

Campsie Town Centre

Employment Analysis

CITY OF CANTERBURY BANKSTOWN

SEPTEMBER 2025



Beyond the
horizon thinking.

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Executive Summary

Background

The City of Canterbury Bankstown (**the City**) is the most populous local government area in NSW. Along with Bankstown, Campsie is one of the City's two strategic centres. The Campsie Town Centre (referred to interchangeably as '**Campsie**' and '**the Centre**') is a retail and health-focused centre that plays a key role for much of the eastern portion of the City.

Looking forward, Campsie is planned to continue functioning as a key civic, cultural, recreation, retail and local services hub. The centre has the opportunity to capitalise on major infrastructure investment underway, including the impending completion of the Sydney Metro City & Southwest metro line and Campsie Metro Station, along with the planned expansion of Canterbury Hospital.

To guide the growth and renewal of Campsie, the City of Canterbury-Bankstown Council (**Council**) prepared the Campsie Town Centre Masterplan (**the Masterplan**) over the course of 2021, adopting the Masterplan in 2022. Council submitted a planning proposal to implement the planning controls proposed in the Masterplan to the Department of Planning, Housing and Infrastructure (**DPHI**) for Gateway determination in 2022. Following feedback from DPHI, Council resubmitted the planning proposal in 2024.

Council received Gateway determination from DPHI in 2025 to proceed with exhibition of the planning proposal, subject to several conditions. Some of these conditions included:

- Confirm whether the 2021 and 2022 feasibility analysis remains relevant to support the proposed contributions.
- Provide an updated estimate of potential affordable housing dwellings to be delivered within the precinct
- Remove the options to deliver affordable housing and 50% employment generating floorspace under the incentive clause.

To assist Council in addressing these Gateway determination conditions, Atlas is engaged by Council to prepare an Employment Analysis (**the Study**) which explores the need and role for planning controls in securing delivery of employment floorspace in Campsie.

Campsie Today

CURRENT ROLE AND MARKET ACTIVITY

Campsie is an important civic, retail and services hub for the Canterbury-Bankstown LGA. It services a large catchment given the quantum and mix of retail services within the centre, whilst it also plays an important role in the provision of low cost, commercial accommodation for 'Population-serving' commercial services. Unlike Bankstown, it does not comprise investment grade office buildings though is an important health precinct given it is anchored by the Canterbury Hospital.

Campsie has historically attracted strong levels of demand for retail and small-scale commercial premises, particularly from small local businesses who are looking to service the surrounding resident population. The Centre is tightly held, with a centre vacancy rate of sub-2% (Arealytics, 2025). This is well below the 'healthy' vacancy rate of 4%-5% reflective of normal market fluctuations. Market investigations suggest that over the past 12-months:

- Retailers are seeking spaces small suites at relatively low price points, reflecting the price consciousness of local businesses.
- Demand for office demand is minimal and limited to small tenants (e.g., sole operators, small firms of lawyers, bankers, etc.).
- Demand for medical floorspace is by contrast much stronger, particularly space which is specifically fitout for medical uses.

Overall, market investigations indicate that there is a need to maintain and deliver contemporary floorspace to meet the expectations of businesses. That said, many local businesses are highly price-conscious and may struggle to afford the cost of newer accommodation. It will accordingly be important to focus and retain employment floorspace in areas which contribute to the trading performance of local businesses, such as the future metro station or key economic anchors like Canterbury Hospital.



EXISTING EMPLOYMENT FLOORSPACE

In 2021, SGS Economics and Planning prepared an *Economic and Land Use Study* for the Campsie Town Centre to support the preparation of the Masterplan in 2022. The Economic Study carried out a floorspace audit of the Centre and estimated existing supply of ~285,000sqm of employment floorspace across Campsie. The vast majority of this floorspace was defined as 'commercial' floorspace and accommodates a mix of Knowledge-intensive and Population-serving uses.

The Study highlights that in contrast to the Economic Study, the *Canterbury Bankstown Employment Lands Strategy (Hill PDA, 2020)* identified a total of just 81,000sqm of retail and commercial floorspace within. This quantum and mix of floorspace differs from that identified in the Economic Study (which has been used as the basis for this Study). The audit methodology undertaken in the Economic Study or Employment Lands Study has not been reviewed in this Study.

Campsie Tomorrow

EMPLOYMENT PROJECTIONS

Future employment growth in Campsie is considered through analysis of NSW Government (TZP2024) employment projections.

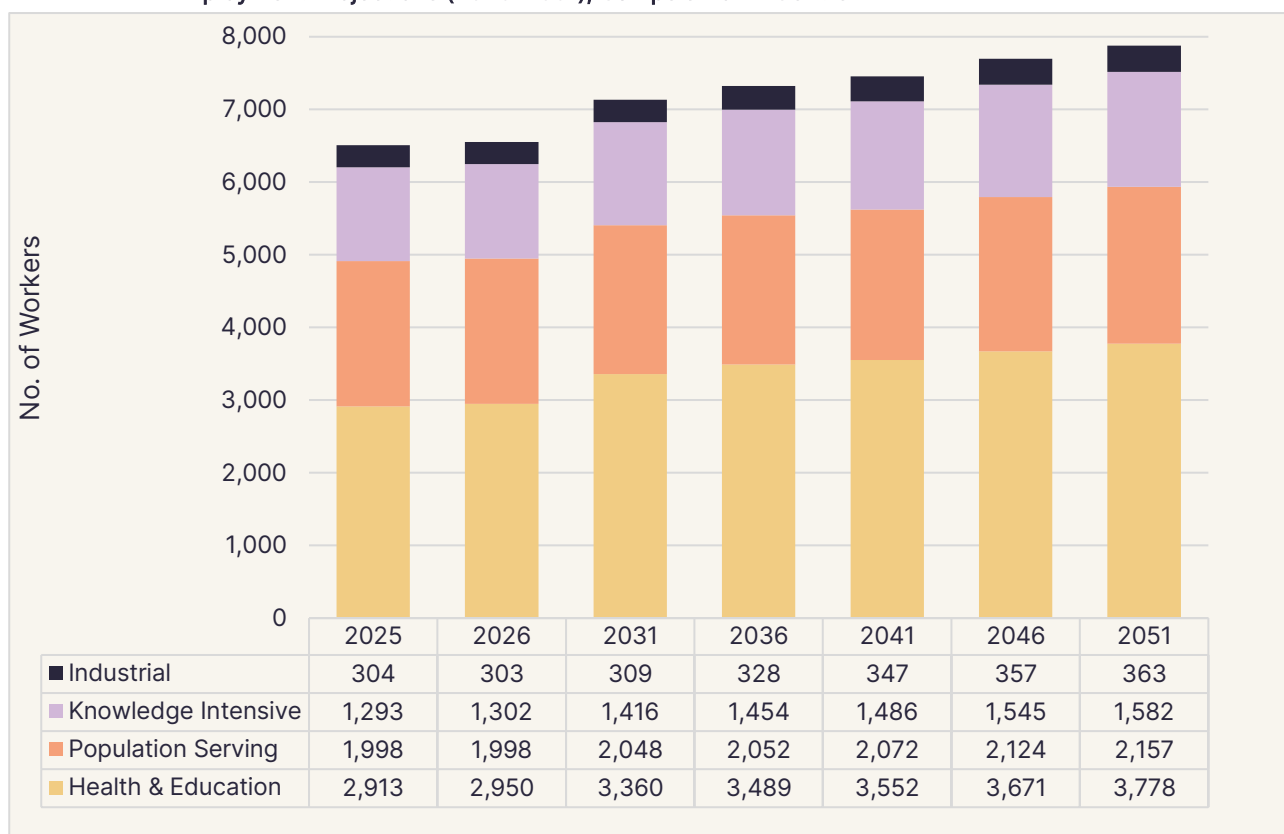
From 2025 to 2051, Campsie is anticipated to experience moderate employment growth. The Centre is set to grow from 6,500 jobs in 2025 to almost 7,900 jobs in 2051, reflecting growth of 1,370 jobs. On an average annual basis, this rate of growth is equivalent to 30 additional jobs per annum, or average annual growth of 0.7%.

This projected rate of growth is significantly lower than historical rates observed in the Centre (2%-4% per annum). Additionally, this growth rate is below that expected for Greater Sydney (1.0% per annum to 2051).

Aligning with historical trends, the majority of projected employment growth is expected to be driven by the Health and Education sectors, with total projected growth of 865 jobs. Health and Education employment growth is expected to account for over 60% of total employment growth in Campsie, followed by the Knowledge-intensive (21% of total), Population-serving (12% of total) and Industrial sectors (4% of total).

FIGURE ES-1 illustrates projected employment growth in the Campsie Town Centre over the 2025-2051 period.

FIGURE ES-1: Employment Projections (2025-2051), Campsie Town Centre



Source: TfNSW (2024)



DEMAND FOR EMPLOYMENT FLOORSPACE

To estimate the potential future need for employment floorspace in Campsie, a high-level benchmarking exercise has been carried out using workspace ratios (WSR). WSRs reflect the average amount of employment floorspace utilised per worker and vary by industry and location. The WSRs adopted in this Study are generic and sourced from the NSW Government's *Common Planning Assumptions* (DPHI, 2025).

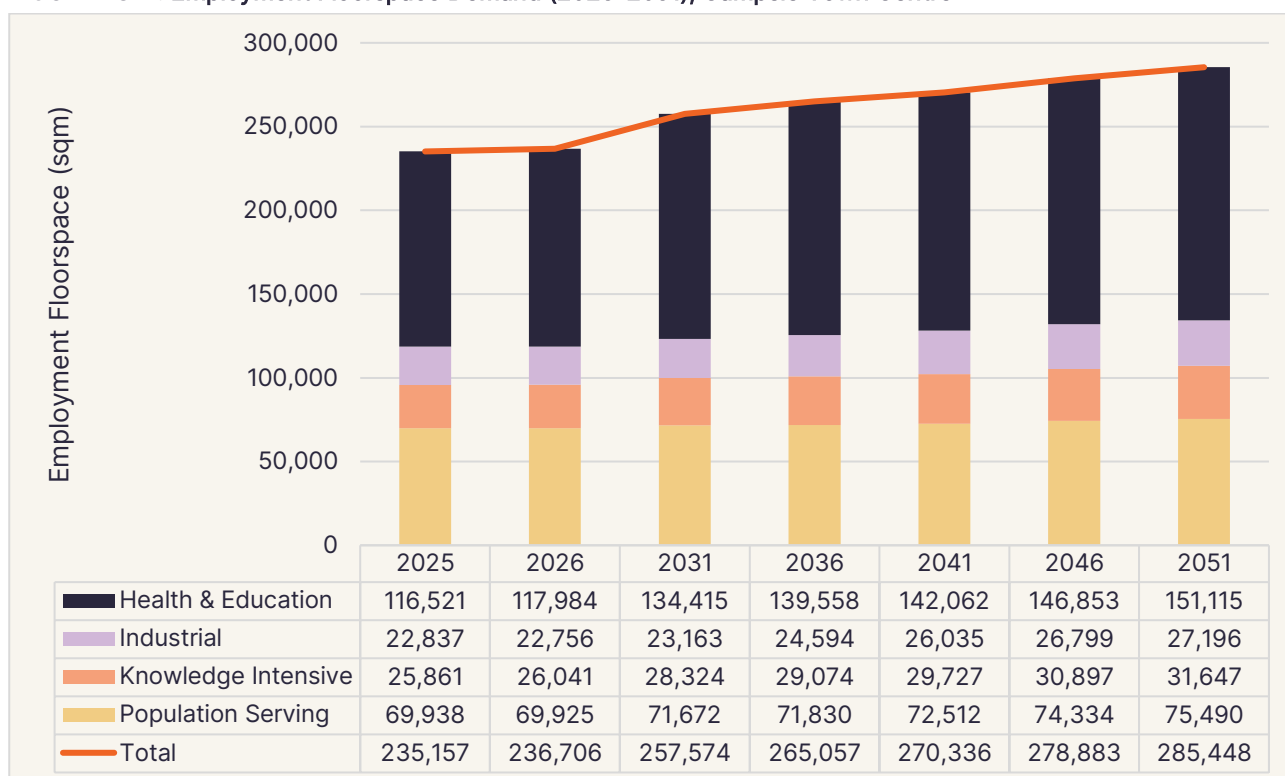
The benchmarking analysis shows the Campsie Town Centre could require:

- 235,000sqm of employment floorspace as at 2025. This is approximately 50,000sqm *less floorspace* than existing supply (as identified in the *Economic and Land Use Study* (SGS, 2021).
- By 2051, the estimated amount of required employment floorspace could grow to approximately 285,000sqm. This is effectively the amount of existing floorspace currently identified across the Centre. Around half (50%) of this floorspace is estimated to be required by the Health and Education sectors (~116,500sqm), followed by the Population-serving (70,000sqm), Knowledge-intensive (26,000sqm) and Industrial (23,000sqm) sectors.

Overall, the Campsie Town Centre is expected to record an increase in floorspace demand of circa 50,000sqm. Almost 70% of this additional demand is expected to have been driven by the Health and Education sectors.

FIGURE 2-6 illustrates the results of the floorspace demand benchmarking exercise over the 2025-2051 period.

FIGURE ES-2: Employment Floorspace Demand (2025-2051), Campsie Town Centre



Source: Atlas Economics, DPHI (2023), TfNSW (2024)

CAPACITY TO ACCOMMODATE GROWTH

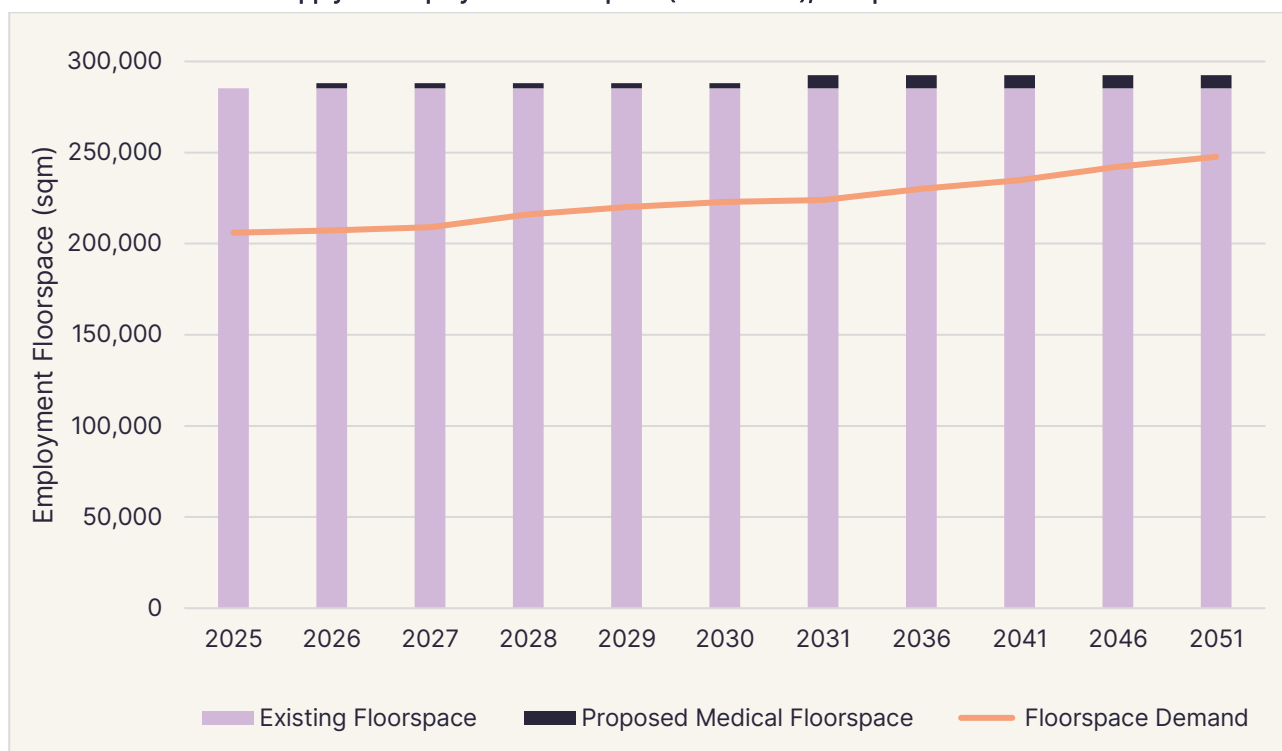
Campsie has historically played a civic, administrative services-orientated role as Canterbury Bankstown LGA's second-largest centre. Campsie is a cultural, retail and local employment hub that provides cross-regional links to surrounding, larger metropolitan centres.

A floorspace audit carried out in 2021 (SGS, 2021) estimated there to be approximately ~285,500sqm of employment floorspace in Campsie, the vast majority of which is commercial or used for Health and Education purposes. Recent market activity in Campsie reveals that much of the planned additional employment floorspace in Campsie will be medical uses, with developments such as 'The Hub' (433-437 Canterbury Road) and two private hospitals which could deliver an additional ~440 beds.

Employment projections and floorspace benchmarking estimates suggest that as at 2025, there is a requirement for 235,000sqm of employment floorspace. Unsurprisingly, half of demand is for Health and Education floorspace (116,500sqm). This benchmarking ultimately indicates that "on the face of it", there is an existing oversupply of employment floorspace in Campsie.



FIGURE 1-1: Demand v Supply for Employment Floorspace (2025-2051), Campsie Town Centre



Source: Atlas Economics, DPHI (2023), TfNSW (2024) Atlas Economics

However, more detailed analysis indicates that an increase in Health and Education floorspace is required to accommodate the growth of these key sectors. By 2051, the Health and Education sectors are estimated to require approximately 151,000sqm of floorspace. This compares to the estimated 67,000 of medical floorspace currently dispersed across the Centre (noting that some of the 180,000sqm of existing commercial floorspace also accommodates demand from Health and Education operators).

Whilst some of this growth will be accommodated by new medical projects in the pipeline, it will be important that additional medical floorspace can be concentrated as much as possible.

Role for Non-Residential Floorspace Controls

Non-residential floorspace controls are commonly used in Australian planning policy to balance residential and employment growth, particularly in mixed-use or strategic centres. Non-residential floorspace controls can take a:

- **Mandatory-based approach**, where a minimum quantum or fixed proportion of employment floorspace is required as part of any new development.
- **Incentive (bonus)-based approach**, where employment floorspace is encouraged through planning incentives.

Both types of mechanisms have advantages and disadvantages and could be equally considered in the Campsie Town Centre.

ADVANTAGES AND DISADVANTAGES OF DIFFERENT MECHANISMS

Whilst non-residential floorspace controls offer planning authorities an explicit tool for delivering upon strategic employment objectives for local and strategic objectives, they must be carefully calibrated to business requirements and market conditions. Inflexible or overly ambitious controls risk stalling development or delivering poor-quality urban outcomes.

Both mandatory and incentive-based employment floorspace mechanisms have their own unique set of advantages, disadvantages and risks. As summarised in TABLE ES-1, the advantages and disadvantages of these mechanisms also differ by stakeholder group – such as planning authorities, developers and the local community (including local businesses).

TABLE ES-1: Advantages and Disadvantages of Different Non-Residential Floorspace Mechanisms

MECHANISM	ADVANTAGES	DISADVANTAGES	RISKS
Mandatory Floorspace Requirement			
Planning Authority	- Delivers certainty of employment space in line with strategic plans. - Preserves long-term capacity for jobs and services. - Easier to model employment targets and infrastructure needs.	- Less flexibility to respond to changing market conditions. - May require more oversight and negotiation during DA assessment.	- Policy may be blamed for stalled or non-viable development. - Resistance from developers may delay or derail precinct objectives.
Developer	- Clear rules provide certainty on compliance expectations. - May attract certain commercial tenants in mixed-use projects.	- Increases design and cost complexity. - Reduces yield or profitability in residential-led markets. - May require subsidising non-performing commercial space.	- Poor financial feasibility, especially in areas with limited demand for employment uses. - Risk of low-quality, poorly located floorspace.
Community	- Ensures availability of floorspace for jobs and services near homes. - Encourages economic activity and activation of public space.	- Risk of vacant/ underutilised shopfronts, contributing to a poor-quality streetscape. - Slower delivery of housing and amenities if projects are stalled.	Vacant commercial space can lead to a perception of poor performing centre.
Bonus Floorspace Incentive			
Planning Authority	- Encourages supply without compromising feasibility. - Can unlock additional floorspace in key areas. - Responsive to market trends.	- Less control over delivery and location of employment uses. - May be difficult to ensure alignment with broader strategic goals.	- Employment targets may not be met. - Risk of over-relying on market-led delivery of employment space.
Developer	- Flexible – allows tailoring of proposals to market conditions. - Can enhance project yield and through FSR uplift. - Encourages higher-quality commercial space.	- Take-up may depend on project viability and tenant pre-commitments. - Incentives may not be compelling in weak markets.	- Uncertainty about incentive value. - Market volatility may render commercial components unfeasible, even with incentives.
Community	- Potential for more active, job-rich environments. - Encourages commercial uses where viable and well-integrated.	- No certainty that employment floorspace will be delivered. - May result in largely residential precincts lacking key retail amenity or services.	- Loss of employment capacity if incentives are not taken up. - Uneven delivery across precincts.

Source: Atlas Economics

Considerations for Masterplanning

In the case of the Campsie Town Centre, there is likely a need for a combination of both a mandatory and incentive based non-residential floorspace mechanism. This approach would ensure there is a sufficient amount of non-residential floorspace retained across the centre, whilst encouraging further commercial development beyond this minimum amount.

This approach would also build upon the intent of the draft Campsie Masterplan, which sought to preserve employment floorspace capacity across the centre. This is important, as the draft Masterplan provided a 'signal' to the market that delivery of employment floorspace within a mixed-use setting was one of Council's core objectives.

Accordingly, the Study makes the following key recommendations for adoption in the revised Masterplan.



RECOMMENDATION 1: MINIMUM NON-RESIDENTIAL FSR IN THE MU1 MIXED USE ZONE WITHIN 400M METRO CATCHMENT

Two of the enduring impacts of the COVID-19 pandemic have been the:

- Entrenchment of flexible working practices (including WFH); and
- Higher amenity expectations from both businesses and workers.

In response, there has been a clear 'flight to quality', where buildings or locations which do not meet tenant expectations have been consistently poorly occupied. Areas which lack good public transport connectivity or on-site amenity are expected to further struggle to attract and retain commercial occupiers moving forward.

The vast majority of Campsie's proposed MU1 Mixed Use zone will fall within a 400m catchment of the future Campsie Metro Station. Given the need to preserve employment capacity in Campsie and the market's preference for well-located and highly accessible employment locations, it is recommended that a non-residential floorspace requirement of FSR 0.9:1 be adopted in Campsie's MU1 Mixed Use zone.

Non-residential floorspace controls were recommended in the Master Plan and Planning Proposal, which required all MU1 sites to provide non-residential floorspace at the ground level. It is noted that part of the required non-residential floorspace could also be delivered underground as part of the underground bonus floorspace provision.

A non-residential floorspace requirement of FSR 0.9:1 aligns with the 'lower end' of non-residential floorspace requirements in the Bankstown City Centre. Accordingly, adopting this 'lower end' in Campsie reflects the primacy of the Bankstown City Centre and its more prominent role in accommodating traditional office-based occupiers.

RECOMMENDATION 2: INTRODUCE AN INCENTIVE EMPLOYMENT FLOORSPACE BONUS WITHIN THE CAMPSIE HEALTH PRECINCT

The Study has found that health and medical uses are a significant occupier of employment floorspace across the Town Centre. Employment projections demonstrate that this role is set to grow further over the coming years in response to population growth, demographic changes and infrastructure investment (i.e. expansion of Canterbury Hospital).

It is also evident that the market is already responding to these demand drivers, with multiple health and medical developments currently in the pipeline. Should all these proposals proceed, much of the immediate demand for health/medical uses could be met. However, given the important role of the Campsie Health Precinct in facilitating further employment growth within the broader Campsie Town Centre, it would be sensible for the planning framework to encourage further growth.

As such, it is recommended that an incentive (bonus) employment floorspace mechanism be introduced within the Campsie Health Precinct (both the East and West sub-precincts). The proposed sustainability bonus (FSR 0.25:1 and FSR 0.5:1) would also be applied to these properties (noting that the proposed sustainability bonus would apply to all properties identified with a 'Base' FSR).

In the West sub-precinct (proposed as MU1 Mixed Use), subject to separate analysis a maximum residential floorspace control could be introduced, whilst leaving the total FSR 'uncapped'. This could incentivise the delivery of employment floorspace.

Additional feasibility analysis could quantify the densities needed to incentivise take-up in both sub-precincts, with densities of at least FSR 3:1 likely needed given the nature of existing land uses which have yet to be developed (i.e. detached dwellings).

RECOMMENDATION 3: CONSIDER EXPANSION OF MU1 MIXED USE ZONE WITHIN THE CAMPSIE HEALTH PRECINCT

Notwithstanding the additional densities required in the Campsie Health Precinct's East sub-precinct, the Study identifies potential challenges of site consolidation in this pocket of the centre. Many of the existing dwellings have been recently constructed, with existing landowners potentially unwilling to divest their properties after the time and expense of progressing their development.

As such, there could be an opportunity to further expand the MU1 Mixed Use zone to the north of Fletcher Street where existing housing stock could be more economically consolidated. This would provide further opportunity for the growth of the Campsie Health Precinct, whilst also partly negating the risk of limited development activity occurring along Fletcher Street.



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1

Introduction



Beyond the
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Campsie Town Centre

1.1 Background

The City of Canterbury Bankstown (**the City**) is the most populous local government area in NSW. Located between 7km and 20km south-west of the Sydney CBD, the City is also characterised as one of Greater Sydney's most vibrant and ethnically diverse regions.

Along with Bankstown, Campsie is one of the City's two strategic centres. The Campsie Strategic Centre (referred to interchangeably as '**Campsie**' and '**the Centre**') is a retail and health-focused centre which provides key services for the eastern part of the City.

Looking forward, Campsie is planned to continue functioning as a key civic, cultural, recreation, retail and local services hub. The centre has the opportunity to capitalise on major infrastructure investment underway, including the impending completion of the Sydney Metro City & Southwest metro line and Campsie Metro Station, along with the planned expansion of Canterbury Hospital.

To guide the growth and renewal of Campsie, the City of Canterbury-Bankstown Council (**Council**) prepared the Campsie Town Centre Masterplan (**the Masterplan**) over the course of 2021, adopting the Masterplan in 2022. Atlas Economics (**Atlas**) provided development feasibility and Affordable Housing advice to inform the preparation of the Masterplan.

Council submitted a planning proposal (PP-2022-2726) to the Department of Planning, Housing and Infrastructure (**DPHI**) for Gateway Determination. DPHI issued Council with a request for further information and revisions.

Council is progressing a new planning proposal for the Campsie Town Centre (**the Planning Proposal**). The Planning Proposal seeks to implement the Master Plan and include Campsie Town Centre within the Council's Affordable Housing Contributions Scheme.

In 2024, Council resubmitted the Planning Proposal (PP-2024-2261) to DPHI and in January 2025, Council received Gateway Determination to proceed with public exhibition of the Campsie Town Centre planning proposal, subject to conditions.

Atlas Economics (**Atlas**) is engaged to provide advice to Council to assist with addressing Gateway Determination conditions (**the Study**). The Study builds on previous work carried out by Atlas to support development of the Master Plan over the 2021-22 period.

1.2 Scope and Approach

The Planning Proposal (Council, 2024) seeks to facilitate residential and commercial growth in Campsie which is identified as a strategic centre and an area identified for significant economic growth.

The Gateway Determination (DPHI, 2025) recommends the Planning Proposal should proceed subject to a number of conditions.

TABLE 1-1 lists the conditions that are relevant to the Study and provides reference to where they are addressed. Atlas is concurrently engaged to prepare an Affordable Housing Analysis to address the conditions relating to affordable housing contributions. For the purposes of TABLE 1-1 this concurrent report is referred to as '**the Affordable Housing Analysis**'.

TABLE 1-1: Gateway Determination Conditions

REF.	CONDITION	ADDRESSED IN STUDY
1.1	Update the proposed approach to affordable housing contributions to provide alignment with the recently gazetted clause 6.38 Affordable Housing Contributions of the Canterbury Bankstown Local Environmental Plan (LEP) 2023	Affordable Housing Analysis
1.2	Provide an explanation of the proposed phased implementation approach and Affordable Housing Contribution Scheme elements that Council intends to incorporate with the existing provisions	Affordable Housing Analysis
1.3	Confirm whether the 2021 and 2022 feasibility analysis remains relevant to support the proposed contributions	Affordable Housing Analysis



REF.	CONDITION	ADDRESSED IN STUDY
1.4	Provide an updated estimate of potential affordable housing dwellings to be delivered within the precinct	Affordable Housing Analysis
1.8	Remove the options to deliver affordable housing and 50% employment generating floorspace under the proposed incentive clause. The proposed incentive clause is to support the delivery of on-site infrastructure only. Further justification is also required in relation to the type of infrastructure and its location, as well as feasibility considering also the application of affordable housing contributions. Through-site links are generally not considered appropriate for inclusion in a LEP where there is uncertainty in relation to the final development outcomes and ownership patterns	Chapter 3
1.10	Remove the proposed sustainability bonus and redistribute the proposed FSR bonus to the draft base FSR map where appropriate	Chapter 3
1.13	Remove the proposed 'no net loss of existing employment floorspace in the B4 Mixed Use zone' provision. Council may wish to consider an alternative approach that is design-led and strategically justified rather than targeting sites based on existing uses	Chapter 3

Source: DPHI

Since Atlas' work which was carried out over the course of 2021-22, there have been structural shifts in economic and market conditions. The Study carries out additional research and analysis to update the earlier work and makes recommendations to reflect contemporary market conditions, including expectations that Metro services will be available at Campsie in 2026.

The core objectives of this Study are to:

- Investigate the existing and future need for different types of employment floorspace within Campsie.
- Based on this assessed need, assess the role for planning controls to facilitate the delivery of employment floorspace.

To meet these objectives, the following tasks have been undertaken:

- High-level assessment of Campsie's current role and function, including its existing mix of land uses and floorspace.
- Market appraisal to understand the market dynamics influencing the demand and supply of employment land uses.
- Review and analysis of socio-economic data to understand historical employment growth.
- Assessment of the trends and drivers likely to shape demand for employment floorspace in the future.
- Review employment projections (prepared by the NSW Government) and how they could translate into demand for employment floorspace in Campsie.
- Comparative analysis of existing employment floorspace supply against projected floorspace demand.
- Synthesis of the economic and market findings and conclude whether there is a need for planning controls to ensure the delivery of employment floorspace within Campsie.

1.3 Assumptions and Limitations

Atlas acknowledges a number of limitations associated with the Study.

- The Australian economic outlook is currently subject to a high level of uncertainty due to, inter alia, global trade risks and military conflicts, high (albeit falling) inflation, labour shortages and deteriorating housing affordability.
- The long-term economic implications of the COVID-19 pandemic, particularly shifts in migration patterns and changes in working practices (such as the adoption of flexible work arrangements), are not yet fully understood.



- The 2021 Census was administered during the COVID-19 pandemic and at a time of widespread lockdowns across Australia's east coast. Employment activity recorded at this time may not be accurately representative of employment levels.
- Data from third party sources, including floorspace data, is assumed to be correct and is not verified.
- Desktop market research has been undertaken without physical site surveys and inspections.

Notwithstanding the above, due care, skill and diligence has been applied to this Study as is reasonably expected.



2

Demand for Employment Uses



Beyond the
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Campsie Town Centre

2.1 Campsie Town Centre Today

Located approximately 11km southwest of the Sydney Central Business District, the Campsie Town Centre is broadly defined by Canterbury Road to the south, Cooks River to the east and north and the Sydney Freight Line to the west.

The Centre is bisected by the T6 Lidcombe and Bankstown train line, with Campsie Train Station centrally located within its centre. The Sydenham to Bankstown section of this train line (including Campsie Train Station) is currently closed and will become part of the Southwest Metro line upon its planned opening in 2026.

Much of the Campsie's retail, commercial and administrative land uses are focused along Beamish Street, which serves as the primary 'spine' of the Centre. Beamish Street is characterised by older style, fine grain retail shop fronts and two storey commercial buildings, predominantly located within 400m of Campsie train station. Several large, standalone shopping centres and commercial buildings are located just off Beamish Street on the southern side of the rail line.

Campsie is characterised by a distinct mix of major retail anchors and small local businesses (particularly small food and beverage operators, takeaway food retailers and specialty food retailers). Major anchors in the Centre include Big W, Campsie RSL, Woolworths and Chemist Warehouse. There is also a large cluster of medical operators across the Centre, including medical centres, General Practitioners (GPs), medical imaging operators and a variety of allied health service providers.

Canterbury Road forms the southern boundary of the Centre. A major arterial road, Canterbury Road is characterised by a mix of low rise commercial buildings, retail showrooms, car yards, single storey detached housing and shop top housing.

The Canterbury Hospital is also located in the southwestern corner of the Centre. Servicing a catchment spanning from parts of Sydney's Inner West to Bankstown, Campsie Hospital is a 217-bed Major Hospital comprising a 24-hour Emergency Department (**ED**) and various speciality departments. It is also a teaching hospital associated with the University of Sydney. The hospital is currently planned for a \$350 million expansion which will significantly increase its service offering and treatment capacity.

FIGURE 2-1 illustrates the defined boundaries of the Campsie Town Centre as per the Masterplan.

FIGURE 2-1: Location Map, Campsie Town Centre



Source: Atlas Economics/MetroMap

EXISTING FLOORSPACE

In 2021, SGS Economics and Planning prepared an *Economic and Land Use Study (The Economic Study)* for the Campsie Strategic Centre to support the preparation of the Masterplan in 2022. The Economic Study carried out a floorspace audit for different sub-precincts across the Centre and estimated future demand for employment floorspace.

For the purposes of this Study, the floorspace audit results have been utilised and built upon to estimate the existing quantum of employment floorspace in Campsie. A map of the defined sub-precincts from the Economic Study is provided at Schedule 1.

Current to 2025, there is an estimated 285,350sqm of employment floorspace across Campsie. The vast majority of this floorspace was defined as 'commercial' floorspace in the Economic Study and accommodates a mix of Knowledge-intensive and Population-serving uses.

The Economic Study defined a series of sub-precincts which immediately surround the Campsie Train Station on both sides of the rail line; these being the Northern Town Centre, Southern Town Centre, Civic Centre and Fine Grain Retail and Commercial sub-precincts. Collectively, these precincts were estimated to comprise a total of ~152,400sqm of employment floorspace. More than 121,000sqm (80%) of this was considered as commercial floorspace. The remaining 30,800 (~20%) was defined as retail floorspace.

Sub-precincts in the southern part of the Centre were defined as the Canterbury Road Corridor, Campsie Medical and Mixed Use precincts. These sub-precincts were estimated to collectively hold 133,00sqm of employment floorspace. Approximately half (67,000sqm) was defined as 'Health and Education' floorspace, whilst a further 58,500sqm was defined as commercial floorspace.

TABLE 2-1 provides a breakdown of employment floorspace across the Campsie Town Centre's various sub-precincts as at 2025.

TABLE 2-1: **Estimated Employment Floorspace (2025), Campsie Town Centre**

FLOORSPACE (SQM)	RETAIL	COMMERCIAL	INDUSTRIAL	HEALTH & EDUCATION	TOTAL
Campsie Medical	2,950	12,546	1,423	67,185	84,104
Fine Grain Retail/Commercial	13,891	56,984	-	-	70,875
Northern Town Centre	2,020	25,267	-	-	27,287
Mixed Use Precinct	1,128	15,684	-	-	16,812
Southern Town Centre	14,396	28,320	-	-	42,716
Campsie Medical Mixed Use	379	5,159	-	-	5,538
Canterbury Road Corridor	1,333	25,146	-	-	26,479
Civic Centre	477	11,053	-	-	11,530
Total	36,575	180,158	1,423	67,185	285,341

Source: Atlas Economics, SGS Economics (2021)

For context, the *Canterbury Bankstown Employment Lands Strategy* (Hill PDA, 2020) identified that the Bankstown Strategic Centre comprised a total of ~362,000 of retail and commercial floorspace (including 210,000sqm of retail floorspace and ~152,000sqm of commercial/business floorspace). This reflects the much greater retail role of the Bankstown Strategic Centre, which is anchored by the Bankstown Central Shopping Centre – a super-regional shopping centre comprising 85,000sqm of retail floorspace which services almost 15 million customers per annum (Property Council of Australia, 2024).

The Study highlights that in contrast to the Economic Study, the *Employment Lands Strategy* identified a total of just 81,000sqm of retail and commercial floorspace within Campsie (~31,700sqm of commercial floorspace and ~49,000sqm of retail floorspace). This quantum and mix of floorspace differs from that identified in the Economic Study (which has been used as the basis for this Study). The methodology and auditing process undertaken in the Economic Study or Employment Lands Study has not been reviewed/ critiqued as part of this Study.





2.2 Historical Employment Trends

The most contemporary profile of economic and employment activity at a small area level is available from the 2021 Census. The smallest geographies from which employment data is available are known as Destination Zones (DZs).

A series of DZs have been selected to analyse historical employment trends in the Campsie Town Centre. Whilst these DZs do not exactly align with the defined boundary of the Town Centre, they are considered useful for understanding how employment activity has changed in Campsie over the 2011-2021 period.

INDUSTRY PROFILE

Over the 2011-2021 period, the total number of jobs in Campsie increased by almost 1,100 (from 3,914 jobs in 2011 to almost 5,000 jobs in 2021). This rate of growth analyses to an average annual rate of 2% - well above the rate of growth observed in the broader Canterbury-Bankstown LGA over the same period (0.3% per annum).

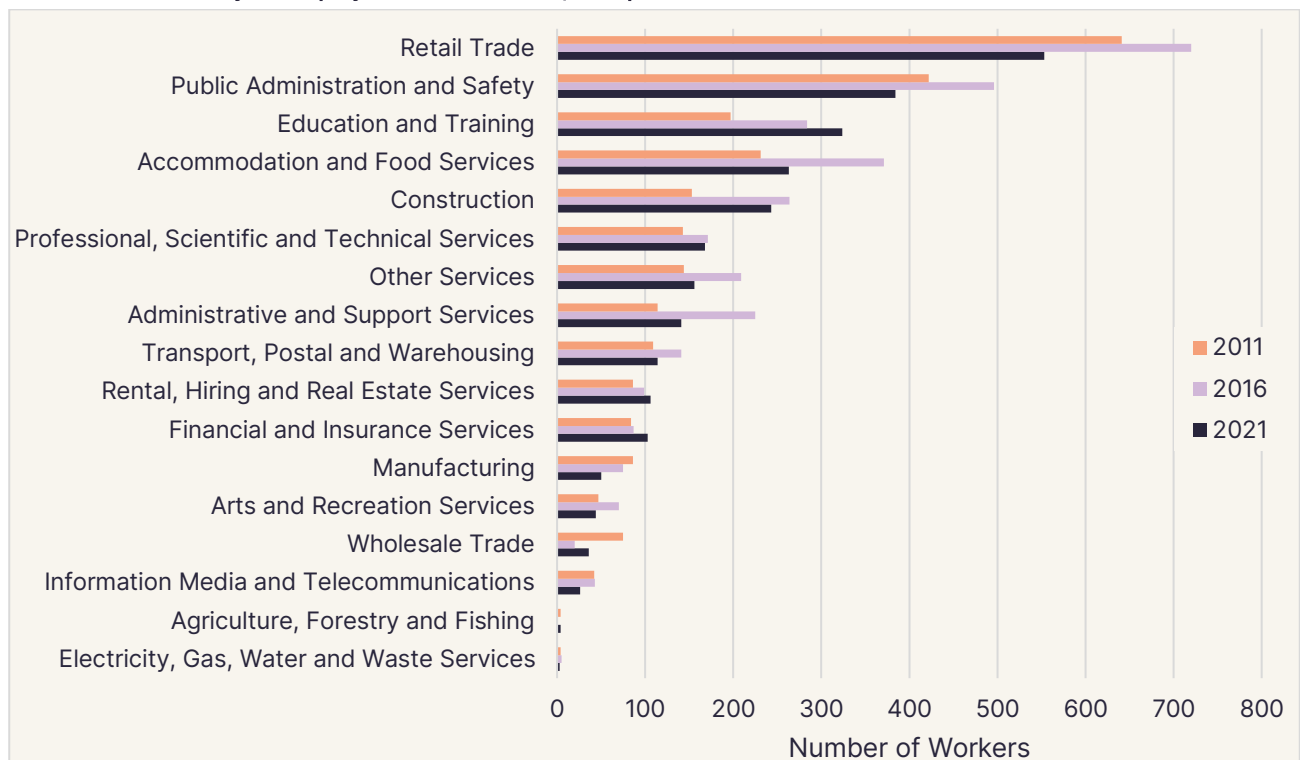
The Health Care and Social Assistance sector was the clear driver of employment growth in Campsie over the 2011-2021 period, contributing 71% of total growth (765 workers) at an average 5% annual growth rate. Other significant growth sectors included:

- Education and Training (127 workers, 12% of total growth)
- Construction (90 workers, 8% of total growth).
- Accommodation and Food Services (32 workers, 3% of total growth).

Notably, a *decline* in local employment was observed across several key employment sectors, mostly notable Retail Trade (which declined from 640 in 2011 to 550 workers in 2021). Whilst this would be partly attributed to the 2021 Census being held during a lockdown period in the midst of the COVID pandemic, this decline in retail employment could also possibly reflect the shift towards online retail, reducing demand for traditional retail floorspace.

FIGURE 2-2 illustrates the change in industry employment across the Campsie Town Centre over the 2011-2021 period.

FIGURE 2-2: Industry of Employment (2011-2021), Campsie Town Centre



Source: ABS (2012, 2017, 2022)



OCCUPATION PROFILE

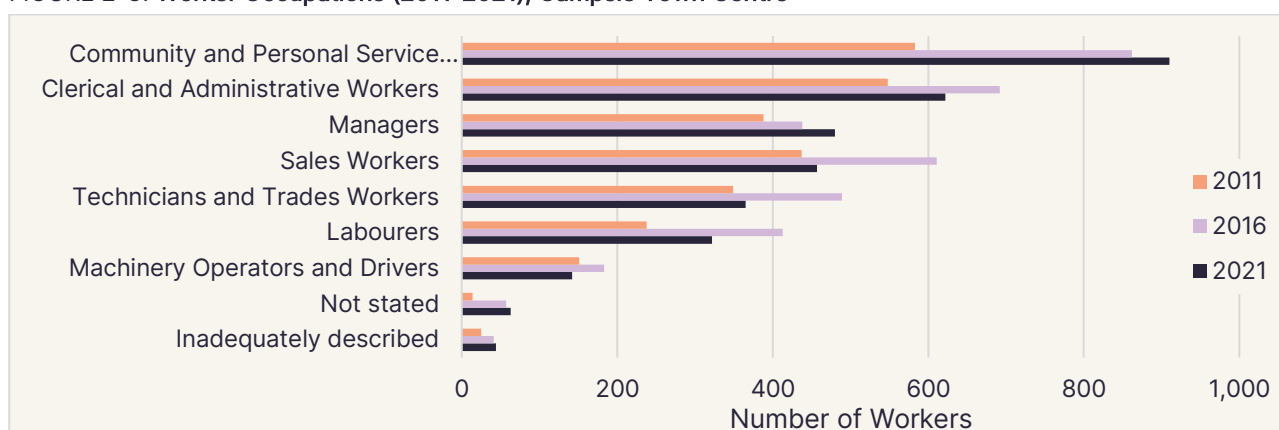
Analysis of Campsie's occupation profile over the 2011-2021 period shows that much of the local employment growth was driven a rise in the number of Professionals (+395 workers) and Community and Personal Service workers (+327 workers). These two occupations accounted for 37% and 30% of total employment growth respectively, averaging 3% and 5% growth per annum.

The significant growth in professional and community/personal service worker occupations is closely aligned with the strong growth recorded in Campsie's local Health Care and Social Assistance and Education and Training industries.

Aligning with the decline in Retail Trade employment, there was only modest growth in the number of sales workers over the 2011-2021 period (437 to 457 workers). This is considered to be largely a result of the COVID-19 pandemic and lockdown periods.

FIGURE 2-3 illustrates the change in Campsie's occupation profile over the 2011-2021 period.

FIGURE 2-3: **Worker Occupations (2011-2021), Campsie Town Centre**



Source: ABS (2012, 2017, 2022)

2025 EMPLOYMENT ESTIMATES

More recent employment estimates for the Campsie Town Centre have been sourced from the NSW Government's *Travel Zone Projections (TZP2024)* series, which includes estimates of employment, workforce and population. TZP2024 was released in January 2025 and use key input data from the ABS Census, along with DPHI's 2024 NSW Population Projections series.

Employment projections from TZP2024 are classified into the traditional Australia and New Zealand Standard Industrial Classification (**ANZSIC**) which are utilised in the ABS Census. These industries are also aggregated into four sector groupings, known as Broad Industry Classifications (**BICs**). The four BICs include Population Serving, Knowledge Intensive, Health and Education and Industrial. See Schedule 2 for a summary of BICS and their corresponding ANZSICs.

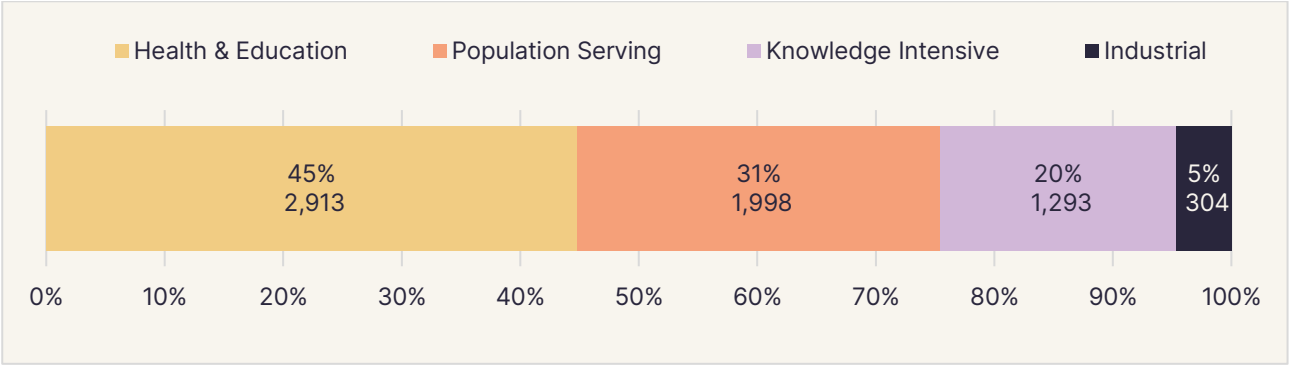
Based on TZP2024, there are an estimated ~6,500 workers in Campsie as at 2025. This is an increase of 580 workers from the 2021 Census count of 5,930 workers. Since the 2021 Census, employment in Campsie is estimated to have increased by an average 2.4% per annum, broadly aligning with Greater Sydney (2.3% per annum over the same period).

The Health and Education sectors are estimated account for nearly half (45%) of all employment in Campsie, with approximately 2,900 jobs. Population-serving (2,000 workers) and Knowledge-intensive workers (1,300 workers) account for a further 31% and 20% of local employment respectively. Industrial sectors (~300 workers) are estimated to account for just 5% of employment and are largely focused in the southern part of Campsie (along Canterbury Road).

FIGURE 2-4 illustrates the estimated breakdown of employment (by BIC) in Campsie as at 2025.



FIGURE 2-4: Employment Profile (2025), Campsie Town Centre



Source: TfNSW (2024)



2.3 Recent Market Activity

2.3.1 Market Activity

The Campsie Town Centre has historically attracted strong levels of demand for retail and small-scale commercial premises, particularly from small local businesses who are looking to service the surrounding resident population.

There are very few vacancies currently observed, with the commercial and retail vacancy rate below 2% as at Q2 2025 (Arealytics, 2025). This is well below the 'healthy' vacancy rate of 4%-5% commonly observed in other centres which is typically reflective of normal market fluctuations. There has also been limited sales activity observed in recent years, with the market tightly held by existing owners (a mix of both owner occupier businesses and private investors).

Market investigations provide insight into the local market dynamics which have been observed over the past 12-months:

- Retailers are seeking spaces in excess of 50-60sqm in net lettable area (**NLA**) at relatively low price points (~\$500/sqm per annum), reflecting the price consciousness of local businesses.
- Demand for office demand is minimal and limited to small tenants (e.g., sole operators, small firms of lawyers, bankers, etc.).
- Demand for medical floorspace is by contrast much stronger, particularly space which is specifically fitted out for medical uses.
- Campsie is unable to compete with other civil and administrative centres such as Ashfield or Strathfield due to a lack of high-quality office space. Several commercial tenants have relocated from Campsie to these centres for higher quality office space.

Overall, market investigations indicate that there is a need to maintain and deliver contemporary retail and commercial floorspace in order to meet the expectations of businesses. That said, many local businesses are highly price-conscious and may struggle to afford the cost of newer accommodation. It will accordingly be important to focus and retain employment floorspace in areas which contribute to the trading performance of local businesses, such as within walking distance of the future metro station or proximate other key economic anchors like Canterbury Hospital.

2.3.2 Development Activity

There has been a dearth of commercial activity in Campsie in recent years, aligning with marginal development activity across all sectors. Some medical and health development in the southern part of the Town Centre, proximate to the Canterbury Hospital. This recent medical development activity reflects the increased required for health and medical floorspace and the demographic changes to the broader Canterbury Bankstown community.

These developments include The Hub and a private hospital within the Town Centre, as well as a 200-bed private hospital at 11 Harp Street, south of the Town Centre.

- **The Hub - 433-437 Canterbury Road**

The Hub is a soon-to-be-completed three-storey health and lifestyle centre in Campsie. Once completed, the Hub will comprise a multi-level and modern, purpose-built medical building with circa 2,700qm in floorspace.

The Hub will consist of 18 consulting rooms and a childcare centre, gymnasium and café space. Medical suites in the Hub will total ~1,050sqm, in addition to a medical centre (610sqm).

The Hub is located approximately 800m from Canterbury Hospital, building upon Campsie's growing cluster of medical uses.



- **Private Hospital - 455 Canterbury Road**

Located 750m from Canterbury Hospital, 455 Canterbury Road is subject to a planning proposal which would enable the development of a 11-storey private hospital. The private medical facility is expected to offer day surgery and private suites across 4,400sqm of floorspace with 218 private beds.

The development has received Gateway Determination, though construction is yet to commence.



These proposed developments could deliver an additional 7,000sqm of Health and Education floorspace within the Town Centre.

Proposed Campsie Private Hospital

There is also a major planning proposal currently under assessment to enable the development of the Campsie Private Hospital and Allied Health Precinct.

Located just of the south of the Centre at 11 Harp Street, Campsie, a proponent-led planning proposal for this 3ha industrial site seeks to deliver a 200-bed private hospital, 100-room 'medi-hotel', medical centre, childcare centre and other various allied health services. It is estimated that 425 jobs could be supported on the site if delivered (CBC, 2025).

The planning proposal received Gateway Determined in October 2024, enabling the project to proceed to the development application phase. A development application (DA) for the site has yet to be lodged.

2.4 Trends and Drivers Shaping Demand

This section summarises prevailing economic and land use trends which could influence the demand and supply of land uses in the Campsie Town Centre, with particular focus on trends influencing the retail, commercial office and health care property sectors.

RETAIL LAND USE TRENDS

Of all property sectors, the retail sector is arguably the most dynamic. It is constantly subject to a myriad of demographic, social and economic trends which shape how it operates. This has been particularly apparent over the years following the COVID-19 pandemic.

The pandemic drove change in the retail sector, many of which were already underway. As the retail sector recalibrates, some trends are expected to endure and should be considered in the context of Campsie.

- **Higher Retail Penetration Rates**

Whilst falling from its peak in mid-2021 (15.3%), online non-food retail penetration rates across Australia have settled at higher levels than pre-pandemic (11.6% in December 2024, ABS). Looking forward, retail penetration levels are expected to grow further. Some commentators project that total online spending will account for 20% of total retail spending by 2030 (Retail Doctor, 2024). Overall, this will erode some physical floorspace demand and change the format of remaining floorspace to cater to online retail.

- **Convenience and Experiential Shopping Habits**

Convenience and experiential shopping habits were already building momentum before being turbo-charged during the pandemic. Physical retail can provide important functions which online retail cannot – the ability to touch, feel and inspect products, the capacity for in-person connections within engaging places and instant product fulfilment and returns.

Physical retailers who provide convenience or experience are also likely to be more resilient in physical demand. Those without these characteristics are likely to see reductions in demand.

- **Changing Customer Location**

The entrenchment of flexible working practices has shifted the geographical distribution of retail expenditure. The increased numbers of residents working from home is driving an increase in expenditure at local centres which would otherwise be captured by retailers operating near their office or work site. This has the potential to



redistribute retail demand across Greater Sydney, lowering aggregate demand for physical retail floorspace in traditional CBDs whilst raising demand in more suburban locations.

The implications of the above will be to reduce demand for retail floorspace and some retail store types and alter the format, location, role and size of other types of retail floorspace.

These changes will impact different types of retailers in different ways. The degree of impact will depend upon the propensity of consumers to shop online for that product category and the ability of physical stores to draw consumers regardless.

Owing to the Campsie's current occupier profile which is heavily based on speciality food/groceries, hospitality and personal services, the centre is well buffered from many of the negative impacts being driven by these structural retail trends. The existing mix of services provided in the Campsie Town Centre is likely to remain consistent in coming years.

COMMERCIAL OFFICE LAND USE TRENDS

Commercial office markets have experienced rapid evolution over the past 5-years, driven by a series of structural changes. Whilst many of these trends were underway prior to the COVID-19 pandemic, the impact of strict lockdowns accelerated their realisation.

Two of the core structural trends that are re-setting demand for commercial floorspace across Greater Sydney include:

- **Hybrid Working and Entrenched Working from Home Practices**

Hybrid working refers to a working arrangement in which office-based workers split their working week between the office, their home and in some cases a 'third space' (i.e. a co-working facility, library or local coffee shop).

Working from home patterns across Australia peaked during the height of the pandemic, reaching 40% in August 2021 (ABS, 2024). Post-pandemic, the number of workers who regularly work from home has fallen slightly, recorded at 36% in 2023 and slightly increasing to 37% in 2024 (ABS, 2024). This compares to a working from home rate of just 5% in 2016.

Whilst the adoption of flexible working practices appears to be largely entrenched, the outlook is more difficult to predict. Several private organisations are introducing (or announcing plans to introduce) work-from-office mandates, with a recent survey finding that 39% of Australian businesses have mandated 5 days a week in the office requirements (Robert Half, 2025).

- **Occupier Shift Towards Higher Quality Office Floorspace**

Post-pandemic, there has been a continued shift towards high-quality, premium and A-grade office space at the expense of older-style buildings and inferior locations. This has been driven by a mix of factors, with companies seeking to:

- Increase office attendance and attract top talent through offering better office amenity,
- Improve environmental, social and governance credentials through occupying more sustainable office buildings;
- Reduce their overall cost of premise by occupying less total floorspace in higher quality office buildings.

The preference for prime quality space can be observed in absorption rates by office grade. Since 2021, almost 180,000sqm of premium grade office NLA has been absorbed (leased) across the Sydney CBD. Conversely, 'secondary grade' (i.e. B-grade and lower) office floorspace has recorded a negative absorption rate of almost 170,000sqm of NLA.

The key structural trends are forcing office buildings and markets to 'work harder'. Buildings or locations which do not meet tenant expectations are not well occupied, resulting in heavy rent and pricing discounts.

For suburban locations like Campsie which do not have an established office market, the ability to attract commercial occupiers will be highly dependent on location, quality of accommodation and cost. It is unlikely that Campsie will emerge as a new standalone office market, though it does have a role in providing accommodation options for service commercial occupiers.

HEALTHCARE AND MEDICAL LAND USE TRENDS

Health care is one of Australia's largest and fastest growing sectors. The scale and mix of services provided by medical and health care operators is broad and accordingly translates into a mix of floorspace requirements.

The outlook for Greater Sydney's (and Australia's) health sector is undoubtedly positive and is underpinned by several key drivers:

- **An Ageing Demographic**

The *2024 Population Statement* (Centre for Population, 2024) shows there are more than 2.1 million people aged 75 and over in Australia today, with that number projected to surpass 3.2 million by 2034. This rapid aging is particularly pronounced in Sydney, where by 2026, more than 22% of Australians will be aged over 65 — up from 16% in 2020. An aging population requires significantly more healthcare services, creating sustained demand for medical facilities, specialist clinics, and aged care services.

- **Growing Healthcare Investment and Government Funding**

The healthcare sector is experiencing substantial government investment, with the Australian Government injecting \$146.1 billion into health and aged care over 2024-25 (Australian Government, 2025). State



Governments are also heavily investing into the health network, with the NSW Government investing \$12.4 billion over the next four years for building new health facilities and upgrading existing ones (such as Canterbury Hospital). This level of investment stimulates demand for surrounding medical office and allied health spaces.

- **Shift Towards Decentralised and Outpatient Models of Care**

Health care provision is currently undergoing a strategic shift away from centralised, hospital-based care (which is currently operating at peak levels) toward community and outpatient models, including GP super clinics, urgent care centres, and allied health hubs. This is increasing demand for smaller-scale, well-located medical facilities (particularly near transport nodes).

This sample of trends is already well observed in Campsie, where the ageing local population and planned Government investment into the expansion of Canterbury Hospital are collectively driving demand for mix of health care and allied health services.

2.5 Future Demand for Employment Uses

2.5.1 Employment Projections

Future employment growth in the Campsie Town Centre is considered through analysis of TZP2024 employment projections.

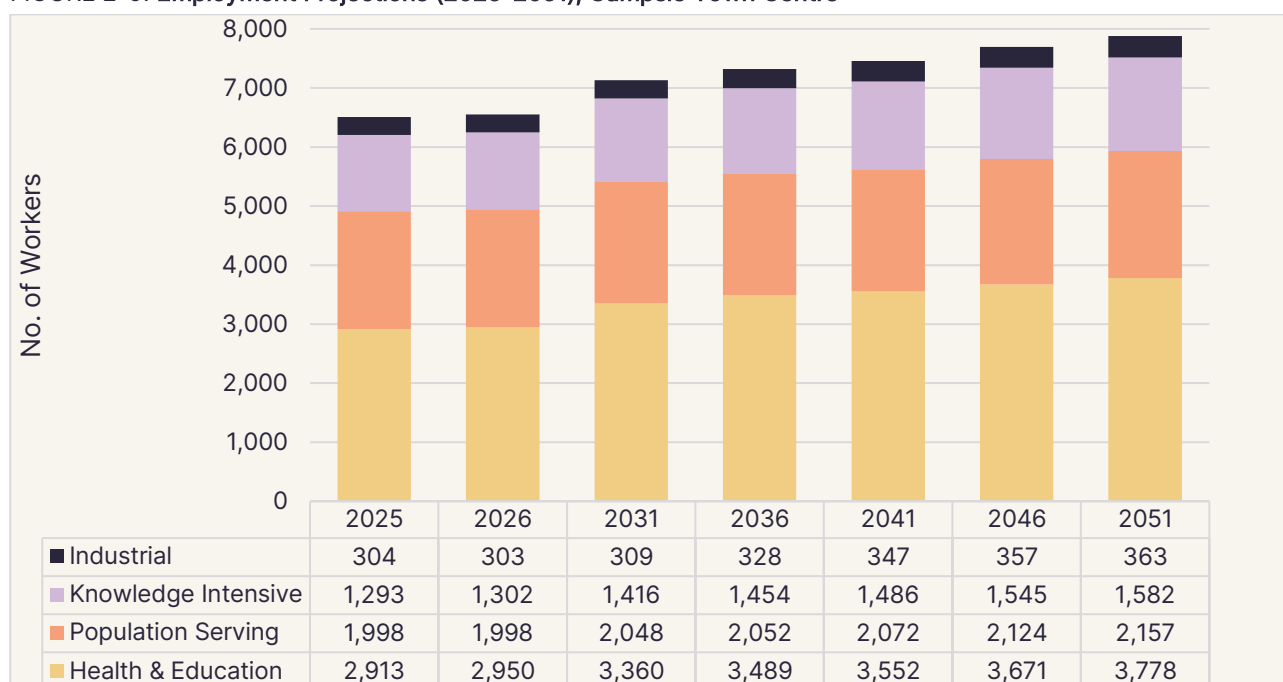
From 2025 to 2051, Campsie is anticipated to experience moderate employment growth. The Centre is set to grow from 6,500 jobs in 2025 to almost 7,900 jobs in 2051, reflecting growth of 1,370 jobs. On average annual basis, this rate of growth is equivalent to 30 additional jobs per annum, or average annual growth of 0.7%.

This projected rate of growth is significantly lower than historical rates observed in the Centre (2%-4% per annum). Additionally, this growth rate is below that expected for Greater Sydney over the same period (1% per annum to 2051).

Aligning with historical trends, the majority of projected employment growth is expected to be driven by the Health and Education sectors, with total projected growth of 865 jobs. Health and Education employment growth is expected to account for over 60% of total employment growth in Campsie, followed by the Knowledge-intensive (21% of total), Population-serving (12% of total) and Industrial sectors (4% of total).

FIGURE 2-5 illustrates projected employment growth in the Campsie Town Centre over the 2025-2051 period.

FIGURE 2-5: Employment Projections (2025-2051), Campsie Town Centre



Source: TfNSW (2024)



2.5.2 Demand for Employment Floorspace

To estimate the potential future need for employment floorspace in Campsie, a high-level benchmarking exercise has been carried out using workspace ratios (WSR). WSRs reflect the average amount of employment floorspace utilised per worker and vary by industry and location. The WSRs adopted in this Study are generic and sourced from the NSW Government's *Common Planning Assumptions* (DPHI, 2025).

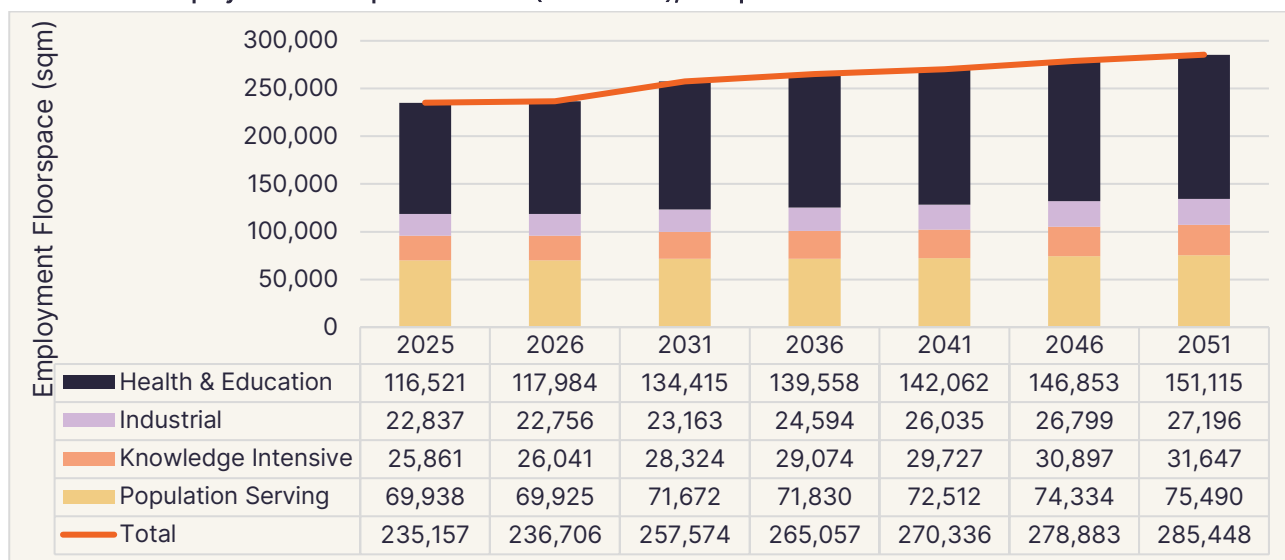
The benchmarking analysis shows the Campsie Town Centre could require:

- 235,000sqm of employment floorspace as at 2025. This is approximately 50,000sqm *less floorspace* than existing supply (as identified in the *Economic and Land Use Study* (SGS, 2021).
- By 2051, the estimated amount of required employment floorspace could grow to approximately 285,000sqm. This is effectively the amount of existing floorspace currently identified across the Centre. Around half (50%) of this floorspace is estimated to be required by the Health and Education sectors (~116,500sqm), followed by the Population-serving (70,000sqm), Knowledge-intensive (26,000sqm) and Industrial (23,000sqm) sectors.

Overall, the Campsie Town Centre is expected to record an increase in floorspace demand of circa 50,000sqm. Almost 70% of this additional demand is expected to have been driven by the Health and Education sectors.

FIGURE 2-6 illustrates the results of the floorspace demand benchmarking exercise over the 2025-2051 period.

FIGURE 2-6: Employment Floorspace Demand (2025-2051), Campsie Town Centre



Source: Atlas Economics, DPHI (2023), TfNSW (2024)

2.6 Capacity to Accommodate Growth

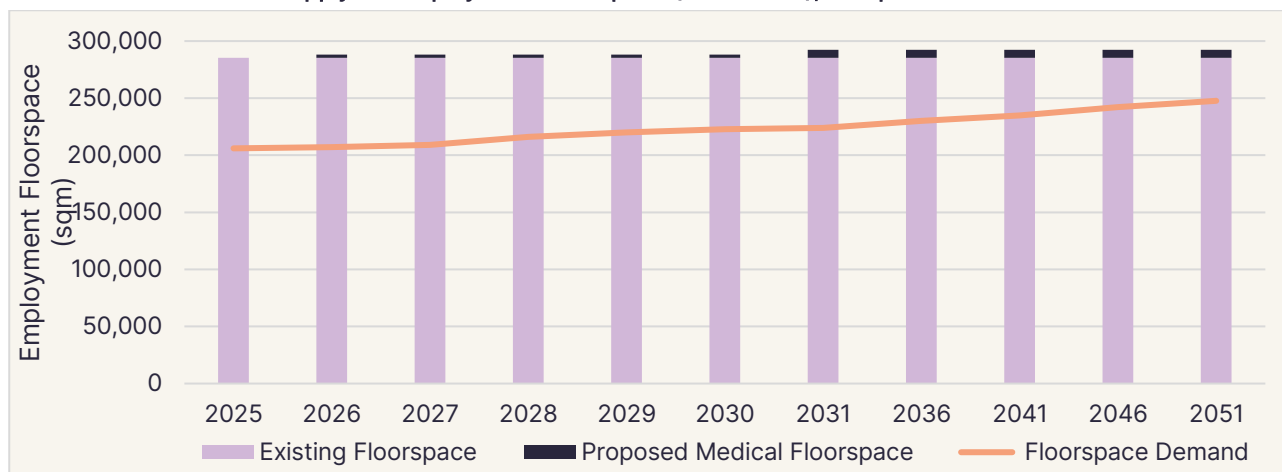
Campsie has historically played a civic, administrative services-orientated role as Canterbury Bankstown LGA's second-largest centre. Campsie is a cultural, retail and local employment hub that provides cross-regional links to surrounding, larger metropolitan centres.

A floorspace audit carried out in 2021 (SGS, 2021) estimated there to be approximately ~285,500sqm of employment floorspace in Campsie, the vast majority of which is commercial or used for Health and Education purposes. Recent market activity in Campsie reveals that much of the planned additional employment floorspace in Campsie will be for medical-related uses, with developments such as 'The Hub' (433-437 Canterbury Road) and two private hospitals with the potential to deliver an additional ~440 beds.

Employment projections and floorspace benchmarking estimates suggest that as at 2025, there is a requirement for 235,000sqm of employment floorspace. Unsurprisingly, half of demand is for Health and Education floorspace (116,500sqm). This benchmarking ultimately suggests that "on the face of it", there is an existing oversupply of employment floorspace in Campsie.



FIGURE 2-7: Demand v Supply for Employment Floorspace (2025-2051), Campsie Town Centre



Source: Atlas Economics, DPHI (2023), TfNSW (2024)

However, more detailed analysis indicates that an increase in Health and Education floorspace is required to accommodate the growth of these key sectors. By 2051, the Health and Education sectors are estimated to require approximately 151,000sqm of floorspace. This compares to the estimated 67,000 of medical floorspace currently dispersed across the Centre (noting that some of the 180,000sqm of existing commercial floorspace also accommodates demand from Health and Education operators).

Whilst some of this growth will be accommodated by new medical projects in the pipeline, it will be important that additional medical floorspace can be clustered around the metro station and/or co-located within the existing health precinct as much as possible.

CLUSTERING OF FLOORSPACE

Historical employment trends over the 2011-2021 period and projected employment to 2051 suggest increased demand for health and medical-related floorspace. This sector is supported by the presence of the Canterbury Hospital, which is planned for significant expansion and upgrades, as well as the smaller, local-serving medical, health and well-being service providers in the Town Centre.

Medical land uses often co-locate due to economic and operational efficiencies. Hospitals, clinics, pharmacies, and medical offices tend to cluster in health precincts or near healthcare hubs to share infrastructure, attract patients and facilitate referrals. Proximity reduces patient travel time, enhances collaboration, and leverages shared amenities like parking or public transit. Locations that are also highly accessible (particularly via public transport) are also best suited for medical uses.

Accordingly, clustering floorspace around the future Campsie metro station and proximate to Canterbury Hospital can support the growth of Campsie's key growth sector (i.e. health care).

The next Chapter explores some of the key considerations for the Masterplan, including potential planning controls to ensure the safeguarding of employment floorspace in the Centre.

3

Policy Recommendations



Beyond the
horizon thinking.

Campsie Town Centre

3.1 Market Observations

Campsie is an important civic, retail and services hub for the Canterbury-Bankstown LGA. It services a large catchment given the quantum and mix of retail services within the centre, whilst it also plays an important role in the provision of low cost, commercial accommodation for 'Population-serving' commercial services (e.g. local accountants, lawyers, etc). Unlike the Bankstown City Centre, it does not comprise investment grade office buildings.

Campsie has also historically been an important health precinct given it is anchored by the Canterbury Hospital at the centre's southern edge. This role is anticipated to strengthen over the coming decade given:

- The NSW Government's planned \$350m expansion of Canterbury Hospital which will deliver a new expanded Intensive Care Unit, an expanded Emergency Department, new purpose-built adult inpatient accommodation and other expanded facilities.
- Several new private medical developments currently being planned and delivered, including the:
 - Approved 11-storey private hospital at 445-459 Canterbury Road which would deliver an additional 218 hospital beds.
 - Proposed integrated health precinct (comprising a 180-bed private hospital, 200-bed residential aged care facility, 100-room 'medi-hotel', rehabilitation facility, seniors living housing, medical research hub and other medical facilities) at 11 Harp Street.
 - Soon to be completed private medical and wellness commercial development at 433-437 Canterbury Road.

Campsie is a well-performing centre with low retail and commercial vacancy levels of sub-2% (Arealytics, 2025). Higher vacancy rates have been observed on the Centre fringes (notably Canterbury Road), due to poor pedestrian accessibility and lower footfall levels.

Given the age and quality of much of the retail and commercial floorspace across the centre, many commercial properties attract relatively low retail and commercial rents. While this provides cheap and affordable accommodation for many of the small, local retailers and businesses, it also results in low incentive for landowners to reinvest in their property. Newer spaces, particularly those marketed towards medical operators, have attracted marked premiums above older, less contemporary stock.

As urban renewal of the Centre occurs in line with the Masterplan, there will be a need to ensure that some of the existing employment floorspace capacity is retained. Employment floorspace projections (section 2.5) suggest that in the coming 25-years, there could be additional demand for ~50,300sqm of employment floorspace.

Whilst an audit of existing floorspace within the Centre (SGS, 2021) suggests that there could be sufficient existing floorspace to meet this demand, much of this floorspace is older and poorer quality. It is unlikely to meet the contemporary requirements of many retailers, medical operators and office-based businesses.

Planning controls have a role to play in ensuring there is sufficient employment floorspace capacity to accommodate Campsie's future growth. The implementation of these controls also needs to be balanced and aligned with market realities and the locational requirements of different occupiers. The role for non-residential floorspace controls is considered next.

3.2 Role for Non-Residential Floorspace Controls

3.2.1 Types of Non-Residential Floorspace Mechanisms

Non-residential floorspace controls are commonly used in Australian planning policy to balance residential and employment growth, particularly in mixed-use or strategic centres. Non-residential floorspace controls can take a:

- **Mandatory-based approach**, where a minimum quantum or fixed proportion of employment floorspace is required as part of any new development. It is typically expressed as:
 - A minimum % of total GFA (e.g. FSR 1:1 as non-residential floorspace)
 - A minimum floor area (e.g. 1,000sqm of office floorspace)
 - A mandatory ground floor use (e.g. retail activation)



- **Incentive (bonus)-based approach**, where employment floorspace is encouraged in new development through:
 - Uncapped employment use GFA
 - Additional height or FSR bonuses in return for the delivery of a certain quantum of employment floorspace
 - Development contribution offsets if a certain amount of employment floorspace is delivered.

Both types of mechanisms have advantages and disadvantages and could be equally considered in the Campsie Town Centre.

3.2.2 Advantages and Disadvantages of Different Mechanisms

Whilst non-residential floorspace controls offer planning authorities an explicit tool for delivering upon strategic employment objectives for local and strategic objectives, they must be carefully calibrated to business requirements and market conditions. Inflexible or overly ambitious controls risk stalling development or delivering poor-quality urban outcomes.

Both mandatory and incentive-based employment floorspace mechanisms have their own unique set of advantages, disadvantages and risks. For instance, mandatory controls bring statutory certainty, though can impact development feasibility and or result in the delivery of ill-suited employment floorspace. Conversely, incentive-based controls are more flexible and can deliver greater employment outcomes (subject to their being sufficient market demand and incentives provided).

The advantages and disadvantages of these mechanisms also differ by stakeholder group – such as planning authorities, developers and the local community (including local businesses).

TABLE 3-1 describes some of the key advantages, disadvantages and risks associated with the two key forms of non-residential floorspace mechanisms for each of these key stakeholder groups.

TABLE 3-1: Advantages and Disadvantages of Different Non-Residential Floorspace Mechanisms

MECHANISM	ADVANTAGES	DISADVANTAGES	RISKS
Mandatory Floorspace Requirement			
Planning Authority	• Delivers certainty of employment space in line with strategic plans. • Preserves long-term capacity for jobs and services. • Easier to model employment targets and infrastructure needs.	• Less flexibility to respond to dynamic market conditions. • May require more oversight and negotiation during DA assessment.	• Policy may be blamed for stalled or non-viable development. • Resistance from developers may delay or derail precinct objectives.
Developer	• Clear rules provide certainty on planning requirements. • May attract certain commercial tenants in mixed-use projects.	• Increases design and cost complexity. • Reduces yield or profitability in residential-led markets. • May require subsidising non-performing commercial space.	• Poor financial feasibility, especially in areas with limited demand for employment uses. • Risk of low-quality, poorly located commercial tenancies.
Community	• Ensures availability of floorspace for jobs and services near homes. • Encourages local economic activity and activation of public space.	• Risk of vacant/underutilised shopfronts, contributing to a poor-quality streetscape. • Slower delivery of housing and amenities if projects are stalled.	• Vacant commercial space can lead to a perception of poor performing centre.
Bonus Floorspace Incentive			
Planning Authority	• Encourages commercial floorspace delivery without compromising feasibility. • Can unlock additional floorspace for employment in key areas.	• Less control over delivery and location of employment uses. • May be difficult to ensure alignment with broader strategic goals.	• Employment targets may not be met. • Risk of over-relying on market-led delivery of employment space.



MECHANISM	ADVANTAGES	DISADVANTAGES	RISKS
	More responsive to shifting market trends.		
Developer	- Flexible – allows tailoring of proposals to market conditions. - Can enhance project yield through FSR uplift. - Encourages innovation and higher-quality commercial space.	- Take-up may depend on project viability and tenant pre-commitments. - Incentives may not be compelling in weak markets.	- Uncertainty about incentive value. - Market volatility may render commercial components unfeasible, even with incentives.
Community	- Potential for more active, job-rich environments. - Encourages commercial uses where viable and well-integrated.	- No certainty that employment floorspace will be delivered. - May result in largely residential precincts lacking key retail amenity or services.	- Loss of employment capacity if incentives are not taken up. - Uneven delivery across precincts, affecting vibrancy and access to services.

Source: Atlas Economics

3.3 Considerations for Campsie Town Centre

In the case of the Campsie Town Centre, there is likely a need for a combination of **both** a mandatory and incentive based non-residential floorspace mechanism. This approach would ensure there is a sufficient amount of non-residential floorspace retained across the centre, whilst encouraging further commercial development beyond this minimum amount.

This balanced approach would enable Campsie to capitalise on the unique advantages of both mechanisms whilst mitigating the risks associated with solely implementing a single approach.

This approach would also build upon the intent of the draft Campsie Masterplan, which sought to preserve employment floorspace capacity across the centre. This is important, as the draft Masterplan provided a 'signal' to the market that delivery of employment floorspace within a mixed-use setting was one of Council's core objectives.

Accordingly, the Study makes the following key recommendations for adoption in the revised Masterplan.

RECOMMENDATION 1: A MINIMUM NON-RESIDENTIAL FSR IN THE MU1 MIXED USE ZONE

Trends analysis carried out in Chapter 2 identified that two of the enduring impacts of the COVID-19 pandemic has been the:

- Entrenchment of flexible working practices (including WFH); and
- Higher amenity expectations from both businesses and workers.

In response, there has been a clear 'flight to quality', where buildings or locations which do not meet tenant expectations have been consistently poorly occupied, resulting in heavy rent and pricing discounts. Areas lacking good public transport connectivity or on-site amenity are expected to further struggle to attract and retain commercial occupiers moving forward, as these areas directly 'compete' with the convenience of flexible working.

The vast majority of Campsie's proposed MU1 Mixed Use zone will fall within a 400m catchment of the future Campsie Metro Station. Given the need to preserve employment capacity in Campsie and the market's preference for well-located and highly accessible employment locations, it is recommended that a non-residential floorspace requirement of FSR 0.9:1 be adopted in Campsie's MU1 Mixed Use zone.

Non-residential floorspace controls were recommended in the Master Plan and Planning Proposal, which required all MU1 sites to provide non-residential floorspace at the ground level. It is noted that part of the required non-residential floorspace could also be delivered underground as part of the underground bonus floorspace provision.

A non-residential floorspace requirement of FSR 0.9:1 aligns with the 'lower end' of non-residential floorspace requirements in the Bankstown City Centre. Accordingly, adopting this 'lower end' in Campsie reflects the primacy of the Bankstown City Centre and its more prominent role in accommodating traditional office-based occupiers.



RECOMMENDATION 2: INTRODUCE AN INCENTIVE EMPLOYMENT FLOORSPACE BONUS WITHIN THE CAMPSIE HEALTH PRECINCT

The Study has found that health and medical uses are a significant occupier of employment floorspace across the Town Centre. Employment projections demonstrate that this role is set to grow further over the coming years in response to population growth, demographic changes and infrastructure investment (i.e. expansion of Canterbury Hospital).

It is also evident that the market is already responding to these demand drivers, with multiple health and medical developments currently in the pipeline. Should all these proposals be completed (noting that the large rezoning proposal at 11 Harp Street remains under assessment), it is likely that much of the immediate demand for health/medical uses could be met.

However, given the important role of the Campsie Health Precinct in facilitating further employment growth within the broader Campsie Town Centre, it would be sensible for the planning framework to encourage further growth of this precinct.

As such, it is recommended that an incentive (bonus) employment floorspace mechanism be introduced within the Campsie Health Precinct (both the East and West sub-precincts). The proposed sustainability bonus (FSR 0.25:1 and FSR 0.5:1) would also be applied to these properties ((noting that the proposed sustainability bonus would apply to all properties identified with a 'Base' FSR).

In the West sub-precinct (proposed as MU1 Mixed Use), subject to separate analysis a maximum residential floorspace control could be introduced, whilst leaving the total FSR 'uncapped'. This could incentivise the delivery of employment floorspace.

Additional feasibility analysis could quantify the densities needed to incentivise take-up in both sub-precincts, with densities of at least FSR 3:1 likely needed given the nature of existing land uses which have yet to be developed (i.e. detached dwellings).

RECOMMENDATION 3: CONSIDER EXPANSION OF MU1 MIXED USE ZONE WITHIN THE CAMPSIE HEALTH PRECINCT

Notwithstanding the additional densities required in the Campsie Health Precinct's East sub-precinct, the Study identifies potential challenges of site consolidation in this pocket of the centre. Many of the existing dwellings have been recently constructed, with existing landowners potentially unwilling to divest their properties after the time and expense of progressing their development.

As such, there could be an opportunity to further expand the MU1 Mixed Use zone to the north of Fletcher Street where existing housing stock could be more economically consolidated. This would provide further opportunity for the growth of the Campsie Health Precinct, whilst also partly negating the risk of limited development activity occurring along Fletcher Street.



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Schedules



Beyond the
horizon thinking.

Campsie Town Centre

SCHEDULE 1

Campsie Sub-precincts

FIGURE S1-1 illustrates each of sub-precincts that comprise the Campsie Town Centre as per the *Economic and Land Use Study* (SGS, 2021).

FIGURE S1-1: Campsie Town Centre Sub-precincts



Source: SGS (2021)

SCHEDULE 2

Broad Industry Categories

TABLE S2-1 provides a summary of each ANZSIC within the Broad Industry Categories (BICs).

TABLE S2-1: Broad Industry Categories by ANZSIC

POPULATION SERVING	KNOWLEDGE-INTENSIVE	HEALTH AND EDUCATION	INDUSTRIAL
- Construction - Retail Trade - Accommodation & Food Services - Arts & Recreation Services - Other Services	- Information, Media & Telecommunications - Financial & Insurance Services - Rental, Hiring & Real Estate Services - Professional, Scientific & Technical Services - Administrative & Support Services - Public Administration & Safety	- Education & Training - Health Care & Social Assistance	- Mining - Manufacturing - Electricity, Gas, Water & Waste Services - Wholesale Trade - Transport, Postal & Warehousing

Source: TfNSW (2024)

