NORTH ROCKS WOOLWORTHS, SYDNEY

Economic Impact Assessment

Prepared for Woolworths Group
August 2019

LOCATION IQ

CONTENTS

INTRODUCTION

This report presents an independent assessment of the demand for a proposed Woolworths supermarket-based development at North Rocks in the Hills District of Sydney. The report also considers the likely economic impacts which would result from the proposed development. The proposal is referred to as the proposed North Rocks Woolworths or proposed development throughout the remainder of this report.

Woolworths are proposing to develop a Woolworths supermarket (including BWS) and a large format retail distribution warehouse (non-retail), permitted under the current zoning at the former Bunnings Warehouse site at 1 Windsor Road in North Rocks. Retail uses are currently prohibited based on the zoning of the site (B6 Enterprise Corridor) and an amendment to The Hills Local Environmental Plan 2012 is now required. As part of the planning proposal, an Economic Impact Assessment is now required with the specific focus as follows:

> *"Identifying market demand for retail land uses within the catchment. This assessment would also need to ensure there is no adverse impact on the retail hierarchy or impact on the provision of business enterprise land in North Rocks".*

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

- **Section 1** details the location of the proposed North Rocks Woolworths site and discusses the context of the site within the Parramatta Local Government Area (LGA). The proposed development scheme is also reviewed.

- **Section 2** examines the resident trade area which is relevant for the proposed development, including current and projected population and retail spending levels. The socio-economic profile of the trade area population is also reviewed.

- **Section 3** provides an overview of the retail hierarchy in the surrounding region.

- **Section 4** outlines an assessment of the sales potential for the proposed North Rocks Woolworths and then presents an economic impact assessment. Likely trading impacts on other retailers throughout the surrounding region are considered, as are the employment and other economic impacts, both positive and negative, of the proposal.

- **Section 5** outlines the key findings of the analysis.

EXECUTIVE SUMMARY

The key points of this independent Economic Impact Assessment for the proposed North Rocks Woolworths development, include:

i. Woolworths are proposing to develop a Woolworths supermarket (including BWS) and a potential large format retail distribution warehouse (non-retail) at the former Bunnings Warehouse site at 1 Windsor Road (Church Street) between North Rocks Road and Cumberland Highway in North Rocks.

ii. The former Bunnings Warehouse site at North Rocks enjoys a high-profile location with significant exposure to passing traffic. A traffic lighted intersection at North Rocks Road provides ingress and egress to the site. Based on 2018 traffic counts from NSW Transport, some 30,418 vehicles travelled daily along Church Street (both directions) at the intersection of Daking Street. This equates to some 11.1 million vehicles over the year.

iii. The proposed development would provide a modern full-size Woolworths supermarket of 3,800 sq.m (including BWS) and potential large format retail distribution warehouse (non-retail) of 3,015 sq.m. In total, 260 car spaces are planned.

iv. The defined main trade area largely falls within a 2 - 3 km radius of the site, which is consistent with most full-line supermarkets across Australia in established residential areas, acknowledging that overlapping catchments are typical in any retail hierarchy, particularly in metropolitan areas.

v. The proposed North Rocks Woolworths main trade area population is currently estimated at 44,420 (2019), including 17,510 persons within the primary sector. The main trade area population is projected to increase to 49,960 by 2031, including 21,210 persons in the primary sector.

vi. In Australia, one major full-line supermarket is typically supportable for every 8,000 – 10,000 persons. On this basis, the main trade population (44,420 persons) could easily support five full-line supermarkets, with one currently provided, namely Entrada Coles. In the primary sector, the current population of some 17,510 persons is only served by a small IGA supermarket of 1,040 sq.m at Northmead.

vii. The existing Northmead IGA, which is the only supermarket in the primary sector and one of only two supermarkets in the main trade area, is small by modern standards at 1,040 sq.m. Most modern full-line supermarkets which serve the weekly shopping needs of local residents are typically 3,200 sq.m in size and larger.

viii. There are limited food and grocery tenants, and specifically supermarkets in the main trade area, to serve residents of the local and surrounding region. Assuming the Sydney benchmark of 263 sq.m of supermarket floorspace per 1,000 persons, there is a current indicative undersupply of some 7,114 sq.m of supermarket floorspace across the main trade area. Not all of this supermarket floorspace demand will be retained in the main trade area, however, there is considered to be significant demand for supermarket floorspace in this part of Sydney. Following the opening of the proposed North Rocks Woolworths of 3,800 sq.m in 2022/23, there would still be an under provision of supermarket floorspace across the main trade area of some 3,666 sq.m that would increase over time.

ix. The proposed North Rocks Woolworths supermarket is projected to achieve sales of $37.9 million in 2022/23, at an average of $9,984 per sq.m, compared to the Australian average of $9,000 - $10,000 per sq.m. This indicates strong demand for the proposed supermarket.

x. All supermarkets within the main trade area would still be viable. Key impacts on the surrounding competitive network are as follows:

- The highest impact in <u>dollar terms</u> would be on Westfield Parramatta, at around $10.5 million, with most of this impact falling on the supermarkets, in particular, the relocated full-line Woolworths which is the closest Woolworths to the proposed development. All of these supermarkets are understood to trade strongly, at levels above the Australian benchmark. In percentage terms, however, the total impact is small at around 1.0%, with the impacted supermarkets to remain viable. Westfield Parramatta current records Moving Annual Turnover (MAT) of $848.65 million, which is some 43% higher than the benchmark for the Regional Shopping Centres of $593.7 million (Urbis Retail Averages 2017/18).

- The highest impact in <u>percentage terms</u> would be on Entrada (20 Victoria Road, North Parramatta) at 10%, which is the closest full-line supermarket. This reflects a dollar impact of $5.3 million. Coles is understood to trade strongly and would continue to be viable.

- Northmead Shopping Centre would be impacted by around 9.0%, or $2.2 million. This is the nearest supermarket and shopping centre to the site. Northmead Shopping Centre would continue to be viable with the IGA supermarket supported by a convenience range of 19 specialty shops (including four food retail specialty shops, three food catering operators, a newsagent, hairdresser, Australia Post and a medical centre) which would not be replicated at the proposed North Rocks Woolworths site. As such, residents would still have to frequent this centre for a wider range of facilities.

- Coles Westmead is projected to be impacted by $1.6 million (5%), reflecting its location, immediately west of the main trade area.

- Projected impacts on Stockland Baulkham Hills (2.5% or $3.9 million) and Winston Hills Mall (2.8% or $7.0 million) reflect the strong convenience focus and easy access to these centres from the main trade area;

- Other impacts are each below 5%, well within the normal competitive range.

xi. Overall, the proposed North Rocks Woolworths development would not impact on the viability or continued operation of any existing or proposed centres within the main trade area or the surrounding region, with all impacts within the normal competitive range of around 10% or less.

xii. In total, there is 529,741 sq.m of B6 Enterprise Corridor zoned land in the City of Parramatta LGA and 239,133 sq.m of B6 Enterprise Corridor zoned land in the North Rocks/North Parramatta precinct.

xiii. The proposed North Rocks Woolworths site of 20,655 sq.m would account for less than 4% of the total B6 Enterprise Corridor zoned land in the City of Parramatta LGA and less than 10% of B6 Enterprise Corridor zoned land in the precinct. On this basis, if the proposed North Rocks Woolworths development was to proceed, there would still be in-excess of 509,000 sq.m of B6 Enterprise Corridor zoned land in the City of Parramatta LGA and in-excess of 218,000 sq.m of B6 Enterprise Corridor zoned land in the North Rocks/North Parramatta precinct.

xiv. The proposed North Rocks Woolworths site has significant exposure to three major roads, making it a unique site within the corridor. As such, the site would lend itself to a higher and better use such as the proposed development. The extent of retail to be provided at the site would be a modern, full-line supermarket and this would not create a centre but would promote a use that is demanded by the local population. There would still be significant B6 Enterprise Corridor zoned land in the area which would be better suited to the types of uses envisaged in this zoning than the unique 1 Windsor Road (Church Street) site.

xv. It is the conclusion of this report that a substantial net community benefit would result from the development of the proposed North Rocks Woolworths. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:

- Significant improvement in the range of retail facilities that would be available to residents, particularly in terms of convenient supermarket retailing;

- The proposed North Rocks Woolworths would improve choice of location and allow for price competition. The inclusion of a full-line supermarket would address some of the significant undersupply of supermarket floorspace within the main trade area;

- The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, some 652 jobs are likely to be created both directly and indirectly because of the proposed North Rocks Woolworths development. This includes a number of youth employment opportunities.

xvi. It is concluded that the combination of the substantial positive economic impacts serves to more than offset the trading impacts that could be anticipated for a small number of existing and proposed retail stores, particularly supermarkets, in the region. Further, the impacts would not threaten the viability of any retail facilities.

1 SITE LOCATION & PROPOSED DEVELOPMENT

This section of the report reviews the regional and local context of the proposed North Rocks Woolworths site and provides an overview of the proposed development scheme.

1.1. Regional & Local Context

i. North Rocks is an established residential suburb provided within the Hills District region of Sydney, some 3 km to the north of the Parramatta Central Business District (CBD) and 32 km to the west of the Sydney CBD (refer Map 1.1). North Rocks is provided as part of the City of Parramatta Local Government Area (LGA) with areas of the suburb to the north of the M2 Hills Motorway falling in The Hills Shire.

ii. Parramatta City Council and the New South Wales State Government continue to promote development within the Parramatta area, with several key initiatives and precincts outlined, including:

- **Parramatta Light Rail** is one of the New South Wales Government's latest major infrastructure projects in the region. Stage One will connect Westmead to Parramatta and Carlingford via Camellia by 2023, including a proposed 'Eat Street' stop.

- **Height restrictions** on Parramatta CBD buildings were removed in 2015 to promote further commercial and residential density.

- **Parramatta Square** is one of the largest urban renewal projects in Australia, located some 3 km south of the proposed Woolworths site. The development will aim to transform the site into a vibrant mixed-use hub, comprising public open space and more than 240,000 sq.m of mixed-use development.

- **WestConnex:** The first major stage of WestConnex was officially opened to traffic on 13th July 2019 after three years of construction. The new M4 tunnels between Homebush and Haberfield are expected to save motorists some 20 minutes off a trip from Parramatta to the Sydney CBD, allowing drivers to bypass Parramatta Road. The 5.5 km twin tunnels run three lanes in each direction, bypassing 22 sets of traffic lights.

iii. Woolworths is proposing to develop a Woolworths supermarket (including BWS) and a potential large format retail distribution warehouse (non-retail), which is permitted under the current zoning at the former Bunnings Warehouse site at 1 Windsor Road (Church Street) between North Rocks Road and Cumberland Highway in North Rocks. The former Bunnings Warehouse site at North Rocks enjoys a high-profile location with significant exposure to passing traffic. A traffic lighted intersection at North Rocks Road provides ingress and egress to the site.

iv. Based on 2018 traffic counts from NSW Transport, 30,418 vehicles daily travelled along Church Street (both directions) at the intersection of Daking Street (refer Map 1.2). This equates to 11.10 million vehicles over the year.

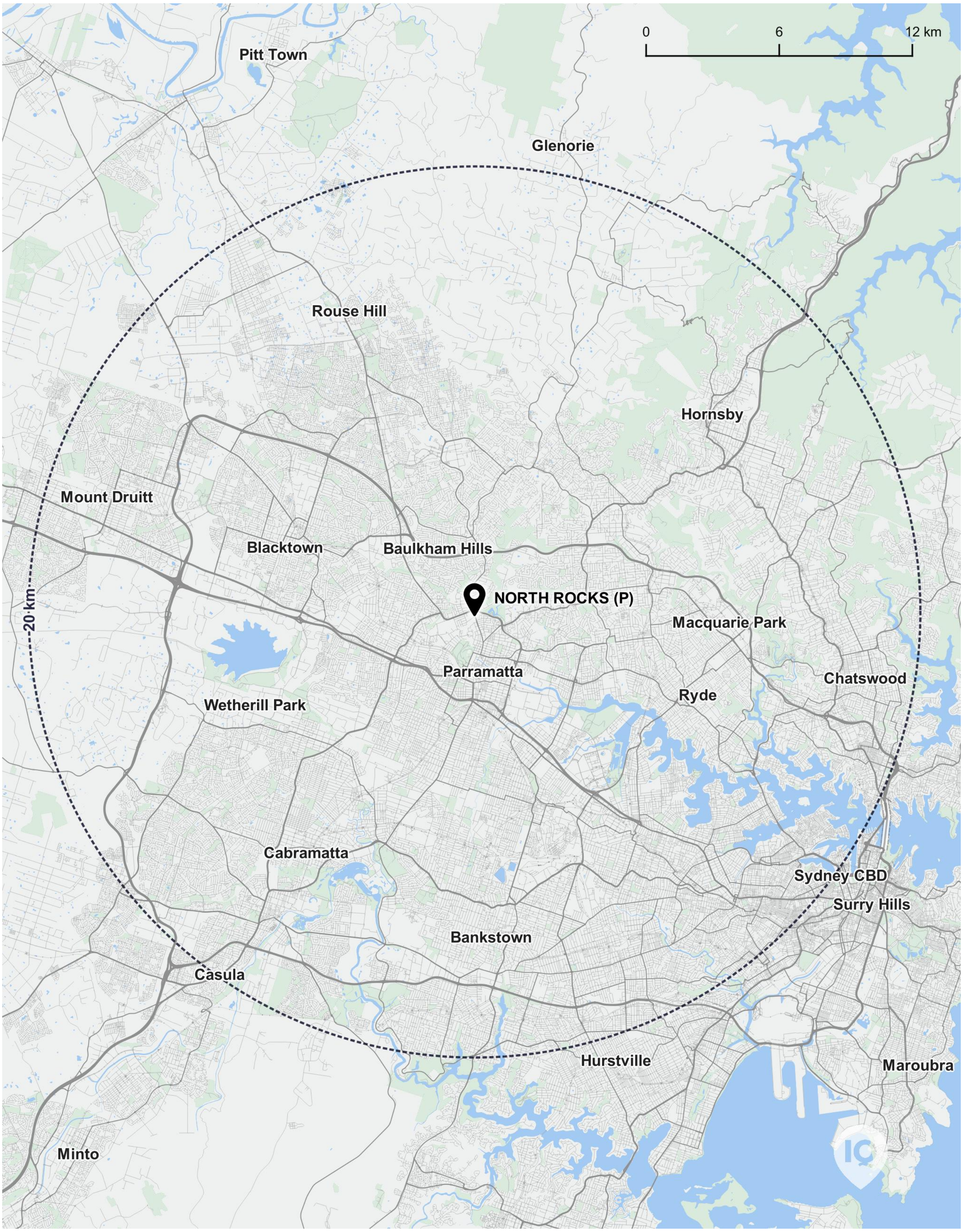
v. The site is also serviced by public transport with bus stops for route 549 on both sides of North Rocks Road to the south of the site. Route 549 connects the Parramatta CBD/Train Station to Epping via North Rocks.

vi. The site for the proposed North Rocks Woolworths development at North Rocks is highlighted on Map 1.3, with other nearby facilities including:

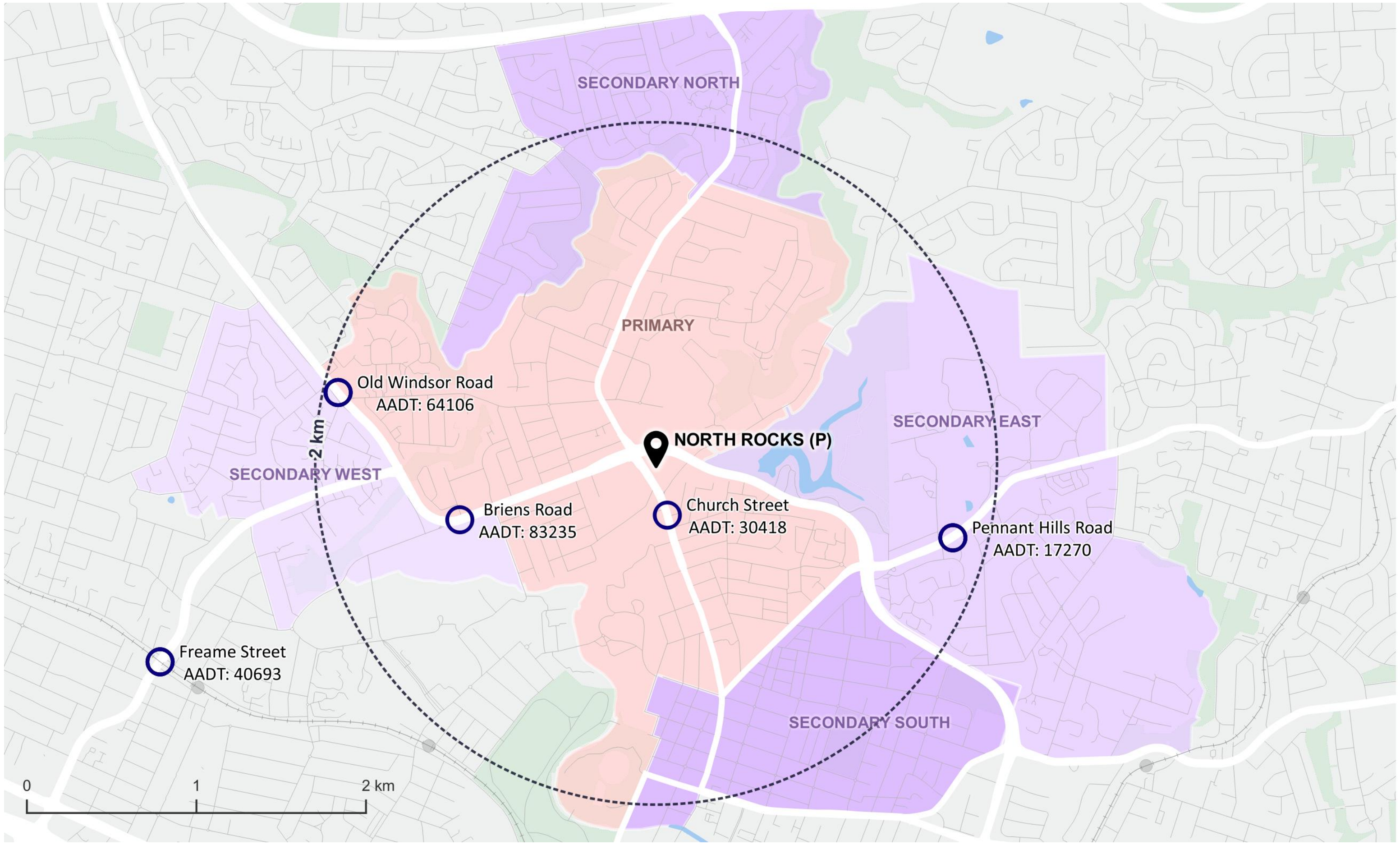
- Storage King North Parramatta as well as a range of other light industrial uses are generally provided around North Rocks Road and the James Ruse Drive intersection;
- The Junction is located on the western side of Windsor Road/Church Street and include a mix of large format retailer such as Officeworks, King Living, Drummond Golf, Repco and Super Cheap Auto as well as some food catering tenants including Hog's Breath Café, Subway and Hungry Jacks.
- With frontage along both sides of Windsor Road/Church Street there are a range of light industrial and large format retail developments. Some food catering tenants are also provided, taking advantage of this significant passing traffic flows. Some high-density residential buildings have been provided on the northern side of James Ruse Drive to the north of the site including Darling Mills and Northgate by Dyldam;
- In the precinct generally provided along both sides of Windsor Road to the south of James Ruse Drive/Cumberland Highway extending to Victoria Road in the south, there are over 6,000 workers (2016 Census);
- St Monica's Primary School is situated on the southern side of North Rocks Road. Some 200 students attend this school.

vii. Overall, the proposed North Rocks Woolworths site enjoys a high-profile location along a major road and would be well known and easily accessible to the local and wider region population as well as to passing traffic.

MAP 1.1. REGIONAL CONTEXT



MAP 1.2. AVERAGE DAILY TRAFFIC COUNT 2018



Traffic Count 2018

All Days AADT

** AADT: Annual Avearge Daily Traffic*

MAP 1.3. LOCAL CONTEXT

Site
Shopping Centre
Petrol Station
Education
Industrial

PhotoMap by nearmap.com

1.2. Planning Environment

The Greater Sydney Region Plan - A Metropolis of Three Cities

i. A Metropolis of Three Cities is a bold vision for three, integrated and connected cities that will rebalance Greater Sydney – placing housing, jobs, infrastructure and services within easier reach of more residents, no matter where they live. The Greater Sydney Region Plan, *A Metropolis of Three Cities* is built on a vision of three cities where most residents live within 30 minutes of their jobs, education and health facilities, services and great places.

ii. To meet the needs of a growing and changing population, the vision seeks to transform Greater Sydney into a metropolis of three cities:

- Western Parkland City
- Central River City
- Eastern Harbour City.

iii. The Plan is underpinned by four key pillars which outline specific objectives to be achieved, namely:

- Infrastructure and Collaboration
- Liveability
- Productivity
- Sustainability.

iv. The Plan is supported by the NSW Long Term Transport Master Plan and a set of District Plans. The proposed North Rocks Woolworths site falls within the Eastern Harbour City region

Central City District Plan

i. The Greater Sydney Commission's five District Plans are a guide for implementing *A Metropolis of Three Cities - the Greater Sydney Region Plan* at a District level. The Commission's District Plans were finalised in March 2018.

ii. These 20-year plans are a bridge between regional and local planning and inform local environmental plans, community strategic plans and the assessment of planning proposals. The District Plans also help council to plan and deliver for growth and change and to align local planning strategies to place-based outcomes.

iii. The proposed North Rocks Woolworths site falls within the Central City District which encompasses the following four LGA's (refer Figure 1.1):

- Parramatta
- Blacktown
- Cumberland
- The Hills

iv. The vision for the Central City District is as follows:

> *"The vision for Greater Sydney as a metropolis of three cities – the Western Parkland City, the Central River City and the Eastern Harbour City and a 30-minute city – means residents in the Central City District will have quicker and easier access to a wider range of jobs, housing types and activities as part of the transformation of their District. The vision will improve the District's lifestyle and environmental assets."*

v. The vision will improve the District's lifestyle and environmental assets by:

- Developing the economy with jobs and skills growth from unprecedented city-scale infrastructure investments;
- Supporting cohesive and socially dynamic communities with new social infrastructure like schools and community services, new cultural and sporting facilities;
- Establishing transport connections north, south, east and west from Parramatta to optimise Greater Parramatta's location in the centre of Greater Sydney;
- Transforming Westmead health and education precinct to an innovation district with greater diversity of knowledge-intensive jobs;
- Retaining industrial and urban services land and creating new skills with a 21st century clean-tech and advanced manufacturing cluster around precincts such as Camellia, Rydalmere, Silverwater and Auburn;
- Linking parks, bushland, playgrounds and waterways through the Greater Sydney Green Grid with enhanced opportunities for safe walking and cycling paths;
- Enhancing the quality of, and access to, waterways such as Parramatta River, Duck River and South Creek.

vi. Priorities outlined for this Central City District include:

- Working together to grow a Greater Sydney;
- Infrastructure supporting new developments;
- Celebrating diversity and putting people at the heart of planning;
- Giving people housing choices;
- Designing places for people;
- Developing a more accessible and walkable city;
- Creating the conditions for a stronger economy;
- Valuing green spaces and landscapes;
- Adapting to a changing world;
- Using resources wisely

vii. In relation to future retail floorspace, the Plan states the following:

> *"Research has shown that the Central City District will need to accommodate more than 1.76 million square metres of additional retail floor space over the next 20 years.*
>
> *In addition, there will be significant demand for additional office floor space. Creating the opportunities to attract retail and office development locally brings jobs closer to homes.*
>
> *Rapid changes in technology and in retail trends, emerging night-time economies and population growth require councils to be agile and responsive in their planning for centres growth."*

viii. Specifically, in relation to liveability

> *"Liveability is about people's quality of life. Maintaining and improving liveability requires housing, infrastructure and services that meet people's needs, and the provision of a range of housing types in the right locations with measures to improve affordability. This enables people to stay in their neighbourhoods and communities as they transition through life."*

ix. The proposed North Rocks Woolworths development will provide additional retail floorspace in the form of a full-line supermarket. This development would not create a centre to compete with other existing centres that provide a range of retail and non-retail uses. The development will provide for the weekly food and grocery shopping needs of the large population in the region where there is currently an undersupply of supermarket floorspace.

FIGURE 1.1. CENTRAL CITY DISTRICT

1.3. Planned Development Scheme

i. Woolworths Group now propose a development across one level which would replace the former Bunnings Warehouse at 1 Windsor Road in North Rocks. The proposed development scheme is illustrated in Figure 1.1 and is described as follows:

- The total development will encompass 6,815 sq.m of floorspace;
- A full-line Woolworths supermarket of 3,800 sq.m (including BWS). Woolworths would be a modern supermarket offer catering to the weekly food and grocery shopping needs of the surrounding population;
- A potential large format retail distribution warehouse of 3,015 sq.m (non-retail), permitted under the current zoning;
- A total of 260 car spaces would be provided with ingress and egress from North Rocks Road.

ii. The development is assumed to open in July 2022, meaning the first full year of trading would indicatively be 2022/23.

iii. Supermarkets are typically defined in planning documents and Courts as:

> *"Grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as food stores."*

iv. Supermarkets offer a broad range of items not typically included in smaller sized stores such as a bakery, butcher, seafood and fresh produce segments.

v. Table 1.1 provides a summary of the proposed development scheme for the North Rocks site. As shown, the total GLA is 6,815 sq.m with the Woolworths supermarket accounting for 55.8%.

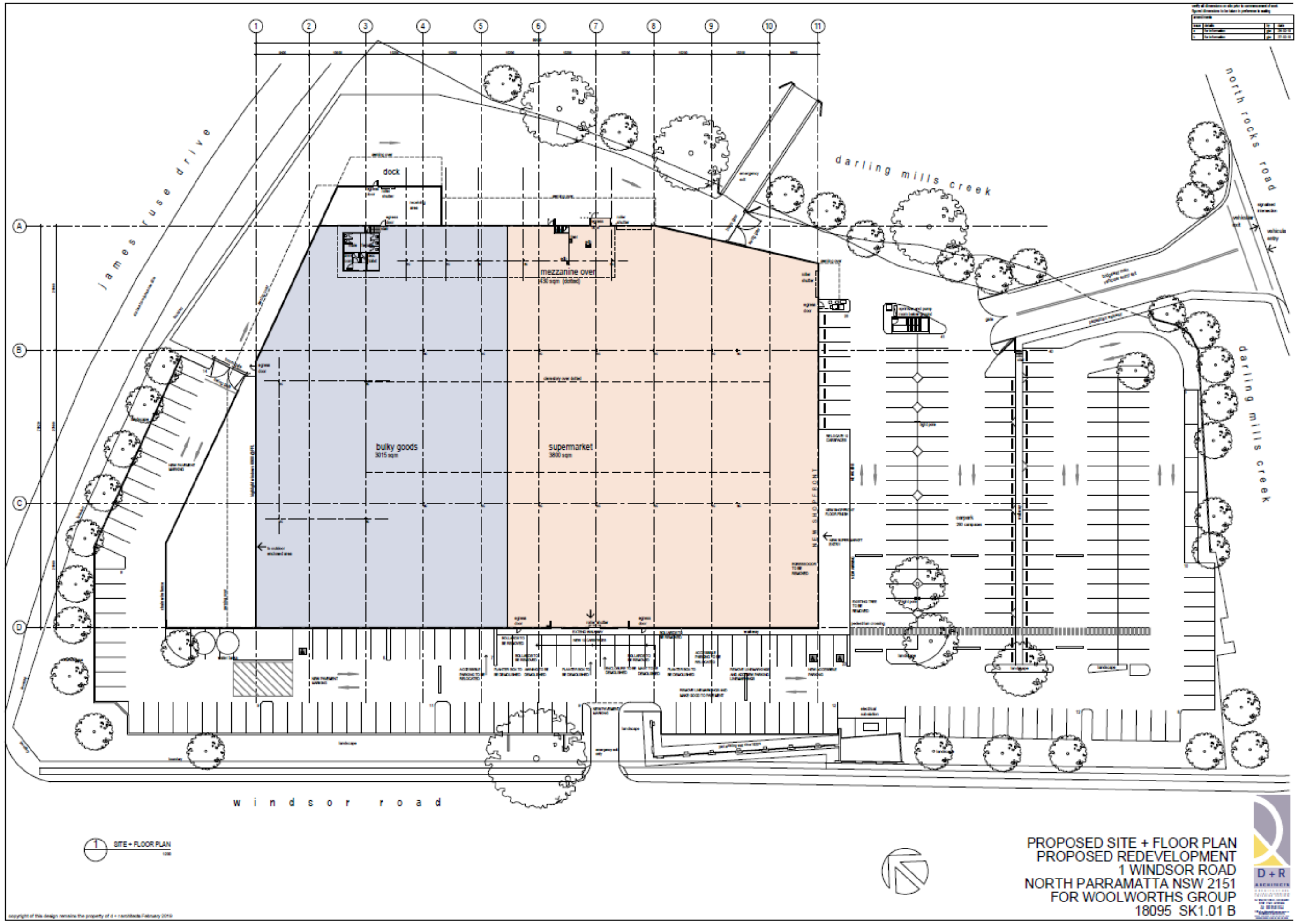
vi. Overall, the proposed development would provide a modern supermarket and a large format retail distribution warehouse (non-retail). As such, the retail component of the development will provide a destinational convenience offer only.

TABLE 1.1. PROPOSED NORTH ROCKS WOOLWORTHS DEVELOPMENT SCHEME

Component	GLA (sq.m)	% of Total
Retail		
Woolworths (inc. BWS)	3,800	55.8%
Total Retail	3,800	55.8%
Non-retail		
Large Format Retail Distribution warehouse	3,015	44.2%
Total Non-retail	3,015	44.2%
Total	**6,815**	**100.0%**

Source: Woolworths Group

FIGURE 1.2. NORTH ROCKS WOOLWORTHS PROPOSED DEVELOPMENT SCHEME



2 TRADE AREA ANALYSIS

This section of the report outlines the trade area likely to be served by the proposed North Rocks Woolworths development, including current and projected population and retail spending levels. The socio-economic profile of the trade area population is also reviewed.

2.1. Trade Area Definition

i. The trade area for the proposed North Rocks Woolworths development has been defined considering the following:

- The scale and composition of the proposed development, including a full-line supermarket and a large format retail tenant (non-retail).
- The provision of existing and proposed retail facilities throughout the region.
- Regional and local accessibility.
- The pattern of urban development.
- Significant physical barriers such as the river/waterways.

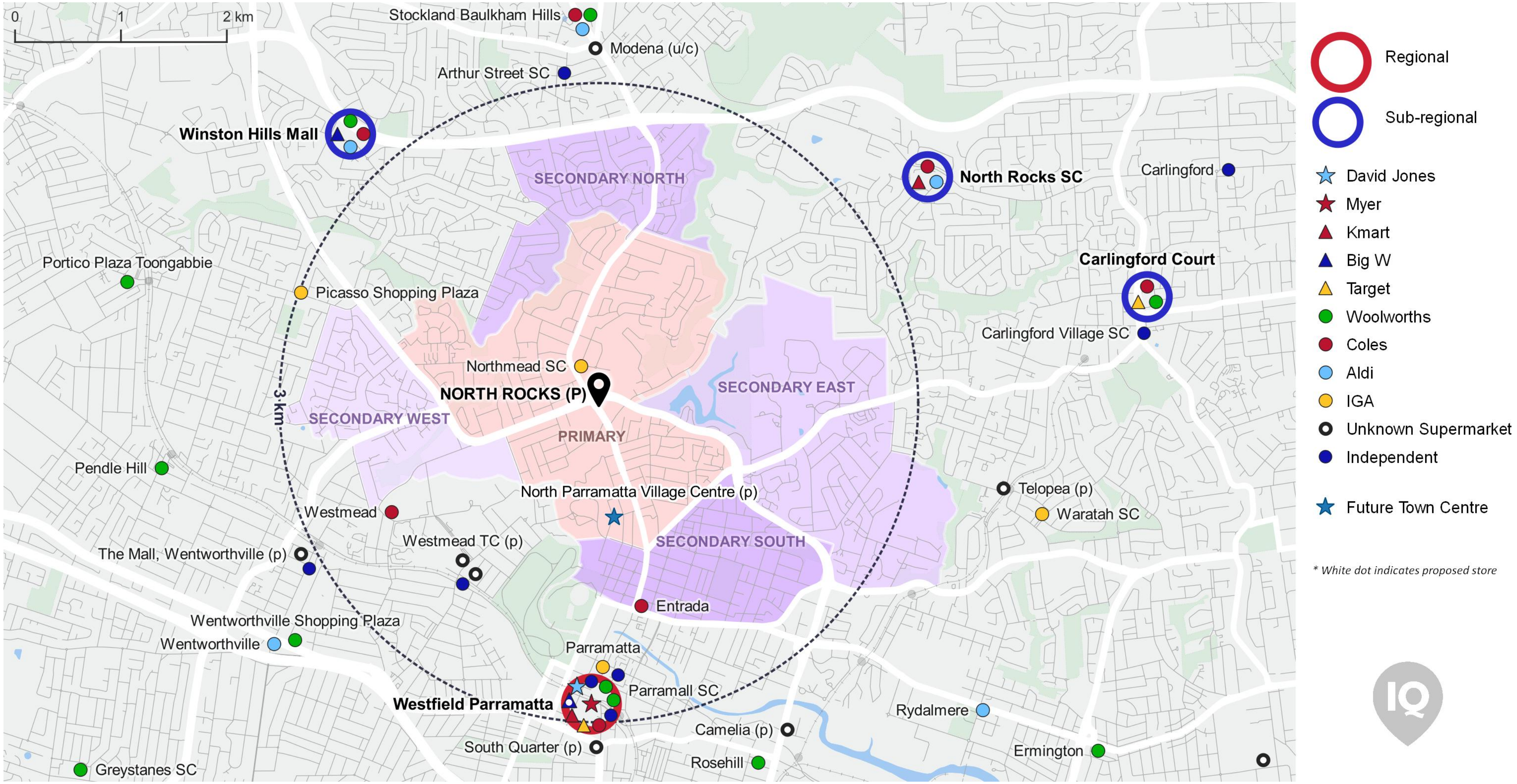
ii. Map 2.1 illustrates the defined trade area for the proposed North Rocks Woolworths which includes one primary sector and four secondary sectors as follows (refer Map 2.1):

- The **primary sector** generally extends some 2 km around the site and is limited by Northmead Gully to the north, the alignment of Old Windsor Road to the west, Albert Street and Pennant Hills Road in the south and North Rocks Road and James Ruse Drive in the east;
- The **secondary north sector** stretches to the alignment of the M2 Motorway in the north and encompasses parts of Northmead;
- The **secondary east sector** stretches some 3 km to the east following the alignment of Pennant Hills Road and encompassing parts of North Rocks and Oatlands;
- The **secondary south sector** stretches to Victoria Road in the south to incorporate parts of North Parramatta;

- The **secondary west sector** falls to the western side of Old Windsor Road to capture parts of Constitution Hill and Old Toongabbie.

iii. The combination of the primary sector and the four secondary sectors is referred to as the proposed North Rocks Woolworths main trade area throughout the remainder of this report. The defined main trade area largely falls within a 2 - 3 km radius of the site, which is consistent with most full-line supermarkets across Australia in established residential areas, acknowledging overlapping catchments are typical in any retail hierarchy.

MAP 2.1. MAIN TRADE AREA AND COMPETITION



2.2. Main Trade Area Population

i. Table 2.1 details the current and projected population levels for the proposed North Rocks Woolworths main trade area, based on the following:

- The 2011 and 2016 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS);
- New dwelling approval statistics sourced from the ABS over the period from 2011/12 – 2017/18 (refer Chart 2.1);
- Population forecasts prepared at the small area level by .id Consulting;
- Investigations by this office in relation to residential development within the trade area.

ii. The proposed North Rocks Woolworths main trade area population is currently estimated at 44,420 (2019), including 17,510 persons within the primary sector. The main trade area population is projected to increase at an average rate of 1.0% per annum to 49,910 by 2031, including 21,210 persons in the primary sector.

iii. In terms of future population growth, key developments throughout the main trade area, include:

- Darling Mills by Silky Property Group (primary sector) has been recently completed and includes 150 units. The development is located some 450 metres to the east of the site.
- The Parramatta North Urban Renewal Area comprises 32.6 hectares of land located at the western edge of the Parramatta City Centre (primary sector). Based on discussions with the Department of Planning and UrbanGrowth New South Wales, it is understood that rezoning approval has been granted for a large portion of the total area, which is expected to yield up to 2,700 dwellings (5,400 persons). Construction is to commence in 2020, with a projected 10-year timeline for development. The project is still in the early stages of planning, with residual land rezoning (that could yield a further 3,400 dwellings) deferred in the short term.
- There are a number of private and public developments under construction, recently completed or planned within the secondary south sector. These are expected to yield over 600 dwellings combined upon completion. Developments at 470 Church Street (154 units), 464 Church Street (106 units) and 9 Albert Street (106 units) have been granted development approval and are assumed to be completed by 2022. A mixed used precinct in 355 Church Street, which will include 350 units, is in early stages of planning and assumed to be completed by 2024.

iv. In addition to residents, in the immediate precinct that generally falls within a 0.5 – 1 km radius of the site, the worker population was approximately 1,750 in 2016.

TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2031

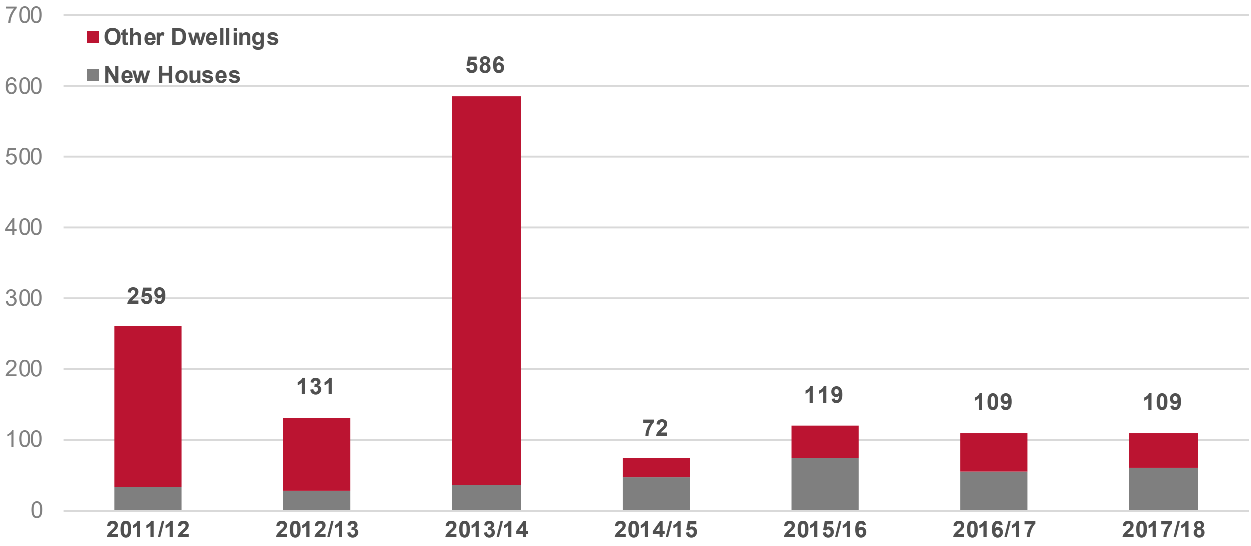
Population	Actual 2011	2016	2019	Forecast 2021	2026	2031
Primary Sector	16,020	17,210	17,510	17,710	18,960	21,210
Secondary Sectors						
• North	5,230	5,720	5,810	5,850	5,950	6,000
• East	5,290	5,460	5,580	5,640	5,740	5,840
• South	9,190	10,390	10,540	10,740	11,240	11,740
• West	4,790	4,920	4,980	5,020	5,070	5,120
Total Secondary	24,500	26,490	26,910	27,250	28,000	28,700
Main Trade Area	**40,520**	**43,700**	**44,420**	**44,960**	**46,960**	**49,910**

Average Annual Change (No.)	Actual 2011-16	2016-19	2019-21	Forecast 2021-26	2026-31
Primary Sector	238	100	100	250	450
Secondary Sectors					
• North	98	30	20	20	10
• East	34	40	30	20	20
• South	240	50	100	100	100
• West	26	20	20	10	10
Total Secondary	398	140	170	150	140
Main Trade Area	**636**	**240**	**270**	**400**	**590**

Average Annual Change (%)	Actual 2011-16	2016-19	Forecast 2019-21	2021-26	2026-31
Primary Sector	1.4%	0.6%	0.6%	1.4%	2.3%
Secondary Sectors					
• North	1.8%	0.5%	0.3%	0.3%	0.2%
• East	0.6%	0.7%	0.5%	0.4%	0.3%
• South	2.5%	0.5%	0.9%	0.9%	0.9%
• West	0.5%	0.4%	0.4%	0.2%	0.2%
Total Secondary	1.6%	0.5%	0.6%	0.5%	0.5%
Main Trade Area	**1.5%**	**0.5%**	**0.6%**	**0.9%**	**1.2%**
Syd Metro	*1.9%*	*1.5%*	*1.5%*	*1.3%*	*1.2%*
Australian Average	*1.7%*	*1.4%*	*1.4%*	*1.4%*	*1.3%*

All figures as at June and based on 2016 SA1 boundary definition.
Sources : ABS; SAFi by .id

CHART 2.1. MAIN TRADE ARE NEW DWELLING APPROVALS, 2011/12 – 2017/18



Source: ABS

2.3. Main Trade Area Socio-economic Profile

i. Table 2.2 summarises the socio-economic profile of the main trade area population compared with the Sydney metropolitan and Australian benchmarks. This information is based on the 2016 Census of Population and Housing, with key points to note including:

- **Income Levels**: The main trade area is characterised by a slightly less affluent population compared with the Sydney metropolitan benchmark. This trend is evident across all sectors, except for the secondary north sector where residents earn higher per capita and average household income levels compared to the benchmark.

- **Age**: The main trade area population is slightly older than the benchmark, with an average age of 38.2 years.

- **Birthplace**: The population is predominantly Australian born (60%). In the primary sector, the proportion of Australian born persons at 62.2% is slightly higher than the benchmark of 61.9%.

- **Household Structure**: A review of the household structure of the main trade area population indicates most households comprise traditional families (i.e. couples with dependent children).

ii. It is important that convenience-orientated retail facilities of an appropriate scale are provided within proximity to the homes of main trade area residents, with most households visiting supermarkets two to three times a week on average.

TABLE 2.2. MAIN TRADE AREA SOCIO-ECONOMIC PROFILE, 2016 CENSUS

Characteristics	Primary Sector	Secondary Sectors North	East	South	West	Main TA	Syd Metro Average	Aust Average
Income Levels								
Average Per Capita Income	$40,860	$43,443	$40,025	$41,411	$34,024	$40,450	$42,036	$38,500
Per Capita Income Variation	-2.8%	3.3%	-4.8%	-1.5%	-19.1%	-3.8%	n.a.	n.a.
Average Household Income	$98,285	$117,542	$118,941	$104,153	$97,611	$104,293	$115,062	$98,486
Household Income Variation	-14.6%	2.2%	3.4%	-9.5%	-15.2%	-9.4%	n.a.	n.a.
Average Household Size	2.4	2.7	3.0	2.5	2.9	2.6	2.7	2.6
Age Distribution (% of Pop'n)								
Aged 0-14	17.8%	20.7%	19.1%	17.7%	19.8%	18.5%	18.6%	18.5%
Aged 15-19	4.3%	4.5%	10.5%	4.3%	6.3%	5.3%	6.0%	6.1%
Aged 20-29	13.2%	8.9%	11.6%	16.1%	14.3%	13.2%	15.0%	13.9%
Aged 30-39	19.0%	15.7%	10.7%	22.8%	13.7%	17.8%	15.6%	14.0%
Aged 40-49	13.5%	14.6%	13.9%	14.3%	14.3%	14.0%	13.8%	13.6%
Aged 50-59	10.5%	10.8%	14.0%	10.9%	12.3%	11.3%	12.2%	12.8%
Aged 60+	21.7%	24.8%	20.2%	13.9%	19.3%	19.8%	18.9%	21.2%
Average Age	39.5	40.1	37.9	35.6	37.3	38.2	37.6	38.6
Housing Status (% of H'holds)								
Owner/Purchaser	57.2%	83.3%	72.0%	41.9%	62.3%	59.0%	64.7%	67.9%
Renter	42.8%	16.7%	28.0%	58.1%	37.7%	41.0%	35.3%	32.1%
Birthplace (% of Pop'n)								
Australian Born	62.2%	71.7%	63.1%	45.6%	63.6%	60.0%	61.9%	72.9%
Overseas Born	37.8%	28.3%	36.9%	54.4%	36.4%	40.0%	38.1%	27.1%
• Asia	20.1%	12.6%	22.8%	33.2%	18.7%	22.3%	18.6%	10.7%
• Europe	5.1%	6.1%	4.0%	3.9%	4.7%	4.8%	7.7%	8.0%
• Other	12.5%	9.6%	10.1%	17.3%	13.1%	13.0%	11.8%	8.4%
Family Type (% of Pop'n)								
Couple with dep't children	44.5%	52.8%	55.5%	47.8%	45.7%	47.9%	48.8%	45.2%
Couple with non-dep't child.	6.9%	10.0%	11.4%	6.4%	10.1%	8.2%	9.2%	7.8%
Couple without children	22.1%	20.4%	16.9%	19.9%	17.8%	20.2%	20.2%	23.0%
Single with dep't child.	7.9%	4.3%	5.8%	7.9%	11.8%	7.6%	8.0%	8.9%
Single with non-dep't child.	4.4%	3.5%	3.2%	5.2%	6.3%	4.5%	4.1%	3.7%
Other family	1.3%	0.5%	1.1%	1.8%	1.3%	1.3%	1.2%	1.1%
Lone person	12.8%	8.7%	6.0%	10.9%	7.1%	10.3%	8.5%	10.2%

Sources: ABS Census of Population and Housing 2016

2.4. Main Trade Area Retail Expenditure Capacity

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

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

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

iv. Chart 2.2 illustrates the retail expenditure levels per person across the proposed North Rocks Woolworths main trade area, as compared with the Sydney metropolitan average.

v. Main trade area retail expenditure is currently estimated at $648.0 million and is projected to increase to $802.7 million by 2031, representing an average annual growth rate of 1.8% (refer Table 2.3). All figures presented in this report are in constant 2019 dollars and include GST.

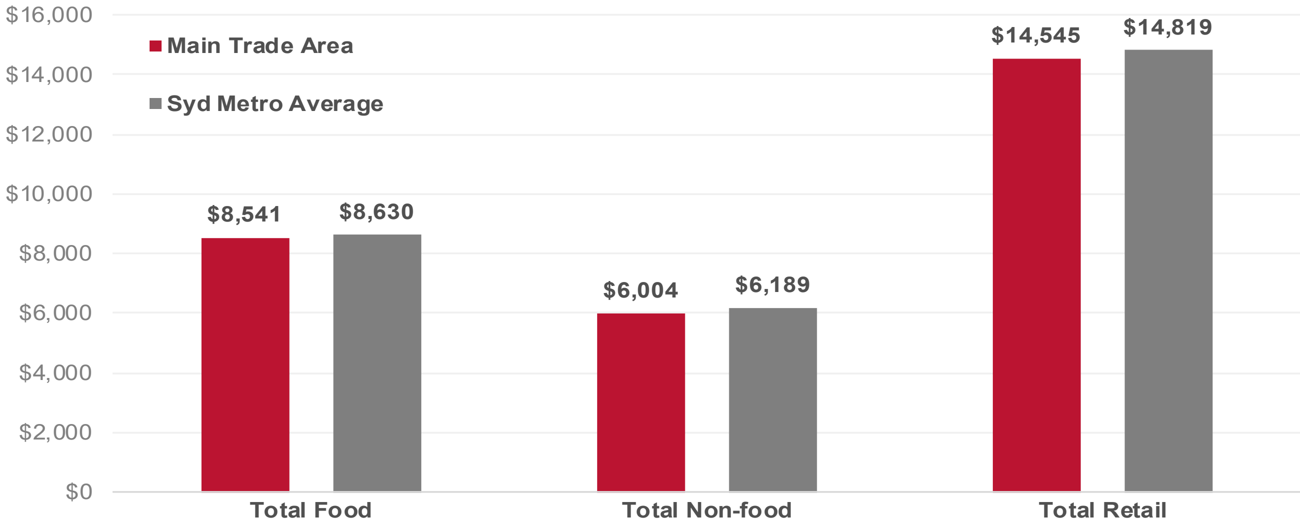
vi. The projected growth rate of the main trade area retail spending market considers the following:

- Real growth in retail spending per capita of 0.5% annually for food retail and 1.0% for non-food retail over the period to 2030/31. This is in-line with the national averages. Real growth in retail spending refers to the increase in retail sales consumption of a household adjusted for changes in prices;

- Main trade area population growth of 1.0% per annum.

vii. Table 2.4 presents a breakdown of retail spending by key commodity group, indicating the largest spending market is food and liquor at $277.2 million, representing 42.8% of the total retail spending market. This is the most relevant market for supermarket spending.

CHART 2.2. MAIN TRADE AREA PER CAPITA SPENDING, 2018/19



Source: Marketinfo

TABLE 2.3. MAIN TRADE AREA RETAIL EXPENDITURE, 2019 – 2031

Y/E June	Primary Sector	Secondary Sectors North	East	South	West	Main TA
2019	255.9	90.1	84.2	151.4	66.4	648.0
2020	259.4	91.1	85.4	154.1	67.2	657.1
2021	264.0	92.1	86.4	156.7	67.9	667.1
2022	269.7	93.2	87.4	159.4	68.5	678.2
2023	275.6	94.2	88.4	162.1	69.2	689.5
2024	281.6	95.3	89.4	164.9	69.9	701.1
2025	287.7	96.4	90.4	167.7	70.6	712.8
2026	295.2	97.5	91.5	170.6	71.3	726.0
2027	304.3	98.6	92.5	173.4	72.0	740.8
2028	313.7	99.7	93.6	176.3	72.7	755.9
2029	323.3	100.8	94.7	179.3	73.4	771.4
2030	333.3	101.9	95.7	182.3	74.1	787.3
2031	343.0	102.9	96.9	185.1	74.8	802.7
Expenditure Growth						
2019-2021	8.1	2.1	2.2	5.3	1.5	19.1
2021-2026	31.2	5.3	5.1	13.9	3.4	58.9
2026-2031	47.8	5.5	5.4	14.5	3.5	76.7
2019-2031	87.1	12.8	12.7	33.7	8.4	154.6
Average Annual Growth Rate						
2019-2021	1.6%	1.1%	1.3%	1.7%	1.1%	1.5%
2021-2026	2.3%	1.1%	1.1%	1.7%	1.0%	1.7%
2026-2031	3.0%	1.1%	1.2%	1.6%	1.0%	2.0%
2019-2031	2.5%	1.1%	1.2%	1.7%	1.0%	1.8%

**Constant 2018/19 dollars & Including GST*
Source : Marketinfo

TABLE 2.4. MTA RETAIL EXPENDITURE BY KEY COMMODITY GROUP, 2019 – 2031

Y/E June	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2019	277.2	103.4	67.7	109.6	25.1	44.6	20.4
2020	280.2	105.1	68.8	111.3	25.5	45.3	20.8
2021	283.7	106.9	70.0	113.3	26.0	46.1	21.1
2022	287.6	108.9	71.3	115.4	26.5	47.0	21.5
2023	291.6	111.0	72.7	117.6	27.0	47.9	21.9
2024	295.6	113.1	74.0	119.8	27.5	48.8	22.3
2025	299.7	115.3	75.4	122.0	28.0	49.7	22.8
2026	304.3	117.6	76.9	124.6	28.6	50.7	23.2
2027	309.6	120.3	78.7	127.4	29.2	51.8	23.8
2028	315.1	123.0	80.4	130.2	29.9	53.0	24.3
2029	320.6	125.8	82.2	133.2	30.6	54.2	24.9
2030	326.3	128.7	84.1	136.2	31.2	55.4	25.4
2031	331.7	131.5	85.9	139.2	31.9	56.6	26.0
Expenditure Growth							
2019-2021	6.5	3.5	2.3	3.7	0.9	1.5	0.7
2021-2026	20.6	10.7	6.9	11.3	2.6	4.6	2.1
2026-2031	27.3	13.8	8.9	14.6	3.3	5.9	2.7
2019-2031	54.5	28.1	18.1	29.6	6.8	12.0	5.6
Average Annual Growth Rate							
2019-2021	1.2%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
2021-2026	1.4%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
2026-2031	1.7%	2.2%	2.2%	2.2%	2.2%	2.2%	2.3%
2019-2031	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

**Constant 2018/19 dollars & Including GST*
Source : Marketinfo

3 COMPETITIVE ENVIRONMENT

This section of the report reviews the competitive retail environment within which the proposed North Rocks Woolworths would operate to assist with the assessment of likely trading impacts for the proposed development on other competitive retailers.

TABLE 3.1. COMPETITIVE CENTRES

Centre	Shopfront GLA (sq.m)	Anchor Tenants	Dist. From Site (km)
Regional Shopping Centres			
Parramatta	163,400		3.0
• Westfield Parramatta	137,800	Myer (28,272), David Jones (12,905), Target (8,438), Kmart (6,592), Woolworths (4,622), Coles (2,637)	
• Entrada	5,600	Coles (3,529)	
• Other	20,000	IGA (1,500)	
Sub-regional Shopping Centres			
Winston Hills Mall	24,500	Big W (7,857), Woolworths (3,803), Coles (3,695), Aldi (1,261)	4.3
North Rocks SC	22,000	Kmart (7,070), Coles (4,358), Aldi (1,307)	4.6
Carlingford	44,600		6.3
• Carlingford Court	33,300	Target (8,009), Woolworths (3,869), Coles (3,500)	
• Carlingford Village SC	11,300	Independent Supermarket (1,000)	
Supermarket Based Shopping Centres			
Northmead SC	3,400	IGA (1,040)	0.6
Coles Westmead	4,800	Coles (4,002)	2.8
Picasso Shopping Plaza	600	IGA (500)	3.4
Stockland Baulkham Hills	18,000	Woolworths (3,855), Coles (3,034), Aldi (1,385)	4.3
Rosehill	5,000	Woolworths (2,343)	4.3
Wentworthville	12,400		4.9
• Wentworthville Shopping Plaza	6,400	Woolworths (3,851)	
• Other	6,000	Aldi (1,783), Udaya Supermart (1,600)	

Source: Australian Shopping Centre Council Database

3.1. Within the Main Trade Area

i. Supermarkets within the defined main trade area include:

- IGA of 1,040 sq.m at Northmead Shopping Centre (primary sector). Some 19 specialty shops are also provided. The mix of tenants includes a range of convenience and day to day retailers such as Northmead Growers Markets, Northmead Bakery & Cakes, MacFarlands Butcher and Northmead Fine Wine and Food as well as three food catering tenants. This offer allows for cross shopping between the supermarket and convenience tenants; providing a different offer to the standalone supermarket proposed at the subject site;

- A full-line Coles supermarket (3,529 sq.m) anchors Entrada Shopping Centre at 20 Victoria Road in North Parramatta (secondary south sector). Some 10 specialty shops are also provided.

ii. Small foodstores are also provided at Oatlands (IGA of 250 sq.m) and North Parramatta (SPAR of 250 sq.m). These foodstores serve the basic convenience needs of residents.

iii. The remainder of the Church Street precinct in North Parramatta includes a collection of retail and non-retail shopfronts which generally extend from James Ruse Drive in the north to Victoria Road in the south. The majority of traditional retail tenants in this precinct are food catering operators. The Junction large format retail centre (5,770 sq.m) is also provided within this precinct, on the western side of Windsor Road, directly opposite the subject site.

iv. Table 3.2 summarises the provision of shopfronts within the area. This information is based on a shopfront survey conducted in July 2019, with key points to note as follows:

- In total, 81 specialty stores are provided within the main trade area. Only 15 specialty stores (19%) within the main trade area are in the food & liquor category;

- Consequently, the proposed North Rocks Woolworths supermarket would not compete directly with more than 81% of shopfronts in the main trade area;

- The vacancy level within the main trade area is very low, reflecting the lack of available retail floorspace.

v. Based on discussions with UrbanGrowth NSW, construction of North Parramatta Village Centre is to commence in 2020, with a projected 10-year timeline for development. The area will comprise a Town Centre retail development of 4,000 sq.m at the intersection of Fleet Street and Factory Street, including a small-format supermarket of less than 1,000 sq.m offering aimed at serving the future population and workers on site. For the purposes of this analysis, the small format supermarket and retail floorspace is assumed to open post the opening of the North Rocks Woolworths development. This Village Centre would serve the local needs of future residents.

TABLE 3.2. SHOPFRONT SURVEY

Categories	Within Main Trade Area							Beyond Main Trade Area				
	Northmead SC	Church St Precinct*	Entrada	SPAR N. Parramatta	Oatlands	Kleins Rd & James Ruse Dr.	**Total MTA**	Westfield Parramatta	Coles Westmead	Picasso Shopping Plaza	Winston Hills Mall	North Rocks SC
Retail Specialty Stores												
Food & Liquor	4	1	2	2	3	3	15	22	2	0	5	5
Food Catering	4	12	4	2	2	0	24	82	2	2	15	13
Apparel	0	0	0	0	0	0	0	127	0	0	14	10
Household Goods	0	0	0	0	0	0	0	10	0	0	1	1
Leisure	1	0	0	0	0	0	1	15	0	0	2	3
General Retail	3	4	0	0	1	0	8	41	2	0	7	5
Retail Services	2	3	0	1	1	0	7	59	0	2	15	15
Total Retail Specialties	**14**	**20**	**6**	**5**	**7**	**3**	**55**	**356**	**6**	**4**	**59**	**52**
Non-Retail	4	9	4	1	3	3	24	50	1	1	10	13
Total Specialties	**19**	**29**	**11**	**6**	**10**	**6**	**81**	**410**	**8**	**6**	**72**	**67**
Vacanct	1	3	0	0	0	0	4					

** Within main trade area*
Source: Site inspection, July 2019; Centre websites

3.2. Beyond the Main Trade Area

i. Beyond the main trade area, supermarkets are described as follows:

- Most supermarkets beyond the main trade area are provided as part of large regional (i.e. based on at least one department store) and sub-regional (i.e. based on at least one discount department store) shopping centres. Woolworths, Coles and Aldi supermarkets are at a range of locations some 3 km or more form the site, including Westfield Parramatta/the Parramatta City Centre, Winston Hills Mall, North Rocks Shopping Centre and Carlingford Court. These locations are all large non-food-based shopping centres with limited convenience.

- Regional shopping centres include one or more department stores and are higher order non-food retail facilities that have a wider draw. The Parramatta CBD provides almost 200,000 sq.m of retail floorspace. The largest component is Westfield Parramatta which is the major non-food retail destination serving residents of Western Sydney.

  Westfield Parramatta is a regional shopping centre which is anchored by Myer and David Jones department stores, Target and Kmart discount department stores and Woolworths and Coles supermarkets. Westfield Parramatta also includes some 27 mini-majors and in-excess of 400 specialty shops as well as a dining precinct.

  Westfield Parramatta totals 138,000 sq.m in size with Moving Annual Turnover (MAT) of $848.65 million. MAT for Westfield Parramatta has grown by almost $200 million over the past decade. Westfield Parramatta MAT is some 43% higher than the benchmark for the Regional Shopping Centres of $593.7 million (Urbis Retail Averages 2017/18).

  As shown in Figure 3.1, the Westfield Parramatta total trade area is extensive, stretching to West Ryde, Auburn and Lidcombe in the east, to Rouse Hill in the North, to Green Valley in the south and to Mt Druitt in the west. The total trade area population is around 1 million persons with some 375,000 persons in the main trade area.

  Westfield Parramatta serves as a major destination for non-food shopping throughout the western suburbs of Sydney. The proposed North Rocks Woolworths would serve a more convenience-based role in the retail hierarchy, primarily serving the immediate surrounding population base.

  Westfield Parramatta has received development approval for a 31,000 sq.m expansion comprising a Big W discount department store, a relocated Woolworths supermarket, additional mini-major floorspace and shops. The relocation and expansion of the Woolworths supermarket at Westfield Parramatta is assumed to occur by 2021.

- Sub-regional shopping centres contain at least one discount department store and generally at least one supermarket.

  A network of sub-regional shopping centres is provided in the surrounding area, including Winston Hills Mall, North Rocks Shopping Centre and Carlingford Court. These sub-regional shopping centres all encompass more than 20,000 sq.m of floorspace and are anchored by at least one discount department store and a range of supermarkets. Each of these three sub-regional shopping centres has more than 70 specialty shops and MAT higher than $110 million.

- Coles Westmead Shopping Centre (5,000 sq.m) is located near the intersection of Darcy Road and Briens Road. The centre is anchored by Coles (4,002 sq.m) and a small number of shops. The retail offer is served by a provision of basement level car parking.

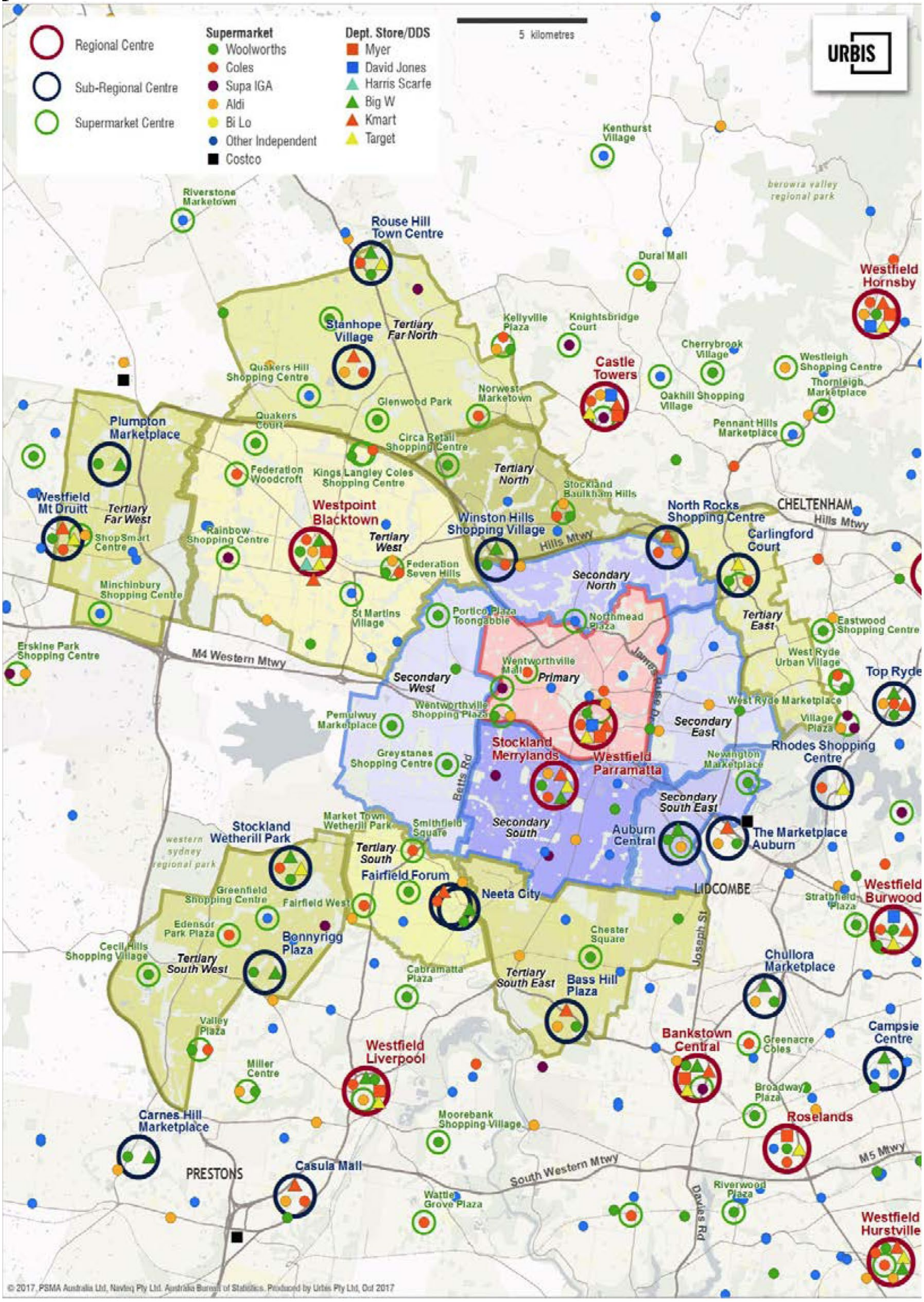
- The Mall Wentworthville totals 5,400 sq.m, with the former IGA supermarket now closed. This centre is proposed for a redevelopment. Along Station Street, as part of the Wentworthville Town Centre, there are a range of retail and non-retail specialty shops that also extend along Dunmore Street. An independent Udaya supermarket is also provided of 1,500 sq.m.

  A significant redevelopment is planned for the centre, providing an additional retail GLA of over 7,000 sq.m, including a full-line supermarket and specialty shops as well as health-related facilities and 460 apartments. The development has been granted rezoning approval.

- A development application has been submitted for a retail development at 24-26 Railway Parade at Westmead. The development is planned to contain a supermarket of 864 sq.m. specialty shops totalling 810 sq.m as well a gym, tavern, hotel and medical centre.

- Concept Plan approval was previously granted for a redevelopment of the Westmead Town Centre. The development was planned to incorporate 10,000 sq.m of additional retail floorspace, including a full-line supermarket and shops. Concept plan approval has subsequently been revoked with the land now forming part of the Greater Parramatta Growth Area. No finalised plans are available for the Westmead precinct, though it is likely to include a range of retail facilities.

FIGURE 3.1. WESTFIELD PARRAMATTA TOTAL TRADE AREA



3.3. Main Trade Area Supermarket Overview

i. **Supermarket Floorspace Provision:** Table 3.2 provides a summary of the current provision of supermarket floorspace across the defined main trade area by sector, as compared with the City of Paramatta Local Government Area (LGA), as well as the Sydney metropolitan and Australian benchmarks.

As shown, across the main trade area, the provision of supermarket floorspace is currently 103 sq.m per 1,000 persons, well below benchmark levels. In the primary sector, the population of 17,510 results in a supermarket floorspace provision of 59 sq.m per 1,000 persons.

Table 3.3 shows the current and future supply/demand for supermarket floorspace within the main trade area, over the period to 2031. As shown, there is significant demand for supermarket floorspace both now and in the future, as a result of the significant existing under provision of floorspace as well as future population growth. It is important to note that this undersupply of supermarket floorspace will increase in the future if no additional supermarkets are provided across the main trade area.

Assuming the Sydney metropolitan benchmark of 263 sq.m per 1,000 persons, there is a current indicative undersupply of some 7,114 sq.m of supermarket floorspace across the main trade area that will increase to 7,466 sq.m by 2022/23 and further to 8,571 sq.m in 2030/31 if no new supermarkets are built.

ii. **Supermarket Sales Performance**: Existing supermarkets within the surrounding region are understood to trade well.

iii. **Major Brands**: The major supermarket chains, namely Woolworths and Coles, continue to search for new store opportunities, particularly throughout inner-metropolitan areas where traditionally, supermarket floorspace provision is lower than in outer-suburban areas.

iv. **Store Size** The preferred store size for Woolworths and Coles has increased in recent years, with both chains now typically seeking stores of 3,500 sq.m and larger. The major supermarket chains target a population of 8,000 – 10,000 persons to support one large supermarket and will locate across a wide variety of centres including neighbourhood, sub-regional and regional centres, as well as (less commonly) free-standing locations.

v. **Aldi**: The major supermarket chains are now competing with Aldi, which have opened in-excess of 500 stores across Australia and have expanded into South Australia and Western Australia in recent years. Aldi typically operate stores of around 1,650 sq.m in size, targeting a resident catchment of 15,000 – 20,000 persons and seeking development sites with ample and very convenient car parking.

vi. Allowing for the opening of Woolworths of 3,800 sq.m at the North Rocks site by 2022/23, there would still be an under provision of 3,666 sq.m at this time, increasing to 4,771 sq.m by 2031. Not all of this supermarket floorspace demand will be retained in the main trade area, however, there is considered to be significant demand for supermarket floorspace in this location.

vii. The planned North Parramatta Village Centre supermarket of around 1,000 sq.m would also clearly be supportable to serve the immediate future population.

TABLE 3.2. MAIN TRADE AREA SUPERMARKET PROVISION, 2018/19

Trade Area Sector	No. of Supermarkets*	GLA (sq.m)	2019 Population	GLA per 1,000 persons
Primary Sector	1	1,040	17,510	59
Secondary Sectors				
• North	0	0	5,810	0
• East	0	0	5,580	0
• South	1	3,529	10,540	335
• West	0	0	4,980	0
Total Secondary	1	3,529	26,910	131
Main Trade Area	**2**	**4,569**	**44,420**	**103**
City of Parramatta LGA Average				*199*
Sydney Metro Average				*263*
Australian Average				*346*

** Defined as 500 sq.m or larger*

TABLE 3.3. SUPERMARKET DEMAND & SUPPLY, 2019 – 2031

			Year		
Main Trade Area	**2019**	**2021**	**2023**	**2026**	**2031**
Population	44,420	44,960	45,760	46,960	49,960
Supportable Smkt GLA (sq.m)*	11,682	11,824	12,035	12,350	13,139
Current & Proposed Smkt GLA (sq.m)**	4,569	4,569	8,369	8,369	8,369
Indicative **Under**/**Over** supply (sq.m)	***7,114***	***7,256***	***3,666***	***3,982***	***4,771***
City of Parramatta LGA Average					199
Sydney Average					263
Australian Average					346

*** Allows for all main trade area supermarkets as well as the opening of Woolworths (3,800 sq.m) at the North Rocks site by 2023.*
** At Sydney benchmark of 263 sq.m per 1,000 persons.*
Supermarkets defined as 500 sq.m or larger.

3.4. Summary

i. Overall, there are limited food and grocery tenants and specifically supermarkets to serve residents of the local and surrounding region. There is a low provision of supermarket floorspace currently provided for the large, established resident population.

ii. Residents of the region should be provided with a wider range of food and grocery items within proximity to their homes. The proposed North Rocks Woolworths would provide the ability for the population to shop locally.

iii. The only supermarket in the primary sector is small at around 1,040 sq.m in size. Modern full-line supermarkets which serve the weekly shopping needs of local residents are typically 3,200 sq.m in size and larger. The only other supermarket within the main trade area is Coles at Entrada at 20 Victoria Road in North Parramatta, at the southern fringe of the main trade area.

iv. There is significant demand for supermarket floorspace both now and in the future, as a result of the significant existing under provision of floorspace as well as future population growth. It is important to note that this undersupply of supermarket floorspace will increase in the future if no additional supermarkets are provided across the main trade area.

4 ASSESSMENT OF POTENTIAL FOR RETAIL FACILITIES

This section of the report considers the sales potential for the proposed North Rocks Woolworths as well as the likely trading and other impacts that can be anticipated following the construction of the proposed development.

4.1. Sales Overview

i. To assess the potential economic benefits and impacts that may arise from the development of the proposed North Rocks Woolworths, the sales level which the development is projected to achieve is outlined.

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

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

4.2. Supermarket Sales Potential

i. The proposed North Rocks Woolworths supermarket will be 3,800 sq.m (including BWS). Supermarkets generate sales primarily from the food and groceries market, as discussed and measured in Section 2 of this report.

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

iii. Projected sales are detailed for the proposed North Rocks Woolworths supermarket of 3,800 sq.m and other supermarkets in the main trade area, noting that supermarkets are defined as grocery and dry goods stores of at least 500 sq.m. Smaller foodstores less than 500 sq.m are excluded from this analysis.

iv. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout Australia, as follows:

- For the main trade area, the total food and grocery spending market is estimated at $247.8 million for the year to June 2019. The food and grocery spending market for the main trade area population is projected to grow to $260.6 million by 2022/23 and further to $296.4 million by 2030/31 (constant 2019 dollars).

- Typically, in Australia approximately 70% - 75% of food and grocery expenditure is directed to supermarkets, not including small corner stores, convenience stores and milk bars. This ratio varies from location to location depending on the provision of such facilities and the socio-economic profile of the main trade area population. In the defined main trade area, the proportion of spending to supermarkets is currently estimated at 63.0% and is projected to increase to 63.9% in 2022/23 with the addition of the Woolworths supermarket at the North Rocks site.

- The next step in the analysis is to estimate the likely proportion of food and grocery expenditure which can be retained by main trade area supermarkets; specifically, the proportion of expenditure that can be retained by the proposed North Rocks Woolworths supermarket and the Northmead IGA and Entrada Coles (North Parramatta), as compared with spending directed to supermarkets beyond the main trade area.

- The current retention of supermarket spending is estimated at 23.2%. Assuming the proposed North Rocks Woolworths, the level of retained spending is projected to increase to 36.6% in 2022/23, including 52.5% in the primary sector. Around 63% of the main trade area supermarket spending would still be escaping the main trade area.

- Additionally, supermarket sales are likely to be attracted from beyond the defined main trade area, reflecting the high-profile location of the site.

v. The steps detailed above generate the annual estimates of food and grocery spending available to supermarkets within the main trade area. On this basis, after the subject development, this figure is projected at $61.0 million in 2022/23. This figure does not include retail inflation, thus the increase shown reflects real growth. By 2030/31, available food and grocery spending directed to main trade area supermarkets is projected to increase to $71.1 million, expressed in constant 2019-dollar terms.

vi. The proposed Woolworths at North Rocks would include a liquor component (BWS).

vii. Finally, to estimate the total likely sales volume available to main trade area supermarkets, additional components of sales other than food and grocery is taken into account. The major component of sales other than food and grocery sales which supermarkets typically include are general merchandise and non-food items. Non-food items typically generate around 6% of total store sales for modern supermarket chains. On this basis, the total volume of sales available to main trade area supermarkets is estimated to increase to $82.3 million in 2022/23.

viii. The proposed North Rocks Woolworths supermarket is projected to achieve sales of $37.9 million in 2022/23, at an average of $9,984 per sq.m, compared to the Australian average of $9,000 - $10,000 per sq.m. This indicates strong demand for the proposed supermarket.

ix. Existing supermarkets in the main trade area are estimated to be recording sales which are above the average sales level registered by major supermarkets throughout Australia of around $9,000 - $10,000 per sq.m. Supermarkets in the main trade area are understood to trade at levels higher than the Australian average reflecting the under provision of supermarket floorspace to serve these residents.

x. Taking the above into account, there is clearly demand for an additional supermarket at North Rocks. The addition of a full-line Woolworths supermarket will provide a convenient supermarket that will allow residents to undertake a full weekly shop locally. The addition of Woolworths would result in the retention of spending currently being directed to other large supermarkets at the major shopping centres which can become quite congested during peak periods. Some $84.3 million of main trade area food and grocery spending to supermarkets would still be directed to supermarkets outside the main trade area in 2022/23, post the opening of the proposed North Rocks Woolworths.

xi. Projected impacts as a result of the proposed Woolworths supermarket would likely fall upon a range of supermarkets in the surrounding area, both within and beyond the main trade area. The impacts would be spread across a number of supermarkets, which would mean the impact on any one supermarket would not detrimentally affect the performance of any stores, which are all trading at above average volumes. All supermarkets serve significant and overlapping population catchments.

TABLE 4.1. SUPERMARKET SALES POTENTIAL, 2019 – 2031

	Financial Year			
	2019	2023	2026	2031
Total Food & Grocery (F&G) Spending				
Primary Sector	97.9	104.2	110.7	126.7
Secondary Sectors				
• North	34.1	35.2	36.1	37.6
• East	31.7	32.9	33.7	35.2
• South	57.3	60.6	63.2	67.6
• West	26.9	27.7	28.3	29.3
Total Secondary	149.9	156.4	161.4	169.7
Main Trade Area	**247.8**	**260.6**	**272.0**	**296.4**
F&G Spending to Supermarkets				
Primary Sector (@ 65% incr. to 66.5% in 22/23)	63.6	69.3	73.6	84.3
Secondary Sectors				
• North (@ 67.5% incr. to 68% in 22/23)	23.0	24.0	24.6	25.6
• East (@ 65% incr. to 66% in 22/23)	20.6	21.7	22.3	23.2
• South (@ 55%)	31.5	33.3	34.8	37.2
• West (@ 65% incr. to 66% in 22/23)	17.5	18.3	18.7	19.3
Total Secondary (@ 61.7% incr. to 62.2% in 22/23)	92.6	97.3	100.3	105.3
Main Trade Area (@ 63% incr. to 63.9% in 22/23)	**156.2**	**166.6**	**173.9**	**189.6**
F&G Spending Retained by TA Smkts				
Primary Sector (@ 35% incr. to 52.5% in 22/23)	22.3	36.4	38.6	44.2
Secondary Sectors				
• North (@ 5% incr. to 14.5% in 22/23)	1.1	3.5	3.6	3.7
• East (@ 7.5% incr. to 15% in 22/23)	1.5	3.3	3.3	3.5
• South (@ 30% incr. to 40% in 22/23)	9.4	13.3	13.9	14.9
• West (@ 10% incr. to 25% in 22/23)	1.7	4.6	4.7	4.8
Total Secondary (@ 15% incr. to 25.3% in 22/23)	13.9	24.6	25.5	26.9
Main Trade Area (@ 23.2% incr. to 36.6% in 22/23)	**36.2**	**61.0**	**64.1**	**71.1**
F&G Sales from Beyond MTA (@ 16.9%)	7.4	12.4	13.1	14.5
Total F&G Sales for TA Smkts	**43.5**	**73.5**	**77.2**	**85.6**
Packaged Liquor Sales (@ 5%)	2.3	3.9	4.1	4.5
Total FLG Smkt Sales	**45.8**	**77.3**	**81.2**	**90.1**
General Merchandise Sales (@ 6%)	2.9	4.9	5.2	5.8
Total TA Smkt Sales	**48.7**	**82.3**	**86.4**	**95.9**
Smkt Floorspace in TA (sq.m)**	4,569	8,369	8,369	8,369
Average Trading Level ($/sq.m)	10,668	9,828	10,328	11,459
Distribution of TA Smkt Sales				
Woolworths North Rocks Smkt	0.0	37.9	39.9	44.6
Other TA Supermarkets**	48.7	44.3	46.5	51.3
Total TA Smkt Sales	**48.7**	**82.3**	**86.4**	**95.9**

**Constant 2018/19 dollars & Including GST*
***Existing supermarket in TA as at July 2019 are Coles at Entrada and IGA at Northmead Shopping Centre*

4.3. Sales Impact

i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities because of the opening of the retail component of the proposed North Rocks Woolworths development.

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

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

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

iv. Table 4.2 outlines projected sales impacts from the proposed North Rocks Woolworths development. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:

- **Step 1**: Estimate sales levels for existing centres in the 2018/19 financial year;
- **Step 2**: Projected sales are presented for existing and proposed developments in 2022/23, the first full year of trading for the proposed North Rocks Woolworths. These projections also allow for retail market growth and are presented in constant 2019 dollars (i.e. excluding inflation);
- **Step 3**: Outline the change in sales at each centre in 2022/23 because of the development of the North Rocks Woolworths. Again, all sales are expressed in constant 2019 dollars;
- **Step 4**: Show the impact on sales in 2022/23, both in dollar terms and as a percentage of sales.

TABLE 4.2. NORTH ROCKS WOOLWORTHS PROJECTED IMPACTS, 2019 – 2023

	Unit	Estimated 2019	Projected 2023 Pre Dev.	Projected 2023 Post Dev.	Impact 2023 $M	Impact 2023 %
Woolworths North Rocks Site	***$M***	***n.a.***	***n.a.***	***37.9***	***n.a.***	***n.a.***
Regional Centres						
Parramatta	$M	1,003.8	1,212.7	1,196.7	-16.0	-1.3%
• Westfield Parramatta**	$M	848.7	1,048.1	1,037.6	-10.5	-1.0%
• Entrada	$M	50.6	52.8	47.5	-5.3	-10.0%
• Other	$M	104.5	111.8	111.6	-0.3	-0.2%
Sub-regional Shopping Centres						
Winston Hills Mall	$M	238.0	254.7	247.7	-7.0	-2.8%
North Rocks SC	$M	150.0	160.5	158.1	-2.4	-1.5%
Carlingford	$M	246.3	263.5	262.4	-1.1	-0.4%
• Carlingford Court	$M	187.0	200.1	199.1	-1.0	-0.5%
• Carlingford Village SC	$M	59.3	63.4	63.3	-0.1	-0.2%
Supermarket Based Shopping Centres						
Northmead SC	$M	22.7	24.3	22.1	-2.2	-9.0%
Coles Westmead	$M	29.7	31.8	30.2	-1.6	-5.0%
Picasso Shopping Plaza	$M	4.3	4.5	4.3	-0.2	-5.0%
Stockland Baulkham Hills	$M	147.0	157.3	153.4	-3.9	-2.5%
Wentworthville	$M	107.1	144.6	142.7	-1.9	-1.3%
• Wentworthville Shopping Plaza	$M	59.0	63.1	61.6	-1.6	-2.5%
• Other**	$M	48.1	81.5	81.2	-0.3	-0.4%

** Constant 2019 dollars and including GST*
*** Assumed expansion pre-2022/23*

v. The key information outlined in Table 4.2 is summarised as follows:

- The proposed North Rocks Woolworths is projected to record sales of $37.9 million in 2022/23.
- The highest impact in dollar terms would be on Westfield Parramatta at around $10.5 million, with most of this impact falling on the supermarkets, in particular, the relocated full-line Woolworths which is the closest Woolworths to the proposed development. All of these supermarkets are understood to trade strongly, at levels above the Australian benchmark. In percentage terms, however, the total impact is small at around 1.0%, with the impacted supermarkets to remain viable. Westfield Parramatta current records Moving Annual Turnover (MAT) of $848.65 million, which is some 43% higher than the benchmark for the Regional Shopping Centres of $593.7 million (Urbis Retail Averages 2017/18).

- The highest impact in percentage terms would be on Entrada at 10%, which is the closest full-line supermarket. This reflects a dollar impact of $5.3 million. Coles is understood to trade strongly and would still be viable.

- Northmead Shopping Centre would be impacted by around 9.0%, or $2.2 million. This is the nearest supermarket and shopping centre to the site. Northmead Shopping Centre would continue to be viable with the IGA supermarket supported by a convenience range of 19 specialty shops (including four food and liquor specialty shops, three food catering operators, a newsagent, hairdresser, Australia Post and a medical centre) which would not be replicated at the proposed North Rocks Woolworths site. As such, residents would still have to frequent this centre for a wider range of facilities.

- Coles Westmead is projected to be impacted by $1.6 million (5%), reflecting its location, immediately west of the main trade area;

- Projected impacts on Stockland Baulkham Hills (2.5% or $3.9 million) and Winston Hills Mall (2.8% or $7.0 million) reflect the strong convenience focus and easy access to these centres from the main trade area;

- Other impacts are each below 5%, well within the normal competitive range.

vi. Overall, the proposed North Rocks Woolworths development would not impact on the viability or continued operation of any existing or proposed centre within the main trade area or the surrounding region, with all impacts within the normal competitive range of 10% or less. Given these projected impact levels, the viability of any centres or precincts would not be threatened.

4.4. Employment & Consumer Impacts

i. The opening of the proposed North Rocks Woolworths development would result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts include:

- The provision of a wider range of food and grocery shopping facilities (including a full-line supermarket), which would increase convenience and price competition for residents.

- The retail component of the development is projected to employ around 190 persons as summarised in Table 4.4. Taking a conservative view and allowing for an estimated 10% of the total increase to be because of reduced employment at existing retail facilities, net additional retail jobs are estimated at 171. The large format retail warehouse is projected to employ some 109 persons. On this basis, some 280 on-going jobs are expected to be created.

- The additional 280 permanent employees would earn an average annual wage of around $38,532, based on employee earnings data for the retail trade industry released by the ABS in May 2018. This represents an additional $10.8 million in salary/wages for the local economy, as a direct result of the retail component of the proposed development.

- The development would create a substantial number of additional jobs for the construction and related industries during the building phase of the development and for the economy generally, once the development is complete.

- The estimated total capital costs for the construction phase of the development are $10 million. By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of $5.9 million (i.e. in 1996/97 dollars), it is estimated that the construction period of the proposed development would create some 41 jobs (refer Table 4.5).

- Further jobs would be created from the supplier induced multiplier effects as a result of retail jobs for the on-going running of the North Rocks Woolworths, which may include both full-time and part-time positions as well as from the construction phase. In total, some 331 jobs are projected to be created in the broader community, based on ABS Input/Output Multipliers (refer Table 4.6).

- As a result, in total some 1,196 jobs are likely to be created both directly and indirectly because of the proposed North Rocks Woolworths.

TABLE 4.3. ESTIMATED PERMANENT EMPLOYMENT

Component	Total Floorspace (sq.m)	Employment Potential		
		Employm. per 1,000 sq.m	Indic. Total Jobs	Net Increase[1]
Retail				
Supermarket	3,800	50.0	190	171
Total Retail	**3,800**		**190**	**171**
Complementary Non-retail				
Large Format Retail Warehouse	3,015	40.0	121	109
Total Complementary Non-retail	**3,015**		**121**	**109**
Total	**6,815**		**311**	**280**

1. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development

Source : Australian National Accounts: Input-Output Tables 1996-97

TABLE 4.4. ESTIMATED CONSTRUCTION EMPLOYMENT IMPACT

Metric	Total
Estimated Capital Costs of Construction	
Estimated Capital Costs 2018/19 ($M)*	$10.0
Estimated Capital Costs 1996/97 ($M)	$5.9
Direct Employment Generation	
Construction Jobs per $1 million (2017/18)	4.10
Total Construction Jobs[1]	**41**

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

TABLE 4.5. ESTIMATED EMPLOYMENT IMPACT

Metric / Category	Est. Net Employment Increase[1]	Employment Multiplier Effects	Total Employment
Ongoing Employment from Planned Floorspace			
Supermarket	171	162	333
Large Format Retail Warehouse	109	103	212
Total	**280**	**265**	**1,090**
Construction Phase			
Direct Employment Generation	41	66	107
Net Additional Employment		**331**	**1,196**

Source: Australian National Accounts: Input-Output Tables 1996-97

1. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

5 NEEDS ANALYSIS

The final section of this report summarises the key conclusions of the impact analysis for the proposed North Rocks Woolworths.

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

Several important factors that relate to need, particularly economic need, include:

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

5.1. Population and Supermarket Demand

i. The proposed North Rocks Woolworths main trade area population is currently 44,420 (2019) and is projected to increase to 49,960 persons by 2031, representing an average annual growth rate of 1.0%.

ii. In Australia, one major full-line supermarket is typically supportable for every 8,000 – 10,000 persons. On this basis, the main trade population could easily support five full-line supermarkets, with one currently provided, namely Entrada Coles. In the primary sector, the current population of some 17,510 persons is only served by a small IGA supermarket of 1,040 sq.m at Northmead.

iii. The existing Northmead IGA, which is the only supermarket in the primary sector and one of only two supermarkets in the main trade area, is small by modern standards at some 1,040 sq.m in size. Most modern full-line supermarkets that serve the weekly shopping needs of local residents are typically 3,200 sq.m in size and larger.

iv. Across the main trade area, the provision of supermarket floorspace is currently 103 sq.m per 1,000 persons; well below both the Sydney (263 sq.m) and Australian (346 sq.m) benchmarks. Importantly, in the primary sector, the current population of 17,510 persons is not served by a full-line supermarket.

v. Reflecting the low provision of supermarket floorspace across the established main trade area population, existing supermarkets in the surrounding area are all understood to trade at levels above the Australian average.

vi. The planned North Parramatta Village Centre supermarket of around 1,000 sq.m would also clearly be supportable to serve the immediate future population.

5.2. Consumer Trends

i. Retail in Australia, plays fundamental roles in the economies of Australia's metropolitan areas, having developed around the need to meet consumer demand. The nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as:

- Increasing time pressures on working families;
- Population and income growth;
- The evolution of new retail formats and traders;
- Competitive retail developments and precincts.

ii. The demands of retailers, as well as consumers, combine to add pressure for additional retail floorspace in existing retail precincts.

iii. There is a strong need for supermarket facilities within close proximity to the homes of primary sector residents and main trade area residents more generally, with consumers visiting supermarkets two to three times a week on average.

iv. Over the past decade, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor, such as longer working hours and an increase in the number of women in the labour force.

v. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping. As a result, there is growing demand for convenience shopping facilities to meet the needs of local residents.

vi. The design of proposed development, including an easily accessible provision of car parking, would be highly convenient for local families who would visit on a regular basis.

5.3. Location

i. The proposed Woolworths supermarket would enjoy a high-profile location, which would be very convenient and easily accessible for the local population and passing traffic via North Rocks Road. Currently, a traffic lighted intersection at North Rocks Road provides the only ingress and egress to the site. This is assumed to be the only ingress/egress in the future.

ii. Based on 2018 traffic counts from NSW Transport, 30,418 vehicles daily travelled along Church Street (both directions) at the intersection of Daking Street. This equates to 11.10 million vehicles over the year.

iii. The site is also serviced by public transport with bus stops for route 549 on both sides of North Rocks Road to the south of the site. Route 549 connects the Parramatta CBD/Train Station to Epping via North Rocks.

iv. The vision for the Central City District is as follows:

> *"The vision for Greater Sydney as a metropolis of three cities – the Western Parkland City, the Central River City and the Eastern Harbour City and a 30-minute city – means residents in the Central City District will have quicker and easier access to a wider range of jobs, housing types and activities as part of the transformation of their District. The vision will improve the District's lifestyle and environmental assets."*

v. The vision will improve the District's lifestyle and environmental assets by:

- Developing the economy with jobs and skills growth from unprecedented city-scale infrastructure investments;
- Supporting cohesive and socially dynamic communities with new social infrastructure like schools and community services, new cultural and sporting facilities;
- Establishing transport connections north, south, east and west from Parramatta to optimise Greater Parramatta's location in the centre of Greater Sydney;
- Transforming Westmead health and education precinct to an innovation district with greater diversity of knowledge-intensive jobs;
- Retaining industrial and urban services land and creating new skills with a 21st century clean-tech and advanced manufacturing cluster around precincts such as Camellia, Rydalmere, Silverwater and Auburn;

- Linking parks, bushland, playgrounds and waterways through the Greater Sydney Green Grid with enhanced opportunities for safe walking and cycling paths;
- Enhancing the quality of, and access to, waterways such as Parramatta River, Duck River and South Creek.

vi. Priorities outlined for this Central City District include:

- Working together to grow a Greater Sydney;
- Infrastructure supporting new developments;
- Celebrating diversity and putting people at the heart of planning;
- Giving people housing choices;
- Designing places for people;
- Developing a more accessible and walkable city;
- Creating the conditions for a stronger economy;
- Valuing green spaces and landscapes;
- Adapting to a changing world;
- Using resources wisely

vii. In relation to future retail floorspace, the Plan states the following:

> *"Research has shown that the Central City District will need to accommodate more than 1.76 million square metres of additional retail floor space over the next 20 years.*
>
> *In addition, there will be significant demand for additional office floor space. Creating the opportunities to attract retail and office development locally brings jobs closer to homes.*
>
> *Rapid changes in technology and in retail trends, emerging night-time economies and population growth require councils to be agile and responsive in their planning for centres growth."*

viii. Specifically, in relation to liveability

> *"Liveability is about people's quality of life. Maintaining and improving liveability requires housing, infrastructure and services that meet people's needs, and the provision of a range of housing types in the right locations with measures to improve affordability. This enables people to stay in their neighbourhoods and communities as they transition through life."*

ix. The proposed North Rocks Woolworths development will provide additional retail floorspace in the form of a full-line supermarket. This would not create a centre to compete with other existing centres which provide a range of retail and non-retail uses. The development will provide for the weekly food and grocery shopping needs of the large population in the region where there is currently an undersupply of supermarket floorspace which will continue increase over time.

x. As defined in the Parramatta Local Environmental Plan 2011, B6 Enterprise Corridor zoned land is as follows:

1 Objectives of zone

- To promote businesses along main roads and to encourage a mix of compatible uses.
- To provide a range of employment uses (including business, office, retail and light industrial uses).
- To maintain the economic strength of centres by limiting retailing activity.

2 Permitted without consent

Nil

3 Permitted with consent

Building identification signs; Business identification signs; Business premises; Community facilities; Food and drink premises; Garden centres; Hardware and building supplies; Hotel or motel accommodation; Kiosks; Landscaping material supplies; Light industries; Neighbourhood shops; Oyster aquaculture; Passenger transport facilities; Plant nurseries; Roads; Self-storage units; Specialised retail premises; Tank-based aquaculture; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Water recycling facilities; Any other development not specified in item 2 or 4

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Amusement centres; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Electricity generating works; Entertainment facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Function centres; Heavy industrial storage establishments; Helipads; Highway service centres; Home-based child care; Home businesses; Home industries; Home occupations; Home occupations (sex services); Industrial retail outlets; Industries; Information and education facilities; Jetties; Marinas; Mooring pens; Moorings; Mortuaries; Open cut mining; Pond-based aquaculture Port facilities; Recreation facilities (major); Research stations; Residential accommodation; Restricted premises; Retail premises; Rural industries; Sewerage systems; Sex services premises; Signage; Storage premises; Transport depots; Waste or resource management facilities; Water recreation structures; Water supply systems; Wharf or boating facilities

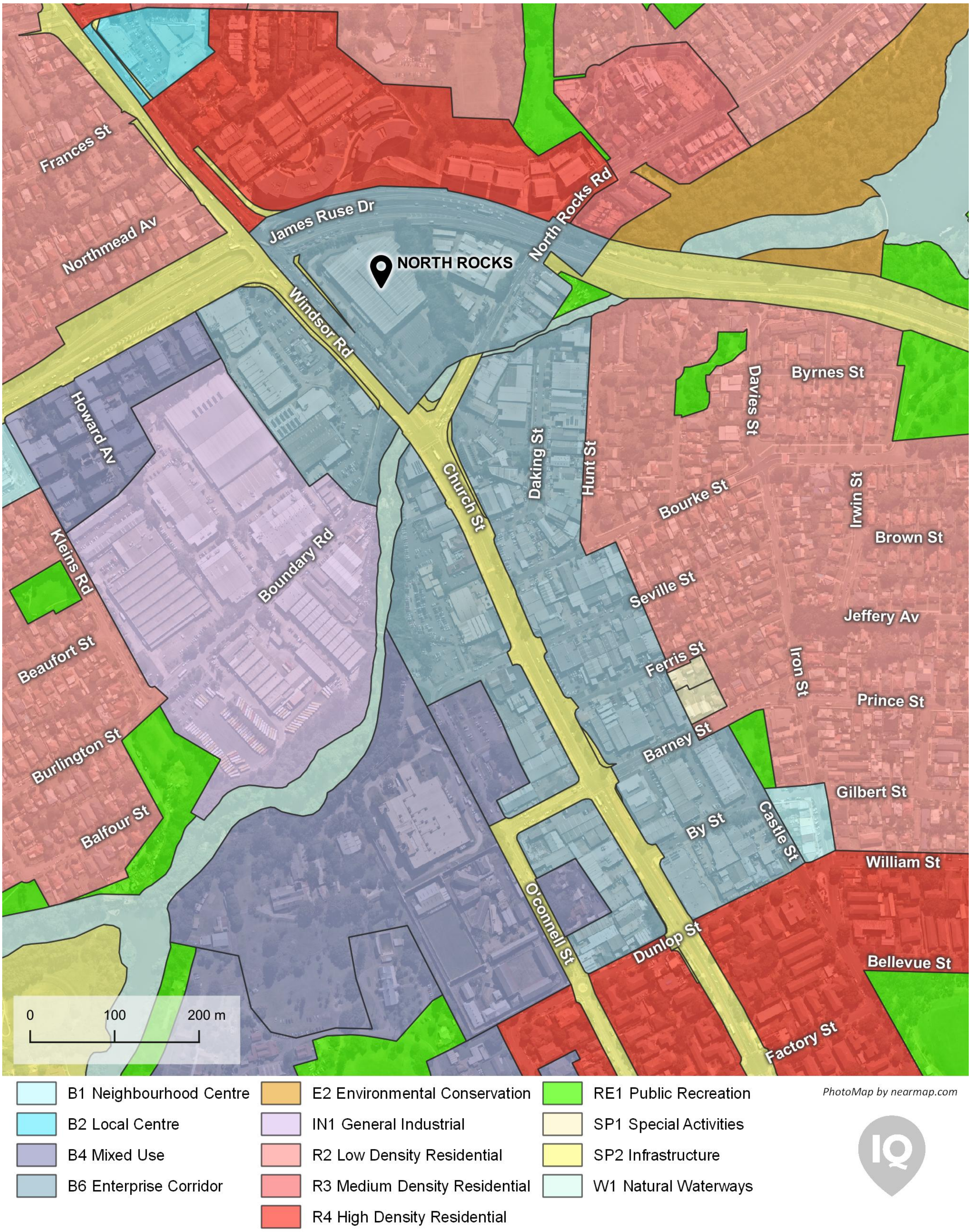
xi. Maps 5.1 and 5.2 illustrate the B6 Enterprise Corridor zoned land in the surrounding area. As shown, this land is generally provided along both side of Windsor Road/Church Street.

xii. In total, there is some 529,741 sq.m of B6 Enterprise Corridor zoned land in the City of Parramatta LGA and some 239,133 sq.m of B6 Enterprise Corridor zoned land in the North Rocks/North Parramatta precinct.

xiii. The proposed North Rocks Woolworths site of 20,655 sq.m would account for less than 4% of the total B6 Enterprise Corridor zoned land in the City of Parramatta LGA and less than 10% of B6 Enterprise Corridor zoned land in the precinct. On this basis, if the proposed North Rocks Woolworths development was to proceed, there would still be in-excess of 509,000 sq.m of B6 Enterprise Corridor zoned land in the City of Parramatta LGA and in-excess of 218,000 sq.m of B6 Enterprise Corridor zoned land in the North Rocks/North Parramatta precinct.

xiv. The proposed North Rocks Woolworths site has significant exposure to three major roads, making it a unique site within the corridor. As such, the site would lend itself to a higher and better use such as now proposed. The extent of retail to be provided at the site would be a modern, full-line supermarket and this would not create a centre but would promote a use that is demanded by the local population. There would still be significant B6 Enterprise Corridor zoned land in the area that would be better suited to the types of uses envisaged in this zoning than the unique 1 Windsor Road (Church Street) site.

MAP 5.1. LAND ZONING



MAP 5.2. B6 ENTERPRISE CORRIDOR ZONED LAND

PhotoMap by nearmap.com

Enterprise Corridor Zoned Land

5.4. Impacts on Existing and Proposed Retailers

i. The proposed North Rocks Woolworths would provide a full-line supermarket. As such, residents will continue to frequent other centres/shops in the surrounding area. Projected impacts on these businesses are likely to be limited, given the supermarket and associated specialty shops would not compete directly with the vast majority of these offers.

ii. Residents of the region should be provided with a wider range of food and grocery items within proximity to their homes. The proposed North Rocks Woolworths would provide a key anchor tenant that would benefit most shopfronts in the immediate areas by increasing the ability of the population to shop locally, while not impacting the future viability of current and proposed centres in the surrounding area. In addition, increased competition between supermarkets is beneficial to consumers and will not adversely affect the balance of the centre hierarchy.

iii. Overall, there are limited food and grocery tenants and specifically supermarkets to serve residents of the local and surrounding region. There is only one full-line supermarket in the main trade area; namely Entrada Coles with the only other supermarket in the main trade area being Northmead Shopping Centre IGA of 1,040 sq.m, which is provided in a dated and fragmented centre. Supermarkets in the surrounding area are understood to trade at levels above the Australian average, reflecting the low provision of supermarket floorspace currently provided for the large, established resident population.

iv. As outlined previously in this report, there is a current indicative undersupply of 7,114 sq.m of supermarket floorspace across the main trade area that will increase to 7,466 sq.m if no new supermarkets are built over the forecast period to 2031. Allowing for the opening of Woolworths of 3,800 sq.m at North Rocks by 2023, there would still be an under provision of 3,666 sq.m at this time, increasing to 4,771 sq.m by 2031.The analysis of impacts provided in the previous section of this report shows the projected impacts on other retailers throughout the area from the proposed development would not threaten the viability or continued operation of any centre/precinct. The future North Parramatta Town Centre would also be supportable by the future population as part of the site.

v. Overall, the proposed North Rocks Woolworths development would not impact on the viability or continued operation of any existing or proposed centre within the main trade area or the surrounding region, with all impacts within the normal competitive range of 10% or less.

5.5. Net Community Benefits

i. It is the conclusion of this report that a substantial net community benefit would result from the development of the proposed North Rocks Woolworths. Offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:

- Significant improvement in the range of retail facilities that would be available to residents, particularly in terms of convenient supermarket retailing;
- The proposed North Rocks Woolworths would improve choice of location and allow for price competition. The inclusion of a full-line supermarket would satiate some of the significant undersupply of supermarket floorspace within the main trade area;
- The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, some 1,196 jobs are likely to be created both directly and indirectly because of the proposed North Rocks Woolworths development. This includes a number of youth employment opportunities.

ii. It is concluded that the combination of the substantial positive economic impacts serve to more than offset the trading impacts that could be anticipated for a small number of existing and proposed retail stores, particularly supermarkets, in the region. Further, the impacts would not threaten the viability of any retail facilities.

02 8248 0100
Level 6, 56 Pitt Street
Sydney NSW 2000
Locationiq.com.au