



# ECONOMIC ASSESSMENT

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Wilton Park Road and  
Berwick Road, Wilton

Prepared for Altis  
May 2023

# COVID-19 AND THE POTENTIAL IMPACT ON DATA INFORMATION

The data and information that informs and supports our opinions, estimates, surveys, forecasts, projections, conclusion, judgments, assumptions and recommendations contained in this report (Report Content) are predominantly generated over long periods, and is reflective of the circumstances applying in the past. Significant economic, health and other local and world events can, however, take a period of time for the market to absorb and to be reflected in such data and information. In many instances a change in market thinking and actual market conditions as at the date of this report may not be reflected in the data and information used to support the Report Content.

The recent international outbreak of the Novel Coronavirus (COVID-19), which the World Health Organisation declared a global health emergency in January 2020 and pandemic on 11 March 2020, has and continues to cause considerable business uncertainty which in turn materially impacts market conditions and the Australian and world economies more broadly.

The uncertainty has and is continuing to impact the Australian real estate market and business operations. The full extent of the impact on the real estate market and more broadly on the Australian economy and how long that impact will last is not known and it is not possible to accurately and definitively predict. Some business sectors, such as the retail, hotel and tourism sectors, have reported material impacts on trading performance. For example, Shopping Centre operators are reporting material reductions in foot traffic numbers, particularly in centres that ordinarily experience a high proportion of international visitors.

The data and information that informs and supports the Report Content is current as at the date of this report and (unless otherwise specifically stated in the Report) does not necessarily reflect the full impact of the COVID-19 Outbreak on the Australian economy,

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**We acknowledge, in each of our offices, the Traditional Owners on whose land we stand.**

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# BENEFITS AT A GLANCE

## Benefits

1. **Key Finding:** The construction phase of the proposed development will create 212 jobs over five years.
2. **Key Finding:** The five-year construction period will generate \$171.7 million in Gross Value Added.
3. **Key Finding:** The ongoing operation will create 1,511 direct and indirect jobs.
4. **Key Finding:** The additional jobs that will be created by the proposed development will contribute to addressing the low 27% share of Wollondilly LGA resident workers able to work within the LGA.
5. **Key Finding:** The ongoing operations will deliver \$263.8 million in Gross Value Added per annum.
6. **Key Finding:** South-West Sydney has only 2.5 years of serviced vacant industrial land supply left.



**\$263.8 million**

**Additional Gross Value Added Annually**



**212**

**Direct and indirect construction jobs over five years**



**1,511**

**Additional ongoing direct and indirect jobs**

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# EXECUTIVE SUMMARY

## Executive Summary

Urbis has been appointed by Altis (the Proponent) to identify the economic benefits associated with a planning proposal for a 108 ha site fronting Wilton Park Road and Berwick Road, Wilton.

The site is currently zoned RU2 Rural Landscape but has been earmarked in both local and state planning documents for future employment land use. As such, Altis is preparing a Planning Proposal for the subject site that will rezone the site from RU2 Rural Landscape to E4 General Industrial. The current proposed master plan for the site allows for 215,235 sq.m of Gross Floor Area (GFA) across warehouses in 12 lots.

### **The rezoning is consistent with the Wilton 2040 plans for potential industrial land within Wilton Growth Area**

There are a number of factors that support the rezoning with regard to current and future context, supporting infrastructure and the economic benefits associated with the development and ongoing operations:

- The site is part of an area that has been earmarked for further investigation to be rezoned for employment land uses
- The site benefits from existing infrastructure with direct access to the Hume Motorway, which will provide access to Western Sydney Airport once the proposed M9 Motorway is completed.

### **The development will provide valuable economic benefits and job.**

REMPAN modelling shows the construction phase will generate **212 construction jobs** and provide an economic contribution of **\$171.7 million during the five-year construction period** (in gross value added terms).

The ongoing operational phases will generate a further **1,511 jobs of which 861 are direct jobs** in the Transport, postal and warehousing industry.

### **The development will help support employment containment in Wollondilly LGA**

An analysis of the employment profiles of Wollondilly LGA workers and resident workers who live in the LGA shows that there are more resident workers than jobs available in sectors that will benefit from the development's construction and ongoing operations. Based on ABS 2016 Census, there is a shortage of jobs in the following sectors for local residents who have to travel outside the LGA to work.

The gaps are:

- Deficit of 1,702 jobs in Construction
- Deficit of 776 jobs in Transport, Postal and Warehousing
- Deficit of 507 jobs in Wholesale Trade.

The 861 direct jobs associated with the proposed development will make a positive contribution to the deficit in the Transport, postal and warehousing industry where there are more resident workers employed than there are jobs available in the Wollondilly LGA.

# INTRODUCTION

## Project Background and Purpose

Urbis has been appointed by Altis (the Proponent) to identify the economic benefits associated with a planning proposal for a 108 ha site fronting Wilton Park Road and Berwick Road, Wilton.

The site is currently zoned RU2 Rural Landscape but has been earmarked in both local and state planning documents for future employment land use. As such, Altis is preparing a Planning Proposal for the subject site that will rezone the site from RU2 Rural Landscape to E4 General Industrial. The current proposed master plan for the site allows for 215,235 sq.m of Gross Floor Area (GFA) across warehouses in 12 lots.

The purpose of this report is to focus on the potential impact of the development on the State economy and job creation considering:

- The level of employment that can be delivered on the site through the proposed development
- The broader economic impact associated with the proposed development
- The boost of industrial land to Sydney's diminishing supply.

An explanation of the REMPLAN methodology used to calculate jobs and gross value added (GVA) for the construction and ongoing operational phases is provided in the Appendix.



# 01

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## **SUBJECT SITE AND PROPOSED DEVELOPMENT OVERVIEW**





# THE SUBJECT SITE IS SITUATED IN A HIGHLY ACCESSIBLE LOCATION

## Overview

The subject site is situated along Berwick Park Road and Wilton Park Road, Wilton, in the Wollondilly local government area (LGA), which provides direct access to Picton Road.

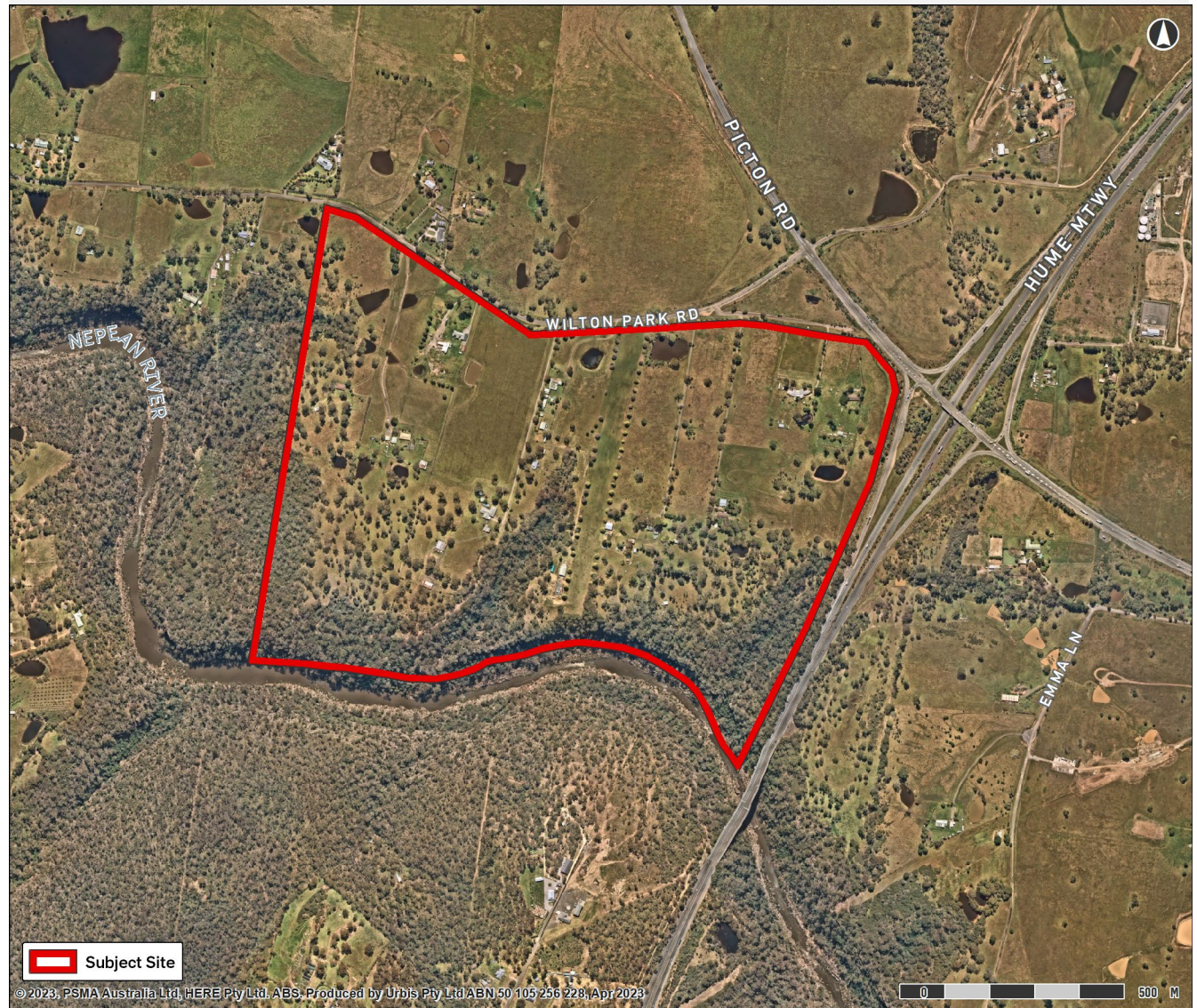
It is bounded by the Nepean River to the south and has a direct interface with the Hume Motorway to the east.

As the site is anchored on the junction between the Hume Motorway and Picton Road, it is highly accessible and well-exposed to the incoming traffic along Hume Motorway. This makes the site an attractive location for freight and logistics uses.

The subject site is made up of large rural landholdings used primarily for rural residential and small-scale agricultural purposes. It is predominately characterised by cleared and flat terrain in the northern half of the site, which is suitable for warehousing uses.

## Subject Site Aerial

## Map 1.1





# THE SITE'S SURROUNDING HAS BEEN EARMARKED AS POTENTIAL INDUSTRIAL USES

## Overview

Map 1.2 shows the zoning layers for the site and the surrounding land uses.

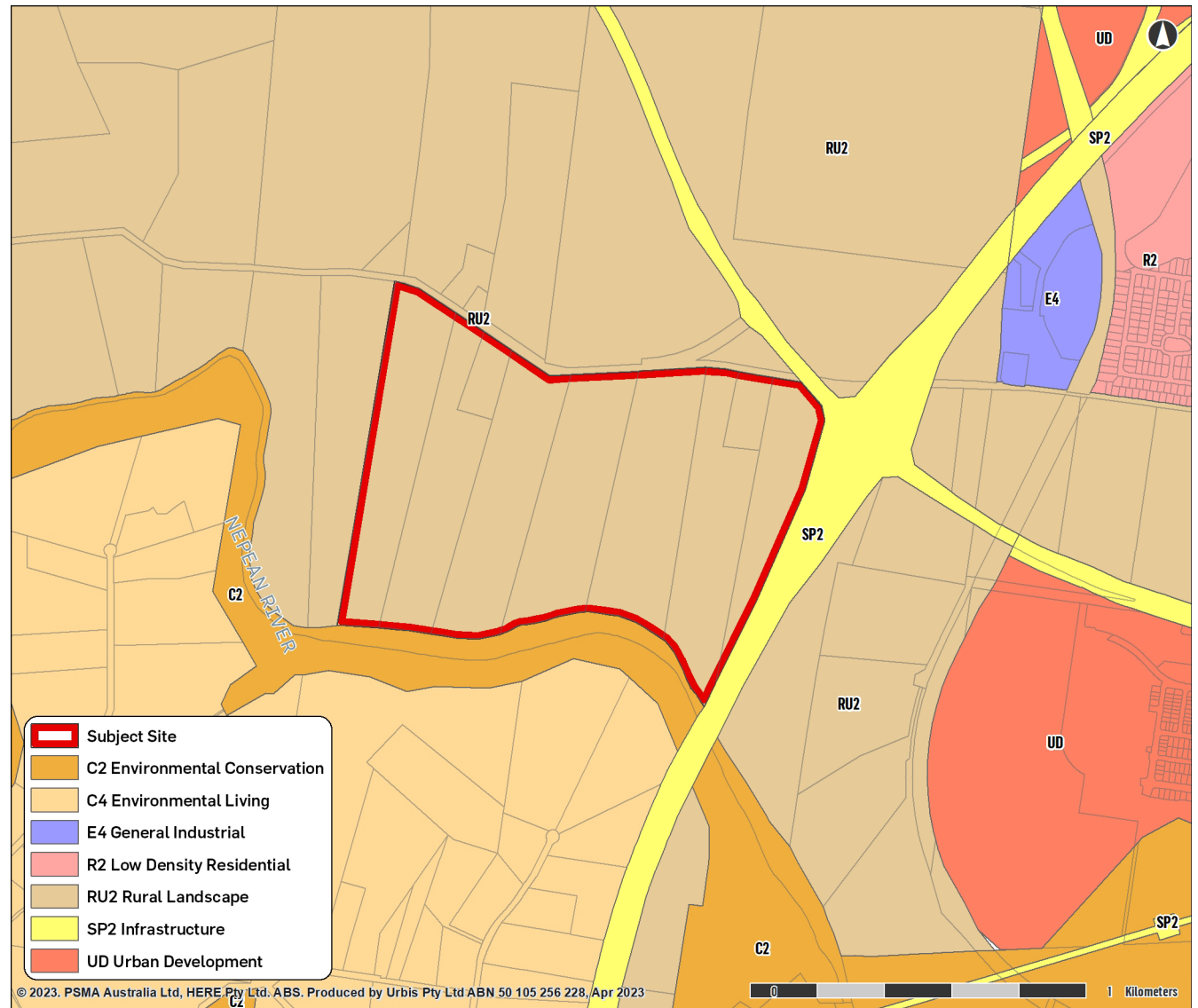
The subject site is currently zoned RU2 Rural Landscape and is primarily surrounded by the same zoning. The land located east of the Hume Motorway accommodates a mix of other zonings including industrial, urban development and residential.

Based on the Wilton 2040 plan, the RU2-zoned land in the area is earmarked as employment land use for further investigation. The identified area will extend north to connect with the existing E4 zonings, making the subject site a part of the larger potential industrial precinct.

The surrounding land uses will undergo significant change with the development of Wilton Growth Area and major infrastructure such as the Maldon to Dombarton Railway Line and Picton Road improvements.

## Zoning Map

## Map 1.2



Source: NSW Government, Urbis

# THE PROPOSED DEVELOPMENT WILL DELIVER 21.5 HA OF INDUSTRIAL FLOORSPACE

## Overview

The Proponent is proposing to deliver a Master Plan for an employment precinct which will serve the Wilton Growth Area and the broader Wollondilly LGA.

The vision for the site is to create an employment precinct in a highly accessible location, anchored on the junction between the Hume Motorway and Picton Road and to the immediate south of the future Wilton Town Centre. The Master Plan will provide a range of employment typologies to suit the needs of different industries.

The proposed employment areas will include multiple warehouses over 12 lots, making up 215,235 sq.m of Gross Floor Area (GFA). The employment areas are limited to the northern portion of the site, which is generally flat and clear of vegetation, with the southern area of the site retained as a landscape corridor. This area forms a buffer between the potential urban development within the Wilton Growth Area and the Nepean River, which has significant biodiversity, environmental and Aboriginal cultural values.

The development will be carried out in two stages over the course of five years. The construction of the first stage (comprising three sub-stages) is expected to commence in 2025 and the second stage in 2029.

## Concept Master Plan

Figure 1.1



Source: Hatch



# 02

## EMPLOYMENT LAND SUPPLY





# THERE ARE CURRENTLY ~2,700 HA OF ZONED UNDEVELOPED LAND IN SOUTH-WEST SYDNEY

## Key Findings

For the purpose of our analysis, we have defined a South-West Sydney study area that comprises the following four LGAs:

- Liverpool
- Camden
- Campbelltown
- Wollondilly.

According to data published by the NSW Department of Planning and Environment (DPE) in the October 2022 Employment Lands Development Monitor, there are currently ~220 ha of zoned serviced land (excluding Business-zoned land), ~2,410 ha of zoned unserviced land (excluding Business-zoned land), and ~1,740 ha of unzoned undeveloped unserviced employment land (defined as land currently earmarked for rezoning to industrial and business zones) within the study area as of January 2022.

Liverpool accounts for over 80% of undeveloped land supply within the study area. The employment land in Liverpool LGA will most likely service the development of the Aerotropolis around the future Western Sydney Airport.

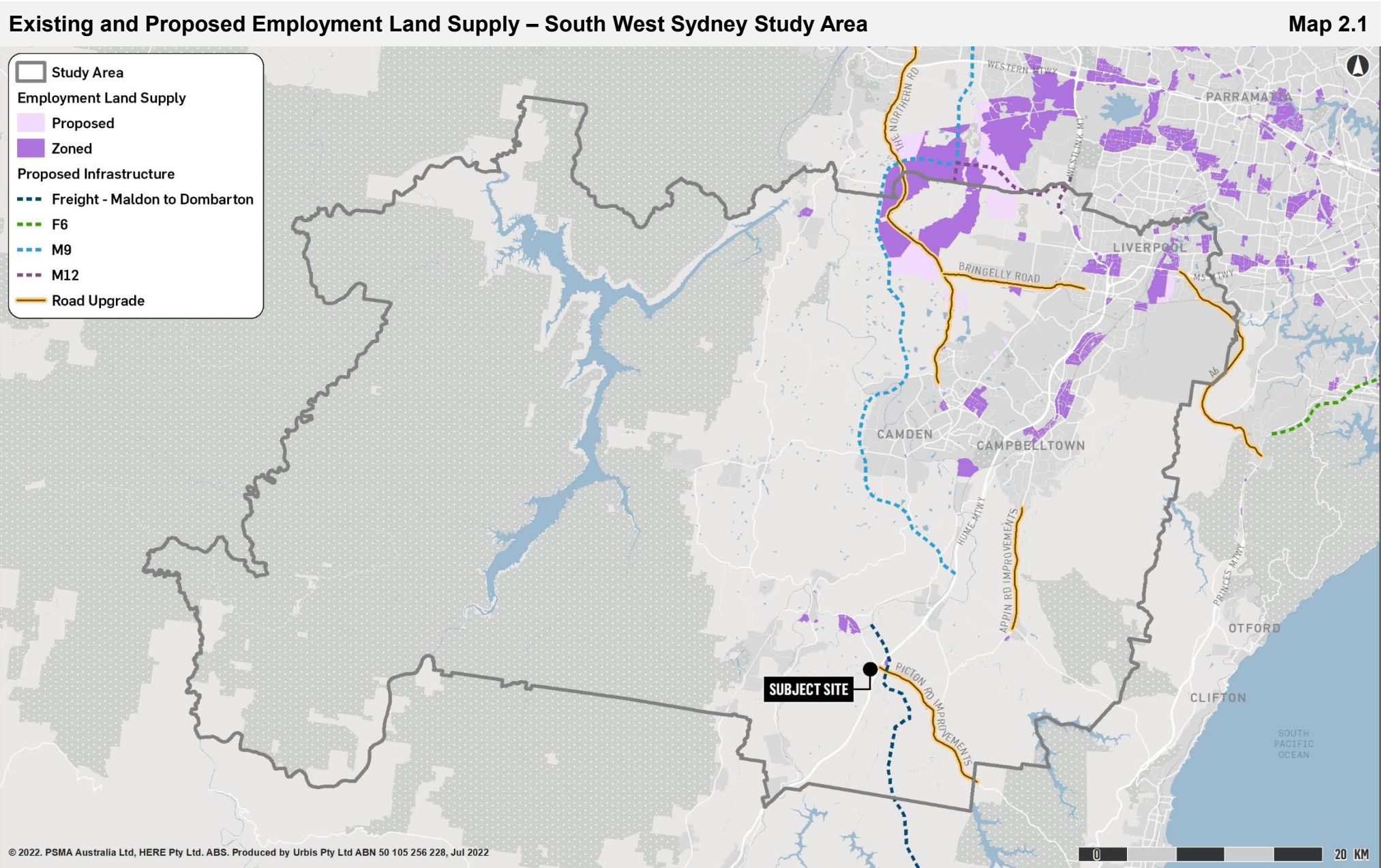
## Industrial Supply within the Study Area (Ha) as at January 2022

Table 2.1

	Zoned Undeveloped Serviced Employment Land Supply	Zoned Undeveloped Unserviced Employment Land Supply	Unzoned Undeveloped Unserviced Employment Land Supply
Liverpool	155.2	2,005.1	1,454.1
Camden	30.0	115.5	284.4
Campbelltown	26.8	126.3	-
Wollondilly	5.5	162.4	-
<b>Total</b>	<b>217.5</b>	<b>2,409.3</b>	<b>1,738.5</b>

Source: ELDM, Urbis

# MAJORITY OF PROPOSED EMPLOYMENT LAND IS LOCATED IN THE AEROTROPOLIS



# ~240 HA OF 'SHOVEL READY' SUPPLY IS AVAILABLE IN SOUTH-WEST SYDNEY

## Key Findings

As the Employment Lands Development Monitor does not account for land constraints or site efficiency in its quantification of land supply, it does not provide an accurate account of the actual quantum of undeveloped employment land supply.

We have therefore applied appropriate assumptions regarding land constraints and achievable site efficiency to convert the Employment Lands Development Monitor supply estimates for the study area to unconstrained net land supply.

Importantly, not all ~1,740 ha of the unzoned undeveloped unserviced employment land supply will be suitable for development due to flooding constraints and future infrastructure corridors. We have estimated that up to 25% of the unzoned undeveloped unserviced employment land supply in the study area could be affected and therefore would not be suitable for development.

This is considered a conservative estimate as we have not accounted for other constraints such as land fragmentation and slope. Both of these constraints will further limit which land is actually suitable for development.

Additionally, under the existing DCP, developers are generally able to achieve a site efficiency of ~80-85%. In other words, 80-85% of unconstrained Gross Land Area can be converted to Net Developable Area (NDA). This is broadly consistent across Greater Sydney.

Based on this analysis, we estimate there is currently a total of 3,188 ha of potential unconstrained net land supply available for industrial development in the South-West study area. Of this 3,188 ha, ~217.5 ha are zoned and serviced (i.e. shovel ready), ~1,927.4 ha are zoned but not yet serviced, and ~1,043.1 ha are unzoned undeveloped and unserviced, and reflect potential future employment land supply.

## Unconstrained Net Land Supply – South-West Sydney Study Area

Table 2.2

	Zoned Undeveloped Serviced Employment Land Supply	Zoned Undeveloped Unserviced Employment Land Supply	Unzoned Undeveloped Unserviced Employment Land Supply	Total
Total Gross Employment Land (ha)	217.5	2,409.3	1,738.5	<b>4,365.3</b>
Unconstrained (%)	-	-	75%	-
Unconstrained Gross Employment Land (ha)	217.5	2,409.3	1,303.9	<b>3,930.7</b>
Efficiency (%)	-	80%	80%	-
Potential Unconstrained Net Employment Land (ha)	217.5	1,927.4	1,043.1	<b>3,188.0</b>

Source: ELDM, NSW Government; Urbis

# THE REZONING WILL DELIVER MUCH NEEDED INDUSTRIAL LAND IN WILTON AREA

## Key Findings

We have projected the future demand for employment land in the South-West Sydney study area using a market share approach.

As part of this approach, we have first projected the demand for employment land in Greater Sydney over the next 40 years. This projection is based on historical take up rate trends over the last 5 years and employment projections published by DPE for the Manufacturing and Transport, Postal and Warehousing sectors. On this basis, we project an average annual net employment land take up rate for Greater Sydney of ~215 hectares per annum between 2021 and 2061.

A market share is then applied to the projected Greater Sydney take up to project employment land take up in the South West Sydney study area. Therefore, we project an average annual net employment land take up rate for study area of ~87 hectares per annum between 2022 and 2061.

The table on the right reconciles the projected demand for employment land in the study area between 2022 and 2061 with the study area's unconstrained net employment land supply.

Comparing the average annual take up rate for the study area of ~87 ha per annum against the ~217.56 ha of zoned undeveloped serviced land indicates that the study area has 2.5 years of shovel-ready land supply.

This is well-below DPE's stated supply standards of 5-7 years for zoned serviced land supply as per the Employment Lands Development Monitor.

While there is a large supply of zoned unserviced land in the study area, this land is primarily located in and around the future Western Sydney Airport and will support the growth of the Aerotropolis. Therefore, there is still likely to be a need for additional industrial land in the southern portion of the study area.

**Years of Remaining Land Supply, South West Sydney Study Area Table 2.3**

	South-West Study Area	Supply Standards
Zoned Undeveloped Serviced Employment Land Supply	217.5	-
Zoned Undeveloped Unserviced Employment Land Supply	1,927.4	-
Unzoned Undeveloped Unserviced Employment Land Supply	1,043.1	-
<b>Total Unconstrained Net Land Supply</b>	<b>3,188.0</b>	<b>-</b>
Average Forecast Take-up rate (2022-2061)	86.9	-
Years of Zoned Undeveloped Serviced Net Employment Land Supply	2.5	5-7 yrs

Source: ELDM, TfNSW; Urbis



# MORE MODERN INDUSTRIAL BUILDS ARE DEMANDED IN RESPONSE TO GLOBAL TRENDS

## Implications for Greater Sydney

Agglomeration and Consolidation of industrial floorspace is occurring globally. Ultimately, these changes in the nature of industrial land in Greater Sydney are expected to result in:

- An overall lower floorspace requirement for industrial businesses
- Fewer but larger industrial precincts where multiple businesses within the supply chain are co-located
- A higher density of jobs per square metre of industrial floorspace.

The implication for the subject site is that the release of new sites and developments to the market is important to support the drive towards increasing efficiencies and use of technology in the logistics sector. Modern applications such as those listed opposite are critical to market competitiveness.

## INDUSTRIAL TREND: AGGLOMERATION AND CONSOLIDATION

Agglomeration and consolidation of industrial floor space is a trend currently being experienced in global cities, which is driving a higher density of workers per square metre of industrial floorspace.

Dense developments can create extensive ecosystems and create advantages and incentives for companies to locate if they see synergies with their business. Being close to suppliers, clients and competitors helps businesses adapt and develop new solutions.

This global trend has resulted in the following effects on industrial land in Greater Sydney:

1. More outsourcing of supply chain and logistics to **specialist third-party logistics** (3PL) providers that have buying power and cost and efficiency benefits of scale
2. **High-bay automation** is increasing and is driving different built form requirements due to the heights required
3. Changes in technology and introduction of robots and AI into logistics will drive demand for more **dark warehouses** (likely to cause a shift away from square metres to cubic metres as a measure of space).

# 03

## EMPLOYMENT AND ECONOMIC BENEFITS



# THE CONSTRUCTION PHASE WILL GENERATE A TOTAL OF 212 JOBS OVER FIVE YEARS

## Key Findings

The construction of the proposed development would require considerable capital investment, which would sustain significant employment in the local economy.

We have used construction cost benchmarks sourced from Rawlinsons Construction Handbook 2022 to estimate the indicative costs of the proposed development. We estimate that **the overall development will require project expenditure of \$250 million over a five-year period starting in 2025.**

Based on economic modelling using REMPLAN, the construction of the overall proposed development would generate **a total of 212 jobs over the five-year construction period**, including:

- Direct jobs = 87 jobs over four years
- Indirect jobs = 124 jobs over four years.

Most new direct jobs will be in the construction sector, while indirect jobs will mainly be supported in the construction, manufacturing and professional, scientific and technical services industries.

## Construction Phase

PROJECT  
EXPENDITURE  
(\$M)



  
EMPLOYMENT  
(JOBS PER  
ANNUM)



Source: Tactical, Rawlinsons, REMPLAN Economy; Urbis.

# THE CONSTRUCTION PHASE WILL GENERATE \$171.7 MILLION IN GROSS VALUE ADDED

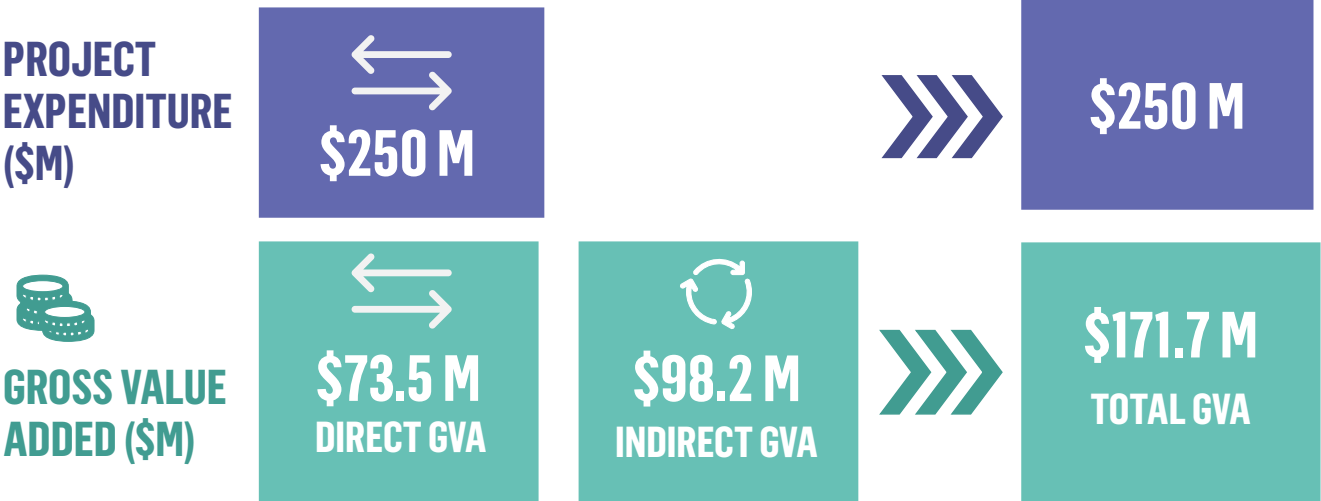
## Key Findings

The significant capital investment required for the construction of the proposed development will create substantial economic value for NSW. We have used the REMPLAN model to assess the potential economic contributions of the construction of the proposed development in terms of Gross Value Added (GVA).

The construction phase will contribute a **total Gross Value Added (GVA) of \$171.7 million to the NSW economy during the five-year construction period.**

- Direct GVA = \$73.5 million
- Indirect GVA = \$98.2 million.

## Construction Phase



Source: Tactical, Rawlinsons, REMPLAN Economy; Urbis



# ONCE OPERATIONAL, THE DEVELOPMENT WILL SUPPORT 1,511 TOTAL JOBS

## Key Findings

Upon completion of the development, the ongoing operations will support new employment in the local and wider economy.

The operational phase of the overall development will generate **a total net increase of 1,511 jobs**.

- Direct jobs = 861 jobs
- Indirect jobs = 650 jobs.

Direct jobs are specifically associated with the future intended uses on the subject site. The 215,235 sq.m development will directly support a total of 861 jobs within the transport, postal and warehousing industry.

Indirect jobs will be generated in most industry sectors, but are expected to primarily be concentrated in:

- Transport, Postal & Warehousing
- Professional, Scientific and Technical Services
- Administrative and Support Services.

## Operational Phase



Source: Tactical, Rawlinsons, REMPLAN Economy; Urbis

# ONCE OPERATIONAL, THE DEVELOPMENT WILL GENERATE \$263.8 M IN GROSS VALUE ADDED

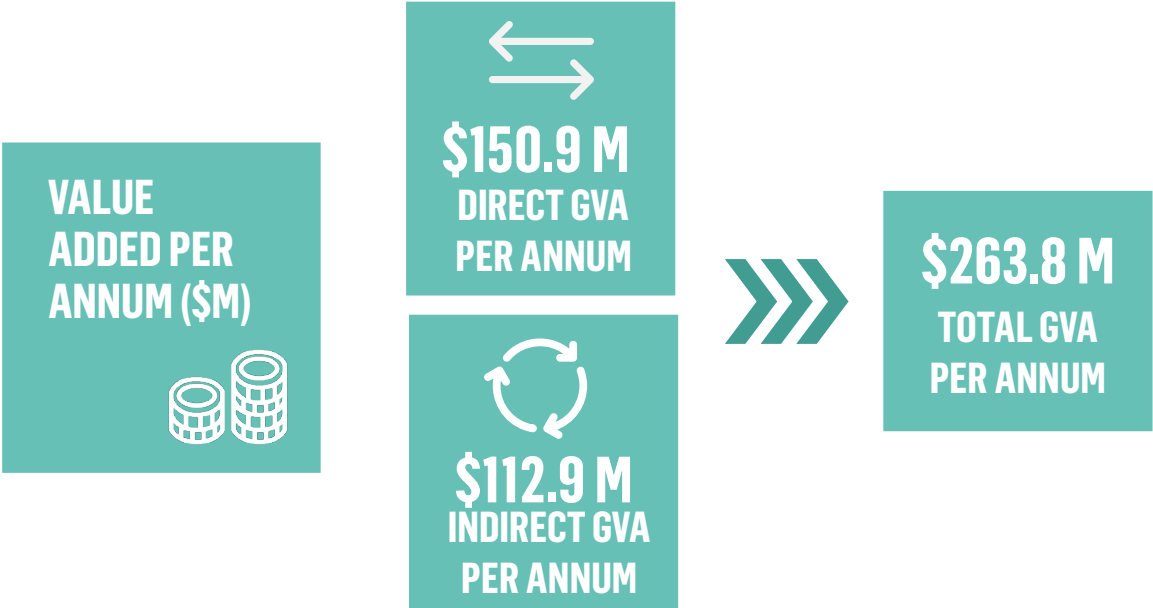
## Key Findings

The ongoing operations of the proposed development upon completion will create significant value for the local and NSW economies.

The operation of the proposed development has the potential to deliver **\$263.8 million in direct and indirect annual gross value added** to the economy in each year of operation, comprising:

- Direct GVA = \$150.9 million per annum
- Indirect GVA = \$112.9 million per annum.

## Operational Phase



Source: Tactical, Rawlinsons, REMPLAN Economy; Urbis

# 04

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## **EMPLOYMENT SELF-CONTAINMENT**



# THERE IS A DEFICIT OF ~12,450 JOBS IN WOLLONDILLY LGA

## Key Findings

In addition to the economic impacts quantified in Section 3, the proposed development also has potential to bolster employment self-containment in the Wollondilly LGA.

The employment self-containment rate reflects the proportion of resident workers in the LGA who work in the LGA.

Table 4.1 shows the employment profile of Wollondilly LGA resident workers and the jobs available in the LGA by industry sector. It indicates that there are 25,307 resident workers in the Wollondilly LGA, but only 12,855 jobs in the LGA. Therefore, the LGA has a deficit of 12,452 jobs in 2021 which has increased from a deficit of 11,382 jobs in 2016.

As shown in the table, there were significant gaps observed in the Wholesale trade and Transport, postal and warehousing industries in 2016 which have continued to 2021.

The most notable changes in the jobs gap (surplus or deficit) between 2016 and 2021 occurred in the Construction and Mining industries.

Jobs and Resident Workers Gap by Industry Sector, 2016-21

Table 4.1

Industry	2016			2021		
	Jobs	Resident Workers	Gap	Jobs	Resident Workers	Gap
Agriculture, Forestry and Fishing	+742	+552	+190	+634	+561	+73
Mining	+1,966	+387	+1,579	+1,471	+392	+1,079
Manufacturing	+998	+1,948	-950	+1,057	+2,056	-999
Electricity, Gas, Water and Waste Services	+232	+345	-113	+240	+422	-182
Construction	+1,838	+3,540	-1,702	+2,020	+4,441	-2,421
Wholesale Trade	+215	+722	-507	+261	+815	-554
Retail Trade	+672	+2,268	-1,596	+902	+2,332	-1,430
Accommodation and Food Services	+423	+1,137	-714	+766	+1,191	-425
Transport, Postal and Warehousing	+675	+1,451	-776	+588	+1,576	-988
Information Media and Telecommunications	+45	+178	-133	+47	+174	-127
Financial and Insurance Services	+66	+586	-520	+174	+549	-375
Rental, Hiring and Real Estate Services	+127	+410	-283	+167	+422	-255
Professional, Scientific and Technical Services	+481	+1,097	-616	+542	+1,162	-620
Administrative and Support Services	+316	+704	-388	+412	+715	-303
Public Administration and Safety	+343	+1,472	-1,129	+546	+1,619	-1,073
Education and Training	+907	+2,173	-1,266	+1,257	+2,500	-1,243
Health Care and Social Assistance	+657	+2,354	-1,697	+1,114	+2,937	-1,823
Arts and Recreation Services	+148	+305	-157	+184	+275	-91
Other Services	+438	+1,042	-604	+473	+1,168	-695
<b>Total</b>	<b>+11,289</b>	<b>+22,671</b>	<b>-11,382</b>	<b>+12,855</b>	<b>+25,307</b>	<b>-12,452</b>

Source: ABS Census



# THERE IS A GAP IN THE AVAILABLE JOBS FOR RESIDENTS ACROSS MULTIPLE SECTORS

## Key Findings

Chart 4.1 illustrates the gap between jobs and resident workers gap in the Wollondilly LGA across the industry sectors in 2016 and 2021. This gap between jobs and resident workers in Wollondilly LGA has grown in recent years, with the shortfall increasing by 9.4% from 2016 to 2021.

The most notable gaps where the number of resident workers outstrips jobs in the Wollondilly LGA based on the 2021 Census are:

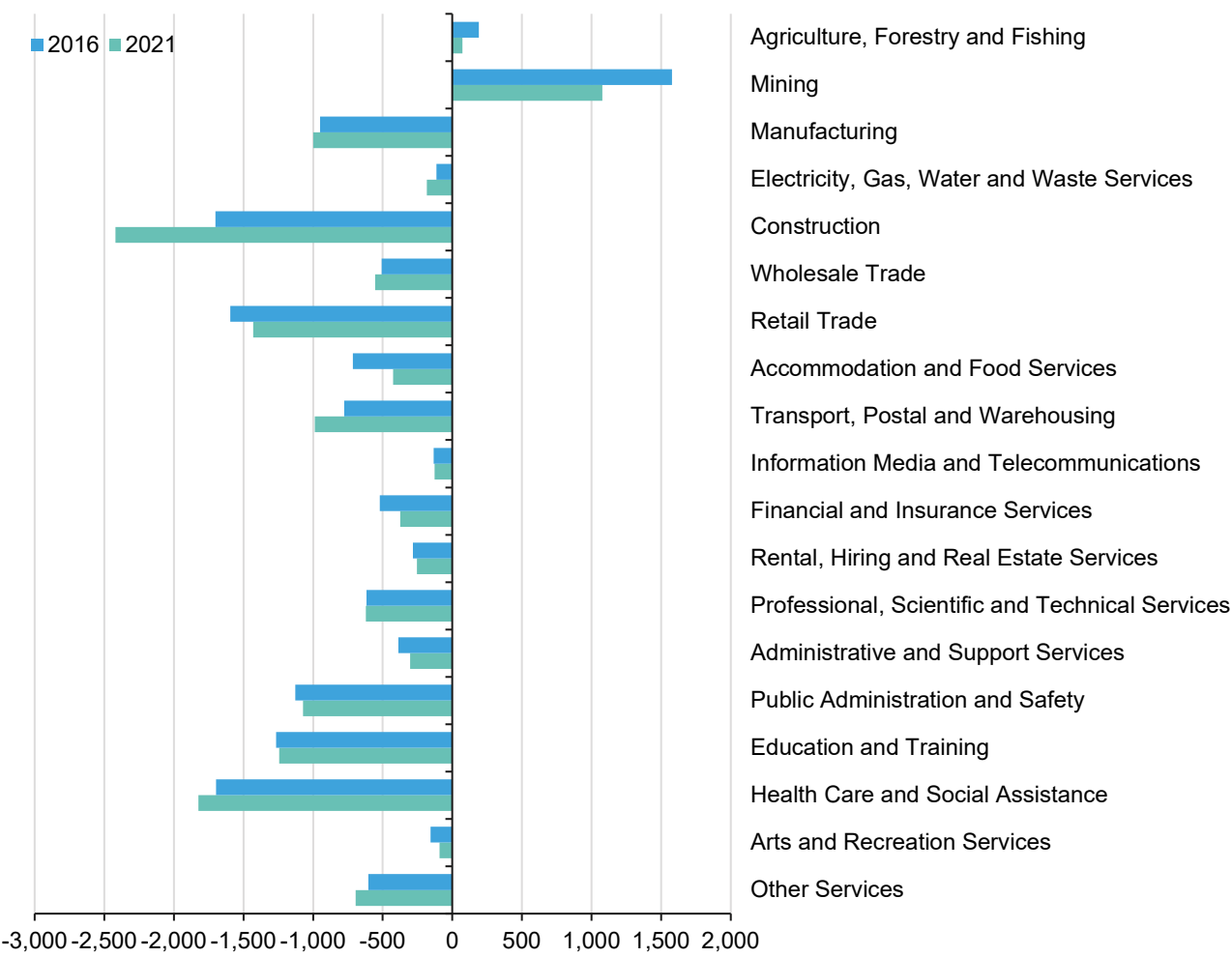
- Construction – deficit of 2,421 jobs
- Health Care and Social Assistance – deficit of 1,823 jobs
- Retail Trade – deficit of 1,430 jobs

The Mining and Agriculture industries are the only industry where there are more jobs than resident workers in the Wollondilly LGA.

The REMPLAN analysis shows 861 direct jobs will be generated by the development’s operations which would meet almost the entire existing gap in the LGA’s Transport, Postal and Warehousing sector.

Jobs Deficit in Wollondilly LGA, 2016-21

Chart 4.1



Source: ABS Census

# EMPLOYMENT SELF-CONTAINMENT HAS DECREASED FOR WOLLONDILLY LGA RESIDENTS

## Key Findings

Chart 4.2 illustrates the proportion of resident workers who were employed in Wollondilly LGA in 2016 and 2021.

The self-containment rate in the Wollondilly LGA declined to 30.2% in 2021 as a higher proportion of resident workers had to travel outside of the LGA for work. This places increased pressure on transport infrastructure.

Employment self-containment (2021 Census) is at its lowest for:

- Transport, Postal and Warehousing (24.6%)
- Health Care and Social Assistance (21.1%)
- Wholesale Trade (21.1%)
- Information Media and Telecommunications (20.1%)
- Public Administration and Safety (16.0%).

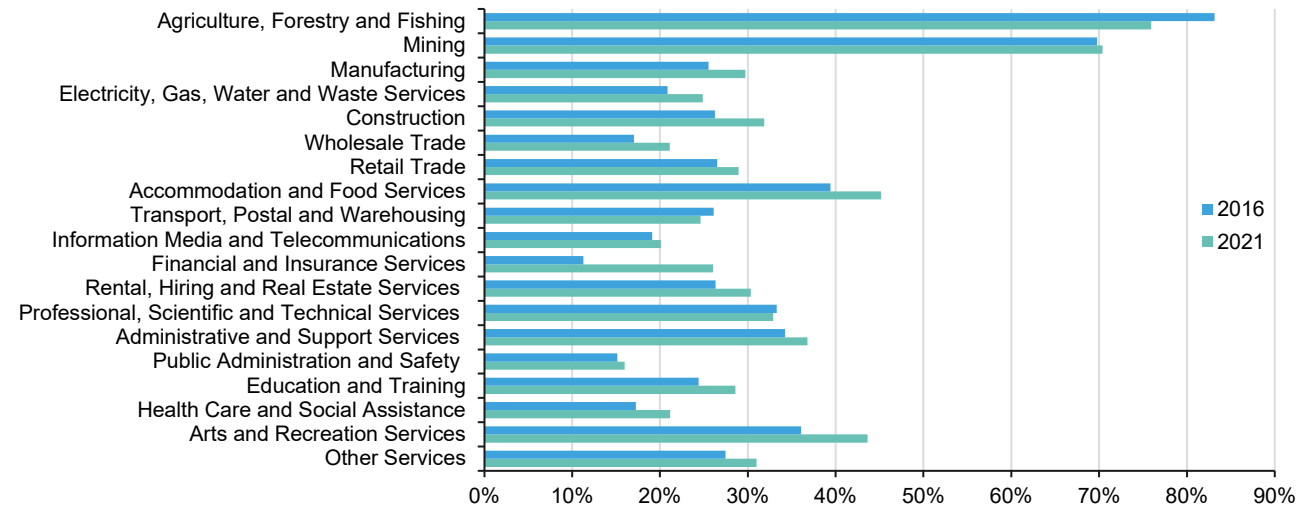
Chart 4.3 shows the change in self-containment rates by industry from 2016 to 2021. The Agriculture, Forestry, and Fishing industry experienced the most notable decrease in self-containment, declining by 7.2%.

The self-containment for Transport, Postal and Warehousing, an industry directly impacted by the subject site development, also decreased by 1.5%. This drop in the self-containment rate indicates more resident workers are leaving the LGA for work each day.

The subject site and other new developments have a valuable role to play through providing jobs for local residents in industries and sectors at risk of further self-containment deterioration.

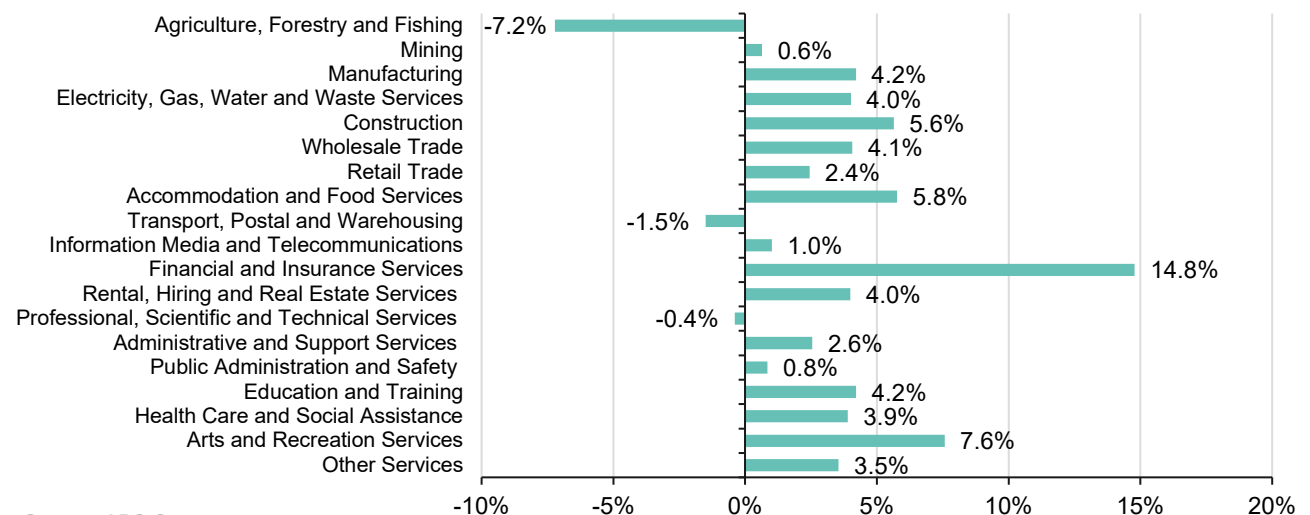
Proportion of Resident Workers Employed in Wollondilly LGA, 2016-21

Chart 4.2



Change in % of Resident Workers Employed in Wollondilly LGA, 2016-2021

Chart 4.3



Source: ABS Census

# APPENDIX



# REMPPLAN METHODOLOGY

This Economic Analysis uses **REMPPLAN** to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation – Estimation of the direct and indirect employment impacts resulting from the proposed development. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the site is the input to assessing the ongoing economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry

- Indirect effects are
  - Those felt within industries that supply goods to the industries directly affected (industry effects)
  - Those felt by industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects).

For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.



