



CUMBERLAND  
CITY COUNCIL

# EMPLOYMENT STUDY

Economic Outcomes of the  
Planning Proposal for Burnett  
Street Neighbourhood  
Centre

October 2021

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## Background

Local neighbourhood centres typically perform convenience retail functions to meet the day-to-day needs of residents. The Burnett Street Neighbourhood Centre provides for a small range of land uses and activities to support the basic convenience needs of local neighbourhoods or parts of neighbourhoods. These services include small-scale convenience shopping, health, hair and beauty services, offices, eating establishments, community activities and a petrol station which directly support the basic convenience needs of the immediate community.

Currently, the zone accommodates small-scale convenience shopping, offices, community activities and other uses which directly support the basic convenience needs of the immediate community.



The neighbourhood centre's main trade area (MTA) is derived from residents in 3 suburban areas, Merrylands West, South Wentworthville, and a considerable portion of Merrylands-Holroyd. All areas will experience considerable growth in population over the next few years to 2036.

Suburb	Population 2021 (within 5km)	Expected Annual Growth %	Population 2036
Merrylands-Holroyd	9,708	2.06%	12,222
Merrylands West	7,524	0.66%	7,805

South Wentworthville	7,478	1.18%	8,211
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Source: Population and household forecasts, 2016 to 2036, prepared by .id (informed decisions), September 2017. \*This excludes the additional uplift in residents from the planning proposal

## Economic Impacts

An examination of the economic implications that the Proposed Planning Proposal would have within the precinct and wider locality will be assessed with comparisons made against the "Base Case" to identify any positive or negative impacts. Economic impacts include employment generation, wages and Gross Value Added (GVA).

The employment generating uses currently provided on the subject site and estimated number of current workers by business is provided in the table below.

The base case (current land uses)						
Block	Site Area	Total GFA	Employment GFA	Residential GFA	No. of Dwellings	No. of Jobs
1	2878	1727	173	1554	22	12
2	1226	736	74	662	9	19
3	4761	2857	286	2571	37	22
4	770	0	0	0	1	0
5	714	0	0	0	1	0
6(2 Fowler Street)	60	0	0	0	1	0
<b>Totals</b>		<b>5319</b>	<b>532</b>	<b>4784</b>	<b>71</b>	<b>53</b>

Sources include: National Institute of Economic and Industry Research (NIEIR) Compiled and presented in Economy.Id; Australian Bureau of Statistics, Census of Population and Housing by place of work. Cumberland Council (2021). Includes Full time, part time and casual workers.

## Post-construction economic outcomes

To understand the full potential of the planning proposal it is assumed that the entire subject site will be redeveloped to the allowable and reasonable potential under the planning proposal. The Employment GFA for the proposed controls would be approximately 1436 sqm, an increase of approximately 904sqm on the previous controls.

On this basis the Planning Proposal is assumed to provide the following land use elements:

Potential Future Land usage						
Block	Site Area	Total GFA (ER of 0.6 and 0.75)	Employment GFA	Residential GFA	No. of Dwellings	No. of Jobs
1+4	3648	4378	438	3940	56	16
2	2238	2686	269	2417	35	25
3+5	5475	6570	657	5913	84	26
6 (2 Fowler Street)	607	728	73	656	9	3
<b>Totals</b>		<b>14362</b>	<b>1436</b>	<b>12925</b>	<b>185</b>	<b>70</b>

Sources include: National Institute of Economic and Industry Research (NIEIR) Compiled and presented in Economy.Id; Australian Bureau of Statistics, Census of Population and Housing by place of work. Cumberland Council (2021). Includes Full time, part time and casual workers.

## Employment generation from the planning proposal

The proposed development would support permanent employment post-construction through the operation of commercial/retail and residential uses. The proposed planning controls could facilitate a potential 17 additional jobs

The table below provides an estimate of the number of jobs that would likely be supported on site.

Land use	Proposed New GFA (sqm)	Employment Activity	Projected No. of Jobs
Retail/Commercial <sup>1</sup>	1436	General Retail / Professional Services/ Manufacturing	61
Residential <sup>2</sup>	12925	Working from Home <sup>3</sup> Based on 113 new units	9
<b>Totals</b>	<b>14362</b>		<b>70</b>

<sup>1</sup> Assumes: 1) Gross Floor Area (GFA) = 50% of the total site area multiplied by 70% (to allow for 30% non-retail shopfront which is typical for commercial fringe locations); 2) net lettable area = 85% of GFA and 95% occupied (average 5% vacancy).

<sup>2</sup> Assumes 1) residential GFA = total subject site GFA in accordance with planning proposal net of retail and commercial GFA which equates to a residential GFA of 12,925sqm 2) assumes average apartment is 90sqm GFA and vacancy of 6% (Cumberland LGA Community Profile ABS Census 2016).

<sup>3</sup> Work at Home: 7.6% of workers undertake majority of their work at home (ABS Locations of Work 2008 Cat 6275.0) and assuming 1.05 working residents per household and 6% of apartments are vacant (Cumberland LGA Community Profile ABS Census 2016) translates to 1 job per 13 occupied dwellings.

## Workers Remuneration

Based on IBIS World Industry Reports, Cumberland Council has estimated total remuneration of workers at \$19m per annum. A breakdown by land use is shown in the table below.

Land use	Projected No. of Jobs	Average Annual Wage*	Total (\$)
General Retail / Professional Services/ Manufacturing	61	\$68,283	\$4,165,263
Working from Home	9	\$72,800	\$655,200
<b>Totals</b>	<b>70</b>	<b>\$68,863</b>	<b>\$4,820,463</b>

\* Sources include IBIS World reports, PayScale - Salary Research Industry Index (Australia)

It is estimated that these jobs would generate \$4.820 million in remuneration and contribute \$4.55 million in Gross Value Add (GVA) annually.<sup>4</sup>

This analysis does not take into consideration the construction related employment and the inputs generated into the local economy.

If the Planning Proposal's proposed controls are fully utilised they could accommodate up to 266 additional residents in the 113 new residential dwellings in the neighbourhood. By 2036 these residents are expected to spend around \$12,200 each in retail goods and services (\$2021), which equates to an additional retail expenditure of \$3,245 million each year.<sup>5</sup>

## Conclusion

The proposed planning proposal provides a gross floor area of approximately 1436 square metres for local centre uses, comprising a mix of specialty stores catering for hair and beauty salons and wellness centres with retail operations. The area is intended to accommodate a range of compatible industries that are consistent with the image, identity, character of the area. There is opportunity for industries including low impact manufacturing, knowledge and creativity-based enterprises, educational uses and services accommodating the sporting facilities located at Merrylands Park.

The increased height and floor space ratio and corresponding dwelling growth will encourage the co-location of a range of compatible economic and enterprise uses, more employment and potentially deliver significant benefits by way of economic clustering,

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<sup>4</sup> Gross value added (GVA) is the market value of goods and services produced by the industry minus the cost of goods and services used in production. GVA is also described as the industry's contribution to gross regional product (GRP) and comprises company profits, wages, taxes, and depreciation

<sup>5</sup> Australian National Accounts: National Income, Expenditure and Product 2018

more efficient access to and use of infrastructure and services including community services, retail facilities and other personal and recreational services.