

# 27 VICTORIA AVE, CASTLE HILL

## Economic Impact Assessment



Prepared for Marti's Investments Pty Ltd

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Dated 04/10/23

Report Details

Job Number

C24015

Version

FINAL

File Name

27 Victoria Avenue, Castle Hill Economic Impact Assessment

Date Printed

04/10/23

# INTRODUCTION

# 1.0 INTRODUCTION

HillPDA was commissioned by Marti's Investments Pty Ltd to undertake an economic impact assessment (the study) of a Planning Proposal pertaining to land located at 27 Victoria Avenue, Castle Hill (the subject site).

The subject site comprises around 8,095sqm of land within the local government area of The Hills Shire. Under the Hills Local Environmental Plan 2019 (LEP 2019) the site is zoned as E3 - Productivity Support with a Floor Space Ratio (FSR) of 1:1 and a maximum building height of 20 metres.

**Figure 1: Subject site boundary**



Source: HillPDA

The Hills Shire Council recently released the Draft Norwest Precinct Plan (Plan). The Precinct Plan sets the framework for Norwest to emerge as a thriving mixed use Strategic Centre and highly competitive employment Precinct<sup>1</sup>. The Plan divides the Norwest Precinct into three sub-precincts. The subject site is located within the Norwest Service sub-precinct. Key target/characteristics for the sub-precinct are:

- Target of 6,840 additional jobs by 2041
- Capacity for 11,400sqm of additional specialised retail (bulky goods) floorspace
- Aim of providing urban support services for the growing population.
- Intent of protecting industrial and urban services land to ensure capacity is maintained for a range of essential activities to co-exist with new development.

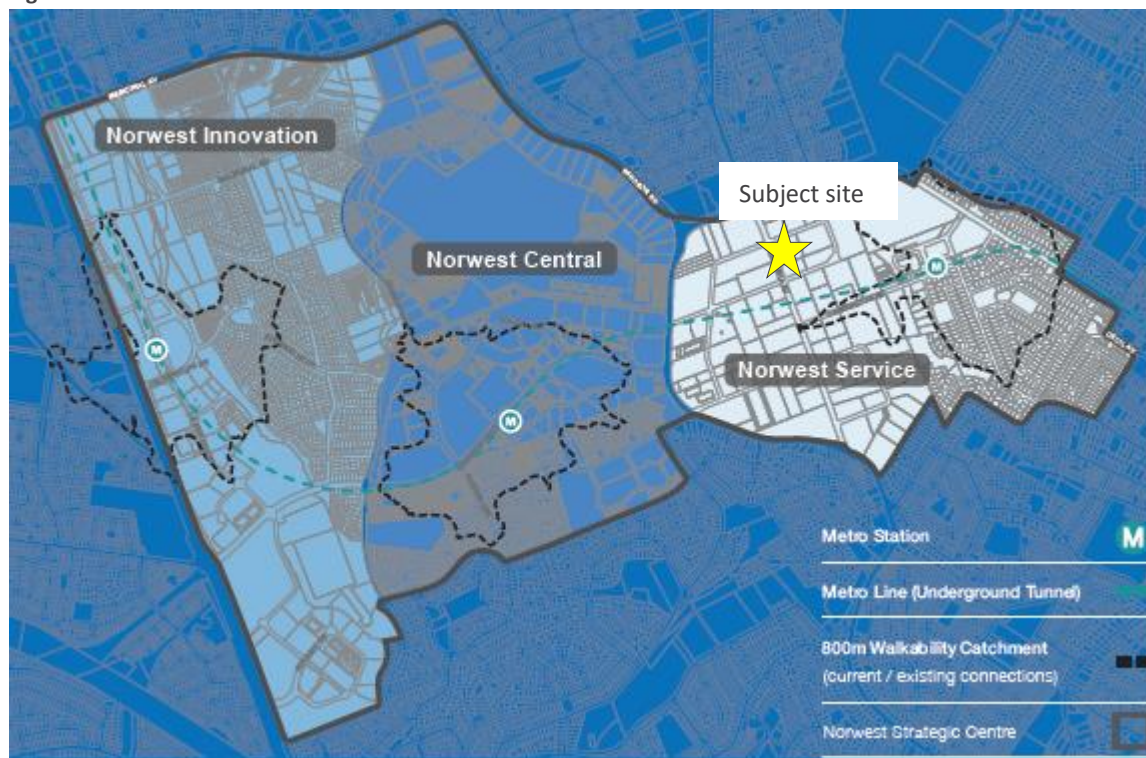
Within this sub-precinct, the subject site is further located within Focus Area 9. This area is specifically intended for this area that specialised retail (bulky goods) spine along Victoria Avenue is retained, together with continued

<sup>1</sup> Please note at the time of this report the Precinct Plan had completed its exhibition and submission period (2nd of May to 31st of July 2023) and had been retracted from Council's website. For this reason, a full review of the document was not possible. However, a brochure of the Precinct Plan was provided.



provision of urban support services for the incoming population and land for further growth to meet the identified retail (households bulky goods) gap in the catchment. A maximum uplift in FSR of 2:1 may be considered for sites within Focus Area 9. However, this uplift is only tested for the provision of urban service space.

**Figure 2: Draft Norwest Precinct Plan**



Source: Draft Norwest Precinct Plan Exhibition Brochure

## 1.1 The Planning Proposal

Development of the Planning Proposal would provide a mix of land uses, including commercial, community specialised retail, urban services, medical, recreation and food services. In total, around 16,020sqm of mixed-use gross floor area (GFA) would be developed. Within this floorspace the following land uses are proposed:

- 3,962sqm of bulky good space
- 693sqm of cafe space
- 431sqm of car repair space
- 3,287sqm of car showroom space
- 1,838sqm of childcare space with an additional 1,596sqm of associated outdoor space
- 2,271sqm of gymnasium/indoor recreation space
- 1,260sqm of medical space.

## 1.2 Purpose and study structure

The purpose of this study is to assess and quantify, where possible, the economic impact that would eventuate from development under the Planning Proposal. This is achieved through assessing and comparing the economic contribution of the subject site from its current built form and land uses to that which would eventuate from its redevelopment as proposed under 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 of the Planning Proposal.

To meet the requirements of the 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** | Examines the economic contribution that the subject currently generates. This is referred to as the “Base Case”.
- **Chapter 4** | Examines the economic implication that development under the Planning Proposal would have during the construction phase and post-construction. The economic implications are compared to the base case (estimated in Chapter 3).



## 2.0 POLICY CONTEXT

This Chapter analyses State and local planning strategies, it further identifies areas where the Masterplan 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 subject site is located within the Central River City.

The Region Plan identified that Greater Sydney would require additional 817,000 jobs by 2036. Key to delivering these jobs will be a strong focus on providing these jobs in economic corridors, business parks, health and education precincts and strategic centres. The Showground Precinct is in the strategic centre of Norwest Business Park as defined in the Central City District Plan (discussed below). As such, increased employment on-site and investment stimulus from fruition of the Planning Proposal would be contributing to the NSW Government achieving its productivity and employment objectives as detailed in the Regional Plan.

### 2.2 North District Plan

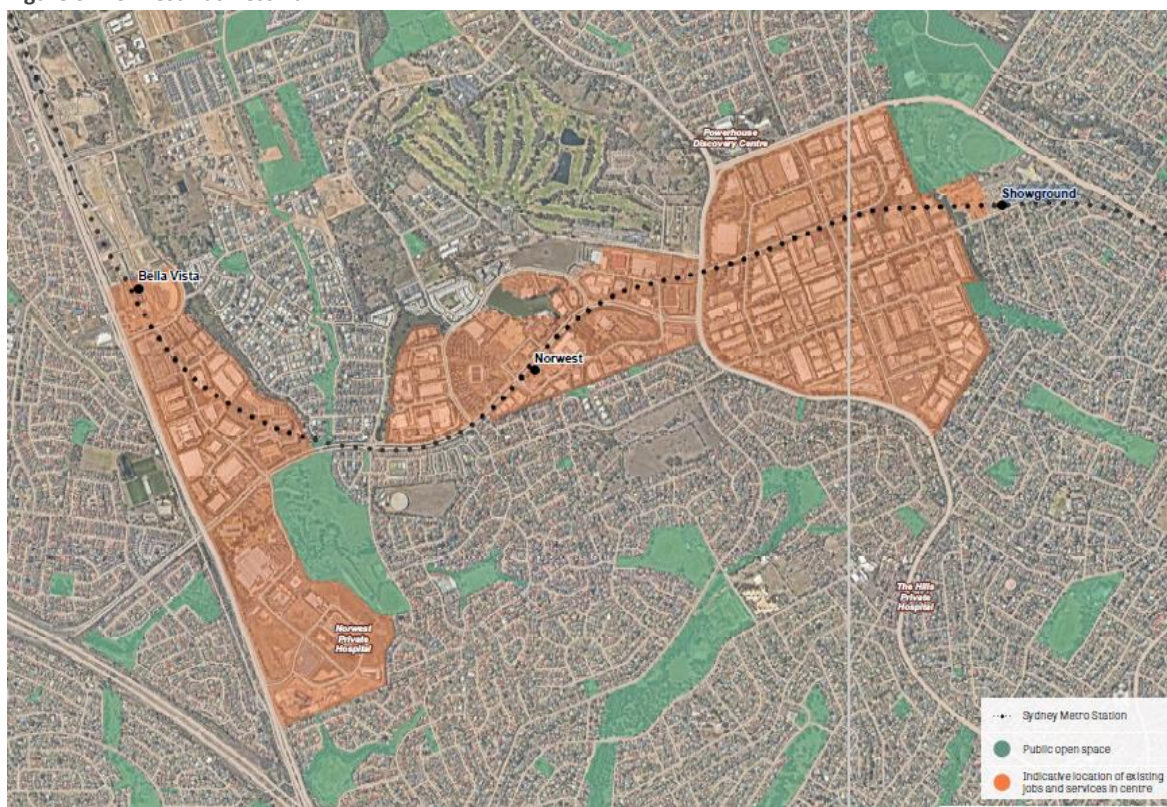
The Central City District Plan maps out the 20-year vision for the Central City of Greater Sydney. The North District encompasses the LGAs of Blacktown, Cumberland, Parramatta and **The Hills**. By 2036, it is projected that the District will have a population of 1.521 million, representing an additional 550,500 persons over the 20-year period from 2016, of which 125,350 people or 23% are projected to reside in The Hills LGA.

The subject site is located within the strategic centre known as Norwest Business Park (refer to Figure 3). Over the 2016-36 period, a target of an additional 16,600 to 20,600 jobs are forecast for this area, representing a 51-64% increase over the period. The Planning Proposal would generate around 82 additional jobs, contributing to the District meeting these targets. Employment space provided in the Planning Proposal would also support the District in achieving the following planning priorities:

- Planning Priority C9: Delivering integrated land use and transport planning and a 30-minute city
- Planning Priority C10: Growing investment, business opportunities and jobs in strategic centres.

By maximising the land use opportunities around the new NWRL Showground Station, the Planning Proposal is in accordance with the priorities and objectives of the District Plan.

Figure 3: Norwest Business Park



Source: Central City District Plan

## 2.3 Productivity and Centres Strategy 2019

The Productivity and Centres Strategy is based around five planning priorities. These planning priorities and how the Planning Proposal contributes to The Hills achieving these is provided below:

- 1. plan for sufficient jobs, targeted to suit the skills of the workforce:** The Planning Proposal would increase employment on-site within the industries of specialised retail, health, recreation, urban services and food services. These are key industries for both local job generation and what residents are employed within in The Hills. As such, the Planning Proposal would be meeting this planning priority.
- 2. build strategic centres:** The Planning Proposal is located within the Norwest Strategic Centre. Its development would both increase employment within this strategic centre while also raising its profile for increased investment. As such, the Planning Proposal would be meeting this planning priority.
- 3. provide retail services to meet residents' needs:** the retail space provided in the Planning Proposal would provide opportunity for increased retail services which would contribute to meeting the current and future resident population of The Hills and wider District. As such, the Planning Proposal would be meeting this planning priority.
- 4. renew and create great places:** The Planning proposal would provide a new building, revisiting the site and contributing to the Norwest Strategic Centre/Showground precinct achieving its long-term vision resulting from the NWRL.
- 5. retain and manage valuable industrial and urban services land:** The Planning Proposal would retain its current E3 - Productivity Support zoning with its proposed land uses permissible. Hence the Planning Proposal would contribute to The Hills miniating and managing its employment lands stocks.

## 2.4 The Hills LSPS 2019

The Hills Local Strategic Planning Statement (LSPS) 2019 provides a land use vision for The Hills Shire to 2036. To guide this vision 23 Planning Priorities are provided. The Planning proposal would be specifically contributing to the LSPS achieving the following three.

- **Planning Priority 1: Plan for sufficient jobs, targeted to suit the skills of the workforce:** The Planning Proposal would increase employment on-site within the industries of specialised retail, health, recreation, urban services and food services. These are key industries for both local job generation and what residents are employed within in The Hills. As such, the Planning Proposal would be meeting this planning priority.
- **Planning Priority 2: Build strategic centres to realise their potential:** The Planning Proposal is located within the Norwest Strategic Centre. Its development would both increase employment within this strategic centre while also raising its profile for increased investment. As such, the Planning Proposal would be meeting this planning priority.
- **Planning Priority 3: Retain and manage valuable industrial and urban service land:** The Planning Proposal would retain its current E3 - Productivity Support zoning with its proposed land uses permissible. Hence the Planning Proposal would contribute to The Hills initiating and managing its employment lands stocks.

## 2.5 Showground Station Precinct Proposal

The Showground Station Precinct Proposal was prepared to guide development of land within the Precinct. It induces employment, dwelling targets and a vision for the Precinct. The document forecasts an additional 2,300 jobs and 5,000 dwellings to be provided in the Precinct over the next 20 years. The 128 FTE additional jobs directly created onsite under the Planning Proposal would contribute to the Precinct attaining its employment targets.

## 2.6 Draft Norwest Precinct Plan

The Draft Norwest Precinct Plan (Precinct Plan) sets the framework for Norwest to emerge as a thriving mixed use Strategic Centre and highly competitive employment Precinct. Key targets and directions for the Norwest Precinct are as follows:

- Target of 30,000 additional jobs by 2041.
- Capacity for around 50,000sqm of additional retail floorspace.
- Capacity for 11,400sqm of additional specialised retail (bulky goods) floorspace.
- Aim of providing urban support services for the growing population.
- Intent of protecting industrial and urban services land to ensure capacity is maintained for a range of essential activities to co-exist with new development.

The Plan divides the Norwest Precinct into three sub-precincts. The subject site is located within the Norwest Service sub-precinct. This sub-precinct is expected to accommodate 6,840 additional jobs by 2041. Within this sub-precinct, the subject site is further located within Focus Area 9. It is intended within this area that specialised retail (bulky goods) spine along Victoria Avenue is retained, together with industrial areas, to provide continued urban support services for the incoming population and land for further growth to meet the identified retail (households bulky goods) gap in the catchment. A maximum uplift in FSR of 2:1 may be considered for sites within Focus Area 9. However, this uplift is only for urban services.

## Conclusion

The above strategies and policies give impetus to the need to create increased employment opportunities. This is evident in the Regional and District Plans which emphasise the need to increase the productivity of the Central City through growth and investment. A key focus to meeting this need, requires increased employment densities in strategic centres and close to public transport. The Planning Proposal would provide increased employment opportunities and associated urban support services within the defined Norwest Strategic Centre, contributing to it meeting its significant employment targets; provide return on invest for the NWRL and contribute to delivering a 30-minute city.

The Planning Proposal would also contribute to specific planning priorities as identified in The Hills LSPS 2020, Productivity and Centres Strategy and Draft Norwest Precinct Plan, these being:

- plan for sufficient jobs, targeted to suit the skills of the workforce.
- helping build a strategic centre.
- provide retail services to meet residents' needs.
- renew and create great places.
- retain and manage valuable industrial and urban services land.
- providing urban services for residents
- contributing to the target of 30,000 additional jobs by 2041.
- providing bulky good space in an area identified for such uses.

As such, the Planning Proposal is in accordance with State and local planning objectives and priorities.

## 3.0 ECONOMIC IMPACT ASSESSMENT

This section examines the economic implications that development would have during the construction phase and post-construction (operational) phase. The economic impacts of the Planning Proposal are measured against the base case ('do nothing' or 'continue the existing use' option).

### 3.1 Economic impact assessment approach

#### Economic multipliers and impact indicators

Economic multipliers refer to the level of additional economic activity generated or supported by a source industry. There are two types of effects captured by multipliers:

**Production induced effects**, which are made up of:

- *First round effects*: which are all outputs and employment required to produce the inputs for the source industry, and:
- *Industrial support effects*: which is the induced extra output and employment from all industries to support the increased production by suppliers in response to increased sales.

**Consumption induced effects**, which relate 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 modelling for this report is based on the Australian National Accounts Input Output tables 2019-20. Input-Output modelling estimates economic activity through the examination of four types of impacts described in the table below.

**Table 1: Economic impact metrics assessed**

Metric	Description
Output	Output is a gross measure of the total sales generated by the types of land uses present on the site or in the proposal.
Employment	Employment generated by the types of land uses present on the site or in the proposal. Employment is expressed as Full-Time Equivalent (FTE).
Wages	The wages and salaries paid to employees on the site or in the proposal.
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).

The economic impacts have been assessed at both the NSW State level and the LGA level.

#### Economic impact phases

Economic impacts are further assessed and discussed regarding the specific phases of construction and operation.

- **Design and construction phase**: the economic activity supported through the design and construction phase of the Planning Proposal. These impacts are expected to be short-term, concluding when development activity is completed. The base case assumes no construction activity and hence is not assessed in this phase
- **Operational phase (post-construction)**: the economic activity supported by the existing or proposed land uses under the base case and proposal scenario.



### Limitations with multipliers

Both the ABS and the NSW Treasury Employment Calculator describe several limitations with input-output multipliers, or at least shortcomings with typical interpretations of the multipliers, which generally result in an over-estimation of impacts. The main shortcomings or limitations are as follows:

- Production induced impacts can leave the impression that extra output can be produced without taking resources away from other activities.
- Multipliers assumed fixed input ratios and hence measure impacts based on average effects rather than marginal effects.
- The impacts are nationwide and are not regional or local impacts, which would be smaller.

Other limitations are described in both the NSW Treasury Guide and on the ABS website.<sup>2</sup>

## 3.2 Base Case economic performance

We have estimated that the subject site currently provides around 2,000sqm GFA of mixed retail and urban service space. Tenants in the building include BCF Australia, Roofrack, La Maison Home interiors, Fishtank, Ultra Tune and Pizza Hut, we have estimated the following composition floorspace by broad land use type as follows.

**Table 2: Broad land use and floorspace GFA allocation**

Broad land use	GFA (sqm)
Food retail	250
General retail	120
Urban service (motor vehicle repair)	120
Hardware/bulky goods	1,510
<b>Total</b>	<b>2,000</b>

Source: HillPDA,

Based on the above, coupled with ABS Input Output tables and IBIS world reports, the following assesses the current economic activity supported by the sites current land uses (referred to as the base case):

- **Employment:** A total of 42 Full-time equivalent (FTE) jobs generated and supported. Of these, 25 FTE jobs are directly generated on site.
- **Output:** A total of \$22 million in generated and supported output. Of this, \$8 million is directly generated per annum.
- **Remuneration:** A total of \$3 million in generated and supported wages. Of this, \$1 million per annum are wages for workers directly on site.
- **GVA:** A total of \$5 million in generated and supported GVA. Of this, \$2 million is directly generated per annum by the current uses on site.

**Table 3: Base case – economic performance**

Impact metric	Direct	Indirect	Total
Employment (FTE)	25	17	42
Output (\$m)	\$8.4	\$13.2	\$21.6
GVA (\$m)	\$1.3	\$1.4	\$2.8
Wages (\$m)	\$2.0	\$3.0	\$5.0

Source: Australian National Accounts Input Output tables 2019-20, IBIS World Reports 2019-2020, HillPDA

<sup>2</sup> <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-input-output-tables/latest-release>  
<https://www.treasury.nsw.gov.au/information-public-entities/nsw-treasury-employment-calculator>



### 3.3 Construction phase economic benefits

We have estimated a design and construction cost of almost \$99.6 million net of GST, assuming:

- \$3,300/sqm for employment space
- \$38,000 per car space
- Fitout costs at \$1,200/sqm
- 3% of the above costs for site works and external works
- 5% construction contingency and
- 8.5% for design and application fees.

#### 3.3.1 Construction – gross output

The planning Proposal would have a direct impact on construction output as well as indirectly stimulating other industries which assist in production and cater to increased consumption.

The table below details the output multipliers and shows the impact of the change in demand supported by the development and the impact on NSW's economy. The forecast increase in total output supported across NSW is estimated at approximately \$283 million (directly and indirectly).

**Table 4: Design and construction impact on gross output (\$m)**

	Direct effects	Production induced effects	Consumption induced effects	Total
Output multipliers	1	1.12	0.72	2.84
<b>Output (\$million)</b>	<b>\$99.6</b>	<b>\$111</b>	<b>\$72</b>	<b>\$283</b>

Source: HillPDA estimate using data from ABS Australian National Accounts: Input-Output Tables 2019-20

#### 3.3.2 Construction – job creation

Every million dollars of construction work undertaken generates 2.23 full time job years<sup>3</sup> on-site directly in construction<sup>4</sup>. Based on the estimated design and construction cost, a total of around 222 job years would be directly supported by development of the Planning Proposal as shown in the table below.

**Table 5: Design and construction impact on employment (job years)**

	Direct effects	Production induced effect	Consumption induced effect	Total
Multipliers	1	1.54	1.12	3.66
Job Years per \$million	2.23	3.43	2.49	8.15
<b>Total Job Years Generated</b>	<b>222</b>	<b>342</b>	<b>248</b>	<b>812</b>

Source: HillPDA estimate using data from ABS Australian National Accounts: Input-Output Tables 2019-20

Every job year generated directly in construction would support a further 1.54 job years in production induced support (providing the inputs to construction). And for every job year directly in construction a further 1.12 job years is supported in consumption induced impacts (providing the goods and services for the workers directly employed in construction).

A total of 812 job years would be directly and indirectly be supported across NSW as a result of the development.

<sup>3</sup> Note: One job year equals one full-time job over one year

<sup>4</sup> Source: ABS Australian National Accounts: Input – Output Tables 2018-19 (ABS Pub: 5209.0)

### 3.3.3 Construction – workers’ remuneration

We estimate the remuneration of workers directly in design and construction would be around \$17 million. Total remuneration of workers generated and supported by the development both directly and indirectly would be around \$61 million as shown in the table below.

**Table 6: Design and construction impact on wages (\$m)**

	Direct effects	Production induced effects	Consumption induced effects	Total
Workers’ remuneration per \$ of gross output	0.17	0.26	0.18	0.62
<b>Workers’ remuneration (\$million)</b>	<b>\$17</b>	<b>\$26</b>	<b>\$18</b>	<b>\$61</b>

Source: HillPDA estimate using data from ABS Australian National Accounts: Input-Output Tables 2019-20

### 3.3.4 Construction – Gross Value Added (GVA)

The Gross value added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to gross regional product (GRP). The major components of GVA are workers’ remuneration, company profits and government taxes from production.

Design and construction would directly contribute around \$31 million to the NSW economy or gross regional product (GRP). Including the multiplier impacts, a total of around \$116 million would be contributed both directly and indirectly to the NSW GRP.

**Table 7: Construction – impact on gross value added (GVA)**

	Direct effects	Production induced effects	Consumption induced effects	Total
Output multipliers	0.31	0.46	0.39	1.16
<b>Output (\$million)</b>	<b>\$31</b>	<b>\$46</b>	<b>\$38</b>	<b>\$116</b>

Source: HillPDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2019-20

### 3.3.5 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.

## 3.4 Operational phase economic benefits

Following construction, the Planning Proposal would provide a total of around 16,020sqm of mixed-use GFA would be developed. Within this floorspace the following land uses are proposed:

- 3,962sqm of bulky good space
- 693sqm of cafe space
- 431sqm of car repair space
- 3,287sqm of car showroom space
- 1,838sqm of childcare space with an additional 1,596sqm of associated outdoor space
- 2,271sqm of gymnasium/indoor recreation space
- 1,260sqm of medical space.

### 3.4.1 Employment generation

Based on industry average employment densities for the types of land uses proposed, it is estimated that the Planning Proposal would directly generate 153 FTE jobs during the operational phase. This is a 128 FTE increase in employment on the site when compared to the base case.

Accounting for multiplier effects, total employment directly generated and indirectly supported by the Planning Proposal is estimated at 276 FTE jobs. This is a 234 FTE increase in jobs when compared to the base case.

**Table 8: Estimated employment generation – Planning Proposal (FTE)**

Land use	Direct Jobs	Production Induced Jobs	Consumption Induced Jobs	Total
Bulky goods	30	8	13	51
Café	24	6	8	37
Motor repair	6	2	3	11
Car sales	20	6	9	34
Childcare	39	7	28	74
Fitness centre	17	10	9	37
Medical centre	17	4	10	31
<b>Total</b>	<b>153</b>	<b>44</b>	<b>78</b>	<b>276</b>

Source: ABS Retail Survey 1998-99, Australian Benchmarks, Sydney City Employment & Floorspace Survey 2017, Landcom and HillPDA, \*excludes BOH space

### 3.4.2 Economic output

Upon operation, it is estimated that the Planning Proposal could directly generate \$56 million in output each year. This is a \$47 million increase each year when compared to the base case. Accounting for multiplier effects, total output directly generated and indirectly supported by the Planning Proposal is estimated at \$144 million per annum. This represents a \$122 million increase over the base case.

**Table 9: Operational phase - economic output**

Land use	Direct output	Production Induced	Consumption Induced	Total
Bulky goods	\$15.9	\$10.3	\$14.3	\$40.6
Café	\$2.0	\$1.6	\$1.9	\$5.5
Motor repair	\$1.2	\$0.8	\$0.9	\$2.8
Car sales	\$25.6	\$16.6	\$23.1	\$65.3
Childcare	\$4.0	\$1.3	\$5.3	\$10.7
Fitness centre	\$3.0	\$2.6	\$2.5	\$8.1
Medical centre	\$4.1	\$2.0	\$4.7	\$10.8
<b>Total</b>	<b>\$55.8</b>	<b>\$35.3</b>	<b>\$52.6</b>	<b>\$143.7</b>

Source: Australian National Accounts Input Output tables 2019-20, IBIS World Reports 2019-2020, Profile.id, HillPDA

### 3.4.3 Wages and salaries

We have estimated the direct remuneration of workers onsite during the operational phase at approximately \$9 million per annum. This represents a \$8 million increase over that directly generated by the base case.

Accounting for multiplier effects, total remuneration directly generated and indirectly supported by the Planning Proposal is estimated at \$18 million per annum. This represents a total net increase of \$15 million when compared to the base case.

**Table 10: Estimated salary generation – Planning Proposal**

Land use	Direct remuneration	Production Induced	Consumption Induced	Total
Bulky goods	\$2.0	\$0.8	\$1.2	\$3.9
Café	\$0.5	\$0.2	\$0.3	\$1.1
Motor repair	\$0.3	\$0.2	\$0.2	\$0.8
Car sales	\$1.6	\$0.7	\$1.0	\$3.3
Childcare	\$2.3	\$0.3	\$1.1	\$3.7
Fitness centre	\$0.8	\$0.7	\$0.6	\$2.1
Medical centre	\$1.5	\$0.4	\$0.8	\$2.8
<b>Total</b>	<b>\$9.1</b>	<b>\$3.5</b>	<b>\$5.3</b>	<b>\$17.8</b>

Source: IBIS World Industry Reports, HillPDA

### 3.4.4 Gross Value Added

The Gross Value Added (GVA) of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the regions wealth or gross regional product (GRP).

Upon operation, it is estimated that the Planning Proposal could directly support \$13 million in GVA to the Hills Shire GRP each year. This represents a \$11 million increase over that directly generated by the base case.

Accounting for multiplier effects, total GVA directly generated and indirectly supported to NSW's State economy, by the Planning Proposal, is estimated at \$32 million per annum. This represents a total net increase of around \$27 million when compared to the base case.

**Table 11: Estimated Industry Value Added – Planning Proposal**

Land use	Direct GVA	Production Induced	Consumption Induced	Total
Bulky goods	\$3.1	\$1.7	\$2.5	\$7.3
Café	\$0.6	\$0.5	\$0.7	\$1.8
Motor repair	\$0.4	\$0.4	\$0.4	\$1.2
Car sales	\$2.3	\$1.3	\$1.9	\$5.5
Childcare	\$2.7	\$0.6	\$2.5	\$5.7
Fitness centre	\$1.2	\$1.7	\$1.9	\$4.8
Medical centre	\$2.5	\$1.0	\$2.3	\$5.8
<b>Total</b>	<b>\$12.9</b>	<b>\$7.1</b>	<b>\$12.2</b>	<b>\$32.2</b>

Source: IBIS World Industry Reports, HillPDA

## 3.5 Other impacts

### 3.5.1 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. The direct investment in the Planning Proposal would raise the profile of the Showground Precinct and wider Hills Shire and support a wide range of economic multipliers which would, in turn, support investment in associated industries.

The provision of a mixed-use development on the subject site would increase the economic benefits of the scheme to surrounding businesses, services and increase the patronage of the public transport system – particularly the North West Rail Link corridor.

### 3.5.2 Jobs closer to home

There are many benefits associated with providing jobs closer to home, most notably a reduced need to travel and the flow-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.

The subject site is within 800 metres of the Showground station providing a rapid and frequent public transport for employees working on the site. Providing jobs closer to home meets the GSC 30-minute city direction, where residents live within 30 minutes of their jobs, education and health facilities, services and great places.

### 3.5.3 Showground activation

The Planning Proposal would provide retail, commercial, visitor accommodation uses would create increased pedestrian traffic having the effect of further activating the centre. This precinct activation would have the benefits of increasing security, increasing trade for retailers through increased passing trade and increased investment in the local area.

### 3.5.4 Environment

The principal of developments, in locations close to transit nodes is accepted as delivering environmental benefits. These benefits are associated with providing a genuine alternative to the private car, thereby reducing the number of journeys made by private vehicle and thus reducing vehicle emissions. The provision of an improved range of services, the provision of a mix of uses on the site would also support a reduction in vehicle emissions and improve transport safety.

## 3.6 Net operational economic impact and conclusion

Compared to the base case the Planning Proposal would support a more intensified economic outcome for the site. The net increase in economic activity generated and supported during the operation phase, when compared to the base case, is estimated at:

- **Employment:** a total net increase of around 234 FTE jobs generated and supported. Of these, 128 FTE jobs are directly generated on site.
- **Output:** a total net increase of around \$122 million in generated and supported output. Of this, \$47 million is directly generated.
- **Remuneration:** a total net increase of around \$15 million in generated and supported wages. Of this, \$8 million is directly generated.
- **GVA:** a total net increase of around \$27 million in generated and supported GVA. Of this, \$11 million is directly generated by the uses onsite.

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

- Providing a catalyst for further investment in the locality.
- Providing jobs closer to home and contributing to the LGAs employment targets.
- Contribute to Showground attaining its employment targets
- Contributing to Sydney achieving the 30-minute city concept.

**From this assessment it is concluded that the economic impact of the Planning Proposal is strongly supported from an economic perspective.**

**Table 12: Net operational phase economic impacts – Proposal over base case**

Base Case	Direct	Indirect	Total
Employment (FTE)	25	17	42
Output (\$m)	\$8.4	\$13.2	\$21.6
Wages (\$m)	\$1.3	\$1.4	\$2.8
GVA (\$m)	\$2.0	\$3.0	\$5.0
Proposal	Direct	Indirect	Total
Employment (FTE)	153	787	276
Output (\$m)	\$55.8	\$87.9	\$143.7
Wages (\$m)	\$9.1	\$8.7	\$17.8
GVA (\$m)	\$12.9	\$19.3	\$32.2
Net impact	Direct	Indirect	Total
Employment (FTE)	128	770	234
Output (\$m)	\$47.4	\$74.8	\$122.1
Wages (\$m)	\$7.8	\$7.3	\$15.1
GVA (\$m)	\$10.9	\$16.3	\$27.2



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