

MOORE POINT

Economic Impact Assessment



Prepared for Leamac and Coronation

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Executive Summary

This economic impact assessment (the study) has been prepared by HillPDA on behalf of Leamac and Coronation. The study aims to quantify the economic impact or benefits in relation to a Planning Proposal at Moore Point (referred to as the Planning Proposal).

The site is located east of Liverpool CBD on the opposite side of the Georges River and north of Newbridge Road. It provides a site area of 38.5 hectares (approx.) and is currently developed with industrial uses.

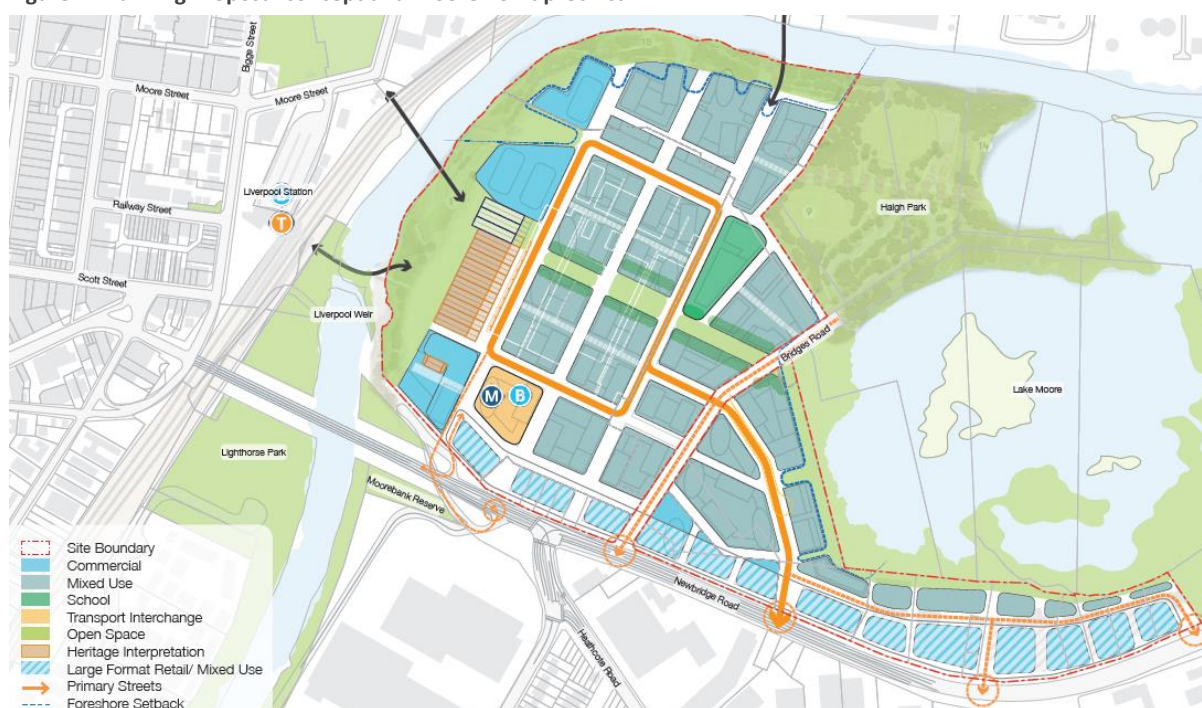
Although the Planning Proposal is in the early stages of development, it is proposed to provide a mixture of land uses including commercial, community, entertainment, medical, retail, social and residential. In total, around 1,601,058sqm of mixed-use gross floor area (GFA) is proposed to be provided being comprised of:

- 344,499sqm of mixed-use employment GFA
- 1,256,559sqm of residential GFA, equating to around 14,783 dwellings.

Upon completion, three new connections across the river would significantly increase connectivity of the Moore Point precinct to Liverpool railway station, CBD and the health and education precinct to the north. This improved connectivity would allow future residents and employees easily access to Liverpool while also complementing the CBD and supporting its various innovation precincts (refer to Figure 6).

Owing to the large scale of the Planning Proposal it is expected that its development would be staged over a 30-40-year period. Staging of the Planning Proposal over this period would further increase its positive economic benefits including; rising Liverpool's profile to further investment and development which has been lacking in recent years; complementing and supporting the further development of surrounding specialist precincts; contribute to Liverpool capitalising of its strategic location; contribute to Liverpool exceed its employment targets and provide adequate time for industrial and urban services to relocate either elsewhere in the LGA or Moore Point precinct.

Figure 1: Planning Proposal concept and Moore Point precinct

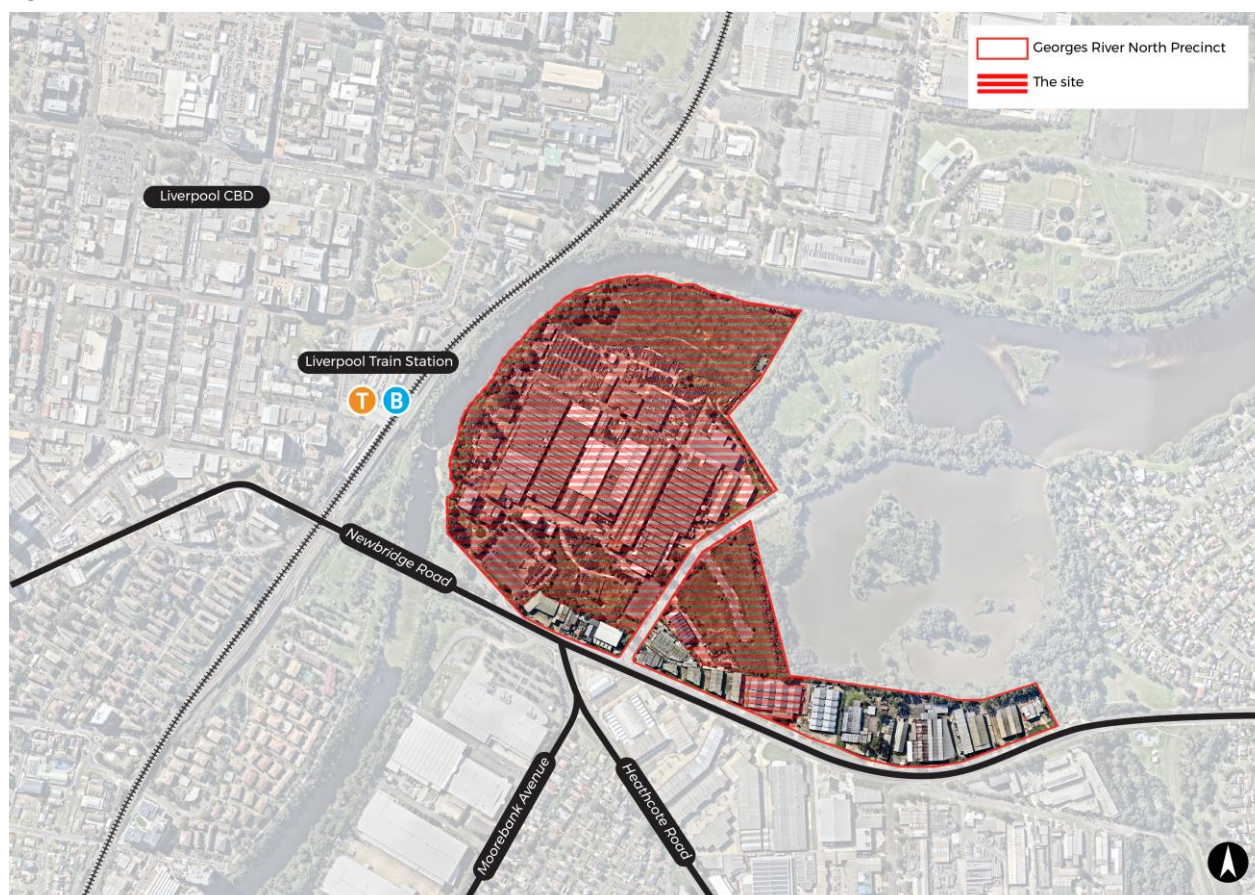


Source: SJB Urban

State and local planning context

The site is situated within Liverpool Collaboration Area's Georges River North precinct and is subject to the priorities and actions of the Liverpool Place Strategy (Strategy), which was released by the Greater Sydney Commission (GSC) in December 2018. Refer to the figure below:

Figure 2: Site aerial



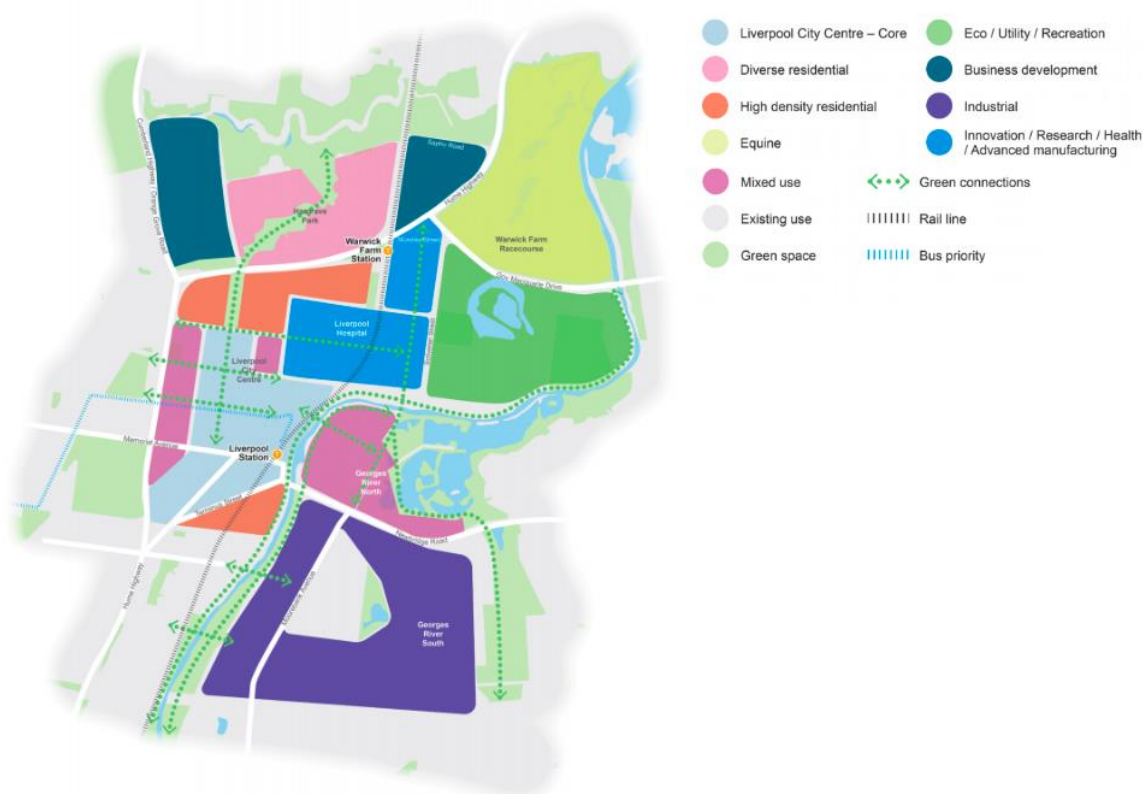
Source: Nearmap modified by Mecone

The Strategy states that by 2036 Liverpool will be a rejuvenated river city, offering diverse and growing residential and employment opportunities. Major health, education and retail precincts, and a mixture of open spaces and parklands alongside the Georges River, will create a rich mix of jobs and workplaces, public spaces, shops and entertainment.

Under the Strategy the site is identified as 'mixed use', which comprises:

'a mixture of commercial, retail, residential and community uses that provide sustainable employment, that is complementary to, and not in competition with, the commercial core'

Figure 3: A Place Strategy for Liverpool



Source: Liverpool Collaboration Area Place Strategy 2018

The 2019 Annual report summary for Liverpool Collaboration Area highlighted key steps commenced and completed to address the imperatives acknowledged in the Strategy to accelerate the delivery of the Collaboration Area. These included:

- Engagement with TfNSW to prepare the Liverpool Place-based Integrated Transport Strategy and accelerated investment; and
- Flood studies and floodplain risk management plan completed by Liverpool City Council.

The land uses reflected in the Strategy are reinforced in Liverpool City Council's Local Strategic Planning Statement (LSPS), which identifies the site for investigation as residential/mixed use to support the CBD and Innovation Precinct in tandem with linking open space and green corridors.

The LSPS provides the following short to medium term action (12-24 months) specific to the Georges River North precinct:

Action 11.2 – Investigate amendments to LEP to rezone River precinct north of Newbridge Road (Moore Point) as a mixed-use zone to support the Liverpool CBD and Innovation Precinct, with an extensive open space system and cross-river linkages (short to medium term)

The Planning Proposal involves the creation of a mixed use precinct, providing new homes, jobs and open space adjoining the Georges River and connecting to Liverpool CBD. Key features of the proposal include:

- Adaptive re-use of existing heritage;
- Foreshore embellishments and new open spaces;

- Educational and cultural facilities;
- Connections to Liverpool CBD and Train Station; and
- Transport, intersection and collector road improvements.

The Planning Proposal aligns with the priorities of Government and the implementation phase of the Place Strategy by facilitating the transformation of the Collaboration Area with new jobs, infrastructure, green spaces and housing. The Planning Proposal responds to The Pulse of Greater Sydney's performance indicators, which sit under the following key themes:

Infrastructure and Collaboration

The Planning Proposal will facilitate additional jobs, education and housing in close proximity to Liverpool CBD and Train Station. The proposal will support additional medium and long-term housing supply in Liverpool CBD through diverse and new housing products. The proposal supports the continual expansion and growth of Liverpool Innovation precinct and nearby health infrastructure, with potential to provide complementary uses near Liverpool Hospital and educational and cultural facilities on the site.

Productivity

The Planning Proposal supports the growth of the thirty-minute city, ensuring Liverpool emerges as a premier CBD in the Western City. The proposal provides capacity for new transport infrastructure on the site, road and intersection upgrades and locating density near major transport infrastructure (Liverpool Train Station and Badgery's Creek Aerotropolis). The proposal encourages additional business activity and investment in Liverpool by providing new commercial uses that will complement Liverpool CBD.

Liveability

The Planning Proposal significantly improves upon the existing use of the site by creating walkable places for people to live work and play. This includes foreshore embellishments to the Georges River, improved connections across the Georges River and adaptative re-use of existing heritage items. These measures will contribute to Sydney's Green Grid, improve access to services in Liverpool CBD and establish a community that celebrates identity and place.

Sustainability

The Planning Proposal addresses the urban heat island effect by significantly increasing the quantum of green space on the site for active and passive recreational use. The proposal will provide new parks and green connections to surrounding open spaces including Haigh Park, which will contribute to the urban tree canopy of the area.

Liverpool Council is also completing an employment lands strategy (ELS) which will guide the development and management of its industrial lands over the next few decades. The Moore Point precinct is currently zoned for industrial purposes, and as such, the impact from the possible loss of Moore Point precinct would have been assessed within the ELS. The executive summary of the ELS was recently released and its relevance to this study was identified in the following recommendation/statement:

Retain and protect all existing industrial precincts in the LGA that is not identified as required as part of the Collaboration Area Place Strategy. This implies that the ELS also endorses the transition of the Moore Point precinct from its current industrial nature to a residential and mixed-use precinct. Furthermore, the Planning Proposal proposes to provide an enterprise corridor zoning. This will allow urban services and other low impact industrial and population supporting uses to relocate in the Moore Point precinct. This would reduce any long-term impact that relocation or loss of these uses would have.

Direction 1.1 of the Ministerial Directions relate to business and industrial zones. Direction 1.1 applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).

The objectives of this Direction are to:

- Encourage employment growth in suitable locations
- Protect employment land in business and industrial zones
- Support the viability of identified centres.

Consistency of the Moore Point Planning Proposal against the objectives of this Direction have been assessed (refer to Table 1). From an economic perspective the outcomes of the Planning Proposal are considered to be consistent with the objectives of Direction 1.1.

Overall, the Planning Proposal represents a clear and consistent strategic line of site with the priorities of government. It meets the performance indicators, priorities and objectives expressed in the District Plan, Place Strategy, LSPS, ELS, Ministerial Directions and The Pulse of Greater Sydney.

The role of the Moore Street Planning Proposal

The Planning Proposal would provide three additional connections points across the Georges River into Liverpool CBD, increasing the connectivity between the two areas and various innovation precincts in the CBD, such as its health and education precinct.

The commercial market in Liverpool CBB over recent years has been reflective of a struggling market, evident in the low amounts of new supply, retraction of existing commercial space to other uses, high vacancy rates and rezoning its commercial core to a mixed-use zoning. Despite this, infrastructure investments in and around Liverpool LGA, including, the Western Sydney Airport and public transport links are likely to significantly increase the attractiveness of Liverpool and its CBD to commercial, investment occupiers and development.

The Planning Proposal could provide a high amenity and quality commercial precinct, supplementing Liverpool's existing CBD. The Planning Proposal would help and attract/retain companies and workers which see benefits being located close to these infrastructure projects. In short, the Planning Proposal would raise Liverpool's market profile as an emerging employment area, increasing its attractiveness for investment and providing stimulus to the commercial market, while also helping Liverpool exceed its current employment forecasts. Of which, current employment forecast do not account for the Planning Proposal.

The health and education sectors also play a significant role in Liverpool CBD with Liverpool Hospital, Ingham Institute of Applied Medical Research, the University of NSW (UNSW), Western Sydney University (WSU), University of Wollongong (UOW), South West Private Hospital and TAFE NSW all located in Liverpool.

Specifically, the draft LSPS states:

Liverpool (CBD) has significant advantages that could reinforce its position as a health leader and help it to become world-class health, education, research and innovation precinct based around Liverpool Hospital. This includes close access to a train line, a river providing significant amenity potential, availability of commercial land and a diverse population.

Liverpool will capitalise on these advantages, and grow its Innovation Precinct to cater for significant growth in health and knowledge workers expected over the next 20 years and become a global leader in collaboration in health, education and research.

The location of the Moore Point precinct directly to the south of these health and education assets coupled with proposed new connections across the river, improving connectivity between the two areas, provides a significant opportunity for the Moore Point precinct to provide a supportive and stimulus role to the creation of this Innovation Precinct as detailed in the GSC vision for this area.

In short, the location and linkages proposed in the Planning Proposal provide the opportunity to provide a high amenity and quality mixed-use precinct which complements and supports Liverpool's other specialist precincts while also contributing to Liverpool becoming Sydney's third CBD and Western Sydney's economic focal point.

The potential loss of industrial land

The Planning Proposal site covers around 38.5 hectares of existing developed industrial land. In 2019, Liverpool LGA contained around 1,109 hectares of zoned industrial land. This represented a 151 hectare or 16% increase over that recorded in 2015.

The amount of undeveloped zoned employment land within Liverpool significantly increased over this four-year period with an additional 69 hectares or 33% over the period, reaching a total of 278 hectares in 2019. In addition to these zoned industrial precincts, Liverpool has another 586 hectares of land identified as potential future industrial land stocks. With the inclusion of these lands, Liverpool's undeveloped industrial land stocks increase to around 864 hectares.

These lands have the potential to accommodate between 2.59 to 8.64 million square metres of industrial related floorspace¹. This additional capacity coupled with redevelopment and intensification of uses on its currently zoned but developed industrial lands is likely enough to meet the needs of the LGA over the coming decades, even with the withdrawal of the Moore Point precinct.

The potential loss and impact that Planning Proposal would have upon the LGAs ability to meet its future industrial lands needs would have been explored in detail on the preparation of the draft Liverpool ELS and subsequent LSPS. **Both documents support the transformation of the Moore Point precinct to a residential and mixed-use precinct.**

The endorsement from these strategies implies that any negative impacts resulting from the transformation of the Moore Point precinct into mixed-use precinct are outweighed by the positive benefits.

Furthermore, the development of the Moorebank Terminal and Western Sydney Airport are key economic drivers for the LGA. It is important that Liverpool CBD undergo an appropriate transformation and densification to capitalise on any potential investment interest resulting from these investments. This would be achieved by providing high-quality commercial space for the potential knowledge, research, education workers that will be attracted to the area. As such, the Planning Proposal would contribute to Liverpool capitalising off these infrastructure assets, raising its profile to further investment and exceeding its current employment targets.

Lastly, the Planning Proposal would provide some land zoned as enterprise corridor. This land has the potential to provide upwards of 47,570sqm of non-commercial office space, providing an opportunity for urban services and other typically low impact industrial land occupiers to be located.

The potential relocation of urban services

As stated above, the Planning Proposal proposes to provide an enterprise corridor zoning extending to the east of Bridges Road along Newbridge Road (on the northern side). This area has the potential to provide upwards of 47,570sqm of employment space, providing an opportunity for urban services and other typically low impact industrial land occupiers to be located in the precinct. As such, any temporary loss of urban services during construction has the potential to be relocated back in or in proximity to the Moore Point precinct upon completion, reducing any long-term negative impact.

However, assuming a worst-case scenario we have had a closer review of industrial land stocks that intersects with a 5-kilometre radius of the Moore Point precinct. This review highlights around 235 hectares² of currently zoned and undeveloped industrial land. With a further 154 additional hectares of industrial land to be zoned in the Moorebank Defence Lands precinct just around 2 kilometres south of the precinct. This significant amount of current and potential industrial land stocks available for development would provide an opportunity for urban services to

¹ High level developable FSR range of 0.3:1 to 1:1

² Includes Chipping Norton, Moorebank, Orange Grove, Priddle/Scrivener St, Sappho Road, Warwick Farm Racecourse and Yarunga/Prestons

relocate within proximity of the precinct significantly reducing any negative impacts that the proposed rezoning of the Moore Point precinct may have upon some services.

Once more, the potential relocation of urban service resulting from the loss and impact of the Planning Proposal would have been explored in detail on the preparation of the draft Liverpool ELS and subsequent LSPS. Both documents support the transformation of the Moore Point precinct to a residential and mixed-use precinct. As such, the endorsement from these strategies implies that the negative impact resulting from the transformation of this location into mixed-use precinct are far outweighed from the positive benefits and that appropriate land stocks exist to accommodate any relocation of urban services.

The need for increased residential provision

The State government acknowledges that Sydney's housing prices are high compared to other Australian capital cities. It was highlighted that the governments can *"help to put downward pressure on prices (by) accelerating the supply and the variety of housing across Sydney, such as apartments and townhouses, will make it easier for people to find homes to suit their lifestyle and budget³".*

Strata dwellings in Liverpool provide a more affordable option for its residents and key workers. This is evident in the median strata price being 65% lower than the median price of non-strata dwellings in the LGA. Additional supply and variety of apartments in the LGA would continue to provide a more affordable product for current and future residents. Increased supply would help to place downward pressure on detached housing and apartment prices which have both witnessed significant growth in recent years.

The growth in sale prices is partly a result of there currently being a shortage in supply, estimated at around 2,625 dwellings. Liverpool LGA is forecast to require between 43,452 to 69,776 additional dwellings over the next few decades. This can be partly achieved through accelerating housing supply within the LGA in appropriate locations like that proposed in the Planning Proposal.

In 2016, only 13% of Liverpool's dwelling stock were apartments. Despite this low representation, most of the household types have increasingly sought to reside within apartment type dwellings, including couples with children, likely owing to their comparative affordability and location attributes.

Of the 61,075 new households forecast to reside within the LGA over the next 20 years, 34,474 households or 56% will be attributed to lone persons, couples without dependents and single parents. The Planning Proposal would assist in providing dwelling types and mixture that would provide a more affordable option. While also catering to the changing preferences of the local community and projected change in household types.

Furthermore, analysis of rental affordability in the LGA highlights that households on very low and low incomes are unable to afford market rent for a one, two and three-bedroom apartments in the LGA. If left unabated the housing affordability gap will continue to widen. As identified by the State government, increased residential supply can place downward pressure on housing prices and rents. Advancement of the Planning Proposal would increase dwelling supply and capacity in the LGA and hopefully place downward pressure on new and existing dwelling stock values to benefit housing affordability across the fully household income spectrum.

³ A Plan for Growing Sydney

Economic impact

Economic impacts of the Planning Proposal are generated both during the and post-construction.

Economic benefits during construction

Based on a construction cost of \$8.72 billion and a construction life span of 30 to 40 years, the economic benefits resulting from the construction of the Planning Proposal are estimated at:

1. \$11.2 billion of activity in production induced effects.
2. \$7.9 billion in consumption induced effects.
3. Total economic activity generated by the construction of the Planning Proposal of around \$27.8 billion.
4. Directly generate 21,762 job years, equating to between 544 and 725 jobs generated directly per annum.
5. A total of around 87,403 job years, directly and indirectly, created equating to between 2,185 and 2,913 jobs generated per annum.
6. Around \$50 million of additional retail expenditure from construction workers on-site during the period of construction. This equates to around \$1.3 to \$1.7 million per annum over the construction period. The majority of this would be captured by local retailers.

Economic benefits post-construction

To assess the potential benefits resulting from the development of the Planning Proposal, firstly the current economic contribution of the Moore Point precinct's land uses needs to be determined, this is referred to as the "base case". The base case is then compared to the economic potential as generated by the development of the Planning Proposal.

Upon completion, the Planning Proposal would provide approximately 344,499sqm GFA of employment space and 14,789 residential dwellings. The provision of these land uses onsite would potentially increase the economic output of the Moore Point precinct, Liverpool and wider District.

The table below estimates economic outputs that would result from the development of Planning Proposal compared to that currently estimated to be generated on-site (base case).

Category	Base case	Planning Proposal	Benefits of Planning Proposal
Potential jobs	770	23,617	+ 22,847
Wages (\$m)	49.57	\$1,935.70	+ 1,886.1
GVA (\$m)	82.94	\$4,646.11	+ 4,563.2
Retail spend (\$m)	1.9	471.5	+469.6
Retail floorspace demand (sqm)	0	72,237	+72,237

Specifically, over that already generated under the base case the Planning Proposal would generate an additional 22,847 jobs; \$1.89 billion per annum in wages; and contribute \$4.56 billion per annum to local economy or GDP.

Non-resident workers onsite would also generate an estimated \$108.6 million per annum in retail expenditure that would be captured by local retailers. This is around \$106.7 million greater than that already estimated to be generated under the base case.

In addition, the planning proposal would generate economic benefits resulting from the resident's onsite (estimated at 32,686 persons). These economic benefits primarily relate to increased residential expenditure which could be captured by retailers in the locality, including those in Liverpool city centre. This is estimated at an additional \$377.5 million per annum. The population would also increase the demand for retail space by around 72,237sqm, the majority of this would likely be directed towards surrounding retail centres, such as Liverpool, further increasing their vibrancy, viability and attractiveness to investors.

The Planning Proposal would also have additional economic benefits, these being:

- Providing a catalyst for further investment in the locality
- Contributing to increasing housing diversity and affordability in the LGA and District
- Providing jobs closer to home and contributing to the LGAs employment targets
- Contribute to transit orientated development objectives by concentrating more people near the train station and commercial services, thereby reducing the reliance on private motor vehicle travel and increasing the use of public transport
- Contributing to Sydney achieving the 30-minute city concept.

The above has assessed the economic merits of the Moore Point Planning Proposal. Form this assessment, it is concluded that rezoning of the Moore Point precinct for residential/mixed-use purposes is strongly supported from an economic perspective.

INTRODUCTION

1.0 INTRODUCTION

HillPDA was commissioned by Leamac and Coronation to undertake an economic impact assessment (the study) for the Moore Point Planning Proposal (referred to as the Planning Proposal). The Planning Proposal is located in the suburb of Moorebank and is bounded by Georges River to the north, east and west and Newbridge Road to the south (Figure 4), this area is referred to as the precinct.

In line with State planning directions, the Planning Proposal explores the potential that a rezoning of the Moore Point precinct, to allow a greater diversity of land uses would have upon improved connectivity to the CBD, the provision of community facilities, employment generation, dwelling supply/choice and improved open space.

The purpose of this study is to quantify the economic impact or benefits that the Planning Proposal would provide over that already generated on the site under its current industrial zoning and uses.

Figure 4: Moore Point precinct



Source: HillPDA

This study assesses the economic impact and potential of the Planning Proposal. Although the study assesses State and local planning documents/strategies it does not include any specific planning or policy recommendations which would require consideration of a range of other factors which will be explored in other specialist studies being undertaken in the preparation Planning Proposal for the Moore Point precinct.

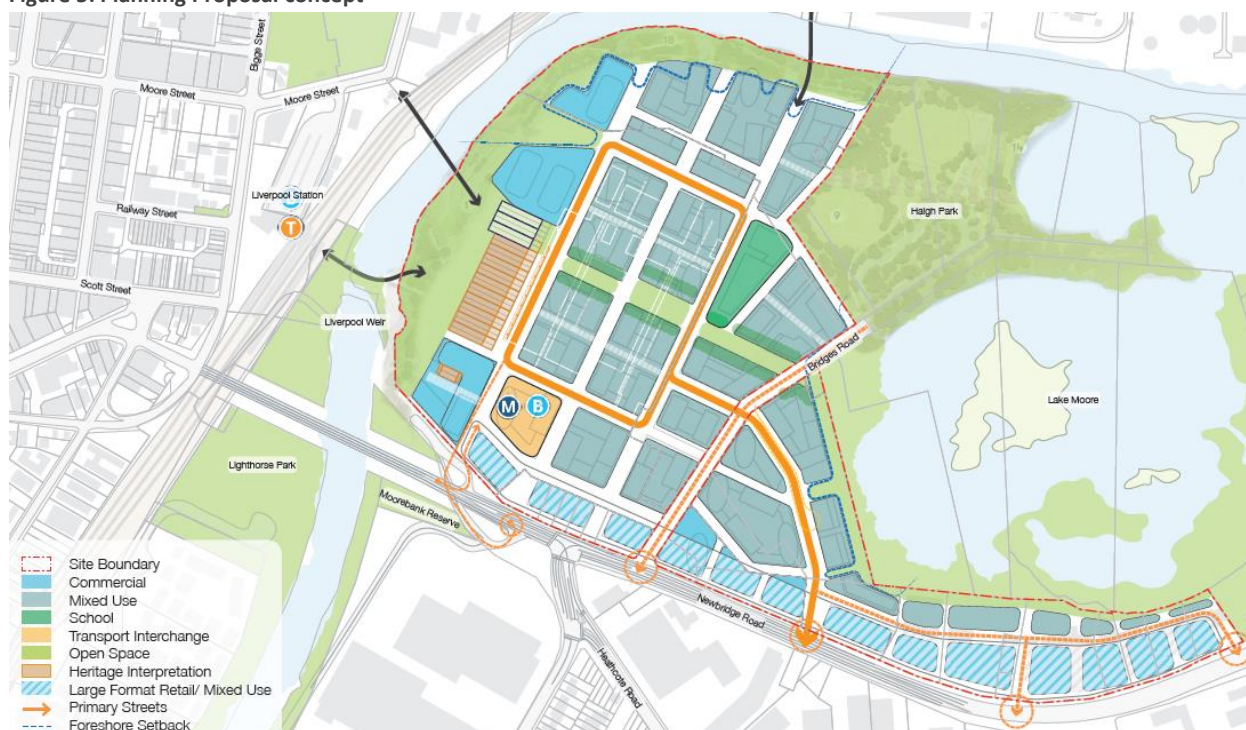
1.1 Moore Point Planning Proposal

The Planning Proposal would provide a mixture of land uses including commercial, community, entertainment, medical, retail, social and residential. In total, around 1,601,058sqm mixed-use gross floor area (GFA) would be developed, this would be comprised of:

- 344,499sqm of mixed-use employment GFA
- 1,256,559sqm of residential GFA, equating to around 14,783 dwellings.

Owing to the large scale of the Planning Proposal it is expected that its development would be staged over a 30-40-year period.

Figure 5: Planning Proposal concept



Source: SJB Urban

1.2 Purpose and study structure

The purpose of this study is to quantify the potential economic benefits (negative and positive) of the Planning Proposal's proposed land uses over that currently generated in the Moore Point precinct (Figure 4).

To meet the requirements of the project brief, the study is set out in the following manner:

- **Chapter 2** | undertakes an assessment of State and local planning policies of relevance to the Planning Proposal
- **Chapter 3** | explores what role the Planning Proposal can provide in Liverpool and what impact rezoning of the Moore Point precinct would have upon Liverpool meeting its industrial needs.
- **Chapter 4** | undertakes a review and analysis of the demographic and housing characteristics within Liverpool LGA with the intent of providing justification for the provision of additional residential supply within the LGA to meet the current and future needs of the resident population and dwelling targets
- **Chapter 5** | Examines the economic contribution that the Moore Point precinct referred to as the "base case"
- **Chapter 6** | Examines the economic implication that development of Planning Proposal would have during the construction phase and post-construction. The economic implications are compared to those already generated in the Moore Point precinct (estimated in Chapter 5).

2.0 POLICY CONTEXT

This Chapter analyses State and local planning strategies, it further identifies areas where the Planning Proposal assists in achieving the intent of these strategies from a housing and economic perspective.

2.1 Greater Sydney Region Plan

The Greater Sydney Region Plan – *A Metropolis of Three Cities* (Region Plan) was finalised in March 2018 by the Greater Sydney Commission. The vision of the Region Plan is to create a metropolis of three cities, specifically the Western Parkland City, Central River City and the Eastern Harbour City. The Moore Point precinct is located within the Western Parkland City.

A core intent of the Region Plan is to give people greater housing choice and establish more jobs closer to where people live, to develop a more accessible and walkable city and create the conditions for a stronger economy. The Plan prioritises providing greater housing supply, stating ‘providing ongoing housing supply and a range of housing types in the right locations will create more liveable neighbourhoods and support Greater Sydney’s growing population.’ The NSW Government has identified that Greater Sydney would require additional 725,000 homes by 2036 to meet its population projections.

Key to delivering this supply of homes is providing a range of housing types, tenures and price points to meet demand, including houses, apartments, terraces and villas; dwellings owned outright, mortgaged or rented; and homes occupied by single people, families and groups. A range of housing types provides for the needs of community members at all stages of life. People can age in place as they move into smaller homes in their own neighbourhoods, while young adults leaving home can stay close to their families and communities.

Specifically, The Planning Proposal would be addressing the following objectives in the Plan:

Objective 10 - Greater housing supply

This objective emphasises providing increased dwelling supply with a range of housing types in the right locations to create more liveable neighbourhoods and support Greater Sydney’s growing population.

The objective aims to achieve this through providing dwellings where development is feasible; where existing or proposed infrastructure is present; and in targeting areas that are in proximity to employment and recreation areas. The development of a mixed-use development with a residential component is in accordance with this objective. The Planning Proposal would provide around 14,783 new dwellings with a range of sizes and configurations. As such, the Planning Proposal would be contributing to Liverpool achieving this objective.

Furthermore, increased housing supply would be more appropriate within centres with high connectivity through public transport. The Moore Point precinct is within walking distance to the public transport hub of Liverpool Station with proposed additional connections to the Station; the health and education precinct, making it an ideal urban renewal site.

Objective 11 - Housing is more diverse and affordable

The Planning Proposal would provide a mixture of apartments of varying sizes and bedroom numbers, this would increase dwelling diversity in the locality, providing a range of housing options and price points for persons downsizing or entering the market. As such, the Planning Proposal is in accordance with this objective.

Objective 12 - Great Places that bring people together

This objective emphasises that well-designed places bring the community together enhancing social cohesion and overall enjoyment. Great places focus on the public realm and open spaces that attract residents, workers, visitors, enterprise and investment. They recognise and celebrate the local character of the place, its people, and include the green infrastructure that supports the sustainability of the region and people’s wellbeing.

Council has an opportunity to work collaboratively early in the planning process to create a distinctive precinct that takes advantage of its unique position on the Georges River to deliver public benefits for its community.

Objective 14 - A Metropolis of Three Cities – integrated land use and transport creates walkable and 30-minute cities

This objective emphasises the development of a diverse economy across Greater Sydney and the 30-minute city concept. The Planning Proposal would provide upwards of 344,499sqm of employment space which would generate approximately 23,617 jobs. This would significantly increase the economic output and employment diversity within Liverpool.

A recent study has found Sydney commuters on average spend 70 minutes commuting to work each day. This objective aims to reduce this commute time to 30 minutes by providing increased employment opportunities, housing and transport options in close proximity to each other. The Planning Proposal will provide increased employment and housing options in close proximity to the CBD and existing transport options, as such, it is in accordance with this objective.

Objective 15 - (the) Western Economic Corridor (is) better connected and more competitive

This objective aims to capitalise on the development of the Badgerys Creek Aerotropolis and other proposed transport links to better connect and increase jobs diversity within the Western Parkland City. The Planning Proposal would provide generate around 23,617 jobs increasing both the number and diversity of jobs within Liverpool. The Planning Proposal would also make Liverpool more attractive for increased investment helping it capitalise on the development of the Western Sydney Airport.

Objective 20 - Western Sydney Airport and Badgerys Creek Aerotropolis are economic catalysts for Western Parkland City

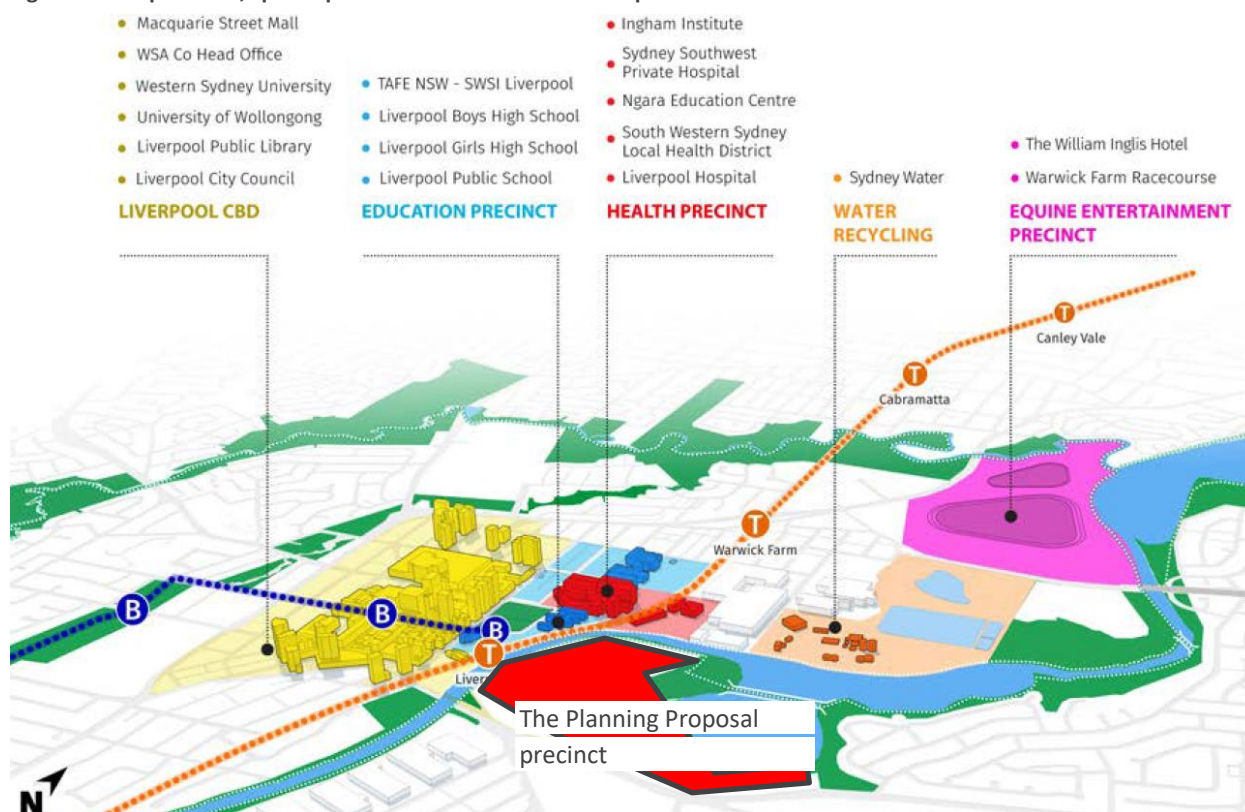
The objective states that the existing centres of Liverpool, Greater Penrith and Campbelltown-Macarthur and their commercial, health and education assets will support the growing communities. These centres form part of the metropolitan cluster serving the Western Parkland City. Their importance in providing a focus for commercial activities and population services as the Western Parkland City develops over the next 20 years cannot be overstated.

The Planning Proposal provides an opportunity to complement the role for Liverpool CBD providing significant employment space to increase its employment base, diversity and economic growth while also providing increased dwelling opportunities for its workforce to live and work in proximity to the CBD.

Objective 21 - Internationally competitive health, education, research and innovation precincts

Universities, hospitals, medical research institutions and tertiary education facilities are significant contributors to Liverpool and Greater Sydney's economy. As seen in the figure below Precinct is in proximity to all these assets in Liverpool. With the proposed connections across Georges River, the Planning Proposal provides an opportunity to complete Liverpool's CBD and expand its various health, education and research precincts. The Planning Proposal would also provide increased dwelling options for future students of the University, Hospitals and TAFE further increasing its competitiveness and attractiveness to future students.

Figure 6: Liverpool CBD, special precincts and the Moore Point precinct



Source: Greater Sydney Region Plan 2018, HillPDA

2.2 Western City District Plan

The Western City District Plan maps out the 20-year vision for the Western District of Greater Sydney. The Western District encompasses the local government areas (LGAs) of the Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith and Wollondilly.

By 2036 it is projected that the District will have a population of 1.5 million, representing an additional 464,450 persons over the 20-year period from 2016; of which 98,750 people or 21% are projected to reside in the Liverpool LGA.

To house this growth an additional 184,500 dwellings are required over a 20-year period to 2036, representing an average annual target of 9,225 dwellings. Specifically, the District Plan targets an additional 39,850 dwellings to be provided over the next five years. The Liverpool target over this period is 8,250 dwellings or 1,650 per annum (2016-2021).

Planning priority W5 of the District Plan seeks to provide housing supply, choice and affordability, with access to jobs, services and public transport. The Planning Proposal achieves the District Plan's intent in the following ways:

- The Plan states that great places are walkable – this means they are designed, built and managed to encourage people of all ages and abilities to walk or cycle for leisure, transport or exercise. The 30-minute city aspiration will guide decision making on locations for new jobs and housing and the prioritisation of transport, health, schools and social infrastructure investments.

The Planning Proposal would provide upwards of 344,499sqm of employment space and 14,783 dwellings creating opportunities for current and future residents to live and work in close proximity, contouring to the 30-minute concept.

- Research into housing preferences in Greater Sydney shows that people generally prefer to remain within their local area, with 83% of residents moving into a new home within 15 kilometres of their former residence⁴. The Planning Proposal will provide 14,783 dwellings which will allow young residents to remain in the LGA and older residents to age in place.
- The Plan has identified that existing housing stock in the District continues to be dominated by detached dwellings; and that multi-unit dwellings provide transitional housing for seniors, homes for single people and more affordable homes for young people and young families. The Planning Proposal proposes a diverse mix of multi-unit dwellings which would increase the diversity of housing options in the District.

The District Plan notes that accommodating homes needs to be linked to local infrastructure – both to optimise existing infrastructure and to maximise investment in new infrastructure. Opportunities for capacity that aligns with infrastructure can be realised by urban renewal, local infill developments and land release areas. The Moore Point precinct is adjacent to the Liverpool metropolitan centre which will assist the CBD in ‘growing and strengthening the metropolitan cluster’.

2.3 Liverpool Collaboration Area Place Strategy

The Greater Sydney Commission document A Metropolis of Three Cities coupled with the Greater Sydney Regional Plan and Western City District Plan identifies Liverpool as a Collaboration Area. Collaboration Areas are a place-based, multi-stakeholder approach to solving complex urban issues, that the Commission conducts over 12 months. The Place Strategy sets a pathway to realising Liverpool’s metropolitan role. The Strategy identifies the proposed Planning Proposal site as a future mixed-used area, which is a combination of commercial, retail, residential and community uses that provide sustainable employment, that is complementary to, and not in competition with, the commercial core.

The Planning Proposal is in accordance with this direction as it proposes the rezoning of industrial land, which is forecast to decline in employment, and that is in proximity to the city centre to allow higher-order uses that complement the city centre and provide the opportunity to leverage of the Western City Airport and other major infrastructure developments. It also can contribute to the growth and strengthening of Liverpool’s various innovation precincts.

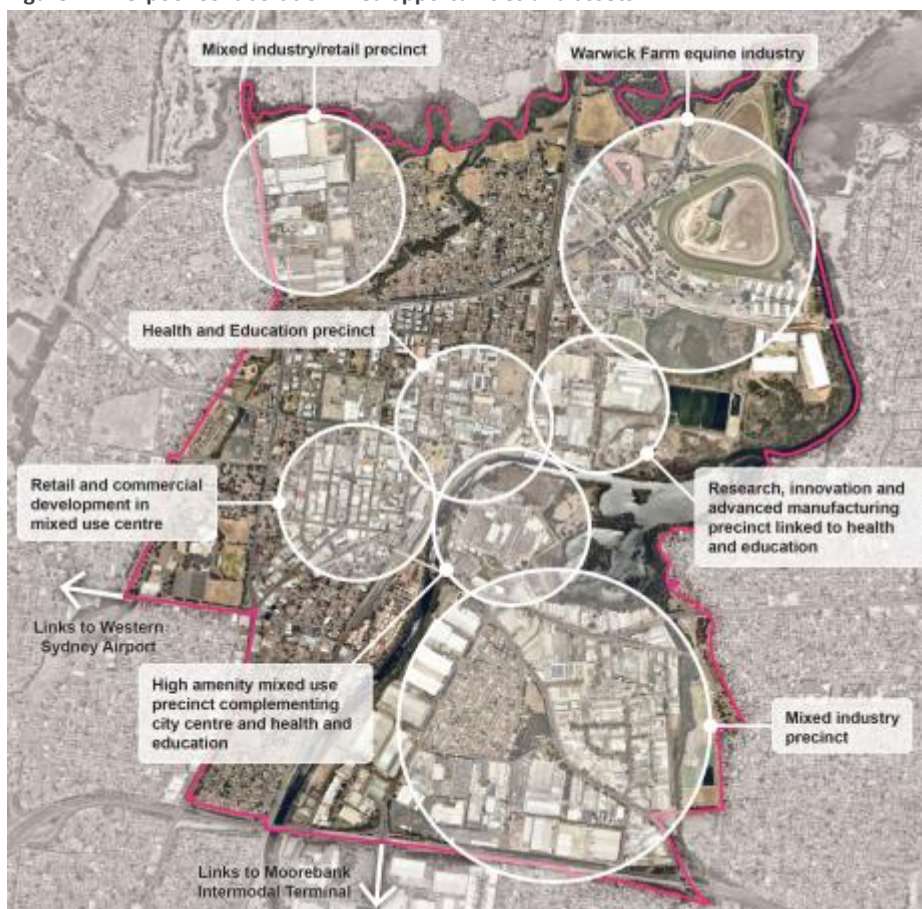
Priority one of the Strategy is to reduce congestion in and around the centre, through improving accessibility and walkability. The proposed Planning Proposal would enable future residents to walk to the city centre in 5-10 minutes reducing congestion, through improved walkability.

Priority four is to create and renew great places for people, through quality mixed-use development. Making Liverpool a desirable place to live and work, as well as a healthy and walkable city, focused on the river; with housing options suit a range of lifestyle needs, household types and incomes, within walking distance of major employment precincts and rail stations. The Planning Proposal will assist the Council in achieving this priority, as it will provide a high-quality mixed-use area, as well as providing housing options to suit a range of household types, incomes and lifestyles.

As seen in the figure below, the Moore Point precinct is identified as transitioning from its current industrial status to a high amenity mixed-use precinct which complements the city centre and health and education precinct. As such, the Planning Proposal is in accordance with the objectives and vision of this Strategy.

⁴ City Futures Research Centre 2013, Implementing metropolitan planning strategies: taking into account local housing demand – Technical Report, City Futures Research Centre, UNSW, Sydney.

Figure 7: Liverpool Collaboration Area opportunities and assets



Source: Liverpool Collaboration Area Place Strategy 2018

2.4 Section 9.1 Ministerial Directions

Direction 1.1 of the Ministerial Directions relate to business and industrial zones. Direction 1.1 applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).

The objectives of this Direction are to:

- Encourage employment growth in suitable locations
- Protect employment land in business and industrial zones
- Support the viability of identified centres.

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

- a. justified by a strategy which:
 - (i) gives consideration to the objective of this direction (**refer to Table 1**), and
 - (ii) identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and
 - (iii) is approved by the Secretary of the Department of Planning and Environment, or
- b. justified by a study (prepared in support of the planning proposal) which gives consideration to the objective of this direction (**refer to Table 1**), or

- c. in accordance with the relevant Regional Strategy, Regional Plan or Sub-Regional Strategy prepared by the Department of Planning and Environment which gives consideration to the objective of this direction (**refer to Table 1**), or
- d. of minor significance.

The following table assesses the consistency of the Moore Point Planning Proposal against the five key requirements of the Direction for strategies concerning employment lands. As stated, this study assesses the economic impact and potential of the Planning Proposal. Although the study assesses the economic merit of the Planning Proposal against the objectives of this Direction, it does not include any specific planning or policy recommendations which would require consideration of a range of other factors which will be explored in other specialist studies being undertaken in the preparation Planning Proposal for the Moore Point precinct.

Table 1: Consistency with Ministerial Direction 1.1 business & industrial zones objectives

Objective	Consistency of Moore Point Planning Proposal
Encourage employment growth in suitable locations	<p>The Planning Proposal has the potential to generate around 23,617 jobs upon completion. This is around 22,847 additional jobs over that already generated on-site.</p> <p>These jobs would be provided in proximity to Liverpool CBD and its innovation precincts. The Planning Proposal also proposes to improve the connectivity between these areas through the provision of three new connection points across the river. This would:</p> <ol style="list-style-type: none"> 1. Provide an opportunity for Liverpool CBD and its innovation precincts to expand on to the site 2. Provide the opportunity for employment uses on-site to complement and support Liverpool CBD and its innovation precincts 3. Increase connectivity for future residents and workers between the site, Liverpool CBD and surrounding innovation precincts. <p>These improved connection points coupled with Moore Point's proximity to Liverpool CBD, innovation precincts and existing transport infrastructure the site is considered to be a suitable location for increased employment opportunities.</p>
Protect employment land in business and industrial zones	<p>The Planning Proposal proposes to rezone the site from its current industrial zoning to primarily a mixed-use and enterprise corridor zoning (B4 and B6). This would provide the opportunity for the site to generate around 23,617 jobs upon completion, an additional 22,847 jobs over that already generated on-site.</p> <p>Development of the Planning Proposal would result in the loss of industrial zoned land in proximity to Liverpool CBD. However, it would be rezoning this industrial land to another type of business/employment zoning (B4 and B6) which would result in a higher economic output for the site. this trend has already been occurring.</p> <p>The Planning Proposal proposes part of the site is to be an enterprise corridor zoning. This provides the potential for any urban services or other low-impact industrial uses displaced during construction to be relocated back on-site. Potentially reducing any long-term impacts Planning Proposal may have upon these services and the overall impact on the amount of employment land close to the CBD.</p>
Support the viability of identified centres	<p>Where a significant property investment decision has been made, it is generally viewed as a strong positive commitment for the local area. Such an investment can, in turn, stimulate and attract further investment. Development of the Planning Proposal would support a wide range of economic multipliers which would, in turn, support investment in associated industries. It would also raise the profile of Liverpool to potential investors. This increased developer interest coupled with its employment and other economic multipliers would support the viability of Liverpool.</p>

Objective	Consistency of Moore Point Planning Proposal
Is in accordance with the relevant Regional Strategy, Regional Plan or Sub-Regional Strategy prepared by the Department of Planning and Environment which gives consideration to the objective of this direction	<p>Although this is not an objective of the Direction it must be noted that the transition of the site from its current industrial uses to a mixed-use precinct containing both employment and residential uses is supported by a number of State and local strategies including:</p> <ul style="list-style-type: none"> ■ Greater Sydney Region Plan ■ Liverpool Collaboration Area Place Strategy ■ Draft Liverpool Local Strategic Planning Statement ■ Draft Liverpool Employment Lands Study (executive summary). <p>All the above strategies and policies would have given consideration to the objectives of this Direction.</p>

2.5 Draft Liverpool Local Strategic Planning Statement (LSPS)

The draft Liverpool Local Strategic Planning Statement (LSPS) sets Liverpool City Council's strategic planning vision for the next 30 years (2050). It lists the Council's planning priorities across four areas: connectivity, productivity, liveability and sustainability. The proposed Planning Proposal addresses the Council's priorities in the area of liveability.

Planning priority five aims to create a vibrant, mixed-use and walkable 24-hour City Centre with the Georges River at its heart. The Planning Proposal would reinvigorate the Georges river, increasing walkability throughout, provide thousands of potential customers for shops within the Liverpool CBD and workers that would also increase the areas vibrancy and 24-hour activation.

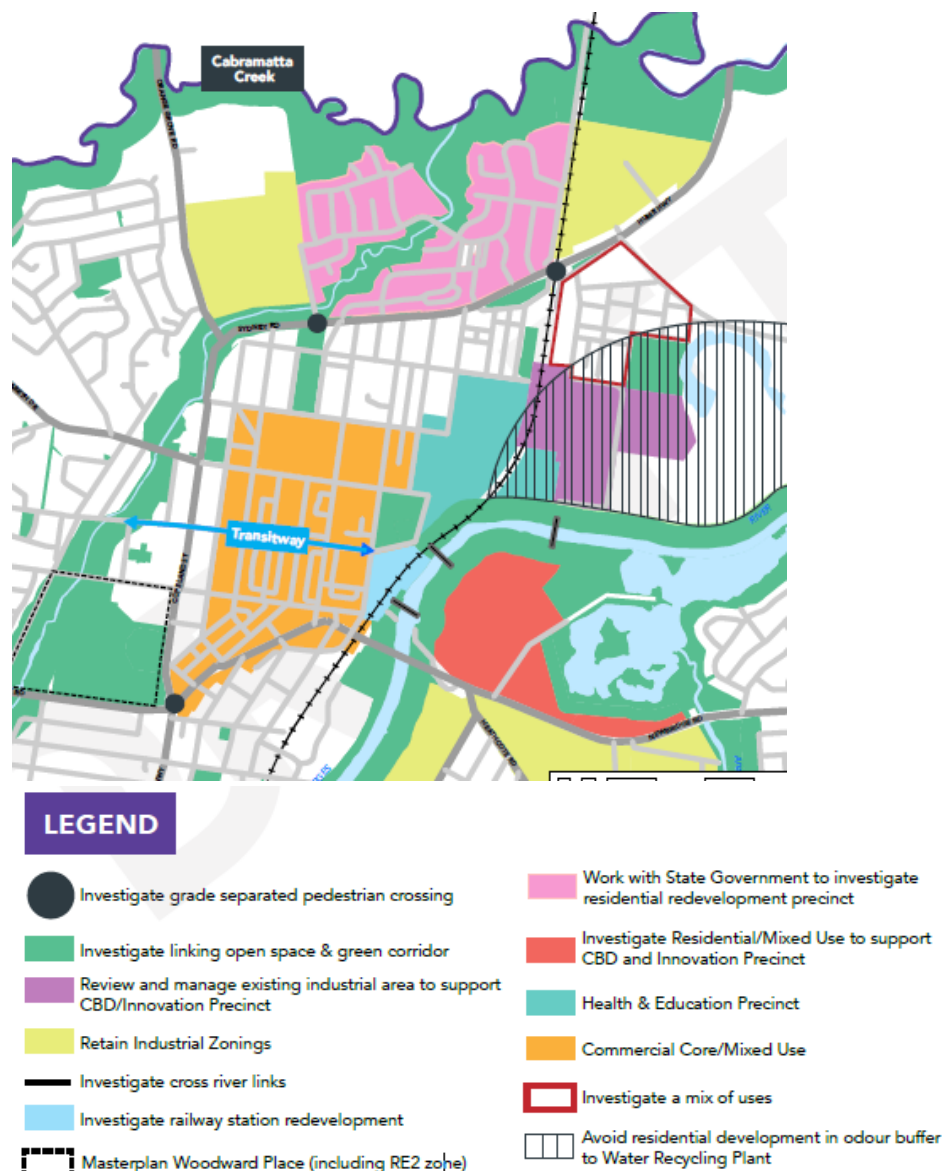
Planning priority seven intends to provide housing choice for different needs, with density focused in the city centre and centres well serviced by public transport. The Planning Proposal would provide approximately 14,783 dwellings and increased density adjacent to the City Centre, which is within a ten-minute walk to the Liverpool train station and CBD.

Planning priority nine seeks to create healthy places, through ensuring new urban centres are compact and transit-oriented, to maximise opportunities for walking and active transport. Residents of the Planning Proposal will be able to walk to the city centre, employment precincts and public transport hubs.

Priority 11 seeks to make Liverpool an attractive environment for local jobs, business, tourism and investment. The Planning Proposal would provide approximately 344,499sqm of mixed employment space, which would accommodate approximately 23,617 workers. These development outcomes both Liverpool's economic and employment generation while also raising its profile to further investment.

Importantly, the Moore Point precinct is identified in the draft LSPS as an area for investigation to become a residential/mixed-use precinct which supports the CBD and innovation precincts.

Figure 8: Liverpool Structure Plan



Source: Liverpool LSPS 2019

2.6 Draft Liverpool Employment Lands Strategy

Liverpool has recently released its draft employment lands strategy 2018. Of key consideration for this study is the recommendation to:

Retain and protect all existing industrial precincts in the LGA that is not identified as required as part of the Collaboration Area Place Strategy

Council's employment lands strategy is therefore supportive in exploring alternative use for the Moore Point precinct such as, the transformation into a mixed-use precinct that complements Liverpool CBD and its health and education precinct. The proposed mixture and land use outcome of the Planning Proposal is in line with this vision.

3.0 EMPLOYMENT GROWTH AND INDUSTRIAL LAND SUPPLY

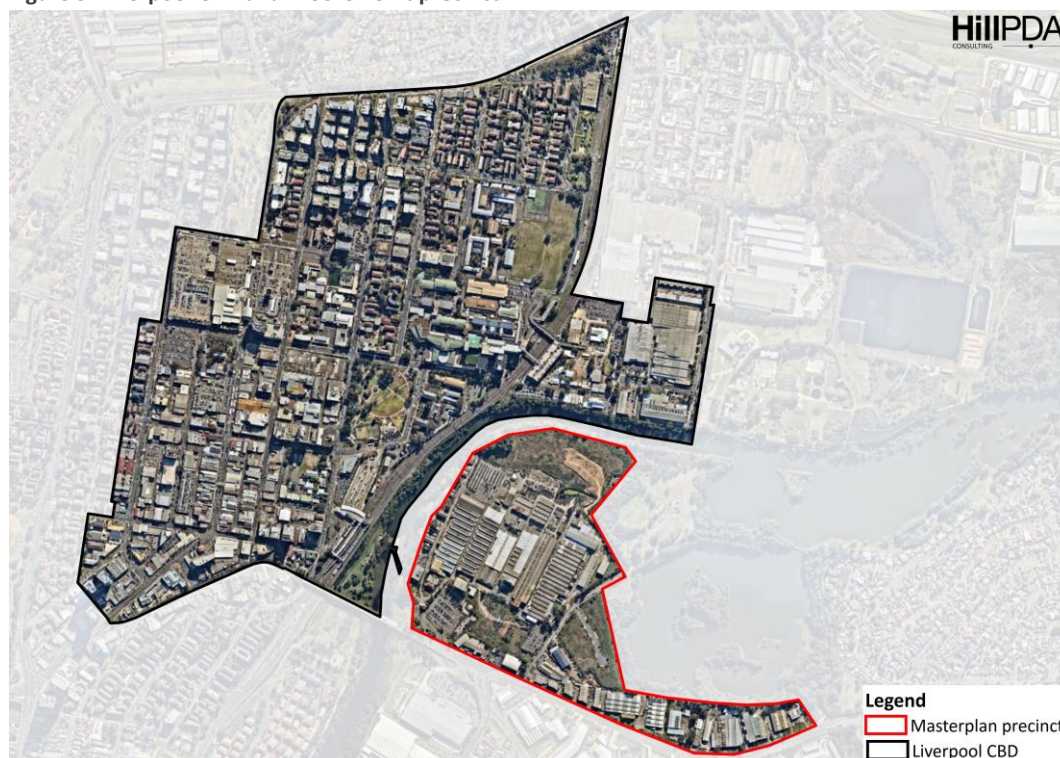
The following is a high-level assessment of State employment projections for Liverpool CBD and the wider LGA. The purpose is to determine what role the Planning Proposal can provide in Liverpool and what impact rezoning of the Moore Point precinct would have upon Liverpool meeting its industrial needs.

As identified in the Western City District Plan, Liverpool CBD includes Liverpool Hospital, the Ingham Institute of Applied Medical Research and the clinical schools of the University of NSW and Western Sydney University, South West Private Hospital and South Western Sydney TAFE. For our analysis, we have adopted the Transport Performance and Analytics (TPA) geographical boundaries known as a Destination Zones and a Travel Zones (TZs) have been used to analyse the employment characteristics of Liverpool CBD and the Moore Point precinct (Figure 9).

In line with the Greater Sydney Commissions (GSC) employment categories, we have aggregated the 19 Australian and New Zealand Standard Industrial Classification (ANZSIC) 1-digit employment industries into four broad employment sectors. These four broad job sectors are as follows:

- **Knowledge-intensive:** Information, Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; and Public Administration and Safety
- **Health and education:** Education; Health Care; and Social Assistance
- **Population serving:** Retail Trade; Accommodation and Food Services; Arts and Recreation Services; Construction; Administrative and Support Services and Other Services
- **Industrial:** Agriculture; Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste Services; Wholesale Trade; and Transport, Postal and Warehousing.

Figure 9: Liverpool CBD and Moore Point precinct



Source: HillPDA

3.1 Employment projections

Over a 31-year period from 2019, employment within the Precinct is projected to experience a slight increase of around 65 jobs. Of this employment, a significant proportion (94%) is related to “non-traditional” industrial employment. That is, not classified as industrial employment.

The growth in non-industrial employment highlights Moore Point precinct’s transition away from a traditional industrial precinct into a more mixed-use location which is the intent of the Planning Proposal.

Liverpool CBD’s employment is projected to increase by around 10,263 jobs over the period while across the LGA employment is projected to increase by around 85,877 jobs over the period. Refer to Table 2 below.

Table 2: Net employment growth 2019-2050

Industry category	Precinct	Liverpool CBD	Liverpool LGA
Health and education	3	6,123	21,372
Population serving	31	1,264	23,349
Knowledge intensive	27	2,828	19,024
Industrial	4	48	22,133
Total	65	10,263	85,877

Source: TPA 2016 employment projections V1.51 updated in 2019

These projections highlight that the Moore Point precinct and CBD locations are projected to increasingly transition to higher-order uses and employment, such as knowledge-intensive and health/education businesses. Industrial related employment within the Moore Point precinct and CBD is being directed and concentrated to other locations in the LGA such as the Moorebank intermodal terminal and the Aerotropolis.

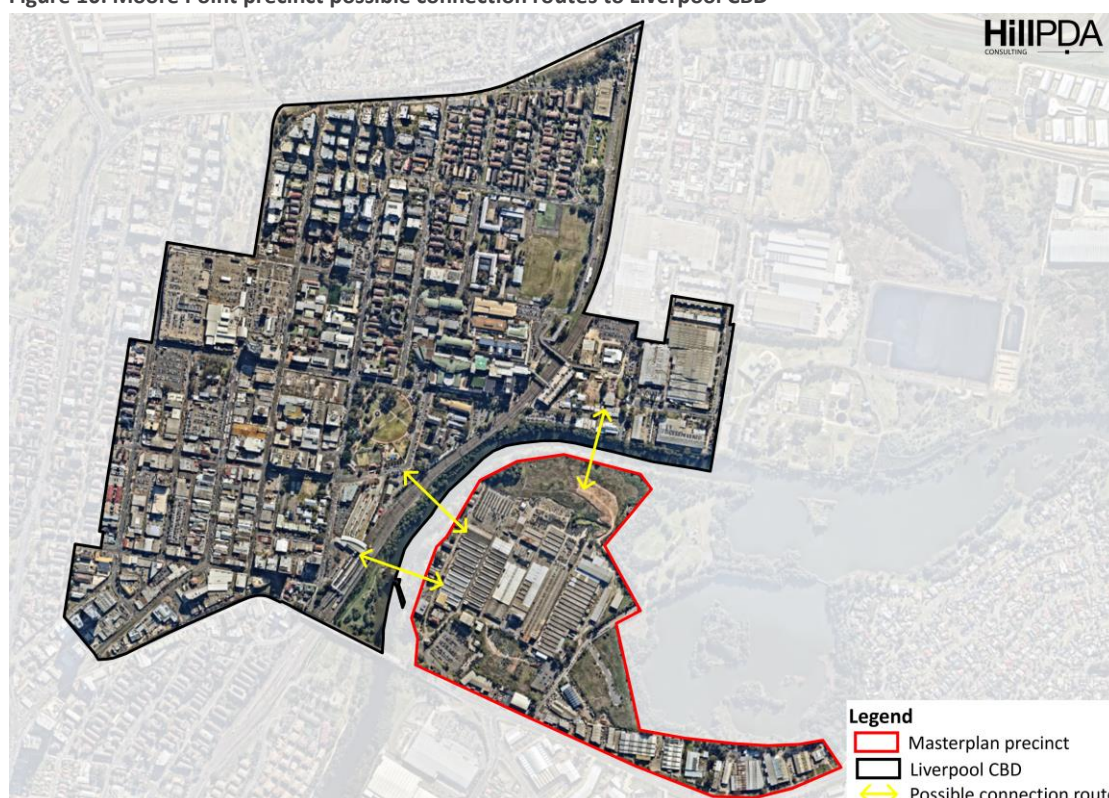
Construction of the Aerotropolis coupled with Moorebank intermodal has led to international corporations including Scentre Group and Amazon showing interest to invest in Liverpool. This trend would increase employment demand in the CBD and LGA over that projected.

3.2 What role can the Moore Point precinct provide

The Planning Proposal would provide three additional connections points across the Georges River into Liverpool CBD, increasing the connectivity between the two areas and various sub-precincts in the CBD, such as its health and education precinct.

These additional connection points coupled with existing road connections and its proximity development of the Planning Proposal would constitute an expansion of Liverpool CBD which has previously been contained by the Georges River.

Figure 10: Moore Point precinct possible connection routes to Liverpool CBD



Source: HillPDA

The Planning Proposal would provide upwards of 344,499sqm of employment space over a likely 30-40-year period. As such, the Planning Proposal could contribute to Liverpool CBD and LGA in attaining their employment targets over the next 31 years.

Given the Planning Proposal is expected to be staged over a 30-40-year period it would be able to contribute to these floorspace targets without creating an oversupply and negatively impacting further re/development potential within the locality.

3.2.1 The Planning Proposal and the health, education and research innovation precinct

Liverpool Council's recently released Local Strategic Planning Statement (LSPS) recognises the significant role that the health and education sector plays in Liverpool CBD with Liverpool Hospital, Ingham Institute of Applied Medical Research, the University of NSW (UNSW), Western Sydney University (WSU), University of Wollongong (UOW), South West Private Hospital and TAFE NSW in the local area.

Currently, more than 15,000 health and knowledge workers are located in the LGA, accounting for about 20% of all workers, with this forecast to increase to 30,000 by 2036.

Specifically, the LSPS states:

Liverpool (CBD) has significant advantages that could reinforce its position as a health leader and help it to become a world-class health, education, research and innovation precinct based around Liverpool Hospital. This includes close access to a train line, a river providing significant amenity potential, availability of commercial land and a diverse population.

Liverpool will capitalise on these advantages, and grow its Innovation Precinct to cater for significant growth in health and knowledge workers expected over the next 20 years, and become a global leader in collaboration in health, education and research.

The location of the Moore Point precinct directly to the south of these health and education assets. The proposed new connections across the river, improving connectivity between the two areas, provides a significant opportunity for the Moore Point precinct to provide a supportive and stimulus role to the creation of this *Innovation Precinct*.

Not only could the commercial space proposed in the Planning Proposal provide direct space for health, education and research uses, it could also provide other supportive uses that could assist in the development of a successful innovation precinct. This includes providing housing for future workers, improved amenity, retail services, community and open space, other worker supportive services like childcare centres.

3.2.2 Feasibility of commercial development within Liverpool CBD

Liverpool has the potential to become Sydney's third central business district (CBD) after Sydney and Parramatta. The development and connection to Sydney's second airport at Badgerys Creek will further raise Liverpool's profile. However, recent studies by AEC Group undertook generic feasibility testing in Liverpool CBD, the reports generally concluded that:

analysis shows that sites in the core of the CBD (focused around Westfield) are unlikely to experience large scale development owing to the challenges of site assembly underpinned by fine lot patterns, fragmented ownership, high land values and varying retail/commercial leases. In order for existing uses to be displaced, in some core locations higher FSR controls are required. That said, landowner objectives are not always financial in nature and may not necessarily align with development imperatives.

Sites in fringe areas of the CBD (along Macquarie Street south of the core) face similar challenges as sites in the core, characterised by fine lot patterns, fragmented ownership and high land values (although marginally lower than those in the core).

In order for existing uses to be displaced, higher FSR controls are required. Large scale development is also unlikely to occur due to the fragmented nature of lot patterns and ownership.

Fringe locations where existing-use values are considerably lower than core/prime areas lend themselves more favourably to re-development. This is affirmed by the greater levels of development approved and proposed in fringe locations⁵.

This is further evident in only 11,760sqm of new commercial office space being added to Liverpool CBD between 2010 and 2016⁶. While over the next year there was a net loss of around 13,655sqm of commercial space between 2016 to 2017 in the CBD⁷.

Currently, the overall commercial vacancy rate in Liverpool CBD is around 16.8% compared to just 2.7% in Parramatta and 3.7% in Macquarie Park. The high vacancy rate further indicates a struggling commercial market decreasing the viability and attractiveness of development in Liverpool⁸.

⁵11 Bridges Road, Moorebank EIA, AEC Group 2017 also stated in the 5-9 Bridges Road, Moorebank EIA AEC Group 2016 study

⁶ Employment Outcome Assessment Liverpool Waterfront, Moorebank, MacroPlanDimasi 2016 and PCA 2019

⁷ PCA Office report 2019

⁸ PCA Office report 2019

A review of the development pipeline has identified that there is around 112,500sqm of commercial space within the development pipeline due for completion between 2020 and 2026. It is noted that “commercial space” in some of these early concept developments is a very fluidic term which may also apply to accommodation, community, education, retail, and civic space.

Despite the historic trends and high vacancy rate in Liverpool, the significant amount of space within the development pipeline highlights the growing attractiveness of Liverpool to investors and developers. It also highlights that Liverpool, with the right kind of levers, is on track to exceed its employment projections as projected by NSW Transport, Performance and Analytics (TPA) in their 2016 employment forecasts (updated in 2019). Hence Liverpool would require additional space over and above that estimated in Table 2.

Despite this increased developer interest, most of the proposals are for mixed-use developments indicating that the feasibility of standalone commercial developments remains appears to be not to be viable unless cross-subsidised by residential dwellings.

The Liverpool CBD commercial core zoning has been significantly reduced in favour of a mixed-use zoning to stimulate viable redevelopment more broadly across the CBD. This may benefit residential development, but it will likely reduce the potential for standalone commercial developments, reducing its ability to capitalise of its strategic location and meeting its commercial floorspace targets.

The successful development of the subject Planning Proposal will raise Liverpool’s investment profile, with a style of development that meets the demand of the new economy with a mix of uses in an integrated Planning Proposal of high-quality built form and public space. The Planning Proposal should be viewed as an expansion of Liverpool’s commercial zone contributing to Liverpool’s employment targets and commercial floorspace requirements negating any potential impact the mixed-use rezoning in Liverpool CBD. A similar parallel can be made with Barangaroo and the Sydney CBD. Barangaroo is a standalone Planning Proposal community that serves and supports the surrounding Sydney CBD.

In summary, despite Liverpool CBD being a sluggish commercial market over the last couple of decades, we believe there is potential for revitalisation with the correct response to market demand and increased investment in infrastructure in roads, rail and the Western Sydney Airport. The Planning Proposal with its integrated planned approach to built-form and public space is designed to capitalise on this potential demand and growth.

Table 3: Commercial development pipeline 2019-2026

Project name	Address	Commercial space (sqm)	Commencement year	Completion year
Castlereagh St mixed development	30 Castlereagh St	216	2020	2021
Speed St mixed development	1-5 Speed St	2,145	2020	2022
Forbes St shop top housing	41-43 Forbes St	350	2020	2022
Norfolk St mixed development	7-13 Norfolk St	908	2020	2022
Bigge St commercial tower	277 Bigge St	24,234	2020	2022
Elizabeth Dr mixed-use development	181 Elizabeth Dr	530	2020	2023
Westfield commercial tower	25 & 33-125 George St	11,174	2021	2023
Northumberland mixed development	203-209 Northumberland	1,610	2020	2023
Bigge St mixed development	133 Bigge St	38,800	2020	2023
Liverpool civic place	52 Scott St	13,000	2020	2024
Elizabeth St mixed use development	22-26 Elizabeth St	4,804	2020	2024
The Macquarie	402 Macquarie St	460	2020	2025
Macquarie St commercial development	431 Macquarie St	14,300	2021	2026
Total		112,531		

Source: CordellsConnect and Liverpool Council DA tracker

3.3 Industrial land analysis

Over a four-year period from January 2015, employment zoned⁹ land in the Western City District increased by around 286 hectares or 6% to a total of 5,470 hectares. In total, the Western District represented 40% of all employment zoned land across Greater Sydney (2019). Of the total net increase of employment land in the Western District, around 151 hectares or 53% was located within Liverpool LGA. Which over the period increased its total amount of zoned employment land by 16%, to a total of around 1,109 hectares by 2019.

The amount of undeveloped zoned employment land within Liverpool has also significantly increased over the period with an additional 69 hectares or 33%, reaching a total of 278 hectares in 2019. In addition to these zoned employment precincts, Liverpool has another 586 hectares of land identified as potential future industrial land stock. With the inclusion of these lands increases Liverpool's undeveloped industrial land stocks up to around 864 hectares.

This significant amount of undeveloped zoned and potentially zoned industrial land has the potential to accommodate between 2.59 to 8.64 million square metres of industrial related floorspace¹⁰. Coupled with redevelopment and intensification of uses on currently but develop industrial land, this additional capacity is likely sufficient to meet the needs of the LGA over the coming decades.

Table 4: Western District zoned employment land 2015-2019

LGA	Jan-15 (Ha)			Jan-19 (Ha)		
	Undeveloped	Developed	Total	Undeveloped	Developed	Total
Blue Mountains	34.0	66.9	100.9	44.9	71.8	116.7
Camden	188.6	178.4	367.0	153.2	204.2	357.4
Campbelltown	73.0	656.5	729.5	114.0	672.8	786.8
Fairfield	113.9	929.5	1,043.4	105.6	973.4	1,079.0
Hawkesbury	24.0	164.9	188.9	29.2	160.0	189.2
Liverpool	209.4	749.0	958.4	278.1	831.3	1,109.4
Penrith	663.6	833.3	1,496.9	598.9	945.3	1,544.1
Wollondilly	125.8	172.5	298.3	166.7	120.4	287.1
Total	1,432.3	3,751.0	5,183.3	1,490.6	3,979.2	5,469.7

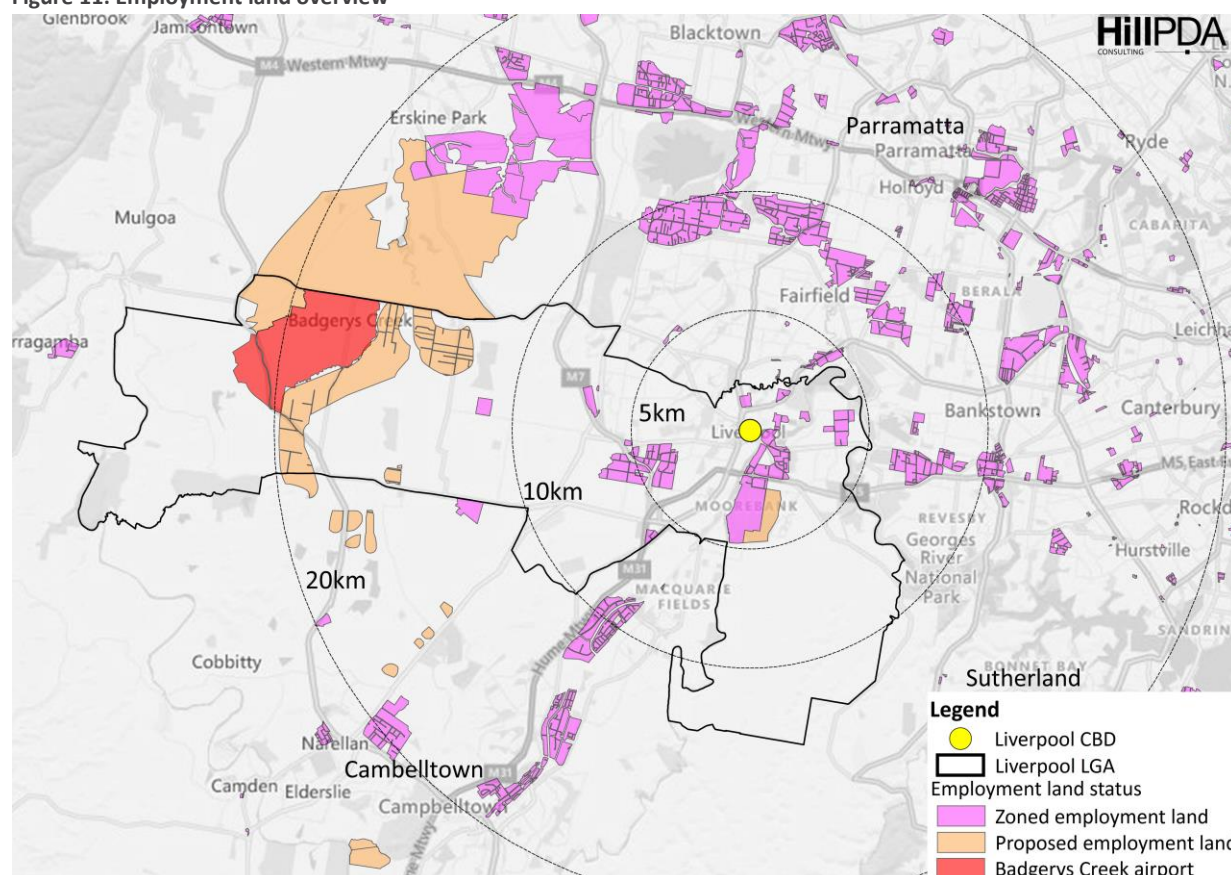
Source: Department of Planning Infrastructure and Environment's Employment Lands Development Monitor (ELDM) 2018/2019

As seen in the figure below, there is also a significant amount of zoned employment land within the five to 20 kilometres of Liverpool CBD in the surrounding LGAs of Canterbury-Bankstown, Fairfield, Parramatta and Blacktown. The proximity and services within these industrial precincts could provide additional employment opportunities and urban services for future residents in Liverpool CBD and the Moore Point precinct over that already provided the LGA.

⁹ Employment Lands: Land that is zoned for industry and/or warehouse uses including manufacturing; transport and warehousing; service and repair trades and industries; integrated enterprises with a mix of administration, production, warehousing, research and development; and urban services and utilities.

¹⁰ High level developable FSR range of 0.3:1 to 1:1

Figure 11: Employment land overview



Source: HillPDA

3.3.1 Potential further industrial land to be zoned

As previously discussed, Liverpool LGA and, more specifically, the Western District is the only district identified that has the potential to significantly increase the amount of employment land. According to the ELDM, The Western District has the potential for an additional 6,529 hectares of zoned employment land. If all this potential land was realised it would increase Greater Sydney's employment land supply by over 47%.

Table 5: Potential future employment land by LGA

Precinct	LGA	Area (Ha)
Catherine Fields	73.2	73.2
Future Industrial	87.6	87.6
Future Industrial	1,124.9	1,124.9
Kemps Creek	446.8	446.8
Lowes Creek	87.7	87.7
Lowes Creek/Marylands	63.7	63.7
Marylands	25.5	25.5
Rossmore	40.2	40.2
Moorebank Defence Lands	154.0	154.0
Glen Lee	45.4	45.4
Glen Lee	14.6	14.6
Western Sydney Employment Area Extension	3,973.4	3,973.4
Western Sydney Employment Area Extension	391.9	391.9
Greater Sydney Total		6,528.9

Source: ELDM 2018

The majority of this potential employment land is in proximity to the Western Sydney's airport at Badgerys Creek while some is also located around Moorebank Intermodal Precinct. These two nationally significant infrastructure

developments are game changers for Liverpool, significantly increasing its employment, economic and liveability profile.

For example, the 11,200-hectare aerotropolis will be Greater Sydney's newest economic hub in close proximity to Liverpool CBD. It has the potential to create upwards of 200,000 new jobs for Western Sydney by establishing a new high-skill jobs hub across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries.

While the Moorebank Intermodal Precinct is expected to generate 7,000 jobs and over \$9 billion in economic benefits to Western Sydney and Liverpool and provide up to 850,000sqm of high specification warehousing where containers can be unpacked before delivery of their contents to its final destinations¹¹.

These two developments are key drivers for the LGA attracting various businesses, investors and workers. It is important that Liverpool CBD undergo an appropriate transformation and densification to capitalise on any potential investment interest resulting from these investments. This would be achieved by providing high-quality accommodation and office space for the potential knowledge, research, education workers that will be attracted to the area.

The Planning Proposal would contribute to Liverpool capitalising off these infrastructure assets and contribute to Liverpool becoming Sydney's third CBD.

3.3.2 The loss of employment land in the Moore Point precinct

Moore Point precinct provides around 38.5 hectares of developed industrial land. Over the period to 2050, industrial related employment is forecast to shift towards more "non-traditional" industrial employment which is compatible with the land uses proposed in the Planning Proposal. This projected employment transformation coupled with its proximity to Liverpool CBD and proposed connections across the Georges River, provide the opportunity to expand Liverpool CBD, creating a high-quality mixed-use precinct that complements the existing CBD and health/education precinct.

This vision is also identified and proposed within various State and local planning strategies including the Western Sydney District Plan, Liverpool Collaboration Area Place Strategy, Liverpool draft Local Strategic Planning Statement and Liverpool Draft Employment Lands Study.

The potential loss and impact that Planning Proposal would have upon the LGAs ability to meet its future industrial lands needs would have been explored in detail on the preparation of the draft Liverpool ELS and subsequent LSPS. Both documents support the transformation of the Moore Point precinct to a residential and mixed-use precinct. As such, the endorsement from these strategies implies that the negative impact resulting from the transformation of this location into mixed-use precinct is far outweighed from the positive benefits.

3.3.3 Relocation of urban services

The Greater Sydney Commission in their 2018 A Metropolis That Works, has defined urban services to be *"a wide range of industries that enable the city to develop and its businesses and residents to operate."*

This encompasses an eclectic landscape of panel beaters, home renovation services, glass makers, small-scale manufacturing companies, redistribution centres, kids indoor play zones, food preparation and catering facilities, repair workshops, gyms and the like. Not all urban services need to be in dedicated industrial precincts, but many clearly do."

The wide range of uses under this definition makes it difficult to entirely understand how all possible urban service these uses would adapt to a more mixed-use land zoning across the Moore Point precinct. Some uses such as

¹¹ Moorebank intermodal company annual report 2018

childcare, indoor play zones, gyms, education and the like would benefit from the improved amenity and residential catchment.

There are also many examples of other urban services, such as car repair services being co-located in mixed-use areas with other employment or residential uses. While improvements in technology have made machinery more compact, efficient and quieter allowing better integration of urban services in mixed-use precincts which previously would have required separation from more sensitive land uses.

The Planning Proposal proposes an enterprise corridor zoning that extends from Bridges Road to the east and Newbridge Road on the northern side. This area has the potential to provide upwards of 47,570sqm of employment space, providing the opportunity for urban services and other typically industrial land occupiers to be located.

In addition to the potential supply of urban service floorspace within Planning Proposal's enterprise corridor precinct, we have reviewed the amount of zoned but undeveloped employment land within a 5-kilometre radius of the Moore Point precinct.

This review highlights that there is currently around 235 hectares¹² of zoned but undeveloped industrial land with the potential for an additional 154 hectares in the Moorebank Defence Lands precinct, just around 2 kilometres south of the Moore Point precinct. This significant amount of current and potential industrial land stocks available for development would provide an opportunity for urban services to relocate within proximity of the Moore Point precinct. This would significantly reduce any potential negative impacts that the proposed rezoning may have upon some services.

We also note the draft Liverpool ELS and subsequent LSPS both support the transformation of the Moore Point precinct to a residential and mixed-use precinct. The impact upon urban services resulting from this rezoning would have been explored in detail in the development of these strategies. As such, the endorsement and acknowledgement of the Moore Point precinct to transition into a mixed-use precinct, in these strategies, implies any short-term negative impacts upon urban services are negated by its positive outcomes.

¹² Includes Chipping Norton, Moorebank, Orange Grove, Priddle/Scrivener St, Sappho Road, Warwick Farm Racecourse and Yarunga/Prestons

4.0 INCREASE RESIDENTIAL JUSTIFICATION

The following Chapter undertakes a review and analysis of the demographic and housing characteristics within Liverpool LGA. The Chapter intends to justify the provision of additional residential supply within the LGA to meet the current and future needs of the resident population.

The basis for this justification is partly sourced from the *Greater Sydney Region Plan* which emphasises:

- Accelerating housing supply across Sydney
- Accelerating urban renewal across Sydney
- Improve housing choice to suit different needs and lifestyles.

4.1 Dwelling price growth

The former *A Plan for Growing Sydney* acknowledged that Sydney's housing prices are high compared to other Australian capital cities. The Plan highlights that governments can *"help to put downward pressure on prices (by) accelerating the supply and the variety of housing across Sydney, such as apartments and townhouses, will make it easier for people to find homes to suit their lifestyle and budget"*.

Delivering houses in greenfield and urban renewal locations will help people to live closer to family and friends, to workplaces and schools, and to the services they use on a daily or weekly basis".

In March of 2018, the median sale price for strata dwellings in Liverpool LGA reached almost \$497,000. This was \$328,000 or 66% lower than the median strata dwelling recorded in Greater Sydney (\$825,000).

In comparison, the median sale price for non-strata dwellings was around \$821,000. This was \$395,000 or 48% higher than that recorded for Greater Sydney (\$900,000) and \$280,000 or 54% higher than strata dwellings in the LGA.

As such, strata dwellings provide a more affordable option for residents and key workers within the LGA. This is evident with strata dwellings having a median value 65% lower than the median price of non-strata dwellings.

Furthermore, the median values of both strata and non-strata dwellings have significantly increased over the last 18 years from 2000. These proportional increases were both above that experienced across Greater Sydney. This highlights the growing attractiveness of Western Sydney with its recent infrastructure investments only increasing this attractiveness. As such, increased dwelling supply is one lever that could help place downward pressure on dwelling prices maintaining its affordability competitive to more inner/coastal Sydney locations.

Table 6: Median sale price (\$'000)

	2000	2018	Growth (\$)	Growth (%)
Liverpool LGA (non-strata)	232	821	589	253.9%
Liverpool LGA (strata)	130	497	367	282.3%
Greater Sydney (non-strata)	285	1,216	931	326.7%
Greater Sydney (strata)	270	825	555	205.6%

Source: NSW Rent and Sales Report – March 2000 to 2018

4.2 Need for increased capacity

Comparing the increase in housing supply against the population increase within Liverpool LGA over ten-year period from 2006, reveals that housing supply has remained below demand.

Our analysis indicates that the high-level implied dwelling undersupply in the LGA is estimated at around 2,623 dwellings. Housing undersupply undermines housing affordability and diversity within the locality.

Table 7: Estimated accumulated dwelling undersupply

Supply	
Housing stock, 2011	58,834
Housing stock, 2016	63,888
Change 2011-2016	5,054
Implied demand	
Average number of persons per dwelling	3.15
Population, 2011	180,143
Population, 2016	204,326
Population growth	24,183
Implied dwelling demand	7,677
Accumulated dwelling undersupply (supply less demand)	2,623

Source: ABS 2006 and 2016, HillPDA

4.2.1 Dwelling projections

Over 20 years from 2016, Liverpool would require between an additional 43,452 and 54,449 dwellings to accommodate the projected increase in population. This represents an annual increase or target of between 2,173 and 3,489 dwellings.

Table 8: Liverpool 20-year net housing demand

Forecast source	Net demand	Annual increase
DPIE - 2016-2036	69,776	3,489
Forecast id - 2016-2036	54,449	2,722
Liverpool draft LSPS - 2016-2036	43,452	2,173

Source: NSW DPIE 2019 forecasts, Forecast id and Liverpool draft LSPS

4.2.2 Residential dwelling pipeline

As discussed previously, the LGA would need to provide between 2,173 and 3,489 dwellings per annum over the next 20 years to meet its various population forecasts.

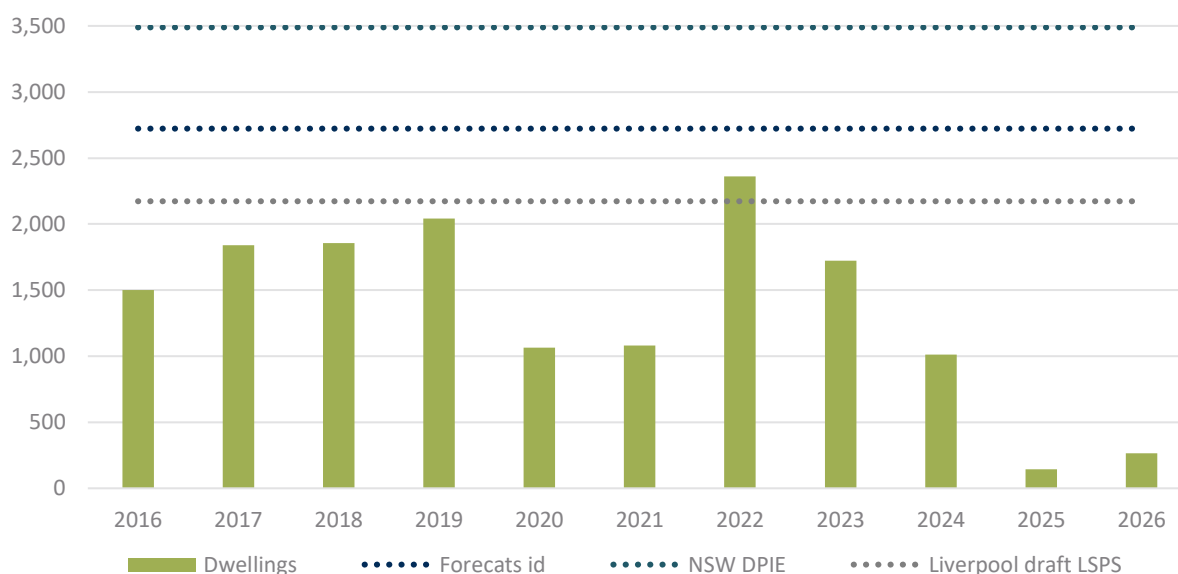
After allowing for dwellings that were completed in 2016-19 and dwellings in the development pipeline¹³, Liverpool without increased supply is forecast to be short of its housing targets over the period to 2026, by between 9,015 and 15,065 dwellings.

This projected undersupply coupled with our estimated existing latent demand further increases the need for additional residential supply in order for the LGA to meet these dwelling targets and increase local affordability.

This can be achieved through accelerating housing supply within the LGA in appropriate locations like that proposed in the Planning Proposal

¹³ Developments included are those which have a status of Building Application; Building Approval; Construction; Development Application; Development Approval; Rezoning Application; Rezoning Approval; or Site Preparation in Progress

Figure 12: Residential pipeline (June 2019 onwards is strata dwellings)



Source: Greater Sydney Regional Housing Activity (2016 to May 2019), CordellConnect (development to be completed from June 2019>)

4.3 Housing diversity and affordability

4.3.1 Housing stress and affordability

Housing stress is a metric used to describe a situation where the cost of housing is high relative to the household income. As a rule of thumb, housing stress is defined as where housing costs (rent or mortgage repayments) are 30% or more of gross household income¹⁴.

While this figure provides a useful benchmark of housing affordability, the definition of affordability varies according to a household's individual circumstances.

As seen in the table below, housing stress within the Liverpool LGA has decreased from 37% in 2006 to 32% in 2016. As of 2016, the median mortgage repayment was 32% of the median household income. This demonstrates that a large portion of households within the LGA are experiencing housing stress.

The rent to income ratio within the rental market has increased from 18% in 2006 to 24% in 2016. This shows an increase of 6%, however, it is still below the 30% benchmark.

Table 9: Rental and mortgage stress

	2006	2016
LGA median household income	\$56,264	\$80,600
LGA median mortgage repayment	\$20,796	\$25,476
LGA mortgage repayment as a proportion of income	37%	32%
Greater Sydney median mortgage repayment as % of income	35%	29%
LGA median rent	\$10,140	\$19,240
Median rent repayment as a proportion of median household income	18%	24%

Source: 2016 ABS time series

¹⁴ NSW Affordable Housing Ministerial Guidelines 2016-2017

4.3.2 Rental affordability

NSW Family and Community Services outline the eligibility criteria for affordable housing in their 2018/19 NSW Affordable Housing Ministerial Guidelines. In this document household income is the defining criteria for affordable housing eligibility, with the median income for Greater Sydney used as a benchmark.

The 2018/19 Guidelines define affordable housing for very low, low, and moderate income households. These categories have been applied to this analysis and are as follows:

- Very low-income household is less than 50% of Greater Sydney median household income
- Low-income household is more than 50% but less than 80% of Greater Sydney median household income
- Moderate income household is between 80% and 120% of Greater Sydney median household income.

The median household income for the Liverpool LGA was approximately \$80,600 in 2016. Based on household income the affordable housing thresholds have been calculated as follows.

Table 10: Household income and affordability Liverpool LGA

Category	Household income	
	Weekly	Yearly
Median income	\$1,550	\$80,600
Very low household income (50% of median household income)	\$775	\$40,300
Low household income (80% of median household income)	\$1,240	\$64,480
Moderate income household (120% of median household income)	\$1,860	\$96,720

Source: 2016 ABS Census, HillPDA

To assess the ability of very low income and low income households to meet the median rental repayment for the LGA, we applied the following methodology:

- Multiplied household incomes by 30%¹⁵ and divide by 52 to calculate the weekly rent that household can reasonably afford to pay without experiencing housing stress and
- Compared Step 1 to the LGA market rent in that year.

4.3.2.1 Very low income household rental affordability

A very low income household within North Sydney LGA, that is, a household that earns 50% of the median household income could afford to pay \$233/week on rental repayments in 2016.

This was only 69% of the median market rent for a one-bedroom apartment, 60% of market rent for a two bedroom apartment and 49% of market rent for a three-bedroom apartment within the LGA.

4.3.2.2 Low income household rental affordability

A low income household, that is, a household that earns 80% of the household median income could afford to pay \$372/week on rental repayments.

This was 109% of the median market rent for a one-bedroom apartment, 95% of market rent for a two bedroom apartment and 78% of market rent for a three-bedroom apartment within the LGA.

¹⁵ 30% of annual income directed towards rental repayment

Table 11: Rental affordability against Liverpool LGA median household income - 2016

Year	Very low household income at 50% of median household income	Low household income at 80% of median household income
Median household income (2016)	\$80,600	\$80,600
Median household at affordability category	\$40,300	\$64,480
Rental affordability at 30% of median income	\$233	\$372
1-bedroom apartment market rent	\$340	\$340
Rental affordability as a proportion of market rent	69%	109%
2-bedroom apartment market rent	\$390	\$390
Rental affordability as a proportion of market rent	60%	95%
3-bedroom apartment market rent	\$480	\$480
Rental affordability as a proportion of market rent	49%	78%

Source: 2016 ABS, NSW Department of Housing rent tables, HillPDA *30% of household income directed towards rental repayment

If left unabated the housing affordability gap will continue to widen. Increased residential supply can place downward pressure on housing prices and rents as acknowledged in the former *A Plan for Growing Sydney*. Advancement of the planning proposal would increase dwelling supply and capacity within the LGA helping to alleviate the housing affordability gap and rental stress.

4.3.3 Apartment dwellings by household type

Detached houses have remained the dominant dwelling type within the LGA over the ten-year period from 2006. In 2016 of the 58,773 occupied private dwellings, only 7,772 dwellings or 13% were apartments.

Table 12 below illustrates that an increased proportion of group households and couples without dependants have chosen to live in apartments over the last 10 years. The Planning Proposal would be providing a dwelling type and mixture that would cater to the changing preferences of the local community.

Table 12: Proportion of households living in apartments by household type

Household type	2006	2016
Couple families with dependents	6%	7%
Couples without dependents	9%	13%
Group households	23%	30%
Lone person households	31%	29%
One parent family	12%	14%
Other families	18%	18%

Source: 2016 ABS time series

4.3.4 Household type projections

The NSW Department of Planning, Infrastructure and Environment (DPIE) projects the LGA will accommodate an additional 61,075 households by 2036. Of this, around 34,475 households or 56% was attributed to lone persons, couples without dependents and single parents, while 12,242 households or 20% are couple with children. The Planning Proposal would increase housing affordability and provide alternatives to detached housing for smaller households, as housing preferences change.

Table 13: Liverpool household projections 2016-36

Household type	2016	2021	2026	2031	2036	Growth #	Growth %
Couple only	11,161	14,138	17,059	19,681	23,403	12,242	110%
Couple with children	31,191	36,670	42,259	47,397	54,229	23,038	74%
Single parent	9,813	11,867	13,995	16,073	18,799	8,986	92%
Other & Multiple-family households	3,160	3,787	4,412	4,982	5,824	2,664	84%
Lone person	10,126	12,959	16,037	19,135	23,372	13,246	131%
Group	986	1,205	1,413	1,589	1,883	897	91%
Total	66,436	80,626	95,176	108,857	127,510	61,074	92%

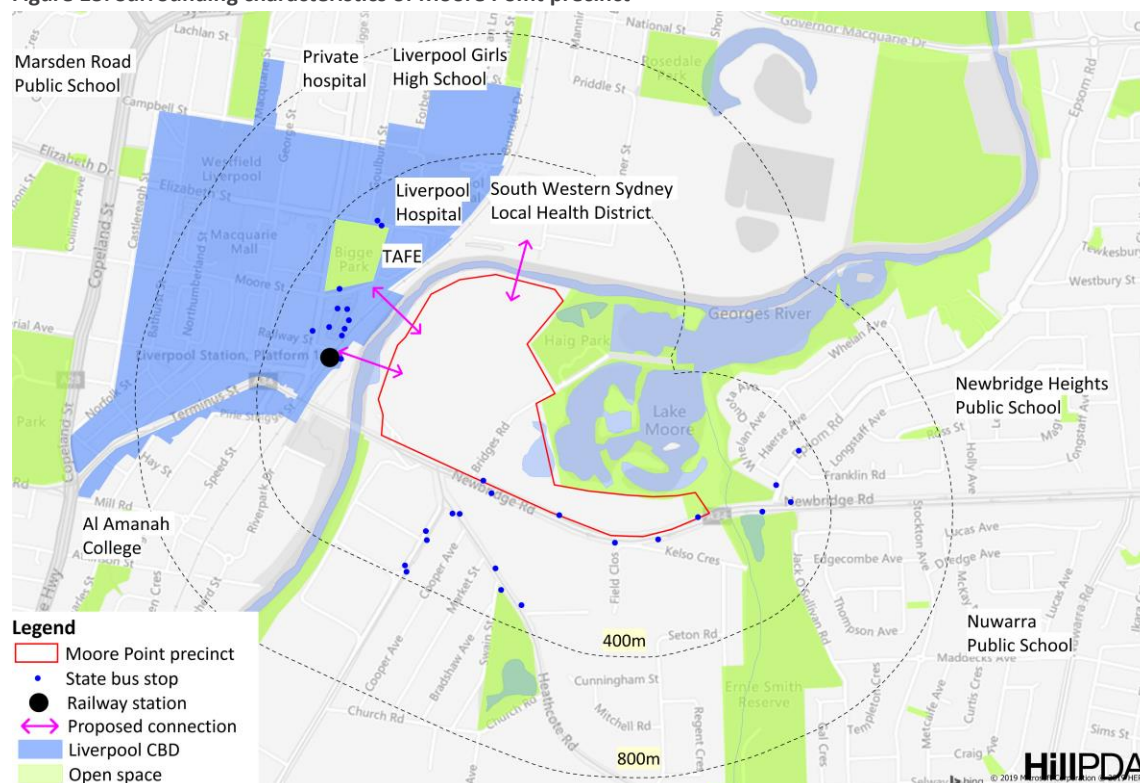
Source: NSW DPIE 2016 Dwelling Projections 2019

4.4 Other locational attributes

In providing justification for the provision of residential dwellings in the Moore Point precinct, there are a few other locational factors for consideration. These include the following:

- The Moore Point precinct is located in close proximity to existing transport infrastructure and is within 400 metres of 41 State bus stops. The Moore Point precinct near Liverpool railway station with proposed connection further increasing its connectivity to this transport node.
- The connectivity of the Moore Point precinct through existing transport infrastructure and planning connections allows future residents increased accessibility to employment, retail facilities and public infrastructure surrounding the area and throughout Sydney
- The Moore Point precinct is within 800 metres of a number of public and private schools
- The Moore Point precinct is near several public and private recreation areas.

Figure 13: Surrounding characteristics of Moore Point precinct



Source: HillPDA

5.0 MOORE POINT PRECINCT'S CURRENT ECONOMIC CONTRIBUTION

The following Chapter undertakes an assessment of the current economic contribution of the Moore Point precinct. Economic implications include employment generation, wages and Gross Value Added (GVA). The current estimated economic contribution of the Moore Point precinct is referred to as the “base case” and will be used to assess the economic implications of the Planning Proposal (Chapter 6).

5.1 Employment generation

It is estimated that Moore Point precinct currently generates around **770 jobs**. Although manufacturing comprises around 66% of the jobs currently generated, there is a wide mixture of industries currently present the precinct.

This implies that the precinct is already transitioning away from a traditional industrial precinct to one more reflective of a mixed-use precinct.

A breakdown of employment by ANZSIC 1-digit industries is provided below.

Table 14: Moore Point precinct employment generation

Industry	Employment
Manufacturing	505
Electricity, Gas, Water and Waste Services	4
Construction	13
Wholesale Trade	35
Retail Trade	34
Accommodation and Food Services	5
Transport, Postal and Warehousing	24
Rental, Hiring and Real Estate Services	3
Professional, Scientific and Technical Services	10
Administrative and Support Services	72
Public Administration and Safety	14
Health Care and Social Assistance	4
Other Services	46
Total	770

Source: ABS 2016 JTW, HillPDA

5.2 Salaries generation

It is estimated that the 770 employees on-site generate a total of around **\$49.6 million** in salaries. A breakdown of salary generation for each industry is provided below.

Table 15: Base case estimated salaries (\$2018)

Industry	Employment	Average wage	Total wages \$/m
Manufacturing	505	67,399	34.0
Electricity, Gas, Water and Waste Services	4	90,999	0.4
Construction	13	69,178	0.9
Wholesale Trade	35	70,721	2.5
Retail Trade	34	35,727	1.2
Accommodation and Food Services	5	28,255	0.1
Transport, Postal and Warehousing	24	79,061	1.9
Rental, Hiring and Real Estate Services	3	54,652	0.2
Professional, Scientific and Technical Services	10	78,158	0.8
Administrative and Support Services	72	53,988	3.9
Public Administration and Safety	14	112,726	1.6
Health Care and Social Assistance	4	71,526	0.3
Other Services	46	40,198	1.8
Total	770		49.6

Source: IBIS 2018 World Reports, ABS industry tables, ABS 2016 JTW, HillPDA

5.3 Gross Value Added

Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP).

HillPDA has estimated the combined GVA from the current land uses on-site at approximately **\$82.9 million** per annum.

Table 16: Base case Estimated Gross Value Added

Industry	Employment	GVA/worker	Total GVA \$/m
Manufacturing	505	116,336	58.7
Electricity, Gas, Water and Waste Services	4	348,164	1.4
Construction	13	109,493	1.4
Wholesale Trade	35	113,550	4.0
Retail Trade	34	54,336	1.8
Accommodation and Food Services	5	38,918	0.2
Transport, Postal and Warehousing	24	139,882	3.4
Rental, Hiring and Real Estate Services	3	251,350	0.8
Professional, Scientific and Technical Services	10	113,334	1.1
Administrative and Support Services	72	66,050	4.8
Public Administration and Safety	14	147,395	2.1
Health Care and Social Assistance	4	89,293	0.4
Other Services	46	63,751	2.9
Total	770		82.9

Source: Source: IBIS World Industry Reports 2018, HillPDA

5.4 Retail expenditure

A survey conducted by URBIS found that commercial workers nationally spent an average of \$10,500 per annum on retail goods and services close to their place of work.

Current retail offering in and around the Moore Point precinct is limited compared to that in Liverpool CBD. As such, for the purpose of the assessment, HillPDA has applied a more conservative weekly expenditure of \$50 per employee per week for the workers on site which equates to an annual spend of \$2,400 (based on 48 working weeks). With 770 workers on-site, this amounts to **\$1.9 million** per annum.

6.0 ECONOMIC IMPACT ASSESSMENT

This Chapter examines the economic implications that development of Planning Proposal would have within the Moore Point precinct and wider locality. Economic impacts are assessed during and post-construction with comparisons made against the “base case” to identify any positive or negative impacts.

Economic impacts include employment generation, wages and Gross Value Added, increased retail spend from residents and workers and increased demand for retail floorspace

6.1 Construction economic benefits

6.1.1 Estimated construction cost

We have estimated the construction cost of the planning proposal at around \$8.7 billion. This has been based on the following project elements.

Table 17: Estimated construction cost

Component	No.	Units	\$/unit	\$m
Demolition and clearing	394,505	sqm	150	59
Site decontamination	38.5	ha	1,000,000	39
Employment space	344,499	sqm	3,000	1033
Residential dwellings	14,783	Units	450,000	6652
Car Parking*	19,363	spaces	45,000	871
Land Development and other costs	39.5	ha	1,500,000	59
Total				8,715

Source: HillPDA, Rawlinson’s 2018, RLB 2018 -*estimated using Liverpool LEP and DCP

6.1.2 Construction multiplier effects

The construction industry is a significant component of the economy accounting for 8% of Gross Domestic Product (GDP) and employing almost one million workers across Australia¹⁶. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

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

The source of the multipliers adopted in this report is ABS Australian National Accounts: Input-Output Tables 2014-15 (ABS Pub: 5209.0). From these tables HillPDA identified first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.62, \$0.66 and \$0.91 respectively to every dollar of construction. The table below quantifies associated economic multipliers resulting from the construction process.

¹⁶ 5206.0 Australian National Accounts: National Income, Expenditure and Product 2018

Table 18: Construction multipliers (\$m)

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.6200	0.6610	0.9050	3.1860
Output (\$million)	\$8,715	\$5,403	\$5,761	\$7,887	\$27,766

Source: HillPDA Estimate from ABS Australian National Accounts: Input-Output Tables 2017-18

The estimated direct construction cost of \$8.7 billion would generate a further \$11.2 billion of activity in production induced effects and \$7.9 billion in consumption induced effects. Total economic activity generated by construction of the Planning Proposal would be around \$27.8 billion.

Note that the multiplier effects are national, and not necessarily local. The ABS states that:

“Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.”

In particular, the multiplier impacts can leave the impression that resources would not have been used elsewhere in the economy had the development not proceeded. In reality, many of these resources would have been employed elsewhere. Note that the NSW Treasury guidelines state:

“Direct or flow on jobs will not necessarily occur in the immediate vicinity of the project – they may be located in head office of the supplier or in a factory in another region or State that supplies the project”¹⁷.

Nevertheless, economic multiplier impacts represent considerable added value to the Australian economy.

6.1.3 Construction related employment

Every one million dollars of construction work undertaken generates 2.50 job years directly in construction¹⁸. Based on an estimated construction cost of \$9.1 billion the proposal would directly generate 21,762 job years¹⁹ directly in construction. Assuming a construction would be staged over a 30 to 40-year period, this equates to between 544 and 725 jobs generated directly per annum.

Table 19: Construction employment

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.731	0.851	1.434	4.016
Employment No. per \$million*	2.497	1.826	2.125	3.581	10.029
Total job years created	21,762	15,917	18,518	31,206	87,403

Source: HillPDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2017-18

From the ABS Australian National Accounts: Input-Output Tables 2017-18 HillPDA identified employment multipliers for first round, industrial support and consumption induced effects of 0.73, 0.85 and 1.43 respectively for every job year in direct construction. Including the multiplier impacts, the proposal would generate a total of 87,403 job years directly and indirectly. This equates to between 2,185 and 2,913 jobs being directly and indirectly created per year.

¹⁷ Source: Office of Financial Management Policy & Guidelines Paper: Policy & Guidelines: Guidelines for estimating employment supported by the actions, programs and policies of the NSE Government (TPP 09-7) NSW Treasury

¹⁸ Source: ABS Australian National Accounts: Input – Output Tables 2015-16 (ABS Pub: 5209.0) adjusted to 2018 dollars

¹⁹ Note: One job year equals one full-time job for one year

6.1.4 Retail expenditure from construction workers

Construction workers on site would generate additional sources of retail expenditure. This would be spent predominately on convenience-related items such as lunches, coffees, snacks and so on. A recent survey conducted by URBIS found that workers in Sydney CBD on average spent \$230 per week on retail items. This average spend encompasses clothing, internet and supermarket purchases. For construction workers HillPDA has applied a more conservative spend of \$50 a week for 46 working weeks generated by each worker during the construction period.

On this basis, existing retailers in the local area of the site would enjoy around \$50 million in additional retail expenditure from construction workers on-site during the period of construction. This equates to around \$1.3 to \$1.7 million per annum over the construction period.

6.1.5 Other construction impacts

The construction process may lead to short-term negative impacts in the locality such as increased traffic, noise, dust and so on. We have assumed that the development would take the necessary steps to mitigate the extent of these impacts.

6.2 Post-construction economic benefits

6.2.1 Employment generation

Following construction, the Planning Proposal would provide 344,499sqm of mixed-use employment space. HillPDA has been provided with a more detailed proposed breakdown of this space for part of the Planning Proposal. The indicative uses are as follows:

Table 20: Indicative employment space composition

Land use	GFA
Commercial office	176,331sqm
Tertiary education	24,000sqm
School	9,033sqm
Entertainment precinct	20,000sqm
Medical uses	20,000sqm
Remaining precinct space	95,135sqm
Total	344,449sqm

Land use assumptions

1. It is intended by design and market research that the commercial office space in the Moore Point precinct should be premium A-grade space, resulting in a highly efficient use of net floorspace. Currently, open planned employment densities in Sydney LGA are around 10sqm per employee²⁰. Given market trends for open planned employment, we anticipate the planned office design to move to similar densities over the next 30 years in this location.

Furthermore, given the growth of knowledge worker sector and demand for more flexible working hours, it has been assumed that around 15% of commercial space be attributed to communal shared space such as WeWork style operators. An inspection of WeWork offices at Daramu House in Barangaroo revealed they had an employment density of around 8sqm per employee, which they were aiming to reduce to 5sqm per employee over the coming years. We have applied a more conservative 5sqm GFA/employee. Given the 30-40-year

²⁰ City of Sydney 2017 floor space survey

timeframe of the Project and the trend towards increasingly efficient commercial working spaces, we have applied the 5sqm/worker rate.

2. The entertainment precinct is assumed to be comprised of bars, cafes, restaurants and other food retailing.
3. Given the Planning Proposal is in the early planning stages, the remaining 95,135sqm of Planning Proposal's space composition is unknown. This is likely to be a mixed-use area with some enterprise corridor zoning. As such it is assumed to be comprised of a range of uses including commercial and urban services/lower employment generating uses.
4. We have assumed a 5% vacancy rate for the commercial, entertainment, medical uses and enterprise space.

Based on industry standard employment densities and the type of land uses proposed, we have estimated that following construction and occupation the Planning Proposal has the potential to generate around **23,617 jobs**. This represents an increase of around **22,847 jobs** over the base case.

Table 21: Estimated employment generation

Land use	Floorspace (GFA)	Sqm/employee	Potential employment
Commercial office (open plan)	180,798*	12	15,067
Commercial (shared space)	31,906*	5	6,381
Tertiary education	24,000	65	369
School	9,033	80	113
Entertainment precinct	19,000*	22	864
Medical uses	19,000*	65	292
Enterprise corridor	45,189*	85	532
Total Employment	328,926		23,617

Source: City OF Sydney 2017 floorspace survey, HillPDA, *5% vacancy rate factored in

6.2.2 Salaries generation

Based on IBIS World Industry Reports, HillPDA has estimated a combined annual remuneration at approximately **\$1.94 billion** for workers on site.

This represents an increase of around **\$1.89 billion** over that currently generated by workers on-site.

Table 22: Estimated salaries (\$2018)

Land use	No. of Workers	Average wage	Total wage generation (\$m)
Commercial office	21,447	\$83,510	\$1,791.1
Tertiary education	369	\$131,011	\$48.4
School	113	\$92,970	\$10.5
Entertainment precinct	864	\$33,178	\$28.7
Medical uses	292	\$71,526	\$20.9
Enterprise corridor	532	\$68,049	\$36.2
Total	23,617		\$1,935.7

Source: IBIS World Industry Reports 2018, HillPDA

6.2.3 Gross value added

Based on IBIS World Industry Reports, HillPDA has estimated the combined GVA from land uses proposed on-site at approximately **\$4.65 billion million** per annum. This represents an increase of around **\$4.56 billion** over the base case.

Table 23: Estimated Industry Value Add of planning proposal (\$2018)

Land use	No. of workers	GVA / worker	GVA (\$m)
Commercial office	21,447	\$206,550	\$4,430.0
Tertiary education	369	\$159,392	\$58.9
School	113	\$99,597	\$11.2
Entertainment precinct*	864	\$49,077	\$42.4
Medical uses	292	\$89,293	\$26.1
Enterprise corridor	532	\$145,814	\$77.5
Total	23,617		\$4,646.1

Source: IBIS World Industry Reports 2018, HillPDA

6.2.4 Expenditure from workers

HillPDA has assumed that workers on-site will spend an average of \$20 per day on retail goods and services in the locality. This totals around **\$108.6 million** each year to be captured by retail services in the locality. This represents an additional \$106.8 million over and above the base case.

6.2.5 Expenditure from residents

The Planning Proposal would benefit Liverpool Strategic Centre and its existing retailers by increasing the resident population and hence retail expenditure. HillPDA estimates that the Planning Proposal could have a resident population of around 32,686 residents based on an average occupancy of 2.33²¹ and a 5% vacancy rate.

Assuming an average spend of around \$19,250²² total retail spend generated by residents on-site would be around \$629 million (\$2019).

Of course, not all of this expenditure will be captured by existing retailers in Liverpool, but HillPDA would expect a rate of around 60% would be captured in the local area (\$377.5 million).

When combined with workers on site, the Planning Proposal would provide sources for an increase in retail sales captured by Liverpool retailers likely in the order of between \$486.2 million per annum, an **increase of around \$484.3 million per annum over the base case**.

The resident population would also increase the demand for local retail services to be provided locally. It is estimated that the residents on-site would generate demand for retail floorspace in the order of around **72,237sqm**²³. Given that Liverpool is a Strategic Centre the majority of this floorspace would likely be directed towards the centre, further increasing its vibrancy and viability.

6.3 Other economic benefits

6.3.1 Investment stimulus

Where a significant property investment decision has been made, it is generally viewed as a strong positive commitment for the local area. Such an investment can, in turn, stimulate and attract further investment. Development of the Planning Proposal would support a wide range of economic multipliers which would, in turn, support investment in associated industries. It would also raise the profile of Liverpool to potential investors.

²¹ ABS 2016 Liverpool LGA community profile – average number of persons in occupied apartments

²² MarketInfo data 2018 – 2050 impact year

²³ Calculated at a per capita provision of 2.21sqm/person as identified in the GSC report Sydney Retail Demand and Supply Stage 2 Deep End Services – South West sub-region

The Planning Proposal would create additional business opportunities in this locality associated with future residents and employment floorspace on site. It would increase the profile of this area and, in so doing, increase the financial feasibility of mixed-use developments, potentially acting as a catalyst on surrounding sites.

6.3.2 Jobs closer to home

The Planning Proposal would provide additional employment opportunities for residents living both within Liverpool LGA and the wider Western District.

There are many benefits associated with providing jobs closer to home, most notably a reduced need to travel and the knock-on benefits associated with this in terms of reduced pressure on infrastructure.

A reduction in the number and length of journeys made, in particular, those made in private vehicles, has environmental benefits. There are also lifestyle benefits related to increased free time, reduced travel-related stress and a reduced likelihood of road related accidents.

This concept forms the basis of the 30-minute city a clear objective of State planning policies. The Planning Proposal would be helping achieve this planning objective.

6.3.3 Activation

The construction of a large-scale mixed-use development comprising uses such as commercial, urban services, education, retail and residential located in the Moore Point Precinct would create increased pedestrian traffic having the effect of further activating the local area. This street activation would have the benefits of increasing passive security, increasing trade for retailers through increased passing trade; increased use of natural (passive) areas or space to the current and future community and increase investment within the local area.

6.3.4 Replacing old with new

The redevelopment of the Moore Point precinct would be replacing older style industrial buildings, which provide an estimated 770 jobs with high amenity and quality urban outcomes. This will significantly increase the economic output of the precinct while also contributing Liverpool attain various State and local planning and economic objectives. This transformation is identified and supported by both levels of Government and will contribute to Liverpool achieving its status as Sydney's third CBD providing a focal point for Western Sydney.

6.3.5 Transit Orientated Development (TOD)

High-density mixed-use development close to major transport nodes meets urban consolidation objectives. It results in improved efficiencies, reduces dependency on private motor vehicle usage and encourages the use of public transport. The Planning Proposal meets this objective of Stage Government planning objective being within proximity to Liverpool CBD and railways station. This connectively is proposed to be further improved through three connection points across the river. One of these connections being directly focused into Liverpool railway station, providing easy access to future workers in the Moore Point precinct and conversely residents to the CBD, other parts of the LGA and Sydney.

6.3.6 Housing supply

With a rapidly growing residential population, the supply of housing (and particularly of low cost housing) is under pressure. The impact of Sydney's well documented low housing supply and high market demand has been to drive the cost of housing upwards.

The Planning Proposal would deliver 14,783 new residential apartments in the locality, creating additional housing supply in an appropriate location close to an existing strategic centre and transport nodes.

The Planning Proposal would also contribute to housing supply by introducing another provider in the Western District market. Multiple producers will ensure the market is not monopolised, encouraging greater competition and a healthy rate of supply.

Liverpool will need around 43,450 to 69,775 additional dwellings over the next 20 years from 2016. This equates The Planning Proposal would contribute to the LGA in meeting these targets and beyond.

6.3.7 Housing choice

Providing a diverse range of housing options suiting a wide variety of household types, including apartment living will also promote a more diverse community which is arguably more sustainable in the long term, as they are able to maintain a range of services and facilities useful to all age groups. Apartments also offer a more affordable housing alternative to detached houses. The changing demographic, profile and household composition also support the provision of more affordable apartment-style dwelling near essential services. The Planning Proposal can provide this.

Furthermore, the introduction of high-density residential uses on a largely under-utilised site will also create activity after work hours and on weekends. This activity improves passive surveillance increasing the sense of security and also encourages local businesses to extend trading hours to capture the additional expenditure generated in the locality.

6.4 Conclusion

The Planning Proposal would provide approximately 344,499sqm GFA of employment space and 14,783 residential dwellings. The provision of these land uses onsite would increase the economic output of the Precinct, Liverpool and wider District.

Specifically, over that already generated under the base case the Planning Proposal would generate an additional 22,847 jobs; \$1.89 billion per annum in wages; and contribute \$4.56 billion per annum to local economy or GDP.

Non-resident workers onsite would also generate an estimated \$108.6 million per annum in retail expenditure that would be captured by local retailers. This is around \$106.8 million greater than that already estimated to be generated under the base case.

In addition, the planning proposal would generate economic benefits resulting from the resident's onsite (estimated at 32,686 persons). These economic benefits primarily relate to increased residential expenditure which could be captured by retailers in the locality, including those in Liverpool city centre. This is estimated at an additional \$377.5 million per annum. The population would also increase the demand for retail space by around 72,237sqm, the majority of this would likely be directed towards surrounding retail centres, such as Liverpool, further increasing their vibrancy, viability and attractiveness to investors.

The Planning Proposal would have additional economic benefits, these being:

- Providing a catalyst for further investment in the locality
- Contributing to increasing housing diversity and affordability in the LGA and District
- Providing jobs closer to home and contributing to the LGAs employment targets
- Contribute to transit orientated development objectives by concentrating more people near the train station and commercial services, thereby reducing the reliance on private motor vehicle travel and increasing the use of public transport
- Contributing to Sydney achieving the 30-minute city concept.

The above has assessed the economic merits of the Moore Point Planning Proposal. From this assessment, it is concluded that rezoning of the Moore Point precinct for residential/mixed-use purposes is strongly supported from an economic perspective.

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