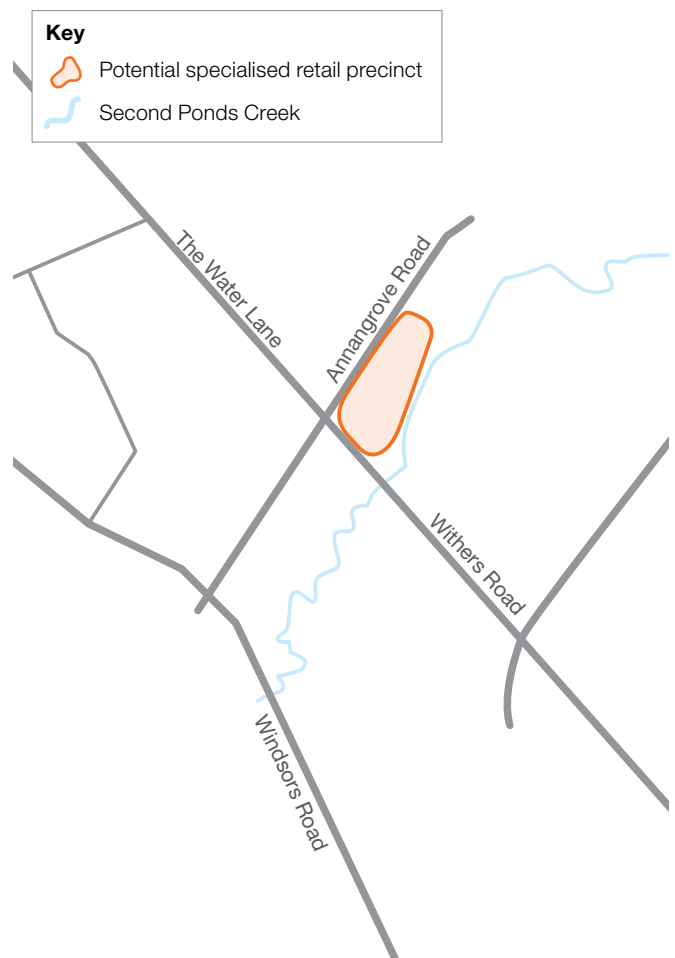
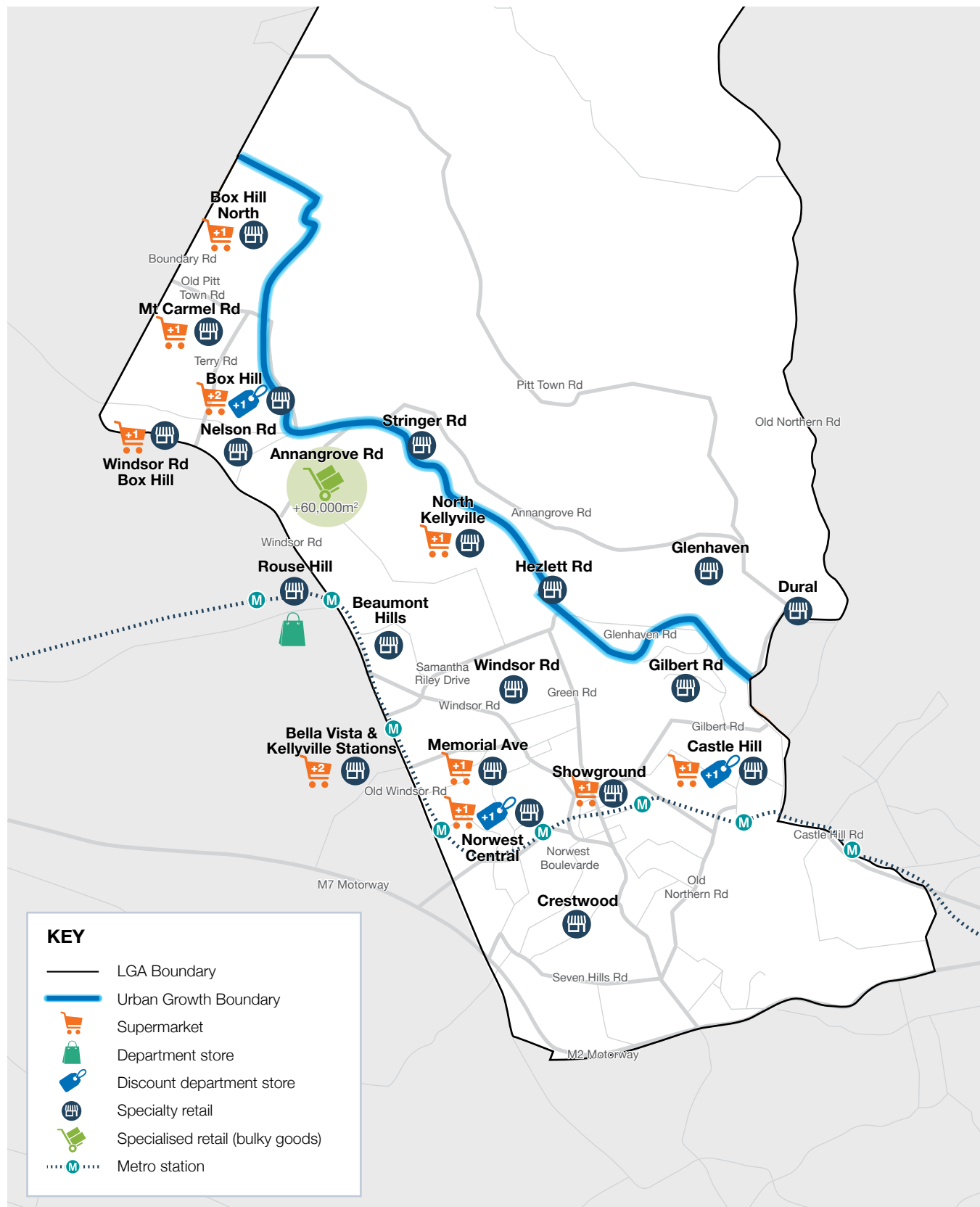


Figure 18: Planned and potential retail growth locations



Industrial and urban services land

The Greater Sydney Commission's Thought Leadership Services – *A Metropolis that Works* uses the term *urban services* to describe a range of industries that enable the city to develop and its businesses and residents to operate. The District Plan classes activities such as motor vehicle services, printing, waste management, courier services and concrete batching plants as urban services. These activities serve local communities and demand for these services will increase as the population increases.

Urban services land in the Hills Shire is typically located in industrial zones as well as the B6 Enterprise Corridor Zone. While not always high employers, their value lies in their operational role and the function they play. Businesses require adequate access to industrial land across the District; local access for the community reduces the need to travel to other areas, minimising congestion.

Although industrial lands make up a comparatively small proportion of The Hills total employment lands, they have been steady in their contribution to the local economy.

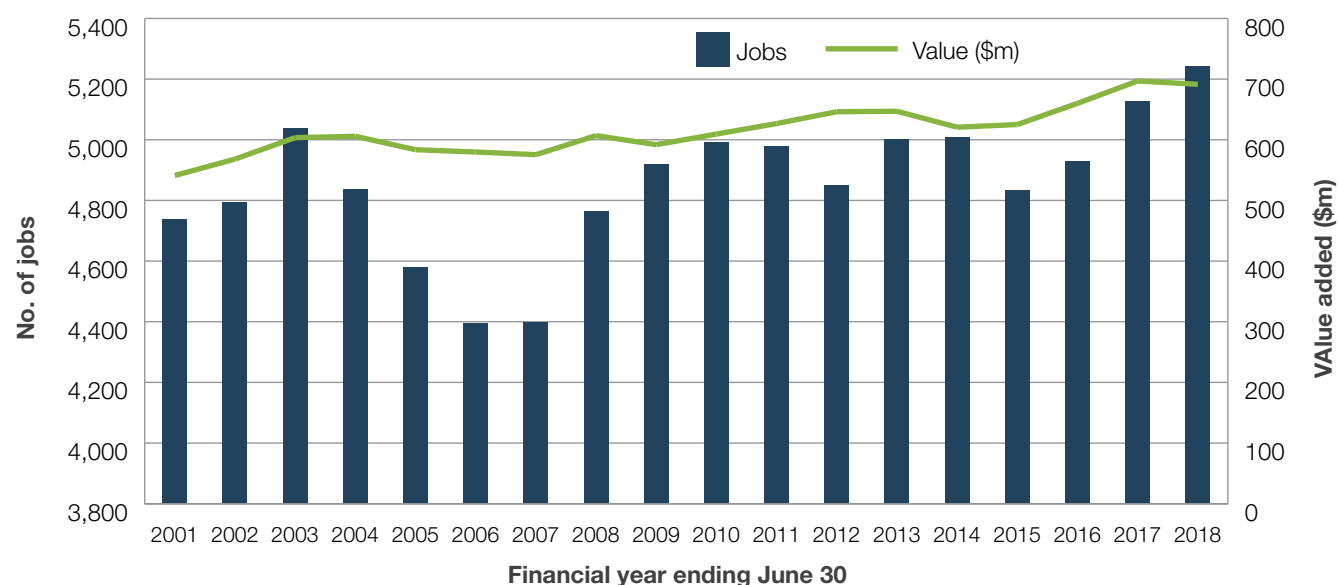
For example, while manufacturing jobs in The Hills have been declining as a percentage of local employment, numerically jobs in this area have remained relatively stable over the past 15 years. Manufacturing has continued to add increasing overall value to the

local economy despite fluctuations in the size of the workforce. The decline of manufacturing as a proportion of local jobs is more reflective of growth in other industries rather than a decline in manufacturing.

The *Central City District Plan* takes two management approaches to industrial and urban services land, as follows:

- **Review and manage:** The Greater Sydney Commission will review all industrial and urban services land under this approach to either confirm its retention (as described in the approach below) or manage uses to allow sites to transition to higher order employment activities (such as business parks) and seek appropriate controls to maximise business and employment outcomes. This approach applies to land south of Annangrove Road, Rouse Hill.
- **Retain and manage:** All existing industrial and urban services land should be safeguarded from competing pressures, especially residential and mixed-use zones. This approach retains this land for economic activities required for Greater Sydney's operation, such as urban services. This approach applies to land north of Annangrove Road, Rouse Hill.

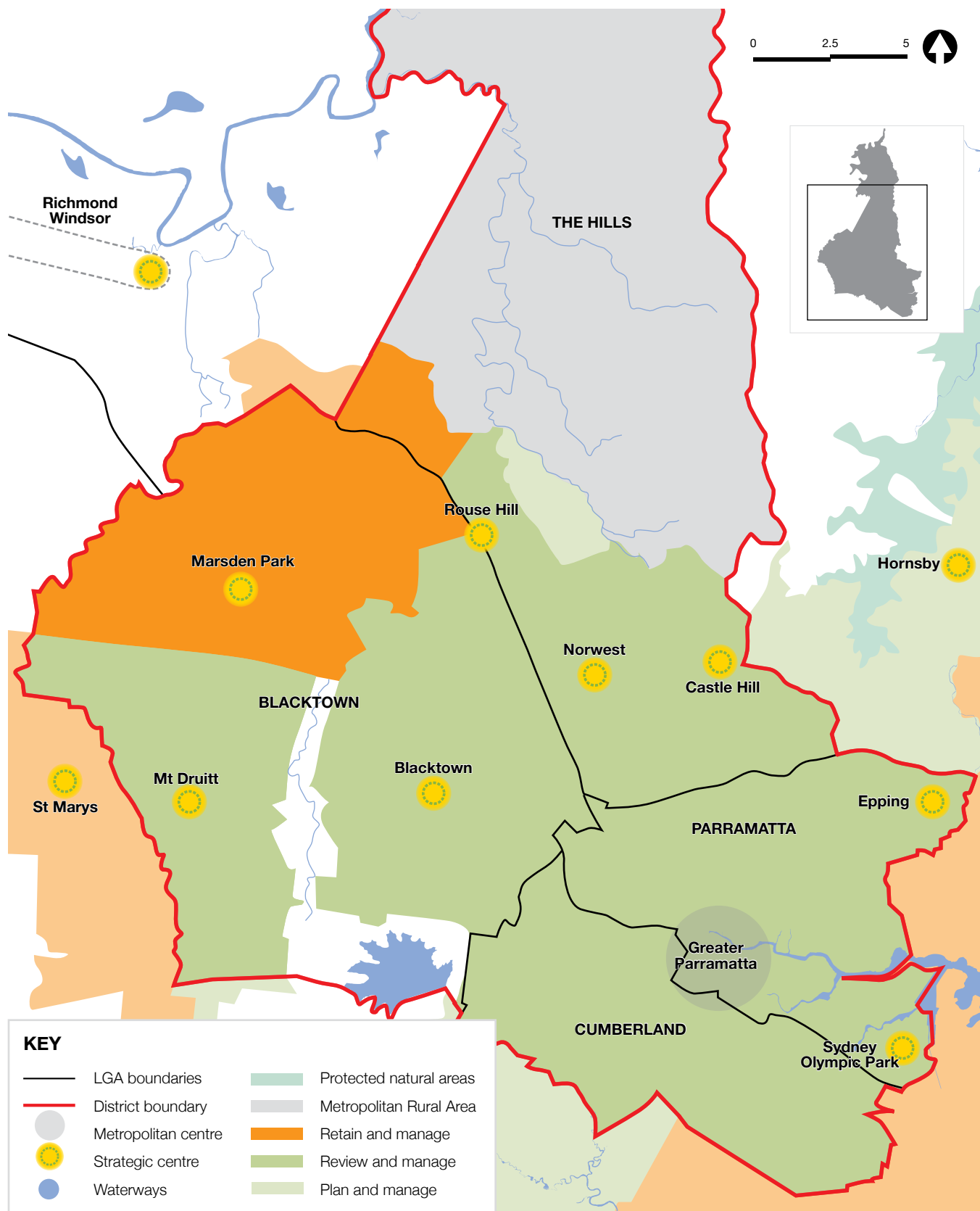
Figure 19: Manufacturing jobs and value



Source: Profile id. National Economics (NIEIR) – Modelled series



Figure 20: Central City District industrial and urban services land approaches



3. THE HILLS ECONOMY, CENTRES AND EMPLOYMENT AREAS

Since the District Plan was endorsed, the Greater Sydney Commission published *A Metropolis that Works*, which takes a conservative approach to land management and discourages the rezoning of industrial and urban services land.

As these lands are required for economic as well as employment purposes, the number of jobs should not be the primary objective – rather a mix of economic outcomes that support the city and population should be considered. The management of these lands should accommodate evolving business practices and changes in needs for urban services from the surrounding community and businesses.

Our *Strategic Review of Industrial and Employment Activities* to support this Strategy, including land area, gross value added and, number of jobs, is available at www.thehills.nsw.gov.au.

As a result of the Strategic Review and utilising the Commission's latest approach, we will aim to Retain and Manage all industrial and urban services land in The Hills. Between 2016 and 2036, the amount of industrial and urban services land per capita in the Hills will almost halve, from 18.9m² to 10.5m². Anticipating further population growth beyond 2036, we need to safeguard urban services land to ensure sufficient land to accommodate these services beyond 2036.

Industrial and urban services demand

The need for urban support services where people build, fix and repair things nearby is not going to change and will grow with more people moving into the area. Future businesses that will be essential for new communities are in the fields that serve the population such as motor vehicle and mechanical repairers, trades services, retail, education and community care sectors. To achieve a balance, industrial land will need to be available and affordable.

Our Strategic Review identifies that the gross value added by industrial jobs in 2016 was \$449 million. The industrial precincts of Annangrove, Winston Hills, Castle Hill (Norwest Service) and Box Hill combined provide for 9,000 jobs and gross value added \$1,132 million across knowledge-intensive, health and education, population-serving and industrial jobs.

Figure 21: Industrial and urban service land supply

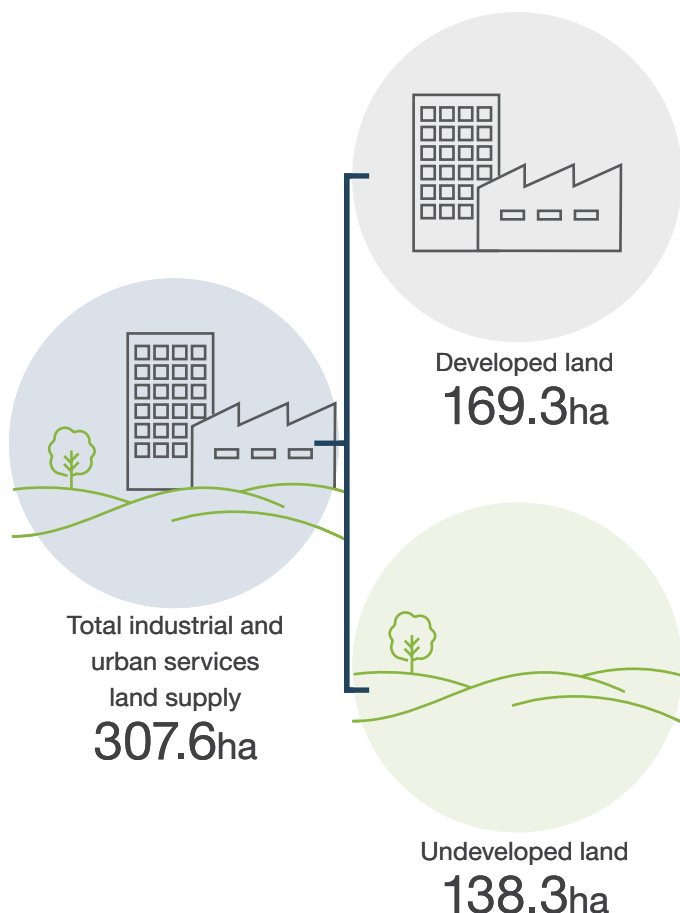


Table 16: Gross value added (GVA) Hills industrial precincts

	Annangrove	Winston Hills	Castle Hill	Box Hill	Glenorie	Total
	\$m					
Knowledge-intensive	\$34	\$3	\$149	\$1	\$0	\$187
Health and education	\$7	\$8	\$48	\$1	\$0	\$64
Population-serving	\$86	\$0	\$340	\$6	\$0	\$432
Industrial	\$52	\$72	\$324	\$1	\$0	\$449
Rural	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$179	\$83	\$861	\$9	\$0	\$1,132

Source: Greater Sydney Commission 2016 industrial database

The role of freight logistics will become more important, as will local distribution services that enable fast delivery and localised service. There is a need for ongoing availability of suitable spaces to allow key economic uses to grow and thrive in locations close to customers and markets. Key transport corridors will be vital to the movement of freight between The Hills and other parts of Sydney.

Supply and future capacity

The five precincts identified for industrial and urban services land that accommodate approximately 9,000 jobs are:

- Annangrove Road Employment Area
- Winston Hills Industrial Area
- Castle Hill Employment Area
- Box Hill Business Park
- Glenorie Industrial Area.

The precincts are zoned Industrial and B6 Enterprise Corridor and cover approximately 307 hectares of land.

Table 17: Supply of industrial and urban services land

	2016	2036
Population	162,500	290,900
Industrial and urban services land	18.9m ² per capita	10.5m ² per capita

Source: The Hills Shire Council



4

PLANNING PRIORITIES

This section outlines our priorities for the Shire's productivity and how we will achieve these priorities. The planning priorities will guide how we plan for the Shire's economy, employment lands and centres in the next five years and beyond. The priorities are:

- plan for sufficient jobs, targeted to suit to the skills of the workforce
- build strategic centres to realise their potential
- provide retail services to meet residents' needs
- renew and create great places
- retain and manage valuable industrial and urban service land.

Plan for sufficient jobs, targeted to suit the skills of the workforce

This relates to Planning Priority 1 in *Hills Future 2036*.

Rationale

While there is sufficient land zoned to meet the implied demand for 50,600 jobs between 2016 and 2036, realisation of this capacity by 2036 is unlikely, primarily due to market conditions and feasibility.

Almost half the potential employment growth is on undeveloped vacant land at Box Hill Business Park, Annangrove Employment Area and Circa Precinct. These locations would only expect to see a substantial increase in demand for commercial floorspace as other options (such as Norwest) reach capacity, more residents move to the area and regional transport links and freight connections are improved.

As strategic centres, Norwest, Castle Hill and Rouse Hill will be more attractive and accessible and are expected to provide the cornerstone of jobs growth to 2036.

We still expect market uptake to be inhibited by land cost, transport constraints and fragmented ownership (strata titling).

The remaining capacity in existing and potential business and industrial lands will be required to accommodate growth beyond 2036.

Improving the ability of the local population to find local employment can reduce commuting times and congestion and work towards the vision of a 30-minute city.

Regional transport connections

The adequacy of infrastructure provision – including public transport, traffic and roads, and parking availability – is one of the main issues for businesses in the Shire (McCrindle 2018). While Council can directly influence local roads and parking standards, improvements to State infrastructure require meaningful collaboration with and by State agencies.

The Sydney Metro Northwest provides the opportunity for reduction of private vehicle trips to some destinations; however, there are some key connections where improvements are needed in a timely manner to better assist residents and workers. These include links to Blacktown, Parramatta and beyond to Cumberland LGAs.

The anticipated growth in residential and employment-related development will require effort and collaboration if these regional transport connections are to be in place at the right time. Regional road and rail links that warrant early investigation, identification and commitment to realise identified employment capacity are:

- Norwest to Parramatta mass transit link
- North South Rail Link
- Box Hill – Rouse Hill public transport corridor
- Outer Sydney Orbital
- grade separation at Seven Hills Road and Windsor Road, Baulkham Hills
- Annangrove Road arterial and Round Corner bypass.

Appendix B and our *Integrated Transport and Land Use Strategy 2019* provide further details about improving existing transport infrastructure and facilitating new transport connections to support jobs growth.

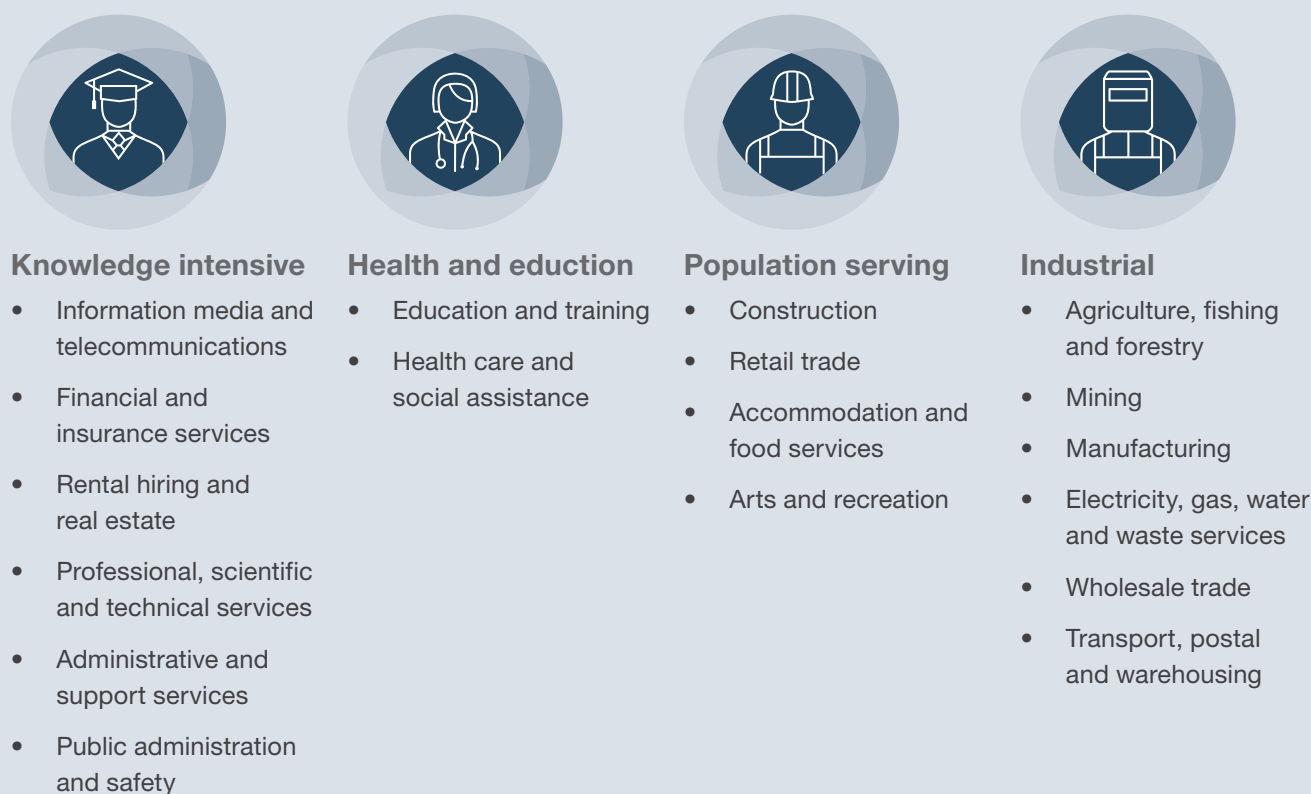
Growth industries

Of all the Shire's jobs, 25,000, or 39 per cent, are filled by residents. There is currently a gap between the types of jobs suited to residents and the types of jobs available in the Shire. Similarly, the region and district plans identify a need to transition to a knowledge-based economy.

To help compare employment types between districts and understand where different types of industry are located, the Greater Sydney Commission uses four categories of jobs.



Figure 22: Job classification by Greater Sydney Commission



The key industries where Hills residents have skills but there are less local job opportunities are:

- education and training
- professional scientific and technical services
- financial and insurance services
- health care and social assistance.

If we want to provide more choice for residents to work close to home, we need to give Hills residents who currently work out of the area equal or better employment opportunities available locally.

Seeking to align the jobs available in the Shire with the skilled resident workforce is a complex challenge. Any improvements will be achieved over the longer term and will realise a number of benefits including:

- opportunity for improved quality of life by reduced need for long commutes
- better management of traffic congestion
- potential for increased worker productivity and contribution to building the local economy
- improved environmental outcomes from shorter trips, less emissions and improved air quality.

We also need to consider what jobs are required to meet the needs of younger workers expected to occupy the increasing numbers of apartments being constructed in The Hills.



Bella Vista Public School. Image courtesy of State of New South Wales (Department of Education), 2019.

Education jobs

At the 2016 Census the Shire had 7,439 residents working in education and training in institutions such as preschools, schools, technical colleges, training centres, and universities. They may be publicly owned and operated, or privately owned and operated, either for profit or not for profit.

Apart from teachers, other jobs include coaches, swim instructors, training providers, TAFE teachers and university lecturers. Employing 9.3 per cent of the resident workforce, this sector is the fourth largest industry of employment for Shire residents.

Within the Shire there are 4,813 jobs in the education and training sector of which 2,259 are filled by Shire residents (2016 Census). Within the Shire tertiary education facilities include TAFE NSW at Castle Hill and Baulkham Hills. The Shire also has 43 schools and approximately 158 childcare centres.

Table 18: Primary and high schools in the Shire

	Number of schools
High school	9 (6 public and 3 private)
Primary school	29 (22 public and 7 private)
Kindergarten to Year 12	5 (all private)
TOTAL	43 (28 public and 15 private)

We expect jobs in education, and other growth related activities such as health and community services, to increase due to growing demand from more families moving into the Shire. In response, we will collaborate with the Department of Education to determine how the demand for future school infrastructure will be fully met including locations, timing and capacity.

Given the current and projected family demographic of The Hills Shire (with six per cent of the population aged 0–4 and at least 20 per cent aged 5–19) population growth is likely to result in around 7,000 additional pre-school aged children and 25,000 additional school-aged students.

New primary schools opened in Bella Vista and North Kellyville in 2019 with each having capacity for 1,000 students. There are six other new schools planned to service growth within the greenfield release areas including:

- Kellyville/Rouse Hill: one new primary school on Harrington Avenue
- Box Hill: three new primary schools and one new high school
- Box Hill North: one new primary school.



It is difficult to identify specifically how many additional schools the Department of Education will need to provide, as final population numbers in some precincts will be the outcome of ongoing strategic planning processes. Some demand may be met through additional private schools and/or expansion of capacity within some existing schools. Demand for student places will not eventuate at a single point in time but will result from the roll out of development over a 20–30 year timeframe.

Current planned provision of schools in greenfield areas and station precincts is inadequate to cater for anticipated growth and would leave a shortfall. Apart from the implications for serving the education needs of the incoming community, the lack of necessary school infrastructure inhibits the natural growth in jobs that would be expected in line with the population growth.

Potential health precincts

Health care and social assistance involves work providing human health care and social assistance including hospitals, medical services, pathology and diagnostic imaging services, allied health services and residential care services. At the 2016 Census the Shire had 9,228 residents working in health care and social assistance. More Hills residents worked in this sector than any other (11.5 per cent of employed persons). Within the Shire there are 8,157 jobs in this sector of which 2,635 are filled by residents.

Approximately half of the local jobs in this industry sector are concentrated in Norwest strategic centre, which is home to the Norwest Private Hospital, the Lakeview Hospital for Specialist Surgery, specialist medical rooms and seniors' housing and care facilities. The remaining jobs in this sector are predominately located across the other centres, including Kellyville (the Hills Clinic) and Baulkham Hills (The Hills Private Hospital).

The *Greater Sydney Region Plan* highlights the significant role that hospitals, medical research institutions and tertiary education facilities play in Greater Sydney's economy (Objective 21). It describes the most successful health and education precincts as innovation districts. These districts include health and education assets, surrounded by medical research

institutions, complementary industry tenants, housing and ancillary facilities and services where economic productivity is created by agglomeration of activities.

It is not expected that all health precincts will achieve the critical mass to become innovation districts; however, within the Central City District the health precincts at Blacktown and Norwest are identified as important, noting that health and education together with advanced manufacturing is the biggest contributor to economic growth and jobs creation in the district.

Norwest Private Hospital opened in September 2009 and has more than 200 inpatient beds, operating theatres, and a 24-hour emergency department. It offers a range of surgical and medical services. It is a key medical facility in the Shire and surrounds and complements other medical facilities such as Lakeview Hospital for Specialist Surgery and The Hills Private Hospital.

Within the area extending from Circa Precinct north towards the new Bella Vista station there are a variety of associated medical practitioners and services including radiographers, hospital equipment and pharmaceutical wholesalers and distributors. While there is not a university presence in the location, there is opportunity to grow the existing health precinct and build on the health care and knowledge-intensive jobs already established in the location.

In January 2019, the NSW Government announced a \$300 million commitment towards a new Rouse Hill Health Service, delivering critical services to the north west. Stage 1 will deliver ambulatory care and digitally-enabled diagnostic services, which will be integrated with Blacktown and Westmead hospitals. The project will be delivered by Health Infrastructure NSW in partnership with Western Sydney Local Health District.

The new service will drive qualified jobs in health care suited to the qualifications and skills of local residents. Given the project is in the early stages of planning, the wider implication for complementary and ancillary land uses and more jobs nearby has not been fully explored. The availability of vacant or underdeveloped land in the Hills Shire close to the planned hospital site requires investigation.

4. PLANNING PRIORITIES

Noting that many hospitals form the foundation of integrated precincts of medicine, research and education, there is further opportunity to explore collaboration with tertiary institutions, Blacktown City Council, State agencies and the private sector to develop a land use planning framework that sets a direction for jobs, learning and innovation within and immediately adjacent to the Shire. Partnering with universities can provide for clinical research, education and opportunities for employers to have direct access to young skilled medical, research and nursing graduates.

Knowledge-intensive jobs

A knowledge-intensive job is one where the workers need significant education, skills and experience in order to work effectively. The classification used by the Greater Sydney Commission covers a variety of industries (refer to Figure 22 on page 53).

We are focusing on professional, scientific and technical services, and financial and insurance services, which are targeted industries where residents have skills but less local job opportunities.

Professional, scientific and technical services include scientific research, architecture, engineering, computer systems design, law, accountancy, advertising, market research, management and other consultancy services,

veterinary science and professional photography. They generally require a high level of expertise and training and formal (usually tertiary level) qualifications.

Financial and insurance services industries include those engaged in financial transactions involving the creation, liquidation, or change in ownership of financial assets, and/or in facilitating financial transactions. The range of activities includes raising funds, investing funds, underwriting insurance, and managing super funds.

At the 2016 Census, the Shire had 8,316 residents working in professional, scientific and technical services and 5,412 working in financial and insurance services. These industries employ 10.4 per cent and 6.8 per cent of resident workers respectively. Within the Shire there are 6,355 jobs in professional, scientific and technical services of which 2,885 are filled by residents and 2,260 jobs in financial and insurance services of which 954 are filled by residents.

Many of the local jobs in these industry sectors (approximately 48 per cent of the professional, scientific and technical service jobs and 60 per cent of finance and insurance service jobs) are concentrated within the Norwest Strategic Centre.

Several factors assist in attracting and retaining highly skilled workers. Our level of control or influence varies across each.

Figure 23: Factors in attracting and retaining highly skilled workers



Table 19: Council levels of control or influence when attracting skilled workers

Control	Influence
Land zoning to permit desired uses	Marketing
Development controls to guide built form	Engagement
	Education and training
	Business support
	Lobbying for improvements in transport and telecommunications

For example, we have control over the land use planning framework such as land zoning and built form to encourage specific development types. Appropriately managing built form outcomes, with a specific focus on good design, influences secondary location factors including social infrastructure, aesthetics and recreational opportunities.

Creating great places and spaces, where there are opportunities for people to live, work and play, will assist in attracting and retaining the types of business and workers required to better serve the population.

We can also enhance the attractiveness of the Shire by focusing on the locational needs of businesses, opportunities to gain efficiencies and facilitating innovation through industry clusters.

The *NSW Innovation Precincts* report by the Innovation and Productivity Council (2018) provides an understanding of success factors for globally recognised innovation precincts. It indicates that research and development will take a leading role in creating the companies of the future; we are well placed to grow service and knowledge-based industries in The Hills Shire.

Innovation seeks to improve productivity by way of new products, technology and processes. Companies can often cluster together with like businesses to invest in skills and build capability over time. This can assist in penetrating new markets, facilitating growth of the businesses and building a competitive edge.

Current and future businesses need strong connections with the university sector to support ongoing skill development, build innovative capacity and enhance growth in the key industry sectors. With Western Sydney University having opened a vertical business campus in Parramatta, better connections to Parramatta would enable Norwest to develop a closer relationship with the university and provide local businesses with better access to skilled graduates.

Our business retention and expansion approach over the past 10 years has successfully recognised and encouraged growth of local businesses. This can be enhanced by actively seeking out companies that match the skills of residents. Any approach needs to consider factors such as transport, facilities, shopping, restaurants, entertainment and recreation that attract these companies. There is opportunity to review the planning framework and consider public domain improvements that could create better places.

Dispersed employment

As the population grows, jobs in areas like schools or construction will be dispersed throughout the Shire. Continued growth in the construction industry will reflect residential development. The provision of these services locally minimises the need to travel while providing local job opportunities and a range of services to the people who require them.

Information on the contribution of rural activities such as agriculture, mining and tourism to the Shire's economy is contained in our *Rural Strategy 2019*. The size of the rural area poses supply chain challenges for agricultural and mining producers as they seek to get their products to market quickly and efficiently.

However, there are opportunities for rural industry growth with horticulture moving towards more intensive modes of production such as hydroponics within greenhouses. We will focus on forging links with Western Sydney University's Greenhouse Research Education Training Facility at its Hawkesbury Campus and work with the NSW Government to facilitate the delivery of the Outer Sydney Orbital.



Eco-tourism is growing in popularity, with tourists placing increasing value on experiences that have minimal environmental impact.”

Our Community Strategic Plan promotes the Shire as a destination for new businesses and visitors. The Hills Shire offers a range of attractions for visitors and tourists, from water skiing on the Hawkesbury River to visiting nurseries, cafes and golf courses or bushwalking in the Cumberland State Forest. The Shire's heritage and cultural activities also attract visitors, including the Bella Vista Farm Park Open Day, the Orange Blossom Festival, Australia Day celebrations and the Hawkesbury Harvest.

The rural landscape of the Shire and proximity to the Hawkesbury River provide opportunities to further develop tourism in the rural area, such as caravan parks, camping grounds and water-based recreation. Farm stay experiences, fruit picking, quality restaurants and cafes, markets, nurseries and golf courses throughout the area also attract visitors and provide a base to the visitor economy.

Eco-tourism is growing in popularity, with tourists placing increasing value on experiences that have minimal environmental impact and showcase the natural environment. Given its natural surroundings, historical significance and easy access from Sydney, the rural centre of Wisemans Ferry in the Shire's north presents a good opportunity to attract visitors to the region. Identifying opportunities to capitalise on existing specialist tourist zones (land zoned SP3) will contribute to tourism growth. More detail is available in our *Rural Strategy 2019*.



Council will:

- Work with businesses to attract new investment and identify what makes locations attractive.
- Target businesses and industries that suit the skills of residents.
- Discourage conversion of employment land, such as business parks and industrial lands, for residential or part-residential purposes.
- Seek a university presence in the Shire and closer connections to facilities at Parramatta and Hawkesbury to support the knowledge economy and the agricultural sector.
- Support the health precinct at Norwest and its connection with the new health precinct at Rouse Hill in the vicinity of the proposed Rouse Hill Hospital.
- Work with the Department of Education to build school infrastructure, and address the shortfall between planned provision and forecast population growth.

Actions

- Protect the extent, role and function of strategic centres and employment lands through land use zones and objectives.
- Include a commercial core within strategic centres for economic and employment uses.
- Implement a planning proposal policy to articulate the circumstances where we will consider changes to land use zones within the Shire.
- Prepare an Economic Growth Plan.
- Complete Retail and Commercial Study to confirm take up and future demand.

Economic Growth Plan

- Program to attract new investment and jobs.
- Business partnering to attract knowledge-based industries.
- Research around what attracts those companies to The Hills.
- Changes to land use controls to attract the right businesses.
- Changes to works program to create better places.
- Changes to promote low impact night-time economy uses.
- Measures to grow the visitor economy.

Build strategic centres to realise their potential

This relates to Planning Priority 2 in *Hills Future 2036*.

Rationale

To realise opportunities for strategic centres, and to meet the job targets outlined in Chapter 3, our focus for strategic centres will be on jobs. We will manage residential development in strategic centres so that sufficient land can be used for commercial and retail purposes.

Structure plans and phasing strategies

We have prepared structure plans for each strategic centre to indicate where we will focus jobs and housing in these Centres. These are displayed under Planning Priority 2 in *Hills Future 2036*.

Structure plans are informed by the *Principles for Greater Sydney Centres* in the region and district plans. These make it clear that housing should not compromise a centre's primary role to provide goods and services, and the opportunity for the centre's employment function to grow and change over time. Place-based planning for centres is required to address the following principles:

- provide public realm and open space focus
- deliver transit-oriented development and co-locate facilities and social infrastructure
- provide, increase or improve local infrastructure and open space
- improve walking, cycling and public transport connections, including through the Greater Sydney Green Grid
- protect or expand retail and/or commercial floorspace
- protect or expand employment opportunities
- integrate and support arts and creative enterprise and expression

- support the night-time economy
- augment or provide community facilities and services, arts and cultural facilities
- conserve and interpret heritage values
- accommodate local festivals, celebrations, temporary and interim uses
- increase residential development in, or within a walkable distance of, the centre
- provide parking that is adaptable to future uses and takes account of access to public transport, walking and cycling connections.

Our structure plans focus on the desired land uses, accessibility and public domain to grow investment and jobs in our strategic centres. They update the outcomes envisaged in the NSW Government's *North West Rail Link Corridor Strategy* (2013), *The Hills Corridor Strategy* (2015) and existing master plan work. Our structure plans note the opportunities offered by State investment in infrastructure such as the new Rouse Hill Hospital and city-shaping regional transport connections.

The structure plans consider 20-year outcomes and need to be considered at a strategic planning level. They will ultimately be implemented through changes to zonings, amendments to development controls and preparation of developer contribution plans and public domain plans.

Further precinct planning work is required to inform decisions around built form, transport improvements, connectivity, accessibility and infrastructure. We will stage this planning through short-term (phase 1), medium-term (phase 2) and long-term (phase 3) activity.



Norwest

Norwest is set to transform from a traditional business park and light industrial location to an integrated major employment precinct for the northwest, attracting knowledge-intensive and innovative industries, large corporations and better opportunities for local businesses to start and grow.

Within Greater Sydney, Norwest is second only to Parramatta in terms of targeted job growth. Sydney Metro Northwest offers opportunities to build on Norwest's prestigious business and lifestyle reputation. Increasing investment in health and education infrastructure and knowledge-based jobs suited to the skills of residents will further strengthen its status. Precinct planning and infrastructure investigations will be completed early to capitalise on the opportunities for this centre and make the most of its competitive edge.

We will look to increase flexibility for light industrial land, while noting the need to ensure any mechanisms used also manage the continuation and growth of urban support functions. Investigations may result in changes to the LEP and development controls in the longer term.

Castle Hill

Castle Hill is the Shire's CBD and is set to become a vibrant and active centre comprising offices, retail, community facilities, recreation, cultural facilities, education and higher housing densities within walking distance of the station.

While Castle Hill is located near the workforce and transport infrastructure and has sites for potential office development, growth has been inhibited by businesses migrating to business parks (Norwest in particular), traffic congestion and lack of premium grade commercial office space.

Castle Hill requires a clear vision for its commercial future. We may need to lead its commercial development to provide a catalyst for investors.

Rouse Hill

Rouse Hill strategic centre includes Rouse Hill town centre and other commercial land to the north west of the town centre, located along Windsor Road.

Rouse Hill serves the rapidly growing northwest with a unique and appealing mix of shopping, dining, recreation and community services. An enhanced retail offer and new commercial capacity within walking distance of the new Rouse Hill station will complement and support the recently announced Rouse Hill Hospital.

The proximity to the public hospital, easy connections on Sydney Metro Northwest, the availability of larger sites and the amenity already apparent in the centre present a unique opportunity to rethink the vision for Rouse Hill strategic centre.

We will look at opportunities to collaborate with the NSW Government and Blacktown City Council to create a health precinct that supports the hospital and offers health services jobs that suit residents' skills.

The planning and delivery of the North South Rail Link will be vital.

In the short to medium term for all strategic centres, we will undertake:

- traffic modelling to identify the impact of growth on the local and regional road network and upgrades to ensure roads will operate at an acceptable level
- additional infrastructure investigations and commitments, including identification of open space facilities to serve growth and a kindergarten to Year 12 school to serve the Showground Precinct
- commercial and retail market demand analysis
- urban design and built form analysis.

Mixed use development

Large areas near or in the strategic centres are already identified as suitable to accommodate mixed use development, avoiding the need for the progressive encroachment of residential development into significant employment land. A continued focus on improving pedestrian and cycle networks and higher density development based on transit-oriented principles will realise the benefits of walkable and vibrant communities.

We need to focus on employment land uptake in strategic centres and safeguard it from residential growth pressures. The District Plan acknowledges that the designation of a commercial core may be necessary to manage the impact of residential developments crowding out commercial activity.

For Castle Hill, this is consistent with the vision and structure plan for the precinct established in the NSW Government's *North West Rail Link Corridor Strategy*. For Rouse Hill, this should also be a consideration given the strategic opportunities offered by the new transport and health infrastructure.

In Norwest, the B7 Business Park zoning provides a higher level of protection for employment lands than the B4 Mixed Use zoning currently applying to Rouse Hill and Castle Hill. While there are proposals for serviced apartments in the Business Park and other employment zones, we need to ensure such uses are appropriate and not occurring at the expense of more intensive commercial activity.

Local business support

Small enterprises in strategic centres need:

- access to low-entry-cost premises with information technology support and an attractive environment
- access to learning facilities and appropriately trained advisors (brokers, marketers, financial advisors)
- access to innovation resources to encourage growth and competitiveness.

Suitable premises

High commercial rents encourage a growing number of small business operators to co-share or casually rent office space in central areas like Rouse Hill or Castle Hill (Norwest strategic centre – Norwest Service sub-precinct). We need to consider how to facilitate these flexible premises without reducing the capacity of local industry and urban support services.

The Norwest Service sub-precinct is an example of a location with a diversity of building stock and building condition. The location and older building stock are conducive to attracting innovative businesses, a broader mix of businesses, and a degree of informality.

Locations such as Annangrove Road Employment Area offer a choice of lot sizes and greater flexibility in permitted uses than traditional industrial zoned land in the Shire, following a master planning process in 2013 (Edwards Road Industrial Precinct). The approach for the master plan included:

- reducing the minimum lot size from 8,000m² to open an opportunity for small niche developments that have a reduced capital cost to develop
- rezoning to B6 Business Enterprise zoning to broaden the type of uses to include additional commercial opportunities
- encouraging additional floorspace on those parts of the precinct free of environmental constraints by reducing setbacks.

This framework provides more opportunity for emerging businesses and can inform a review of employment lands in other locations such as Norwest Service sub-precinct in the longer term.



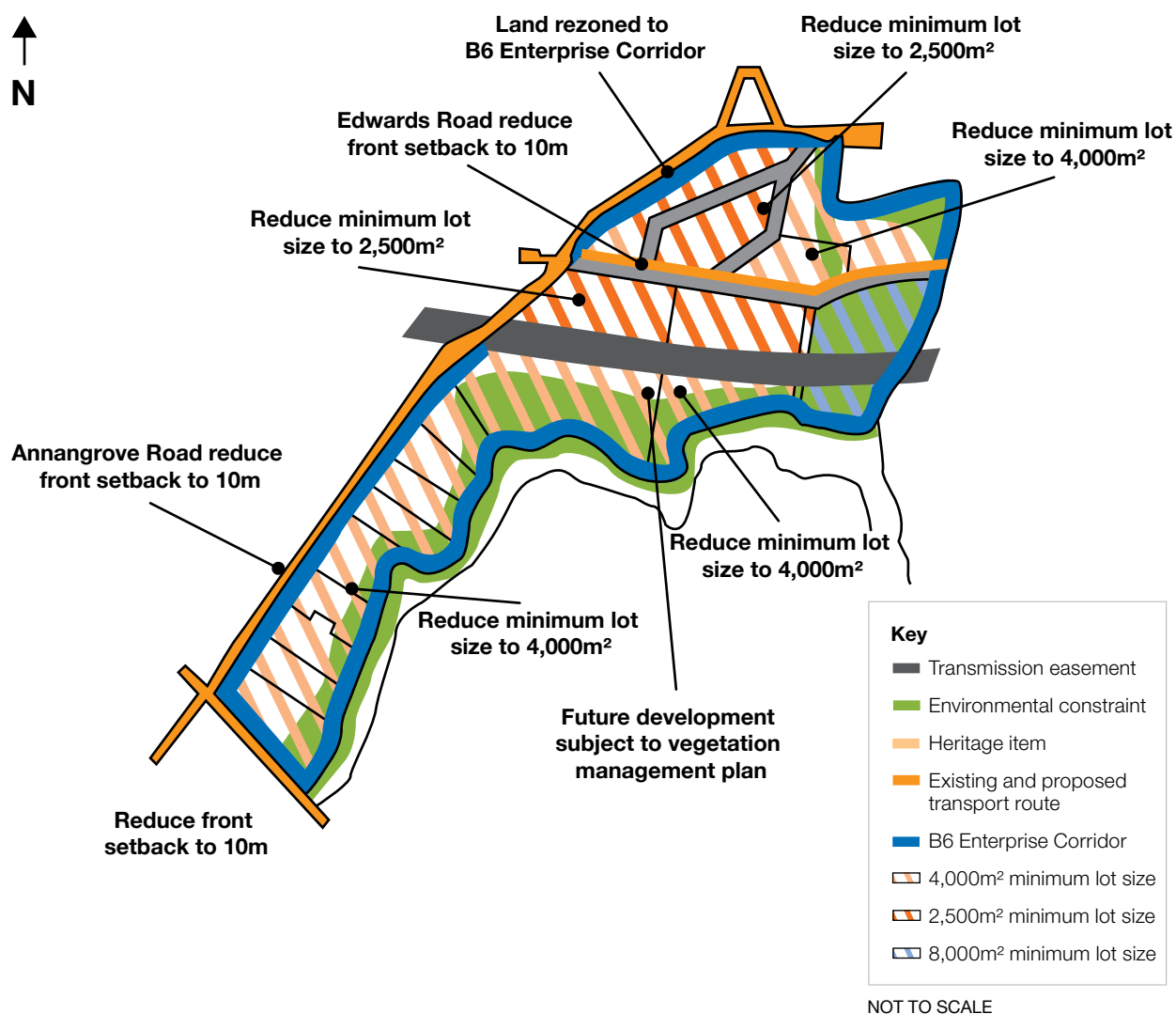
Business support

We are focused on supporting local business to increase their capacity to grow jobs through programs that encourage partnering between small and medium enterprises to win business opportunities, and the building of managerial competency and business capacity by education, mentoring and dissemination of market information.

The *Hills Business Performance Sentiment Index* partnered with the Sydney Hills Business Chamber and designed and conducted by McCrindle Research has

been a valuable measure of business performance, conditions and sentiment since 2015. In 2018 it indicated 39 per cent of business owners and managers had utilised resources or support provided by Council in the previous six months. Those who received support and resources are more likely to report better overall sales revenue and positive impacts on operating pre-tax profits.

Figure 24: Master plan approach – Edwards Road Industrial Precinct



Business Support Program

- Competitive commercial business rates
- Business visits – one to one to provide tailored intelligence and market insights
- Assistance with research and demographic information
- Grow your business workshops – together with chambers of commerce
- Annual one stop shop event with Government agencies
- Hills Business Performance Survey
- Easy to do Business Program
- Sydney Hills Local Business Awards
- Local Business networks
- Youth entrepreneur program

Innovation resources

The predominance of small businesses in the Shire requires investment in innovation to help these businesses grow in the areas of service delivery, productivity, systems development, market innovation and product innovation. Improvements in productivity and service delivery are aspects of business growth that are valued highly by local business owners and managers, above product development (McCrindle 2018).

Measures to facilitate innovation and access to resources will be further explored in the development of an Economic Growth Plan (see previous priority).

Night-time economy

The District Plan notes that a vibrant and safe night-time economy will enhance the social and recreational needs of communities across Greater Sydney. Planning for a night-time economy in centres includes supporting a range of small businesses such as retail, arts and cultural enterprises and events.

Typically, the night-time economy is driven by:

- food (cafes and restaurants)
- entertainment (retail, cinemas, bookstores and performing arts)
- drink (pubs and small bars).

Beyond entertainment needs, night-time economy provides opportunities for out of hours retailing for essential services including supermarkets, dry cleaners and health care. The increasing popularity of 24-hour land uses such as gyms indicates that work hours and the way people live are changing.

Boutique, craft or artisan food and drink products are increasingly popular among consumers who want an alternative to mass-manufactured offerings. Craft and locally produced goods support industries such as tourism and hospitality, as well as providing local employment. Similarly, there has been an increase in the popularity of small bars and restaurants.

The night-time economy will be driven and inspired by strong inter-industry partnerships, including the community, creatives, entrepreneurs, businesses, police, landowners, innovative investors and other government agencies.

There is considerable potential to grow the night-time economy in Castle Hill, Norwest and Rouse Hill. Mechanisms could include a review of permissible land uses, review of hours of operation, review of outdoor dining policy, public domain planning and place-making opportunities.




Public Domain Strategy

Our Public Domain Strategy will direct works and improvements throughout the Shire. It will include:

- design principles applicable across the whole Shire
- key street design elements
- specific design principles for local, village and town centres, and business and industrial areas
- provision for precinct-specific public domain plans for:
 - Baulkham Hills town centre
 - Castle Hill strategic centre
 - Norwest strategic centre
 - Rouse Hill strategic centre.

The Public Domain Strategy will drive better place-making. Precinct-specific and Shire-wide plans will inform our Capital Works Program and provide direction and certainty to developers and planners preparing and assessing applications that have an impact on the public domain.



Structure plans indicate
where we will focus jobs and housing in
strategic centres over the next

20 years

Council will:

- Prepare land use planning documents and respond to development applications and planning proposals for strategic centres in line with the structure plans and phasing strategies contained in *Hills Future 2036* Planning Priority 2.
- Work with the NSW Government to bring forward planning for the city-shaping link between Norwest and Parramatta.
- Advocate for the early completion of the Sydney Metro linking strategic centres with the Sydney CBD and Western Sydney International Airport.
- Investigate measures to promote low-impact night-time economy, including a review of permissible land uses, review of hours of operation, review of outdoor dining policy, public domain planning and place-making opportunities.

Actions

- Prepare and implement precinct plans and development controls for Norwest, Castle Hill and Rouse Hill strategic centres.
- Partner with Health Infrastructure NSW, Department of Planning, Industry and Environment, Blacktown City Council and key landowners to develop a Health Precinct Strategy for the new Rouse Hill Hospital.
- Prepare and implement a Public Domain Strategy to enhance the image and amenity of strategic centres.
- Review planning controls and permissible uses within the IN2 Light Industrial and B6 Enterprise Corridor zones with a focus on the Norwest Service sub-precinct and its ability to function as an incubator for start-up businesses.
- Investigate and implement measures to manage serviced apartments in employment zones.

Providing retail services to meet residents' needs

This relates to Planning Priority 10 in *Hills Future 2036*.

Rationale

Zoned centres have capacity to accommodate expected retail floorspace demand for department stores, discount department stores and supermarkets over the next 10 years. No additional land is intended to be zoned for retail purposes in the LEP review.

Given this, we will focus on achieving the planned and potential future supply of a range of retail floorspace. Protecting and strengthening the hierarchy of centres through the LEP and land use decision-making is paramount. The zoning of land in centres should have regard to the following:

- **Continuation of zoned business land to communicate its role and current or intended land use, consistent with the hierarchy of centres.** This may include change to recognise the Circa Centre at Bella Vista and review of permissible uses in neighbourhood centres given new Standard Instrument definitions.
- **Allow for a diverse range of shopping uses in centre zones.** The retail analysis identified an undersupply of specialty retail. We need to promote specialty retail in centres as part of the planning and development assessment process.
- **There will be likely longer-term demand for specialised retail floorspace by 2036.** To accommodate future floorspace demand for specialised retail these uses should be clustered with existing locations. Locational requirements for these uses to support and be located near to centres should be considered.

- **Reinforce the hierarchy of centres in decision making.** This will require all new development proposals to support the hierarchy, with major development applications or planning proposals subject to detailed economic impact assessment. This will be required under our development control plans (DCPs), with an additional control to require applicants to demonstrate how their proposal delivers or does not prevent the future achievement of the envisaged centre outcome in terms of number of supermarkets, discount department stores and department stores.

Supply to 2026

Our previous *Centres Direction* included criteria for consideration of proposals that were inconsistent with the hierarchy of centres. This emphasised the need to demonstrate sufficient demand for the proposal without compromising the ability of other existing or proposed centres to fulfil their role in the hierarchy. This is also the focus of retail economic impact assessment at development application stage.

In recent years, there has been a strong market for residential uses at the expense of commercial or retail uses. This has been facilitated by the permissibility of shop-top housing under the Standard Instrument Local Environmental Plan (LEP), limiting the development of necessary retail floorspace and risking future expansion in centres given fragmentation of land ownership.

For example, while Box Hill was identified as having potential for five supermarkets, one discount department store and a range of specialty retail, the full five supermarkets will not be achieved. To date one centre, identified as a village centre that would normally include a supermarket, provides specialty retail only.



We initiated a planning proposal in late 2016 to limit the amount of residential floorspace relative to commercial. This has gone some way to addressing the pressures on the zoned centres. However, viability and cost considerations, multiple landowners and the focus on economic impact assessment rather than achieving the role identified in the hierarchy means there is no certainty that remaining centres will provide the identified mix of retail types.

We need to encourage developers to address the current undersupply of specialty retail and promote our vision for each centre. This may include data on the current identified retail needs in various sectors and information on shopping trends, retail expenditure and demographics to encourage a suitable retail mix in new developments.

As noted above, the criteria for assessing development proposals should also be augmented to require applicants to demonstrate how their proposal delivers, or at the least does not prevent, the envisaged centre outcome in terms of number of supermarkets, discount department store and department stores.

Beyond 2026

Beyond 2026 there may be a need for additional zoned land for retail uses in the Shire. We will likely undertake a full review of floorspace by that time. By 2036 there is likely to be unmet demand for a department store, supermarket floorspace and specialty stores.

Norwest

Precinct planning for the Station precinct has commenced and investigations could include the potential for additional specialty retail, a second supermarket and a discount department store. Subject to more detailed planning, including analysis of traffic impacts, such outcomes would be in line with the changing role of this centre from a town centre to a strategic centre.

Rouse Hill

Existing zoned and vacant land could provide for future retail expansion; however, current proposals for the centre are focused partly on specialty retail floorspace (around 13,100m²) as well as higher density residential development. Further precinct planning will protect opportunities for this centre to transition to a strategic centre with the full range of retail experiences. This could include a department store in the longer term subject to further investigation.

Castle Hill

Terminus Street master plan identifies opportunity for an additional supermarket and specialty retail for Castle Hill beyond the development proposed as part of Castle Towers redevelopment.

More detailed retail catchment analysis will help us to better understand any areas of future undersupply and ensure the spatial distribution of retail floorspace responds to where the concentrations of people are expected.

Transitioning centres

Rouse Hill, Circa Norwest and Windsor Road, Kellyville are identified as having the capacity to transition to higher order centres.

Rouse Hill – planned strategic centre

Under the *Central City District Plan*, Rouse Hill encompasses ‘old’ Rouse Hill which extends north to Mile End Road. We will work to strengthen the whole strategic centre through approaches that expand the centres, enhance pedestrian and cycleway links particularly across Windsor Road, promote complementary business uses on land adjacent to the town centre and provide additional active open space around Caddies Creek.

Figure 25: Rouse Hill strategic centre as defined in *Central City District Plan (2018)*



The Rouse Hill town centre includes more than 65,000m² of retail floorspace, incorporating four supermarkets of varying sizes, two discount department stores, as well as restaurants, cinemas, a library and community facility and public domain space.

In order to transition to the intended function as a strategic centre, we need to consider commercial development, higher order retail and destination shopping, potential for government offices, and opportunities to enhance recreation and entertainment facilities including restaurants and cafes, bars and/or cinemas that will facilitate day time and night-time trading. This is addressed in the structure plan and phasing strategy contained in *Hills Future 2036*, Planning Priority 2.



Windsor Road, Kellyville

This centre has a retail floorspace of around 2,000m² which incorporates specialty shops and some commercial floorspace. This centre was identified as a village centre as part of the planning for the Balmoral Road Release Area. It has not achieved transition due to a range of factors, and further work is proposed to enhance the function of this centre.

Circa, Bella Vista

The Circa Precinct at Bella Vista has a retail floorspace of around 3,890m² which incorporates a supermarket and range of specialty shops. At the time these shops were proposed they were outside of the hierarchy of centres and intended to serve the workers of the business park. As such the retail was allowed as an additional permitted use and floorspace capped to 3,890m².

The site is currently zoned B7 Business Park where shops are not permitted. The centre’s role is changing with seniors’ housing nearby. We need to consider if there is capacity to zone the land to reflect the existing use and allow for future retail growth, without compromising the role of other centres in the hierarchy.

Specialised retail clusters

Specialised retail businesses generally seek large, more affordable sites within industrial areas, which provides an economic advantage over retailers within centres. Out-of-centre retail areas should complement, rather than compete with centres. Where these activities are co-located with a centre, they provide greater shopper convenience and potential for a higher level of amenity, reduced duplication of activities such as food premises, and provide a better range of goods and services.

Consideration of additional floorspace should be based on the identified demand and be clustered with existing specialised retail precincts. In determining location of any future precincts, or expansion of existing, the following criteria should be considered:

- Opportunities to locate in an area that supports a major centre.
- The provision of public infrastructure including roads and public transport, and pedestrian and cycling paths.
- Convenience and connections to surrounding land uses including residential areas and nearby centres.
- Traffic generation and accessibility, with access via the local road network (no direct access to properties from classified roads) to avoid disruption to traffic flows.
- Compatibility with surrounding land uses and potential implications such as loss of amenity and changes to the public domain.
- Implications for the supply and affordability of employment and residential land.
- Development proposals for bulky goods developments should be accompanied by economic impact assessments.

“ Out-of-centre retail areas should complement, rather than compete with, centres.”

Lifestyle factors

Efforts to contain the workforce within the 25–34 age group need to include measures other than providing the right types of jobs – the importance of social infrastructure is key.

This generation of workers places a great deal of value on balancing work commitments with other facets of their lives and employment in locations that are rich in opportunities for meeting and connection, convenience retail, events and dining.

These measures increase the ‘stickiness’ of a place and serve also to activate key commercial and employment areas and increase their vibrancy and sense of community. Growing numbers of councils are seeing the value of developing comprehensive policies on the night-time economy, as noted earlier, in an effort to make it easier for workers to blend their work commitments and lifestyle more seamlessly.



Social infrastructure is the interdependent mix of facilities, places, spaces, programs, projects, services and networks that maintain and improve the standard of living and quality of life in a community.”

Department of Planning, Western Australia 2012

Council will:

- Ensure the provision of social infrastructure and retail services keeps pace with population growth and meets the needs of existing and future residents.
- Continue to use the centres hierarchy and zoning framework to communicate the role and function of centres.
- Facilitate specialised retail development (bulky goods) only within larger centres and specific precincts subject to locational criteria contained in this Strategy.
- Encourage developers to address the identified undersupply of specific retail types identified in this Strategy.

Actions

- Reinforce and protect the hierarchy of centres through land use zones, objectives, permitted uses, local provisions and amended development controls where appropriate.
- Complete a Commercial and Retail Floorspace Demand Analysis.



Renew and create great places

This relates to Planning Priority 9 in *Hills Future 2036*.

Rationale

Local centres are a critical part of the urban environment, contributing to quality of life. They provide places for social interaction and are destinations that encourage walking, cycling and healthy lifestyles.

The redevelopment and revitalisation of existing centres presents challenges for property owners, businesses and Council. Achieving a quality and cohesive design outcome for centres can provide economic and social benefits for the community and may provide opportunities to make better use of existing services and infrastructure. Factors such as poor streetscape appeal and amenity, an insufficient range of retail mix, ageing building stock, shop vacancies and poor connectivity are often present in centres that would benefit from redevelopment or revitalisation projects.

Land ownership patterns largely determine the extent, timing and phasing of centre redevelopment. The length of the tenants' leases and the viability of the businesses influence the willingness of owners to redevelop. The ideal scenario will be a single-owner purchase by multiple partners, lease, private-public partnership, cooperative ownership, or land trust. The age and quality of building stock will also influence the viability of redevelopment.

We can provide guidance and assistance to business owners to encourage the revitalisation and redevelopment of existing centres. We will prepare Commercial Retail Urban Design guidelines to guide the redevelopment of existing centres or development of new centres. These will have regard to the *Principles for Greater Sydney Centres* and be supported by a *Public Domain Strategy*.

We will also work with business and property owners in Kellyville village and Baulkham Hills town centre to prepare master plans, drawing on place-based planning and a cohesive vision that considers design, local circumstances, demographics, general site constraints and interfaces with surrounding land uses.

Baulkham Hills town centre

Baulkham Hills town centre at the junction of Windsor Road, Old Northern Road and Seven Hills Road has an area of approximately 28.8 hectares. It includes a mix of uses including commercial, retail, recreation, open space, community facilities and car parking.

The centre provides retail, commercial and services for the surrounding residential areas and contains close to 30,000m² of retail and commercial floorspace.

Most of this floorspace is located within Stockland Mall, which contains three supermarkets, more than 100 specialty stores and several restaurants and local support services. Approximately 1,400 people work in the town centre. Its character is changing rapidly with an increase in apartment living close to the key bus corridor to the CBD and Parramatta.

Figure 26: Baulkham Hills town centre



4. PLANNING PRIORITIES

We prepared and exhibited a draft master plan in 2014 which identified strategic investigation and opportunity sites that could facilitate potential residential and commercial uplift. The draft master plan aimed to guide the renewal and rejuvenation of the town centre and establish the framework to guide future land use planning and infrastructure decisions.

The master plan was not adopted by Council as transport and traffic infrastructure issues (predominantly relating to grade separation of Old Northern Road and Windsor Road and a transport interchange near Railway Street) have not been resolved. Future uplift in the town centre would only be supported once investment in infrastructure is secured.

Fragmentation of lots, land ownership patterns and high land values constrain redevelopment opportunities and increase the difficulty of consolidating lots into functional development sites which increases the overall costs of redevelopment. For certain sites, these issues will simply not be resolved via a Council-initiated amendment to the zoning or development standards within the LEP. This could also have the unintended consequence of increasing land values which will further reduce the viability of redevelopment.

In the longer term, pending resolution of transport issues, a targeted approach is needed to identify strategic investigation sites that have development opportunity but unique characteristics that need to be carefully addressed. Any redevelopment of strategic investigation sites could occur as part of a landowner-initiated planning proposal to amend the LEP, which would include the preparation of site-specific development controls and a design concept.

To guide landowner-initiated proposals this process would establish design principles relating to matters such as land use, transport and access, parking and servicing, treatment of interfaces, building address, built form, open space and community facilities, public domain and environmental performance.

Kellyville village

The centre on Windsor Road, Kellyville between Acres Road and President Road faces challenges given its main road location, poor streetscape appeal and amenity, insufficient range of retail mix, ageing building stock, shop vacancies and poor connectivity.

It comprises a mix of strip shopping and standalone commercial premises. Sites within the centre have a narrow street frontage and are reflective of an older residential subdivision pattern. Individual sites operate in isolation and are poorly connected with other sites within the centre.

Preliminary investigations have identified:

- potential to establish a new identity as a village centre for residents in the Balmoral Road Release Area
- options to facilitate more orderly redevelopment within the centre, including refining the boundaries of the centre, where required
- opportunities to manage interface impacts with both Windsor Road and the residential development within the Balmoral Road Release Area.

Figure 27: Kellyville village master plan locality



Issues to be resolved for Kellyville include:

- delivery of new road connections and intersection upgrades
- interface with residential land to the south
- interface with service station
- facilitating safe and efficient vehicular access to future development (including truck access)
- connections with Balmoral Road Release Area
- viability of redevelopment.

We have identified this southern part of the centre for master planning to facilitate redevelopment and revitalisation. An alternative approach, similar to that flagged for Baulkham Hills town centre, would be to consider future redevelopment for the southern side of the centre as part of a landowner-initiated planning proposal together with site-specific development controls, design concept and design principles.

Any proposal would need to demonstrate a cohesive master planned outcome considering the whole of the southern side of the centre and neighbouring sites (if warranted) to facilitate and improve access arrangements.

Any planning proposals for either Baulkham Hills town centre or Kellyville village would need to be cognisant of the fact that projected dwelling numbers for the Shire exceed targets in the District Plan. We have no intention to accelerate or rezone additional land for residential uses unless exemplary development and community outcomes can be achieved.

Any landowner-initiated planning proposal must be consistent with the *Principles for Greater Sydney Centres*.

Neighbourhood centres

Neighbourhood centres are smaller, walkable centres that provide for the daily needs of the community. They are generally easily accessible, suitable in scale and designed for their location with little traffic and low impacts on surrounding residents. They often include individual shops or social places like cafes.

The Standard Instrument LEP was amended mid-2018, giving effect to changes to retail-related land use definitions in order to remove impediments to the retail sector. This included the introduction of a new land use term for neighbourhood supermarkets that allows for smaller format supermarkets (up to 1000m²) in the B1 Neighbourhood Centre zone. This new definition provides opportunity to review permissible uses to ensure that the permitted uses are in keeping with the small scale objective of neighbourhood centres.

Council will:

- Prioritise place-making in new and emerging neighbourhoods.
- Promote the economic benefits of centre redevelopment to business and landowners.
- Discourage commercial and residential uplift in Baulkham Hills town centre until transport and traffic issues are resolved.
- Only encourage planning proposals for local centres that align with our master plan for the centre and protect its primary role to provide goods and services or be a place for new or evolving employment functions.

Actions

- Review permissible uses in the B1 Neighbourhood Centre zone to ensure they are in keeping with the small-scale objective of neighbourhood centres.
- Prepare and implement Commercial/Retail Urban Design Guidelines.
- Prepare a master plan for the centre at Windsor Road, Kellyville.

Retain and manage valuable industrial and urban services land

This relates to Planning Priority 3 in *Hills Future 2036*.

Rationale

The *Central City District Plan* notes that Sydney's existing industrial, manufacturing, warehousing and distribution facilities contribute to its role as Australia's manufacturing capital. These activities occur on industrial land that also accommodates urban services, freight and logistics services and advanced manufacturing.

With increasing pressure placed on industrial precincts in the face of rising land values and land use conflicts, there is finite land available for urban services to keep pace with population growth. Many low impact urban services such as warehousing and storage services, postal and courier pick-up/delivery services and 24 hour gyms, can be suitably located within the B6 Enterprise Corridor Zone, where they can be close to where people live. Higher impact services such as vehicle repair, manufacturing or water and waste treatment plants are ideally located within industrial zones that provide a safeguard against land use conflict with non-compatible uses.

To ensure adequate protection and capitalise on the potential of these lands, the planning framework must respond to market needs, including lot size and height requirements. Further, an audit of permissible land uses is required to ensure that industrial and urban service lands deliver their intended functions. If the planning system does not support the needs of service industries it increases the risk of land being turned over to residential, business or retail zonings.

Protecting industrial and urban services land

Industrial and urban services lands support the functioning of a city. For example, Sydney Water owns land within the Annangrove Road Employment Area, which provides critical infrastructure to surrounding development. Industrial and urban services land contains a range of land uses including panel beaters, mechanics, lawn-mower repairers, small-scale manufacturing companies, children's play facilities, food preparation and catering facilities and gyms.

Not all urban services need to be in industrial zones. Many businesses locate in these zones as they need space and the option to emit noise and/or smell. Protecting industrial and urban services land pockets throughout the Shire will give people the opportunity to live and work close to these services.

The Commission's thought leadership paper *A Metropolis that Works* states that while the Central City District has a greater provision of industrial and urban services land than other districts, this part of the metropolitan area is undergoing transition which is likely to place pressures on future availability.

While the Commission has sought to research a suitable standard of provision, there are no definitive benchmarks for industrial and urban services land. Within the IN1, IN2 and B6 zones, a range of permitted land uses are not traditional industrial/urban service uses that warrant more land identified in these zones than strict measures may suggest. Such uses include places of public worship, childcare centres and community facilities (industrial zones) and additional uses such as education establishments, office premises and plant nurseries in the business enterprise zone. Population growth is not anticipated to slow and once this land is lost to residential retail land uses, it is almost impossible to get back.



Most vacant industrial and urban services land is in the Annangrove Road Employment Area and Box Hill Business Park. Investment in transport infrastructure would be the catalyst for development interest in these areas, specifically upgrading Annangrove Road to an arterial status in the short to medium term and the construction of the Outer Sydney Orbital in the long term would assist in establishing freight routes and allowing for efficient distribution of goods produced in the area.

Enhancing industrial and urban services land

An industrial and urban services precinct does not negate the need for good design. Good design positively influences internal and external amenity for centre staff and visitors. Achieving good amenity contributes to the visitor experience and reinforces identity and a sense of place. Good amenity combines high quality indoor and outdoor spaces, access to sunlight, visual and acoustic privacy and ease of access for all age groups and degrees of mobility.



Land for industrial and urban services provides jobs, supports ongoing business and residential growth and provides essential, everyday services.”



Council will:

- Protect and manage industrial and urban services land to meet the needs of existing and future residents to 2036 and beyond.
- Discourage planning proposals seeking to rezone industrial and urban services land.
- Investigate opportunities to renew and improve controls related to pedestrian access, car parking and landscaping in industrial areas.

Actions

- Protect the extent, role and function of industrial and urban services land through land use zones and objectives.
- Prepare an Economic Growth Plan.
- Review planning controls in employment zones to support freight operations and businesses while minimising negative impacts on urban amenity.



IMPLEMENTATION, MONITORING AND REVIEW

Implementation and delivery

The actions in this Strategy will be implemented in accordance with the implementation plan supporting *Hills Future 2036*.

Stakeholders

Stakeholders who will help us to deliver the actions include:

- residents
- business owners
- development industry and chambers of commerce
- State agencies including the Greater Sydney Commission, Department of Planning, Industry and Environment, Department of Education and Transport for NSW.

Planning instrument

The *Productivity and Centres Strategy 2019* flags potential changes to planning controls following further investigations and precinct or master planning work. It is anticipated that this work and subsequent planning proposals will be completed by the next five-year review.

Proposed amendments that do not require detailed planning or further investigations will be included in the review of our LEP, which we are aiming to complete before June 2020.

Monitoring and review

The *Productivity and Centres Strategy 2019* will be monitored annually and a report made to Council to inform future review programs. We expect to review, exhibit and re-adopt the Strategy every five years to ensure employment lands and centres meet the needs, means and lifestyles of people living and working in The Hills.



6

APPENDICES



Appendix A:

Planning policy and context

Term	Definition	The Hills Shire
Resident workforce (labour force)	Resident workforce includes all people living in the Shire aged 15 and over who are either employed or looking for work and available to start. Both full and part-time work counts towards the labour force.	84,017
Unemployment rate	The number of people looking for work and available to start as a percentage of the labour force.	4.6%
A. Resident workers	Resident workers are all employed people who are resident in the Shire, regardless of where they work.	80,182
B. Local workers/jobs	Local workers are the people employed in the Shire, regardless of where they live. This figure also represents the jobs available in the Shire.	63,865
C. Resident workers in local jobs	Number of people who live and work in the Hills Shire.	24,870
D. Job containment $D=C/A$	Job containment measures the proportion of resident workers employed in the Hills Shire. It indicates the propensity of residents to seek employment outside the Shire.	31 per cent
E. Employment self-sufficiency $E=C/B$	Self-sufficiency measures the proportion of local workers in the local area who also live in the Shire. It indicates the level at which resident workers meet the labour requirements of local industries or businesses.	39 per cent

Source: Australian Bureau of Statistics (ABS) – Census 2016 and National Institute of Economic and Industry Research (NIEIR) 2018, presented in economy.id



Appendix B:

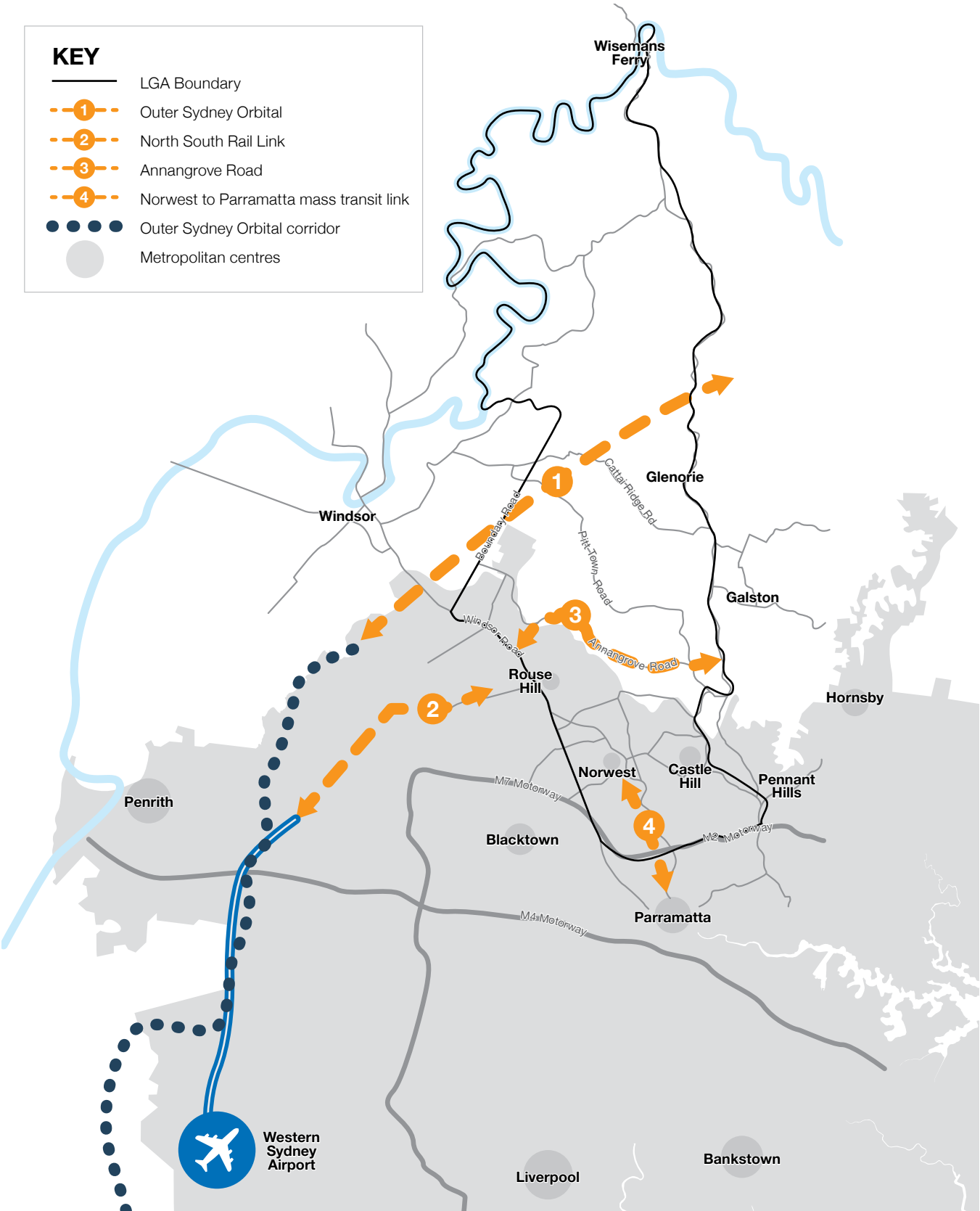
Transport connections

State project	Status October 2019	Approach
Rail projects		
Norwest to Parramatta mass transit link	<p>20-year visionary project in <i>Future Transport 2056</i>.</p> <p>No firm commitment to commence planning prior to then.</p>	<p>Link should be investigated within the next 5 to 10 years to match the expected jobs growth in Norwest and the number of people travelling between Norwest and Parramatta for work.</p> <p>The link will connect the Hills into the Greater Parramatta Olympic Peninsula economic corridor and help grow and develop knowledge-based industries in Norwest Business Park.</p>
North South Rail Link	<p>For investigation within the next 10 years as part of the <i>Future Transport 2056</i>.</p>	<p>The link will provide access for Hills residents to Western Sydney Aerotropolis and serve the 30 per cent of the current workforce that travels to The Hills from Western Sydney yet will not immediately benefit from Sydney Metro Northwest.</p>
Box Hill Rouse Hill public transport corridor	<p>Not identified in <i>Future Transport 2056</i>.</p>	<p>Box Hill and Box Hill North greenfield areas will not be directly serviced by rail services. A public transport link between Box Hill and Rouse Hill will connect people to rail and T-way services and local jobs.</p> <p>A public transport corridor has already been preserved in Rouse Hill between Annangrove Road and Commercial Road. Investigations are required to identify the best continuation of the corridor and whether that should be by light rail or bus.</p>

State project	Status October 2019	Approach
Road projects		
Grade separation at Seven Hills Road and Windsor Road, Baulkham Hills	<p>Not identified in <i>Future Transport 2056</i>.</p> <p>Consistently raised by Council with Roads and Maritime Services.</p>	Given expected demand on road infrastructure, the grade separation could be integrated with the planning of the Norwest to Parramatta mass transit link.
Outer Sydney Orbital	<p>20-year visionary project in <i>Future Transport 2056</i>.</p> <p>After exhibition of proposed corridor in 2018, the corridor now ends at Richmond Road</p>	<p>We will be better placed to plan for residential and economic growth, particularly in greenfield areas, once the NSW Government confirms the location for the corridor.</p> <p>The developing business park and industrial estate in Box Hill will rely on the Orbital to provide freight connections to Western Sydney Aerotropolis and The Shire's primary freight destination of the Central Coast.</p>
Annangrove Road arterial and bypass	Not identified in <i>Future Transport 2056</i> .	<p>Annangrove Road connects between Windsor Road and Pennant Hills Road via New Line and Boundary roads at Dural. Development in greenfield areas will increase demand on Annangrove Road to accommodate commuters travelling through the north of the Shire towards Hornsby and beyond.</p> <p>The road's changing role should be reflected in an amended status to an arterial road.</p>



Figure 28: Future regional transport connections



Appendix C:

Benchmarking retail need

In 2016 Deep End Services was commissioned by Department of Planning and Environment and the Greater Sydney Commission to investigate retail floorspace and demand across Greater Sydney. This work aimed to support local councils to plan for adequate retail and commercial capacity in centres by developing demand and supply data sets.

The work provided estimates of retail floorspace supply for the full range of retail types across shopping centres, strip retail, homemaker centres, highway and industrial precincts. The report indicated an average provision rate of 2.35m² of retail floorspace per capita within Greater Sydney at 2015 and projected this would increase to 2.56m² per capita by 2031.

Greater Sydney rates of provision are a starting reference in lieu of a more detailed retail floorspace and demand analysis. While the average rates of provision broadly indicate retail needs, they do not account

for the demographics of the Hills Shire which affect retail demand, catchments that extend across local government boundaries and the spatial distribution of retail floorspace to ensure ready access to centres that meet local needs.

The Shire has an average provision rate of 2.69m² per capita for the existing population, with comparatively high rates of provision in terms of department store, discount department store and supermarket floorspace.

An alternative measure arising from the Deep End work is application of population thresholds to support the development or expansion of a shopping centre.

Deep End identified the average provision of supermarkets and discount department stores per number of people for Greater Sydney and growth areas. The provision for the existing Shire population is high compared to both measures.

Table 20: Comparison of average retail floorspace provision – Greater Sydney and The Hills

Retailer type	Average provision (m ² per capita)		
	Sydney 2015	Sydney 2031	The Hills
Current			
Department stores	0.11	0.22 combined	0.19
Discount department stores	0.13		0.23
Supermarkets (>1,000m ²)	0.23	0.29	0.46
Specialty stores	1.25	1.30	0.98
Large format retail	0.63	0.75	0.83
Total	2.35	2.56	2.69

Source: Adapted from Deep End Services 2016



Table 21: Population thresholds for discount department stores and supermarkets

Retailer type	Average population per store (Greater Sydney)	Average population per store (growth areas)	Average population per store (Hills Shire)
Discount department stores (DDS)	1 per 55,590	1 per 45,000	1 per 32,500 (5 DDS)
Supermarkets (>1,000m ²)	1 per 11,165	1 per 10,000	1 per 6,520 (25 supermarkets)

Source: Deep End Stage 3 report 2016

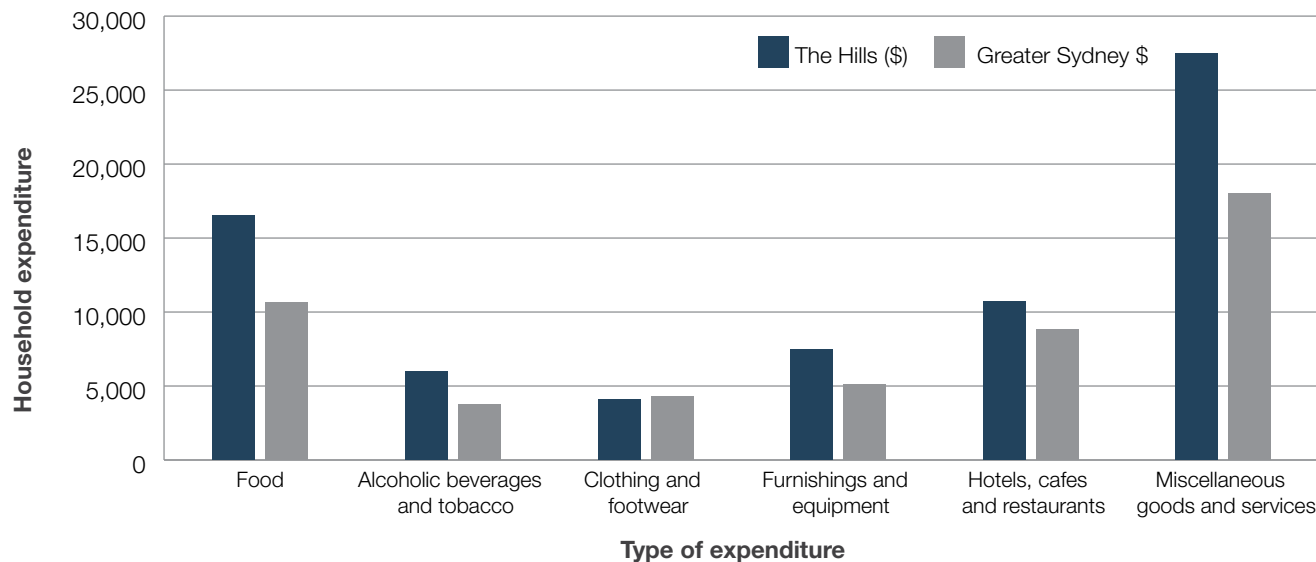
The difference may be due in part to the wider catchment of both Castle Hill and Rouse Hill discount department stores beyond the Shire's boundary and the delivery of supermarket-based centres in growth areas in advance of full residential development.

For example, two new supermarkets were opened in North Kellyville in late 2017 when around 10,000 people had moved in (around 50 per cent of the population expected). Even accounting for these differences, the provision of supermarkets and discount department stores in the Shire is comparatively high. Demand for supermarkets is expected to continue given high household incomes and expenditure.

Household income is a strong determining variable in retail demand. The Hills community has a high median weekly household income, with 32.8 per cent of households earning over \$3,000 per week, compared with 21.2 per cent in Greater Sydney.

The resident workers also represent a higher proportion of managers and professionals (46.5 per cent) than Greater Sydney (40 per cent).

Households in the Shire spend more on most of the expenditure categories than households across Greater Sydney. The relative affluence of the community and the high proportion of family households increases demand for grocery items, recreational activities and other discretionary spending.

Figure 29: Comparison of household expenditure – The Hills Shire and Greater Sydney 2017–18

Source: National Institute of Economic and Industry Research (NIEIR) 2018. Compiled by economy.id

To provide a realistic understanding of projected demand for retail floorspace in the Shire to 2036, we have adopted the following benchmarks.

Table 22: Adopted average retail floorspace provision for the Hills Shire (m² per capita)

Retailer type	Current	2021–2036
Department stores	0.19	0.11
Discount department stores	0.23	0.13
Supermarkets (>1,000m ²)	0.46	0.40
Specialty stores	0.98	1.25
Large format retail	0.83	0.73
Total	2.69	2.80





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The Hills Shire Council 2019 *Strategic Review of Employment and Industrial Activities*



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