

# Stockland Wetherill Park

## Stage 2

### Economic Impact Assessment

July 2012



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## Introduction

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This report presents an economic impact assessment of additional retail floorspace at Stockland Wetherill Park. Specifically, this report examines the market gap for additional retail floorspace in the Fairfield Local Government Area (LGA), investigates the retail planning and policy framework of relevance and estimates the economic impacts that are likely to flow from an amended expansion scheme for the centre.

The centre has development approval from Fairfield City Council for an expansion of 11,955 sq.m of retail gross lettable area (GLA), inclusive of gyms, banks, travel agents and other non-retail services. This assessment considers the overall market gap potential and likely impacts (both positive and negative) of a Stage 2 DA expansion scheme comprising a net addition of 4,748 sq.m of retail GLA compared with the approved Stage 1 DA.

This report has been prepared under instruction from Stockland Development Pty Ltd. The report considers the assessment guidelines for economic impact assessments as set out within the *Fairfield Council Retail and Commercial Centres/Activities Policy* and has regard for relevant planning instruments and state Government policies.

This report comprises seven sections as follows:

- **Section 1** provides an overview of the regional and local context of Stockland Wetherill Park; details the centre's current and Stage 1 DA plus s96 composition and outlines the proposed Stage 2 DA scheme.
- **Section 2** overviews the Retail Policy as it relates to economic impact assessments. This section also outlines the current and proposed planning controls for the subject site; considers the consistency of the Stage 2 DA with Government plans and policies; and provides an overview of retail trends.

- **Section 3** provides an overview of the activity centres hierarchy and total retail floorspace supply within the Fairfield LGA. This section also provides an overview of the broader competitive retail environment within which Stockland Wetherill Park operates and assesses future approved and planned developments of influence.
- **Section 4** reviews the population growth trends within the Fairfield LGA and also the retail demand that is, and will be, generated by residents within the Fairfield LGA. This section also assesses the current and projected retail leakage from Fairfield LGA and provides recommendations in regards to the specific allocations of future retail demand across centres within the Fairfield LGA.
- **Section 5** reviews the trade area served by Stockland Wetherill Park and includes the current and projected trade area population, its socio-demographic profile, and associated current and projected retail expenditure levels.
- **Section 6** assesses the sales potential of Stockland Wetherill Park, under two scenarios - "Stage 1 DA and s96 Amendment" and "Stage 2 DA", including three sub-scenarios analysing the effects of a Bonnyrigg Plaza expansion and/or the development of the Bonnyrigg Shopping Centre. This section then examines the retail turnover impacts across the surrounding retail network under all scenarios, as well as other positive economic impacts such as employment, increased competition, wider consumer choice and transport and land use integration.
- **Section 7** provides a summary and the key recommendations from this assessment.

## Section 1: Site context and proposed development

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This section of the report reviews the regional and local context of Stockland Wetherill Park. It also provides an overview of the current centre composition, details the Stage 1 DA scheme approved for the centre, details the proposed section 96 amendment and details the proposed Stage 2 DA expansion for the centre.

### 1.1 Regional and local context

Stockland Wetherill Park is a double discount department store (DDS) based centre serving residents throughout the City of Fairfield, in Western Sydney. Wetherill Park is situated approximately 30 km west of the Sydney Central Business District (CBD) (refer Map 1.1).

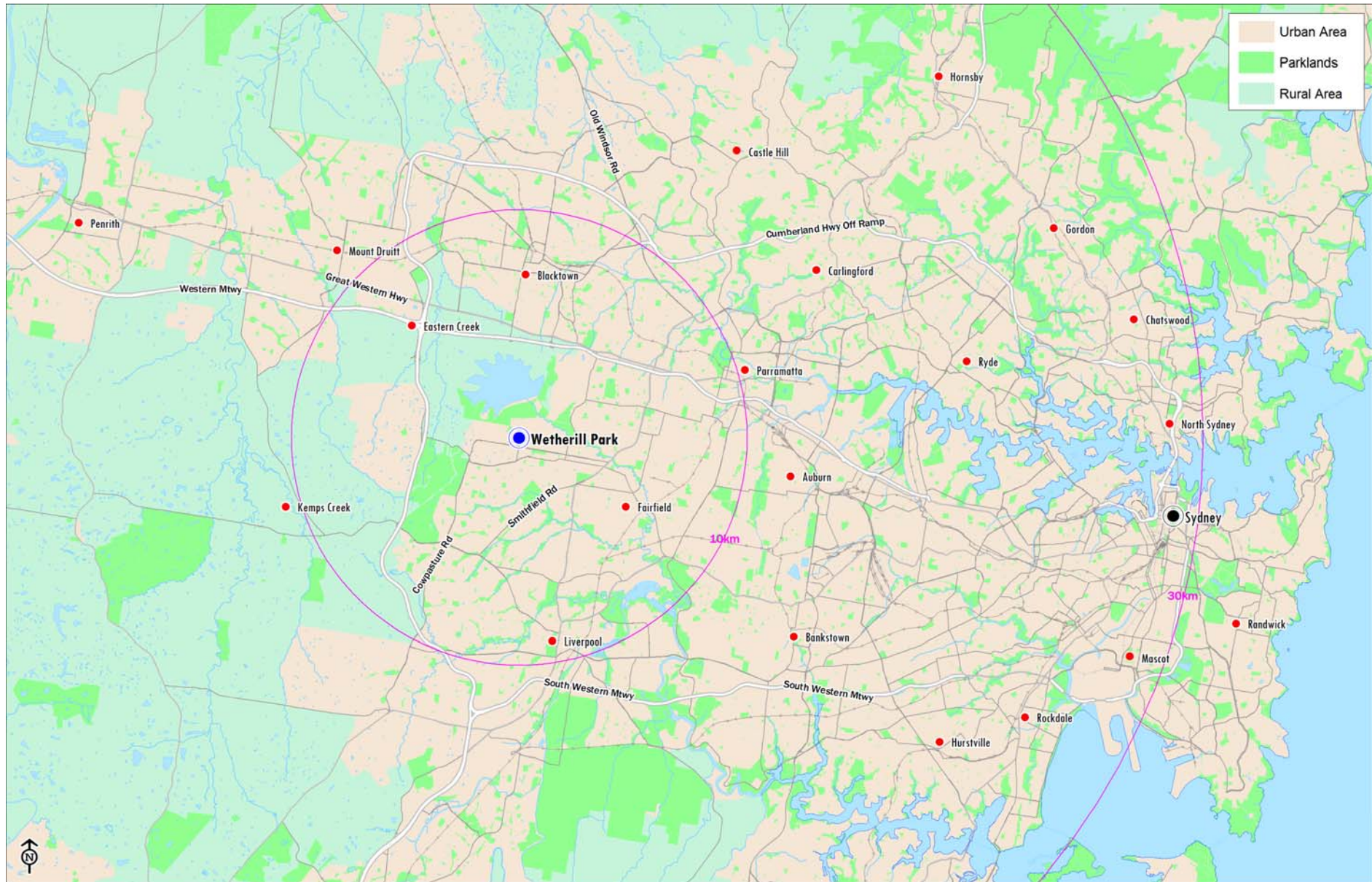
The centre is located on the southern side of Polding Street, a major east-west arterial route throughout the surrounding area (refer Map 1.2). The centre is also situated within close proximity to The Horsley Drive as well as the Cumberland Highway, around 2.5 km to the west. As a result, accessibility to the centre is relatively easy, from both a local and regional perspective.

Stockland Wetherill Park is the key anchor of the Prairiewood Town Centre and is located together with a number of community facilities, including schools, hospitals, a medical centre, a library, a community centre, a childcare centre and Council Chambers.

Located approximately 1 km to the north of Stockland Wetherill Park, the Smithfield/Wetherill Park industrial estate is a large industrial area, occupied by more than 1,000 manufacturing, wholesale, transport and service firms, which are estimated to employ about 16,000 workers as at 2012.

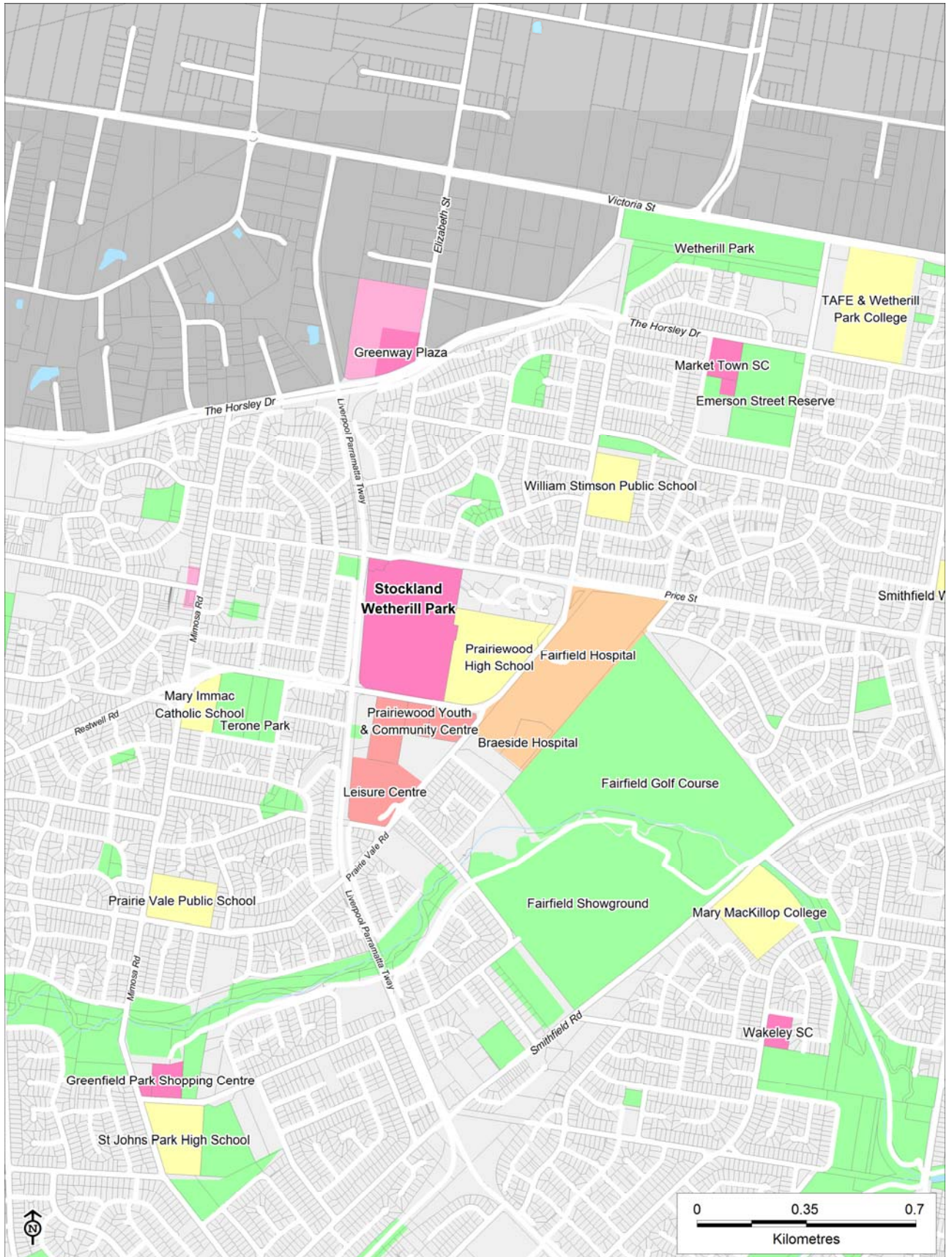


## Section 1: Site context and proposed development



**Map 1.1: Wetherill Park - Regional Context**





**Map 1.2: Stockland Wetherill Park  
Site Location**

<span style="display: inline-block; width: 15px; height: 15px; background-color: #ff69b4; border: 1px solid black;"></span> Shopping Centre	<span style="display: inline-block; width: 15px; height: 15px; background-color: #ff6347; border: 1px solid black;"></span> Community
<span style="display: inline-block; width: 15px; height: 15px; background-color: #ffb6c1; border: 1px solid black;"></span> Retail	<span style="display: inline-block; width: 15px; height: 15px; background-color: #808080; border: 1px solid black;"></span> Industrial
<span style="display: inline-block; width: 15px; height: 15px; background-color: #ffa500; border: 1px solid black;"></span> Hospital	<span style="display: inline-block; width: 15px; height: 15px; background-color: #90ee90; border: 1px solid black;"></span> Park/Reserve
<span style="display: inline-block; width: 15px; height: 15px; background-color: #ffff00; border: 1px solid black;"></span> School	

## 1.2 Centre composition

Table 1.1 compares the current floorspace composition of Stockland Wetherill Park; the approved Stage 1 and Section 96 scheme; and the proposed Stage 2 DA for which approval is sought. The key features of the existing centre are summarised as follows:

- The entire Stockland subject site includes 55,265 sq.m of gross floor area (GFA), of which 46,495 sq.m is GLA. This includes all retail, commercial, community, entertainment and other building floorspace at the subject site.
- There is an estimated 38,793 sq.m GLA of retail floorspace, of which about 3,176 sq.m GLA is considered ancillary non-retail uses such as banks and travel agents. A further 7,522 sq.m is non-retail floorspace such as cinemas, community uses, medical and other business services.
- Major retail anchors within the centre comprise about 64% of total retail floorspace. This includes two discount department stores (DDS) (42%) and two supermarkets (21%), namely Big W and Target and Woolworths and Franklins.
- There are five mini-major tenants at Stockland Wetherill Park – Priceline, Best & Less, Chemist Works, The Reject Shop and My Sneakers (external) – totalling 2,996 sq.m.
- There are approximately 10,065 sq.m of specialty retail tenancies across a broad range of categories, with a skew towards food catering and apparel. For the purposes of our analysis we have included external tenancies in the overall estimate of retail composition, including KFC, McDonalds and Savanas Restaurant.
- The centre also provides a range of other external tenancies, including the Hoyts Cinemas, community centre, medical centre, library and Beaurepaires.

**Table 1.1**  
**Stockland Wetherill Park - Current and Proposed Centre Composition**

Category	Existing Composition		Approved Stage 1 DA + s96		Stage 2 DA	
	sq.m	% of retail	sq.m	% of retail	sq.m	% of retail
<u>Major tenants</u>						
DDS	15,117	42%	15,117	33%	15,117	30%
Supermarket	<u>7,619</u>	<u>21%</u>	<u>7,619</u>	<u>17%</u>	<u>7,619</u>	<u>15%</u>
Total majors	22,736	64%	22,736	50%	22,736	45%
Mini-majors	2,996	8%	6,169	14%	9,349	18%
<u>Retail specialties</u>						
Food & liquor	1,104	3%	1,504	3%	1,604	3%
Food catering	2,284	6%	2,584	6%	2,768	5%
Apparel	4,145	12%	6,671	15%	7,671	15%
Household	420	1%	1,420	3%	1,820	4%
Leisure	280	1%	1,080	2%	1,380	3%
General	911	3%	1,711	4%	2,011	4%
Retail services	<u>921</u>	<u>3%</u>	<u>1,421</u>	<u>3%</u>	<u>1,621</u>	<u>3%</u>
Total retail spec.	10,065	28%	16,391	36%	18,875	37%
<b>Total conventional retail*</b>	<b><u>35,797</u></b>	<b><u>100%</u></b>	<b><u>45,296</u></b>	<b><u>100%</u></b>	<b><u>50,960</u></b>	<b><u>100%</u></b>
<b>Net increase</b>			<b>9,499</b>		<b>5,664</b>	
<b>Other 'retail GLA'</b>	<b>3,176</b>		<b>4,716</b>		<b>4,716</b>	
<b>Total retail GLA**</b>	<b><u>38,973</u></b>		<b><u>50,012</u></b>		<b><u>55,676</u></b>	
<b>Net increase</b>			<b>11,039</b>		<b>5,664</b>	

\*Does not include gym, banks, travel agents, other non-retail services

\*\* Includes gym, banks, travel agents, other non-retail services

Source: Stockland; MacroPlan Dimasi

### 1.3 Stage 1 & s96 and Stage 2 composition

The Stage 1 of Stockland Wetherill Park includes an additional 11,955 sq.m of GLA floorspace, and the s96 seeks to reduce the retail GLA by 916 sq.m and reduce other GLA by 759 sq.m. The proposed Stage 2 scheme for which approval is sought involves a net additional expansion 4,748 sq.m of retail floorspace (inclusive of the s96 application).

For the purposes of this assessment we have defined retail floorspace in accordance with the category definitions in Section 5.4 of this report. To demonstrate the worst case scenario in regards to potential trading impacts, we have assumed that all of the net additional floorspace is delivered as retail under these definitions.

#### Approved Stage 1 DA

Key points to note with regard to the approved Stage 1 DA scheme include:

- There would be physical minimal change to the existing centre building, with the exception of two tenancies at the northern entrance to the centre (opposite the Hoyts cinema complex) which will be reconfigured.
- The proposed expansion of the centre will occupy site area currently occupied by non-retail tenants (e.g. medical centres) and grade carparking.
- It will include the addition of a gym operator of 1,145 sq.m (non-retail) and 3 mini-major tenants of 3,165 sq.m.
- It will result in the net addition of 11,955 sq.m of 'retail' GLA (inclusive of gym, banks, travel agents etc).
- We have assumed that about 10,415 sq.m of the additional 'retail' GLA would be occupied by traditional retail tenancies as defined in section 5.4 of this report (i.e. exclusive of gym, banks, travel agents etc)
- In addition, part of the floorspace currently occupied by the Hoyts cinema will be converted to retail shopfronts.

- Following the Stage 1 DA, Stockland Wetherill Park would contain about 50,928 sq.m of retail GLA retail floorspace (i.e. inclusive of gyms, banks, travel, agents) and 45,296 sq.m of traditional retail GLA (i.e. exclusive inclusive of gyms, banks, travel, agents).
- Further carparking spaces would be provided above the expanded centre on Level 1 and on the rooftop level. The existing basement carpark would also be expanded.

#### **Section 96 Amendment to Stage 1 DA**

- The Section 96 amendment seeks to create a more functional centre design and includes a reduction of retail floorspace of 916 sq.m and a reduction of non-retail floorspace of 759 sq.m (at total net reduction of 1,675 sq.m).
- There is no change the proposed number of car-spaces.

#### **Proposed Stage 2 DA**

Key points to note with regard to the Stage 2 DA proposal for which Stockland is to seek development approval include:

- A total incremental floorspace provision of approximately 16,699 sq.m GLA retail floorspace (including non-retail services) above the current centre.
- The amended scheme will involve some redevelopment of existing tenancies and will result in the net addition of 4,748 sq.m of retail GLA above the approved Stage 1 DA and s96 amendment (including non-retail services).
- This would include the addition of 3,175 sq.m of mini-majors floorspace, comprised of three tenants, likely to include Harris Scarfe, large format fashion and a food tenant.
- A net addition of about 1,573 sq.m of specialty retail floorspace above the approved expansion.



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## Section 2: Planning and policy review

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This section outlines the current and proposed planning controls for the subject site, and refers to the Fairfield Retail and Commercial Centres/Activity Policy (2006) as it relates to economic impact assessments.

This section then considers the consistency of the proposed expansion with relevant Government plans and policies and provides an overview of retail trends of relevance to the proposed expansion.

### 2.1 Current and proposed planning controls

#### Current zoning

The subject site on which Stockland Wetherill Park is located is currently classified as *Zone 3(b) District Business Centre*, according to the Fairfield City Local Environment Plan (LEP) 1994. This zoning is characterised by the following objectives:

- To provide for and encourage the provision of a wide range of goods and services which will contribute to economic and employment growth within the City of Fairfield;
- To encourage the development of Cabramatta Town Centre as a specialist cultural, retail, tourist and entertainment centre; and
- To encourage the District Centres located in Prairiewood and Bonnyrigg to provide residents with major food, clothing and small item shopping opportunities.

The subject site is presently not subject to any floor space ratio (FSR) controls or height controls. The City Wide Development Control Plan (DCP) and the Prairiewood Masterplan (2005) do not prescribe such controls for the Stockland Wetherill Park subject site.

### Proposed zoning and planning controls

The subject site is proposed to be zoned *B4 – Mixed Use* under the draft Fairfield City LEP (2011). This zoning also applies to lands to the south of Restwell Road. The proposed objectives of this zone are to:

- To provide a mixture of compatible land uses
- To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling
- To support Prairiewood, Fairfield and Cabramatta as the principal location for specialist cultural, retail, business, tourist and entertainment facilities and services.

The draft Fairfield City LEP (2011) proposes a height limit at the subject site of 18 metres and a floorspace ratio (FSR) of 0.57:1. The proposed FSR controls, which apply to total gross floor area (GFA), would effectively limit total floorspace at the subject site to 69,480 sq.m (i.e. 12.19 ha x 0.57), including retail development, mixed-use and residential floorspace as well as storage space.

There is presently 55,265 sq.m of total GFA on the subject site, including 38,793 sq.m gross lettable area (GLA) of retail floorspace (including ancillary non-retail uses such as banks, travel agents).

There is an existing Stage 1 DA approval for a further 12,470 sq.m of GFA (11,955 GLA) at the subject site. The Stage 1 DA approval will not be impacted by the proposed FSR controls (i.e. 0.57:1) and therefore the Stockland Wetherill Park subject site presently accommodates, or has approval for approximately 67,735 sq.m of total GFA (56,775 sq.m of GLA).

Under the proposed FSR controls (i.e. 0.57:1), the subject site could only accommodate a net additional 1,745 sq.m of total GFA, for as long as the draft Fairfield City LEP (2011) is in force.

MacroPlan Dimasi provided strategic economic evidence supporting a formal submission made by Stockland Development Pty Ltd (Stockland) in June 2012 requesting an amendment to these draft FSR controls. This report was prepared in close consultation with Fairfield Council's preferred economic expert, Norling Consulting.

At the time of writing, this approach was endorsed by Council's staff and independent advisors (see business papers prepared for ordinary Council's meeting of 24 July 2012).

## 2.2 Fairfield Council Retail & Commercial Centres/Activities Policy

The Fairfield Council Retail & Commercial Centres/Activities Policy (*hereafter Retail Policy*) was endorsed in 2006 by Fairfield City Council. It was a key recommendation from the Retail Study and the purpose of the policy is to:

*"...describe the retail/commercial role of each of the types of centres in Fairfield City and provide consistent criteria against which rezoning or development applications for new retail/commercial proposals will be assessed by Council."*

The Retail Policy's primary function was to provide Fairfield Council with a frame of reference for assessing development applications for retail floorspace within the Fairfield LGA, including guidance around the role and function for specific centre types, the assessment criteria required for economic impact assessments and measures for accommodating out-of-centre development such as bulky goods.

This policy sets out criteria for assessing development proposals within various centres across the Fairfield LGA. The Prairiewood Town Centre (i.e. including Stockland Wetherill Park) is defined as a sub-regional centre in the Retail Policy.

The Retail Policy indicates that for proposals that seek to provide additional floorspace within sub-regional centres, supporting economic impacts need to demonstrate that the development meets five key criteria discussed below.

**1. The development proposal will not result in an unacceptable level of impact on the range of services provided in other existing sub-regional centres in Fairfield.**

- a. Very minimal retail trading impacts expected at the three other sub-regional centres in Fairfield. Retail impacts are expected to range between 1 and 3.4% at these centres, which are considered minor. (See Section 6 for more detail).
- b. Strong population growth, significantly higher than expected when the Retail Policy was endorsed, will result in any trading impacts dissipating within 1-2 years.

**2. That the development proposal will not result in a reduction in the range of services provided in nearby neighbourhood centres**

- a. The Stage 2 DA involves additional higher order retail including specialty stores and mini-majors. The local and neighbourhood centres surrounding the centre will rely upon servicing small, convenience oriented catchments and the role and function of these centres will not be impeded by the proposed Stage 2 DA expansion.
- b. Local centres will continue to maintain their importance for convenience purposes. Impacts on local and neighbourhood centres across the competitive network are not expected to exceed 2% at any one centre. (See Section 6 for more detail).

**3. Whether the development proposal will introduce types of retail services likely to reduce escape spending from Fairfield**

- a. The proposed Stage 2 DA will allow greater provision of mini-major tenants and specialty retail floorspace. Some of these mini-majors are not present within any of the centres in the Fairfield LGA, for example JB Hi-Fi, Rebel Sport, Harris Scarfe and large format fashion. These retail needs are currently not being met by centres



within Fairfield LGA and their provision would reduce escape spending.

**4. Whether the proposal will improve the viability of the sub-regional centre by strengthening key retail functions—for example, the provision of or upgrading of discount department stores and supermarkets**

- a. The total expansion (Stage 1, s96 & Stage 2) may include a Harris Scarfe department store, and five mini-major tenants, which will enhance the overall attractiveness and service provision within the centre.

**5. Whether the development proposal demonstrates that a net community benefit will flow from the proposed expansion of retail floor space.**

- a. The Stage 2 DA expansion will result in additional direct employment at the centre and indirect employment through the supply chain servicing the centre. The construction phase of the development will create employment both direct employment and indirect employment, more broadly across the economy. (See Section 6 for more detail).
- b. The Stage 2 DA will lead to increased consumer choice, enhanced competition, reduced travel distances and car-trips, enhanced competitiveness of the Fairfield LGA retail network. It is consistent with relevant state government policies as it will provide retail development in-centre, near residents and near public transport. (See Section 6 for more detail).

The Retail Policy acknowledges the role and function of Prairiewood as a 'potential Major Centre' under the Metropolitan Strategy and a sub-regional centre according to the Fairfield Council. The Stage 2 DA expansion would be consistent with the Retail Policy.

The subject site will maintain, and possibly improve, its consistency with the role and function criteria for sub-regional centres as outlined on Page 8 of the *Retail Policy*. These criteria are discussed below:

- *“Provide retail and commercial services to a sub-region within Fairfield LGA (usually about 50,000 persons)”*. The proposed expansion is not expected to change the geographical extent of the trade area of the Prairiewood sub-regional centre, but will result in greater levels of retained escape expenditure.
- *“Comprise of one (or more) discount department store (DDS) and one (or more) full line supermarket.”* The centre will continue to accommodate 2 x DDS and 2 x full line supermarkets and even if the centre were to include more of these types of anchors this would still be consistent with this definition.
- Prairiewood Town Centre is located on a major public transport network, notably the Parramatta Liverpool T-Way.
- The Prairiewood Town Centre will continue to provide major health facilities (eg. Fairfield Hospital), education facilities and as well as a range of medical, professional and administrative business services.
- With the approved expansions and amended scheme expansion, the centre will accommodate approximately 50,000 sq.m of retail floorspace. This is consistent with the recommended range of 20-80,000 sq.m of retail floorspace for sub-regional centres within the *Retail Policy*.

### 2.3 Retail and economic trends

The existing Fairfield Retail Policy was informed by a background study prepared by Leyshon Consulting called the *Fairfield Council Retail & Commercial Centres Study*, undertaken in 2005.

Since the Retail Study was undertaken in 2005, there have been many changes in Australia's retail environment. Such changes have included several major global economic events, house price stabilisation, significant adjustments in the growth profile of Fairfield LGA, the emergence of new international and domestic retail players, the rise of internet retailing in some categories, changes in consumer preferences to experience-based retailing, a redistribution of household consumption expenditure and historically high household savings ratios, the result of consumer caution.

Factors such as the GFC have resulted in structural shifts in the retail sector with much tighter financing conditions for major retail developments. This has meant developments are typically subject to much greater market testing and often require demonstrated demand and turnover threshold levels to be met in order to proceed. Essentially, lenders are highly unlikely to finance new developments unless there is demonstrated demand growth.

There has been a large increase in the average household savings ratio, which exceeded 10% in 2011, and flat retail sales growth across some retail formats, of particular note, department stores have seen sales declines of 4-5% per annum over the past 2-3 years.

However consumers have not closed their wallets. Increased prices pressures for household utilities, education, transport and the like have eroded household budgets, while the strong Australian dollar has meant Australians are taking record numbers of overseas holidays per year.

The rise of internet retailing has eroded the market share of some retail categories, however in general this trend is not expected to impact noticeably on land use planning for physical retail space. This is because the majority of on-line

sales (70%–80%) are, or are expected to, be channelled through domestic retailers with bricks and mortar presence.

All in all, the normal drivers of retail floorspace demand remain, and will continue to do so in the future. The two key drivers of retail floorspace demand, namely population growth and growth in real incomes, are expected to continually increase over the next 10-20 years within the Fairfield LGA.

Fairfield has seen marked, and unexpected, increase in population since the 2006 census, which has seen the Fairfield LGA population increase from 187,000 to about 197,000 by June 2011, an increase of 10,000 persons. This outcome compares with a decline of 2,500 persons between the inter-censal period 2001 and 2006.

## 2.4 Fairfield Council Retail & Commercial Centres Study

The Retail Study, prepared by Leyshon Consulting Pty Ltd (Leyshon) in 2005 focused on land use planning for the four key sub-regional centres within the Fairfield LGA - Cabramatta, Fairfield, Prairiewood and Bonnyrigg - as well as selected neighbourhood centres, while also providing guidance around local centres and bulky goods retailing.

The Retail Study addressed a number of key issues and provided a frame of reference for Council to manage retail development in conjunction with the existing Fairfield City LEP (1994). The key elements contained within the Retail Study included:

- Detailed floorspace surveys of selected centres
- Recommendation of a retail and commercial centres policy
- Defined a 'system of centres'
- Provided guidelines in regards to the role and function (e.g. typical attributes) for various centre typologies

- Encouraging retail development that reduces net expenditure leakage, particularly in categories that are not represented within the LGA
- Ensuring that planning remains flexible to market demands, even in a low growth environment

However, the quantitative analysis which underpinned the Retail Study was not readily apparent. This point is particularly pertinent given the changed retail environment and significant reversal of population growth trends in Fairfield LGA.

Our findings and views on key aspects of the Retail Study are summarised as follows:

- The findings and conclusions were predicated on expectations of flat or minimal population (and presumably retail expenditure) growth (page 41).
- No explicit modelling of retail expenditure was undertaken to determine overall retail floorspace demand at 2005 or into the future.
- No quantitative assessment of retail floorspace allocations across centres within the hierarchy was presented.
- There appeared to be little consideration of future economic and market conditions, or allowance for change in the retail sector – a task which, admittedly, is difficult to achieve, as it involves foreseeing the future to some extent.
- There appeared to be little consideration of the principles of net community benefit, consumer demand and competition within the retail environment.

This economic impact assessment therefore provides a quantitative assessment of the population and retail expenditure metrics for the Fairfield LGA. This analysis forms the basis of the retail demand and supply assessment which examines future retail needs for Fairfield. We have then provided recommendations in regards to the specific allocations across centres within the Fairfield LGA.



## 2.5 NSW Government Policies

In many ways additional retail and non-retail floorspace would more effectively enable the centre to deliver on the key principles of relevant Government strategic plans and policies. The additional development would allow greater job densities and service provision adjacent to a key public transport node and within walking distance to surrounding residents.

### **Sydney Metropolitan Strategy (2005)**

The *Metropolitan Strategy (December 2005)* outlined a broad framework for the future growth of the Sydney metropolitan area to 2031. The Strategy proposes the concentration of growth in centres, identifying housing and employment capacity targets for Sydney's subregions and strategic centres.

The Metropolitan Strategy aimed to consolidate employment and higher density residential development within an activity centres hierarchy that would be connected by transport networks and more broadly connected across larger 'economic corridors'.

The proposed amended scheme expansion will allow the Stockland Wetherill Park subject site to more appropriately deliver upon the planning, residential, employment and transport objectives of the Sydney Metropolitan Strategy as it would result in increased "in-centre" retail and employment uses, adjacent to public transport and integrated with a variety of other uses including residential.

### **Draft West Central Sub Regional Strategy (2007/08)**

The West Central Subregion Draft Subregional Strategy (December 2007) formed part of the NSW Government's Metropolitan Strategy. Subregional planning aims to translate the objectives and actions of the Metropolitan Strategy, to provide a planning framework for local councils and to guide the development of their Local Environmental Plans (LEPs).

The key points to note from the West Central Subregional Strategy, in relation to Stockland Wetherill Park, are detailed below:

- The Subregional Strategy identifies Prairiewood (along with Cabramatta and Fairfield) as a “Potential Major Centre” which is defined as follows:

*“Potential Major Centres “have assets, including transport or open space connections, and potential as shopping and service hubs in existing areas of the city which may have increased residential development.”*

- A Major Centre is defined as:

*“The main shopping and business centre for a district, usually with a full scale shopping mall, council offices, taller office and residential buildings, and central community facilities, with over 8,000 jobs defining these centres”.*

- Sydney’s potential major centres will play a critical role in realising the future population growth and retail demand projected by the NSW Government. Total jobs in identified potential major centres will increase by 42,000 to 68,000 jobs by 2031.

The proposed Stage 2 DA will provide additional retail space and employment opportunities. The centre accommodates major retail and non-retail facilities, is co-located with open space and also very well serviced by public transport. The additional floorspace will ensure it can more ably achieve its role as a major centre within the Fairfield LGA.

### **Draft NSW Draft Centres Policy (2009)**

The NSW Draft Centres Policy (April 2009) sets indicative planning guidelines for retail and commercial development in NSW. According to the *Fairfield Council Background Paper – Business Zones* the NSW DPI has advised Councils not to use the draft Centres Policy when formulating new draft LEPs or in development assessment.

### **Metropolitan Plan for Sydney 2036 (2010)**

In 2010, the NSW DPI released its Metropolitan Plan for Sydney (2036). This plan draws on the strengths and principles of the 2005 Metropolitan Strategy – City of Cities and the Metropolitan Transport Plan (2010).

The revised forecasts contained within this plan, compared with 2005, anticipate that Sydney's population will grow by 1.7 million to 5.7 million in 2031, reflecting an increase of 400,000 persons from the 2005 Strategy. To cater for this growth, the NSW DPI has recommended the following revised capacity targets:

- 770,000 new dwellings (previously 640,000)
- 760,000 new jobs (previously 500,000)
- 7 million sq.m of additional commercial floorspace (previously 6.8 million)
- 4 million sq.m of additional retail floorspace (previously 3.7 million)

This means an additional 9-10% of retail floorspace is expected to be accommodated across Sydney over the next 25 years than previously projected for the same period five years prior.

Importantly, employment nodes, particularly those identified as being able to 'upscale' in their role and function in the hierarchy, such as identified 'potential' major centres, should not be inhibited from accommodating future investment.

The proposed amended scheme expansion would more readily facilitate the growth of jobs and residents within the Sydney metropolitan region and assist in delivering upon the intended targets of the Metropolitan Plan for Sydney.

### **Supports Public Transport Investment**

The Prairiewood Town Centre is located on the Parramatta-Liverpool T-Way, a dedicated busway facilitating commuters across Western Sydney.

The Metrolink Bus Route 819 links Prairiewood with Liverpool Railway station interchange; the 806 links Parramatta and Liverpool via Prairiewood; the 808 links the Liverpool interchange to the Fairfield interchange via Bonnyrigg,

Abbotsbury and Prairiewood; while the 817 links Cabramatta to the Fairfield Interchange via Prairiewood.

Additional floorspace at Stockland Wetherill Park would support additional jobs and provide increased retail and business services. The four key bus services identified above demonstrate that Prairiewood is highly accessible for all residents within the Fairfield LGA, all of whom could utilise the key public transport infrastructure to access the centre for these services and employment needs.

The closest railway stations are located at Fairfield, Canley Vale and Cabramatta, which make both Fairfield and Cabramatta key targets for increased residential floorspace and other employment uses.

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## Section 3: Competitive supply

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This section of the report reviews the current and proposed retail supply within the Fairfield LGA and more broadly, the competitive environment within which Stockland Wetherill Park operates, including existing and proposed developments.

### 3.1 Retail floorspace supply – Fairfield LGA

We have estimated retail floorspace supply across the Fairfield LGA relying on estimates from the Retail Study, the Property Council of Australia, Cordell, planning documents, as well as site visits, aerial photography and other sources.

Table 3.1 shows that there is presently about 313,600 sq.m of retail floorspace provided within the Fairfield LGA. This total comprises an estimated 237,600 sq.m of traditional retail space, including sub-regional centres, neighbourhood centres, village centres and street/strip retail, plus an estimated 76,000 sq.m of bulky goods/large format retailing of which the majority is located within the Wetherill Park industrial area, anchored by the Greenwood SupaCenta bulky goods precinct.

Total retail floorspace is distributed across the Fairfield LGA as follows:

- Sub-regional centres: 155,000 sq.m (49% of total)
- Neighbourhood centres: 42,600 sq.m (14% of total)
- Local centres/other retail: 40,000 sq.m (13% of total)
- Bulky goods / large format retail: 76,000 sq.m (24% of total)

There is also about 75,000 sq.m of proposed retail floorspace, comprising space under construction, approved developments and developments under assessment by Fairfield Council. This proposed space includes:

- A 3,464 sq.m Woolworths under construction at Fairfield Heights, which will strengthen the convenience function of this centre.

- Bonnyrigg Plaza, which has DA approval for an expansion of 13,375 sq.m of retail floorspace, including an additional supermarket and specialty retail. This approval was granted in 2003.
- Bonnyrigg Shopping Centre, a new shopping centre of 18,850 sq.m. A DA was submitted for this development in 2005 and an updated DA was submitted in 2009. The status of this centre however is uncertain.
- Stockland Wetherill Park, which has Stage 1 DA approval to expand by about 11,955 sq.m GLA retail, including services such as banks, travel agents and the like. We consider that about 10,000 sq.m of this floorspace would be classified as 'retail floorspace' as we define it in section 5.4 of this report.
- A 12,500 sq.m DA approval for a bulky goods retail development and supporting commercial development within Wetherill Park on The Horsley Drive (deferred).
- An approval for a two storey Bunnings Warehouse at The Horsley Drive (deferred), at Wetherill Park.

Some of these projects have been deferred, and may not come to fruition, while we consider it more likely than less that only one of the proposed developments within the Bonnyrigg Town Centre will occur in the short-term, not both. This view is due to the size and scale of the developments and the low likelihood of attracting a major supermarket anchor to both developments.

Taking the above proposed floorspace into consideration, there is estimated to be about 388,700 sq.m of existing and proposed retail floorspace within the Fairfield LGA as at 2012.

**Table 3.1**  
Fairfield LGA Estimated Retail Supply - 2012

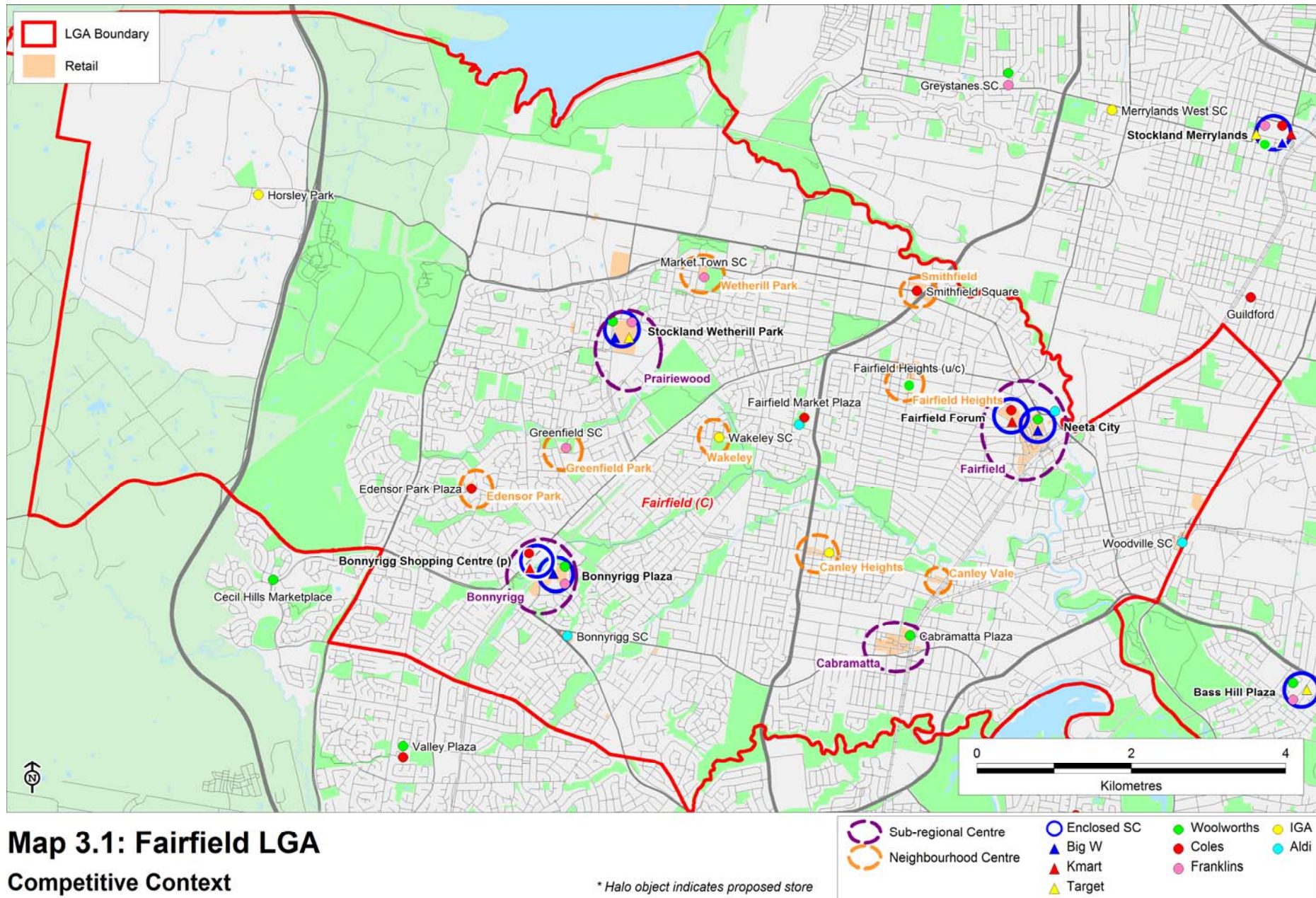
Centre	Total Retail	Enclosed	Strip / Street	Bulky / Large Format	Proposed Retail	Total + Proposed
<b><u>Bulky Goods / Large Format</u></b>						
Bonnyrigg	8,000	0	0	8,000	0	8,000
Wetherill Park	58,000	0	0	58,000	29,500	87,500
<u>Villawood</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<b>Total bulky goods</b>	<b>76,000</b>	<b>0</b>	<b>0</b>	<b>76,000</b>	<b>29,500</b>	<b>105,500</b>
<b><u>Sub-regional Centres</u></b>						
Prarieewood	37,000	37,000	0	0	10,000	47,000
Fairfield	58,000	42,000	16,000	0	0	58,000
Bonnyrigg	25,000	20,700	4,300	0	32,222	57,222
<u>Cabramatta</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
<b>Total sub-regional centres</b>	<b>155,000</b>	<b>99,700</b>	<b>55,300</b>	<b>0</b>	<b>42,222</b>	<b>197,222</b>
<b><u>Neighbourhood Centres</u></b>						
Smithfield	7,000	0	7,000	0	0	7,000
Canley Vale	4,502	0	4,502	0	0	4,502
Canley Heights	8,244	0	8,244	0	0	8,244
Edensor Park	4,865	4,865	0	0	0	4,865
Greenfield Park	4,500	4,500	0	0	0	4,500
Wetherill Park	5,000	5,000	0	0	0	5,000
Wakeley	3,445	3,445	0	0	0	3,445
<u>Fairfield Heights</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>3,436</u>	<u>8,436</u>
<b>Total Neighbourhood</b>	<b>42,556</b>	<b>17,810</b>	<b>24,746</b>	<b>0</b>	<b>3,436</b>	<b>45,992</b>
<b><u>Other Retail (inc local centres)</u></b>						
<b>Total other retail</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>40,000</b>
<b>Total Retail Fairfield LGA</b>	<b>313,556</b>	<b>117,510</b>	<b>120,046</b>	<b>76,000</b>	<b>75,158</b>	<b>388,714</b>

Source: Fairfield City Council, Property Council of Australia; MacroPlan Dimasi

The Retail Study outlined a 'system of centres' defining various centre typologies across the Fairfield LGA. The Retail Policy formally adopted this system of centres.

The system of centres includes four types of centres; sub-regional, neighbourhood, local and specialised centres. Map 3.1 overleaf shows the spatial distribution of retail centres across the Fairfield LGA.

## Section 3: Competitive supply





### 3.1.1 Sub-regional centres

The four sub-regional centres within the Fairfield LGA; Fairfield, Cabramatta, Prairiewood and Bonnyrigg, comprise some 155,000 sq.m of retail floorspace, or about 72% of all centre-based floorspace within the LGA.

#### Fairfield Town Centre

The Fairfield Town Centre contains an estimated 58,000 sq.m of retail floorspace. It is anchored by two enclosed sub-regional scale shopping centres, namely Neeta City and Fairfield Forum, and includes approximately 16,000 sq.m of strip based retailing across several streets.

**Fairfield Forum:** is a 17,000 sq.m enclosed shopping centre anchored by a Kmart discount department store as well as a Coles supermarket. Fairfield Forum also includes some 39 specialty shops and a small cinema complex.

**Neeta City** is anchored by a Big W discount department store and Woolworths supermarket. It provides approximately 24,390 sq.m of retail floorspace, including 53 specialty shops.

The Fairfield Town Centre includes a range of local, independent, specialised traders that appeal to the surrounding multicultural population. The centre is planned to absorb increased commercial and residential floorspace in the future and we consider this to be the most appropriate direction for the town centre.

Increased residential and commercial development around the Fairfield Railway Station will achieve many of the key sustainability objectives of the NSW Metropolitan Plan. Such development will assist the revitalisation and consolidation of the retail offer within the town centre, parts of which have struggled for trading success over the past decade.

#### Prairiewood Town Centre

The Prairiewood Town Centre is a multi-functional commercial centre supporting a range of uses including a community centre, library, schools, health facilities and is located along the Parramatta-Liverpool T Way.

Prairiewood is designated as a 'potential Major Centre' under the Sydney Metropolitan Strategy, due to its existing critical mass, mix of uses, key anchors, public transport accessibility and co-location with residential uses.

Prairiewood Town Centre is anchored by the sub-regional Stockland Wetherill Park shopping centre. This centre has grown by about 20,000 sq.m of retail space since the early 1990's, with the addition of a second discount department store, a cinema complex and further specialty retail floorspace, to now total approximately 37,000 sq.m of retail floorspace. This centre is a highly attractive centre for residents as evidenced in part by a well above average trading performance.

Since the Retail Study there has been clear evidence of growth within the Fairfield LGA and Fairfield Council has approved an expansion of about 11,955 sq.m of GLA retail floorspace (about 10,000 sq.m of retail as defined in Section 5.4) at Stockland Wetherill Park. This additional floorspace will be provided in the form of mini-majors and non-food fashion specialty retail tenants that are somewhat lacking within the Fairfield LGA. This mix should result in the increased retention of trade area expenditure that is currently escaping to higher order centres beyond the LGA.

#### **Bonnyrigg Town Centre**

The Bonnyrigg Town Centre is anchored by the enclosed sub-regional shopping centre Bonnyrigg Plaza (20,700 sq.m) and a Bunnings hardware store of about 8,000 sq.m. There is also about 2,300 sq.m of retail and commercial GFA located along Edensor Road and fresh food markets of about 1,000 sq.m along Smithfield Road. Excluding the Bunnings, the Bonnyrigg Town Centre is estimated to comprise about 25,000 sq.m of retail floorspace.

**Bonnyrigg Plaza** currently includes some 20,700 sq.m of retail floorspace and is anchored by a Big W discount department store and Woolworths and Franklins supermarkets.

Bonnyrigg Plaza has had DA approval since 2003 for a 13,370 sq.m expansion including the addition of further supermarket and retail specialty stores.

**Bonnyrigg Shopping Centre** is a proposed shopping centre of 18,800 sq.m, to be located on Smithfield Road. A DA was lodged for this centre in 2005. It is understood that an amended DA was lodged in 2009 and still awaits an official decision notice. This centre is planned to include a Kmart discount department store, a Coles supermarket and supporting specialty retail.

It is not clear whether both developments at Bonnyrigg Town Centre will ultimately proceed.

### **Cabramatta Town Centre**

Cabramatta Town Centre contains an estimated 35,000 sq.m of retail floorspace including a Woolworths supermarket at Cabramatta Plaza. The centre exhibits strong Vietnamese and other Asian influences, accommodated in a large number of small shops and commercial businesses, which as a whole create quite a significant activity centre.

The centre has not grown much since the early 1990's. Land ownership fragmentation and building stratification issues will make major future retail developments quite difficult in terms of economic feasibility, time and owners' consent.

The centre is well located around the Cabramatta railway station. In the future it will be expected to accommodate increased residential density, and is considered likely to see a consolidation of its retail floorspace mix.

### **3.1.2 Neighbourhood centres**

There are nine (9) designated neighbourhood centres within the Fairfield LGA, according to the Fairfield Study.

- Smithfield
- Canley Heights
- Greenfield
- Wakeley
- Villawood
- Canley Vale
- Edensor Park
- Wetherill Park (Marketown)
- Fairfield Heights



These neighbourhood centres in combination contain about 42,600 sq.m of retail floorspace as at 2012. There is also a 3,464 sq.m Woolworths under construction at Fairfield Heights, which will strengthen the convenience function of that centre and take the overall provision of neighbourhood centre floorspace to about 46,000 sq.m across the Fairfield LGA.

Three of these smaller centres – Smithfield, Canley Vale and Canley Heights – have been specifically tracked by Fairfield Council over the period from 1999 to 2005 with three floorspace surveys conducted over that decade.

Smithfield is estimated to comprise some 14,000 sq.m of commercial floorspace, of which about 7,000 sq.m was estimated to be non-vacant retail floorspace as at 2005. Canley Vale accommodated an estimated 4,502 sq.m of retail floorspace in 2005 and Canley Heights provided some 8,244 sq.m of retail floorspace as at 2005.

Generally there has been little increase in floorspace at the smaller neighbourhood centres, although some rejuvenation may well occur over time. The replacement of the former Food For Less supermarket with a new Woolworths store at Fairfield Heights is one such example, while the replacement of the previous Franklins store with a new Supa IGA store at Marketown in Wetherill Park is another.

Overall however, there is likely to be little demand for retail floorspace increases at the majority of the neighbourhood centres.

### **3.1.3 Local centres**

There are 37 'local centres' across the Fairfield LGA ranging from small sets of shops up to 2,000 sq.m of retail floorspace such as the retail node around Horsley Park. We estimate that at an average size of about 1,100 sq.m, these centres comprise some 40,000 sq.m of retail floorspace. Generally, these centres provide convenience based take-home food, groceries and packaged liquor and food catering tenancies such as cafes, take-away stores.

These centres should not suffer any noticeable trading impacts from sub-regional retail developments as they generate trade from tightly defined local catchments or form part of a large commercial precinct (e.g. Greenway Plaza).

Similar to neighbourhood centres, some of these local centres could be considered for residential uses and a consolidation of retail floorspace. The retail sector is very dynamic and natural market evolution will mean that not all of these centres will necessarily continue to function viably into the future.

#### **3.1.4 Bulky goods/large format retailing**

The Retail Study identifies bulky goods retailing as being typically located out-of-centre within industrial zoned land. Within the Fairfield LGA much of the bulky goods development has occurred within the Wetherill Park industrial area, with exceptions at Villawood and Bonnyrigg.

The new standard template zoning definitions from the NSW DPI should allow this type of development to be more effectively managed by Fairfield Council, with specific zones (e.g. B5, B6 and B7) allowing this type of development.

The Wetherill Park industrial area contains the majority of the municipality's bulky goods/large format retailing, as well as significant manufacturing and wholesale premises. There is a blurred line between some of the businesses in this precinct. Many sell goods and services to the general public but would technically be considered as wholesalers or manufacturers, as their primary business operation.

We estimate that about 60,000 sq.m of floorspace within the Wetherill Park industrial area would be considered bulky goods retailing. The main component of this total is the 23,000 sq.m Greenway SupaCenta bulky goods precinct. Other bulky goods centres across the LGA include the Villawood Park'n'Save and the Bonnyrigg Bunnings Warehouse. We estimate total bulky goods supply to be 76,000 sq.m.

### 3.2 Retail supply – Other LGAs

The Fairfield LGA does not function in isolation and the surrounding retail network has some considerable bearing on the retail environment within the Fairfield LGA.

#### Liverpool

There is approximately 110,000 sq.m of retail floorspace provided within the Liverpool Central Business District (CBD). Westfield Liverpool is the key anchor providing some 84,500 sq.m of retail floorspace, including a Myer department store, Big W and Target discount department stores as well as Woolworths and Coles supermarkets. The centre is situated some 9 km to the south-east of Wetherill Park.

#### Parramatta

The Parramatta CBD accommodates about 230,000 sq.m of retail floorspace, including Westfield Parramatta, which contains over 135,000 sq.m of retail floorspace. The Centre is anchored by David Jones and Myer department stores, Kmart and Target discount department stores and Woolworths and Coles supermarkets.

A major project application has been submitted to the State Government for an expansion of Westfield Parramatta. The project proposes a Stage One expansion comprising 36,000 sq.m of retail floorspace while Stage 2 proposes the development of a 35,000 sq.m commercial tower at the corner of Argyle and Church Streets.

The Parramatta CBD also provides about 90,000 sq.m of street, strip and enclosed centre floorspace, including IGA and Aldi supermarkets, Officeworks, restaurants/cafes near the railway-bus interchange and along Church Street as well as quite an extensive array of specialty retailing and business services.

### **Holroyd**

**Stockland Merrylands** is anchored by Target and Kmart discount department stores as well as Coles and Franklins supermarkets. The centre was also recently redeveloped to include some 80 additional specialty stores and a new food-court.

Further redevelopment of Stockland Merrylands is presently underway. Stages 3 and 4 will incorporate Big W and Woolworths, and the relocation of the existing Franklins supermarket to a larger tenancy plus additional specialty retail.

Following the completion of the planned redevelopment, the centre will include approximately 59,000 sq.m of retail floorspace, which will make it larger than each of the sub-regional centres within the Fairfield LGA. This expansion is due to be completed by the end of 2012.

### **Other retailing**

There are a number of smaller supermarket based centres situated just beyond the borders of Fairfield LGA, such as Cecil Park Marketplace, which would rely on some trade from within the Fairfield LGA.

Furthermore, there are dedicated precincts beyond the Fairfield LGA that would service Fairfield LGA residents for specific retail requirements such as homewares, furniture, bulk groceries, discount fashion or global brand fashion.

These precincts include major bulky goods agglomerations in Penrith (Mulgoa Road), Auburn (Parramatta Road) or Alexandria (Bourke Road/Botany Road) with multiple major national tenants and more than 100,000 sq.m of retail floorspace.

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## Section 4: Retail market gap – Fairfield LGA

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This section of the report analyses population trends and projected population growth within the Fairfield Local Government Area (LGA) and surrounding LGAs. This section also estimates the retail demand generated by Fairfield LGA residents and the growth in this retail demand, as well as the current and projected growth in retail floorspace demand to 2031.

### 4.1 Population growth: Fairfield

The Retail Study was undertaken in 2005 and relied on official Census data from 2001 and estimates from the ABS up to 2003. The Retail Study raised questions about managing retail demand in an environment of no growth and even declining population growth.

As at 2005 there had been decreases in the Fairfield LGA population between the 1996 and 2001 censuses. There was then a subsequent recorded decline between 2001 and 2006 of some 2,500 persons within the LGA.

The Retail Study made references to the *Fairfield Residential Strategy* which reported ABS population projections for the Fairfield LGA of 202,564 persons by 2010 and 208,831 persons by 2019. However, the Retail Study discounted these forecasts as being highly unlikely, and assessed Fairfield LGA as likely to exhibit a low or minimal growth future.

The most recent data from the ABS for June 2011 estimates Fairfield's population to be 197,000 persons, an increase of about 2,000 persons per year, or some 10,000 persons over the past five years.

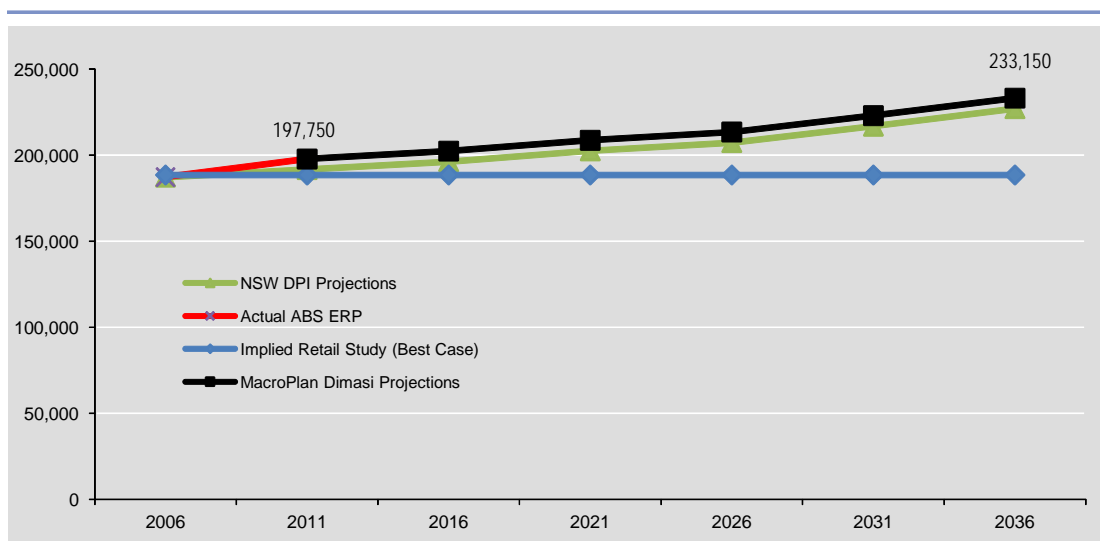
Chart 2.1 shows the New South Wales Department of Planning and Infrastructure (NSW DPI) projections of housing and population (2010). Population within the Fairfield LGA is expected to grow by about 0.6% per annum over the next

20 years, increasing by some 25,000 persons to 216,800 persons by 2031, and further to 227,000 persons by 2036.

These projections were prepared in 2010, and actual population growth within the LGA has already exceeded these projections by some 6,000 persons (See Chart 2.1). This chart also includes the 'implied' population projections relied upon in the Retail Study, which assumed that there would be minimal or no growth within the Fairfield LGA.

With a high proportion of young families, major developments such as the 2,500 dwelling Bonnyrigg residential project and continued infill projects, we expect population to continue its upward trend, and growth to continue at 0.6% per annum as forecast by the NSW DPI. The population is expected to increase to about 222,950 persons by 2031, or by a further 25,000 persons.

**Chart 4.1**  
Fairfield LGA Actual versus Projected Population, 2012-2031



Source: NSW Department of Planning and Infrastructure, ABS, MacroPlan Dimasi

It is evident that Fairfield is not a 'no growth' Council and Fairfield Council, when planning for retail facilities within the LGA, will need to consider this future projected growth.



MacroPlan Dimasi has replicated each of the four sub-regional trade areas defined within the Retail Study. We note that these are actually representative of the respective primary trade areas for each of the centres, with Stockland Wetherill Park, for example, actually serving a main trade area with in excess of 169,000 persons, as well as tertiary trade area sectors.

Table 4.1 shows that the population within each of these trade areas has grown between 2006 and 2011. The greatest population growth over the next 20 years is expected to occur within the trade areas of Bonnyrigg (8,450 persons) and Prairiewood (8,650 persons) sub-regional centres.

**Table 4.1**  
Fairfield LGA trade area population, 2001-2031\*

Trade area	Estimated population			Forecast population			
	2001	2006	2011	2016	2021	2026	2031
• Bonnyrigg	52,700	51,120	52,970	54,970	57,120	58,870	61,420
• Cabramatta	52,160	51,080	53,450	54,450	55,450	56,250	58,000
• Fairfield	50,230	51,410	57,010	58,760	59,760	60,560	62,310
• Prairiewood	53,340	52,060	53,530	55,030	57,430	59,380	62,180
Trade area	Average annual growth (no.)						
	2001-06	2006-11	2011-16	2016-21	2021-26	2026-31	
• Bonnyrigg	-316	370	400	430	350	510	
• Cabramatta	-216	474	200	200	160	350	
• Fairfield	236	1,120	350	200	160	350	
• Prairiewood	-256	294	300	480	390	560	
Trade area	Average annual growth (%)						
	2001-06	2006-11	2011-16	2016-21	2021-26	2026-31	
• Bonnyrigg	-0.6%	0.7%	0.7%	0.8%	0.6%	0.9%	
• Cabramatta	-0.4%	0.9%	0.4%	0.4%	0.3%	0.6%	
• Fairfield	0.5%	2.1%	0.6%	0.3%	0.3%	0.6%	
• Prairiewood	-0.5%	0.6%	0.6%	0.9%	0.7%	0.9%	

\*As at June

Source: ABS; NSW Department of Planning and Infrastructure, MacroPlan Dimasi

## 4.2 Population growth: Surrounding LGAs

Some regions can go through periods of flat or declining population for a number of reasons, however housing capacity pressures, planning policies, individual projects and affordability issues can alter such trends.

Nearby Penrith LGA experienced a very similar trend to Fairfield, with a decline in population recorded from 2001 to 2006, yet growth of about 1.2% per annum between 2006 and 2011 as new greenfield and brownfield residential projects were developed.

Fairfield is bound by six surrounding LGAs – Parramatta, Holroyd, Parramatta, Blacktown, Penrith, Bankstown and Liverpool – the populations of which are all projected to increase fairly strongly over the next 20 years.

Table 4.2 overleaf shows that the combined resident population within these six LGAs as well as Fairfield is expected to grow by about 1.3% per annum or some 18,000 to 20,000 persons per year. In total, the population within these LGAs will grow from 1.36 million in 2011 to 1.75 million in 2031.

This analysis shows that Fairfield is not an anomaly in the region and that significant population growth in all surrounding LGAs is likely to drive demand for additional retail facilities and contribute to demand for retail floorspace within the Fairfield LGA.

Two of the sub-regional centres within the Fairfield LGA are located at or near the periphery of the municipality. The Fairfield Town Centre is located on the boundary of the Holroyd LGA and no doubt population flows would occur between these two municipalities, while Cabramatta Town Centre is located close to the border with the Liverpool LGA.

Population growth within Fairfield LGA is expected to see about 1,000 new residents per year, and the surrounding population will also drive further demand for some retail floorspace within the Fairfield LGA.

Table 4.2

Fairfield Region: Municipal Population Trends, 2001 - 2031\*

Municipality	Estimated population			Forecast population			
	2001	2006	2011	2016	2021	2026	2031
• Fairfield	189,780	187,260	197,750	202,350	208,650	213,450	222,950
• Blacktown	266,070	280,610	313,060	344,160	380,160	422,860	459,960
• Holroyd	89,300	93,320	104,010	112,510	116,510	119,710	123,310
• Parramatta	148,850	153,890	176,360	186,760	193,360	198,960	204,960
• Bankstown	172,790	176,860	191,460	198,260	205,860	212,860	221,760
• Liverpool	159,630	170,920	188,580	204,080	233,080	261,480	286,780
• Penrith	<u>178,410</u>	<u>177,150</u>	<u>188,080</u>	<u>202,480</u>	<u>212,380</u>	<u>221,180</u>	<u>230,280</u>
<b>Total Region</b>	<b>1,204,830</b>	<b>1,240,010</b>	<b>1,359,300</b>	<b>1,450,600</b>	<b>1,550,000</b>	<b>1,650,500</b>	<b>1,750,000</b>

Trade area	Average annual growth (no.)					
	2001-06	2006-11	2011-16	2016-21	2021-26	2026-31
• Fairfield	-504	2,098	920	1,260	960	1,900
• Blacktown	2,908	6,490	6,220	7,200	8,540	7,420
• Holroyd	804	2,138	1,700	800	640	720
• Parramatta	1,008	4,494	2,080	1,320	1,120	1,200
• Bankstown	814	2,920	1,360	1,520	1,400	1,780
• Liverpool	2,258	3,532	3,100	5,800	5,680	5,060
• Penrith	<u>-252</u>	<u>2,186</u>	<u>2,880</u>	<u>1,980</u>	<u>1,760</u>	<u>1,820</u>
<b>Total Region</b>	<b>7,036</b>	<b>23,858</b>	<b>18,260</b>	<b>19,880</b>	<b>20,100</b>	<b>19,900</b>

Trade area	Average annual growth (%)					
	2001-06	2006-11	2011-16	2016-21	2021-26	2026-31
• Fairfield	-0.3%	1.1%	0.5%	0.6%	0.5%	0.9%
• Blacktown	1.1%	2.2%	1.9%	2.0%	2.2%	1.7%
• Holroyd	0.9%	2.2%	1.6%	0.7%	0.5%	0.6%
• Parramatta	0.7%	2.8%	1.2%	0.7%	0.6%	0.6%
• Bankstown	0.5%	1.6%	0.7%	0.8%	0.7%	0.8%
• Liverpool	1.4%	2.0%	1.6%	2.7%	2.3%	1.9%
• Penrith	<u>-0.1%</u>	<u>1.2%</u>	<u>1.5%</u>	<u>1.0%</u>	<u>0.8%</u>	<u>0.8%</u>
<b>Total Region</b>	<b>0.6%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>

\*As at June

Source: ABS; NSW Department of Planning and Infrastructure

### 4.3 Retail floorspace demand – Fairfield LGA

The growing population of Fairfield, and the consequent growth in available retail expenditure, will generate increased amount for retail floorspace. Table 4.3 below presents our estimates of this increase in retail floorspace demand, having regard to the following:

- The estimated provision of retail floorspace per capita across Australia at present is 2.2 sq.m.
- For the Fairfield population, and taking into account the lower income and retail expenditure profile of that population, we have estimated an allowance of about 2.0 sq.m per person at 2012 (12-15% lower than the Australian national figure).
- The retail floorspace demand for Fairfield LGA is then presented on the basis of two alternative assumptions, namely:
  - Assuming a constant provision of floorspace per capita which is stable at 2.0 sq.m; and
  - Assuming some modest growth in retail floorspace per capita over time (0.75% per annum), a lower rate of growth than the historical performance throughout Australia. Over the past two decades, the provision of retail floorspace per capita throughout Australia has increased on average by around 1%–1.5% per annum. While new innovations such as internet retailing will place some downward pressure on the provision of bricks and mortar retail facilities, there are also other factors which are likely to increase the provision, including the continual evolution of the retail market, and the entrance of new retailers into Australia (e.g. Costco).

Table 4.3

## Fairfield LGA - Retail Floorspace Demand

Factor	2006	2012	2016	2021	2026	2031	Growth (2012-31)
Population	187,260	197,750	202,350	208,650	213,450	222,950	25,200
<b><u>Retail Floorspace Demand (assuming real growth (0.75% p.a.))</u></b>							
Sqm per person (Aust avg.)		2.2	2.3	2.4	2.4	2.5	
Fairfield LGA Sqm per person		<u>2.0</u>	<u>2.1</u>	<u>2.1</u>	<u>2.2</u>	<u>2.3</u>	
Total Retail Demand (Sqm)		395,500	416,978	446,328	473,977	513,918	118,418
<b><u>Retail Floorspace Demand (assuming constant floorspace per capita)</u></b>							
Sqm per person (Aust avg.)		2.2	2.2	2.2	2.2	2.2	
Fairfield LGA Sqm per person		<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Total Retail Demand (Sqm)		395,500	404,700	417,300	426,900	445,900	50,400

Source: Fairfield Council, PCA, MacroPlan Dimasi

- If a constant floorspace per capita provision is assumed, then over the period to 2031 there would still be a required increase of approximately 50,400 sq.m in retail floorspace provision within Fairfield LGA, over and above the demand which exists at 2012.
- If, on the other hand, there is some modest growth in the provision of retail floorspace per capita over time (0.75% per annum), then the increase in retail floorspace demand for Fairfield LGA to 2031 would be in the order of 118,400 sq.m. Our view is that future planning should err on the side of more rather than less – there is nothing to be gained by seeking to unnecessarily limit the range of retail facilities which can be made available in the future to meet the needs of Fairfield's growing population.

#### 4.4 Retail gap – Fairfield LGA

A volume of 75,000 sq.m of retail development planned or under construction indicates there is significant investment demand to deliver additional retail floorspace, in suitable locations, within the LGA.

While not all of this retail floorspace is likely to be developed at the same time, such plans nonetheless indicate a strong likelihood of prevailing retail expenditure leakage from Fairfield, and market gap opportunities for retail development.

We estimate a current gap in retail floorspace provision within the Fairfield LGA in the order of 81,900 sq.m. The main drivers of this gap are a lack of regional scale shopping facilities within Fairfield LGA and no major agglomeration of bulky goods/homemaker retail facilities.

Table 4.4 highlights the estimated retail floorspace gap within the Fairfield LGA and shows that even if all planned retail development were to occur, the gap would still be about 125,200 sq.m by 2031.

Table 4.4							
Fairfield LGA - Retail Floorspace Demand v Supply							
Centre	2006	2012	2016	2021	2026	2031	Growth (2012-31)
<b>Population Growth</b>							
Population	187,260	197,750	202,350	208,650	213,450	222,950	25,200
<b>Retail Floorspace Supply (sqm)</b>							
Current (Estimate)		313,556					
Proposed			<u>75,158</u>				
Total Retail Supply (Estimate)		313,556	388,714	388,714	388,714	388,714	na
<b>Retail Floorspace Demand (sqm)</b>							
Sqm per person (Aust avg.)		2.2	2.3	2.4	2.4	2.5	
Adjusted for Fairfield Spend Profile		<u>2.0</u>	<u>2.1</u>	<u>2.1</u>	<u>2.2</u>	<u>2.3</u>	
Total Retail Demand (sqm)		395,500	416,978	446,328	473,977	513,918	118,418
<b>Retail Gap (sqm)</b>							
Total Retail Gap (sqm)		-81,944	-28,264	-57,614	-85,263	-125,204	43,260

Source: Fairfield Council, PCA, MacroPlan Dimasi

While this analysis should not be considered as 'black and white', these metrics are indicative of significant leakage and a future which suggests that retail planning should err towards a scenario which could potentially accommodate more rather than less growth.

We estimate that net expenditure leakage at present from Fairfield LGA exceeds expenditure inflows. While there is some retail expenditure inflow to Fairfield LGA, there is estimated to be significant higher order retail expenditure leakage to centres such as Westfield Liverpool, Westfield Parramatta, Stockland Merrylands as well as precincts such as the Homebush DFO and the Sydney CBD.

Furthermore, major bulky goods and retail showroom agglomerations in Penrith (Mulgoa Road), Auburn (Parramatta Road) or Alexandria (Bourke Road/Botany Road) with multiple major national tenants and more than 100,000 sq.m of retail floorspace, would also attract Fairfield residents.

Expenditure leakage from the LGA is mainly in the form of higher order, non-food retailing, of the sort that could be accommodated within further expansions to sub-regional centres or bulky goods precincts within the Fairfield LGA.

Convenience retailing expenditure is typically quite contained within close proximity to one's place of residence. However, importantly, the planning framework should be able to accommodate new players, expanded offerings and greater competition for the betterment of local consumers.

#### 4.5 Retail floorspace growth allocation

The Retail Study recommended that sub-regional centres should accommodate new or expanded supermarkets and new tenants that reduce expenditure leakage from the Fairfield LGA. Furthermore, these centres were recommended to accommodate between 20,000 and 80,000 sq.m of retail floorspace plus supporting commercial, community and other floorspace.

Our analysis indicates there will be some 118,400 sq.m of additional future retail demand generated by the residents within the Fairfield LGA over the next 20 years to 2031. This future demand will be additional to the prevailing market gap, which we have estimated at 81,900 sq.m.

Some of this demand will be absorbed by new developments under construction, such as that occurring at Fairfield Heights at present, as well as planned developments such as those at Bonnyrigg Town Centre - although which of the two applications will be developed is uncertain at this point.

New retail formats (eg. Masters, Costco), typically with larger floorplates should be accommodated within or adjacent to the Wetherill Park industrial area. Increased specialty and mini-major retail offerings that meet consumer demand



and enhance the overall retail offer should be accommodated (and will choose to do so) primarily within sub-regional centre nodes.

Table 4.5 outlines a recommended indicative allocation of future retail floorspace across the retail centres network within the Fairfield LGA. If this growth plus the current market gap are to be allocated on a pro-rata basis across centre typologies, then sub-regional centres would absorb approximately half of this growth, or about 99,000 sq.m of retail floorspace demand.

There are significant physical constraints and ownership fragmentation present in both Fairfield and Cabramatta sub-regional centres which have real implications for project investment and project viability.

Fairfield Council has acknowledged the constraints that exist within Cabramatta in a previous submission to the NSW DP&I. These constraints are discussed in our submission to the draft Fairfield Planning Scheme 2011. Realistically, Fairfield and Cabramatta are therefore likely to see overall retail floorspace consolidation in the future (although we have allowed some allocation to these centres) and future additions to sub-regional space could be reasonably assumed to be absorbed largely within Bonnyrigg or Prairiewood centres.

We have allowed for a higher allocation to each of Bonnyrigg and Prairiewood and we are of the view that Bonnyrigg should accommodate about 40% of sub-regional growth (39,600 sq.m) with Prairiewood accommodating a similar proportion (ie. 40%).

These allocations should be considered as conservative as it is quite possible that many of the smaller centres may not increase in size by much at all, and may either just rejuvenate their offer or even contract in size. The Smithfield, Canley Vale and Canley Heights centres have done so historically. It may prove to be unlikely that the local centres across Fairfield will absorb 25,600 sq.m of additional floorspace growth over the next 20 years.

Table 4.5

## Fairfield LGA - Retail Floorspace Allocation

Centre	Retail 2012	Current Share (%)	Growth at current share (2031)	Proposed / Planned	Suitable Allocation (%)	Suitable Allocation (2031)	Gap with DAs
<b><u>Sub-regional Centres</u></b>	<u>155,000</u>	<u>49%</u>	<u>99,045</u>	<u>42,622</u>	<u>49%</u>	<u>99,045</u>	<u>36,614</u>
Prairiewood	37,000	12%	23,643	10,000	20%	39,618	29,618
Fairfield	58,000	18%	37,062	na	5%	9,904	na
Bonnyrigg (ex Bunnings)	25,000	8%	15,975	32,622	20%	39,618	6,996
Cabramatta	35,000	11%	22,365	na	5%	9,904	na
<b><u>Neighbourhood Centres</u></b>	42,556	14%	27,193	3,464	14%	27,193	23,729
<b><u>Local Centres</u></b>	40,000	13%	25,560	na	13%	25,560	25,560
<b><u>Specialist/Bulky Goods</u></b>	76,000	24%	48,564	29,500	24%	48,564	19,064
<b>Total Retail</b>	<b>313,556</b>	<b>100%</b>	<b>200,362</b>	<b>75,586</b>	<b>100%</b>	<b>200,362</b>	<b>104,967</b>

Source: Fairfield Council, PCA, MacroPlan Dimasi

## 4.6 Escape expenditure retained

The analysis within this report shows there is a prevailing market gap in the Fairfield LGA equating to about 81,900 sq.m of retail floorspace. Without any additional retail development this 'net leakage' is expected to increase, with a future gap estimated at 125,200 sq.m by 2031.

The majority of this leakage is across higher order retail types including regional shopping centres, major bulky goods retailing, international/national brand fashion retailing and discount/factory outlet retailing.

The approved expansion and proposed amended scheme expansion of Stockland Wetherill Park will lead to the retention of some of this escape expenditure. The approved expansion entails the provision of three key mini-major type retail tenancies as well as youth and children's fashion, being specialty retail categories that are currently underprovided for within the Fairfield LGA, while the proposed amended scheme seeks to provide additional mini-major tenants and supporting specialty retail.

The Retail Policy states that expansions at sub-regional centres should be given preferred treatment if they include retail categories not currently provided for and result in retention of retail leakage from the Fairfield LGA.

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## Section 5: Trade area analysis

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This section of the report reviews the trade area served by Stockland Wetherill Park. The current and projected population of the trade area, as well as the socio-demographic profile of residents and their associated retail expenditure levels are also considered.

### 5.1 Trade area definition

The extent of the trade area or catchment that is served by any shopping centre is shaped by the interplay of a number of critical factors. These factors include:

- The relative attraction of the centre, in comparison with alternative competitive retail facilities. The factors that determine the strength and attraction of any particular centre are primarily its scale and composition (in particular the major trader or traders that anchor the centre); its layout and ambience; and carparking, including access and ease of use.
- The proximity and attractiveness of competitive retail centres. The locations, compositions, quality and scale of competitive retail facilities all serve to define the extent of the trade area which a shopping centre is effectively able to serve.
- The available road network and public transport infrastructure, which determine the ease (or difficulty) with which customers are able to access a shopping centre.
- Significant physical barriers which are difficult to negotiate, and can act as delineating boundaries to the trade area served by an individual shopping centre.

In addition to the above factors, previous assessments of Stockland Wetherill Park have been taken into account. In previous assessments the trade area was defined using the results of a customer exit survey undertaken by Directional Insights at the centre in September 2008. Under an expansion

scenario the trade area is not expected to change, however, the centre would be expected to achieve deeper market shares throughout the trade area sectors.

On this basis, the trade area served by Stockland Wetherill Park has been defined to include one primary and two secondary sectors, illustrated on Map 5.1 and described below:

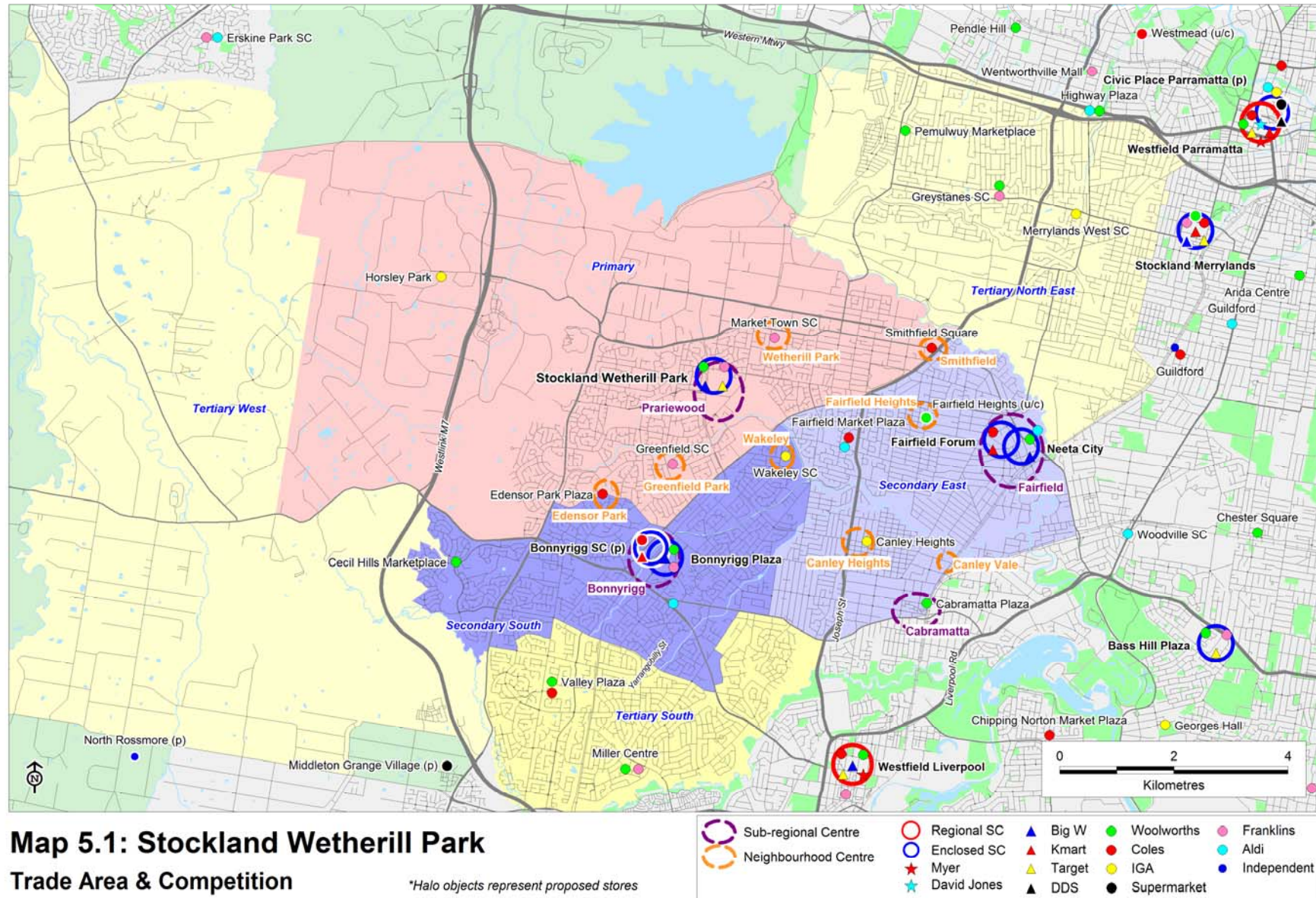
- The **primary sector** includes the suburbs of Wetherill Park, Bossley Park, Horsley Park, Abbotsbury as well as parts of Smithfield, Prairiewood, Greenfield Park and Edensor Park.
- The **secondary east sector** comprises the Fairfield Town Centre, the surrounding suburbs of Fairfield West, Fairfield Heights, Canley Heights as well as parts of Cabramatta and Cabramatta West.
- The **secondary south sector** encompasses the suburbs of Cecil Hills, Bonnyrigg, Wakeley, St Johns Park and parts of Cabramatta West and Edensor Park.

The combination of the primary and secondary sectors is referred to as the **main trade area** throughout the remainder of this report. In addition, three tertiary sectors have also been defined, as follows:

- The **tertiary north-east sector** extends to include Greystanes, Woodpark, Pemulwuy as well as parts of Guildford, South Wentworthville and Merrylands West.
- The **tertiary south sector** incorporates Hinchinbrook, Green Valley, Busby, Miller, Sadleir and Ashcroft.
- The **tertiary west sector** extends west to include Kemps Creek, Cecil Park and Mount Vernon.

The total trade area (the combination of the main trade area and the tertiary sectors) extends approximately 5 km to the north, 8 km to the east and south and 10 km to the west. The extent of the total trade area reflects the lack of comparable retail facilities within the defined total trade area as well as the locations of major retail facilities at Parramatta, Merrylands and Liverpool.





## 5.2 Trade area population

Tables 5.1 and 5.2 detail the current and projected population levels within the Stockland Wetherill Park trade area by sector. The current trade area population is estimated at about 275,230 residents, including 46,990 persons in the primary sector.

In determining the future population of the trade area we have relied upon a range of sources, including the following:

- Australian Bureau of Statistics Census Data (2001 and 2006)
- Australian Bureau of Statistics Estimated Resident Population (2007-2011)
- Australian Bureau of Statistics Dwelling Approvals (2006-2010)
- NSW Department of Planning and Infrastructure (DPI) Household and Population projections (2006-2036)
- Information regarding surrounding residential developments and planning strategy information.

The most significant residential development within the trade area is Newleaf Bonnyrigg. This development will renew the existing public housing land and will contain approximately 2,500 dwellings upon completion. This development is replacing the existing provision of public housing and will comprise of 30% public housing and 70% private dwellings.

Other residential developments within the trade area include:

- Fairfield Chase is a mixed use development which will contain approximately 119 dwellings. This development has development approval.
- Fairfield Market Plaza mixed use development has DA approval and will comprise 140 units upon completion.



- Bonnyrigg Ave mixed use development will provide over 140 dwellings upon completion. Construction commenced upon this in mid-2011.
- A planning proposal has been submitted for Wetherill Park Market Town, which is proposed to include over 100 units as part of a mixed use development.

Based upon the above factors we estimate the trade area population to grow at an average annual rate of 0.7% over the next 15 years, to reach 306,230 residents by 2026, including 49,490 persons within the primary sector.

**Table 5.1**  
Wetherill Park trade area population, 2001-2026\*

Trade area	Estimated population			Forecast population		
	2001	2006	2011	2016	2021	2026
Primary sector	47,070	45,830	46,990	47,990	48,990	49,490
Secondary sectors						
• East	67,860	68,460	74,170	75,670	77,170	78,670
• South	<u>46,420</u>	<u>46,490</u>	<u>48,560</u>	<u>51,310</u>	<u>54,310</u>	<u>57,060</u>
Total secondary	114,280	114,950	122,730	126,980	131,480	135,730
<b>Main trade area</b>	<b>161,350</b>	<b>160,780</b>	<b>169,720</b>	<b>174,970</b>	<b>180,470</b>	<b>185,220</b>
Tertiary sectors						
• Nth-east	49,260	50,280	55,280	58,280	61,280	64,280
• South	43,810	43,460	45,460	46,960	48,460	49,960
• West	<u>4,080</u>	<u>4,090</u>	<u>4,770</u>	<u>5,320</u>	<u>6,070</u>	<u>6,770</u>
Total tertiary	97,150	97,830	105,510	110,560	115,810	121,010
<b>Total trade area</b>	<b>258,500</b>	<b>258,610</b>	<b>275,230</b>	<b>285,530</b>	<b>296,280</b>	<b>306,230</b>

\*As at June

Source: ABS; MacroPlan Dimasi

**Table 5.2**  
**Wetherill Park trade area population, 2001-2026\***

Trade area	Average annual growth (no.)				
	2001-06	2006-11	2011-16	2016-21	2021-26
Primary sector	-248	232	200	200	100
Secondary sectors					
• East	120	1,142	300	300	300
• South	<u>14</u>	<u>414</u>	<u>550</u>	<u>600</u>	<u>550</u>
Total secondary	134	1,556	850	900	850
<b>Main trade area</b>	<b>-114</b>	<b>1,788</b>	<b>1,050</b>	<b>1,100</b>	<b>950</b>
Tertiary sectors					
• Nth-east	204	1,000	600	600	600
• South	-70	400	300	300	300
• West	<u>2</u>	<u>136</u>	<u>110</u>	<u>150</u>	<u>140</u>
Total tertiary	136	1,536	1,010	1,050	1,040
<b>Total trade area</b>	<b>22</b>	<b>3,324</b>	<b>2,060</b>	<b>2,150</b>	<b>1,990</b>

Trade area	Average annual growth (%)				
	2001-06	2006-11	2011-16	2016-21	2021-26
Primary sector	-0.5%	0.5%	0.4%	0.4%	0.2%
Secondary sectors					
• East	0.2%	1.6%	0.4%	0.4%	0.4%
• South	<u>0.0%</u>	<u>0.9%</u>	<u>1.1%</u>	<u>1.1%</u>	<u>1.0%</u>
Total secondary	0.1%	1.3%	0.7%	0.7%	0.6%
<b>Main trade area</b>	<b>-0.1%</b>	<b>1.1%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.5%</b>
Tertiary sectors					
• Nth-east	0.4%	1.9%	1.1%	1.0%	1.0%
• South	-0.2%	0.9%	0.7%	0.6%	0.6%
• West	<u>0.0%</u>	<u>3.1%</u>	<u>2.2%</u>	<u>2.7%</u>	<u>2.2%</u>
Total tertiary	0.1%	1.5%	0.9%	0.9%	0.9%
<b>Total trade area</b>	<b>0.0%</b>	<b>1.3%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>
NSW average		1.9%	1.8%	1.6%	1.5%

\*As at June

Source: ABS; MacroPlan Dimasi

### 5.3 Socio-demographic profile

Table 5.3 summarises the socio-demographic profile of the Stockland Wetherill Park trade area population, compared with the averages for metropolitan Sydney, based upon 2011 ABS Census of Population and Housing data. Key points to note in relation to the profile of the trade area population include the following:

- Trade area residents earn incomes that are significantly below the Sydney metropolitan benchmark on both a per capita and average household basis.
- The average age of trade area residents, at 36.0 years, is younger than the Sydney metropolitan average of 37.1 years.
- The proportion of trade area residents who own or are in the process of purchasing their own home is higher than the Sydney metropolitan benchmark.
- The trade area contains a large proportion of residents who were born overseas. This is especially evident in the secondary sectors.
- The proportion of traditional families (couple with dependent children), and couples with non-dependent is higher than the Sydney benchmark.

There have been minor shifts in the socio-demographic composition across the trade area since the 2006 Census. One noticeable change has been the increase in the proportion of persons aged above 60 years of age, a trend nationwide. In general though, the relative socio-demographic profile of the total trade area population has remained fairly stable, as compared with Sydney Metropolitan benchmarks.

Table 5.3

Wetherill Park main trade area - socio-demographic profile, 2011

Census item	Primary sector	Secondary sectors		Main TA	Tertiary sectors			Total TA	Syd Metro avg.
		East	South		North East	South	West		
Per capita income	\$26,601	\$19,867	\$24,678	\$23,118	\$29,083	\$21,797	\$28,729	\$24,208	\$37,441
Variation from benchmark	-29.0%	-46.9%	-34.1%	-38.3%	-22.3%	-41.8%	-23.3%	-35.3%	
Avg. household income	\$88,065	\$61,839	\$86,735	\$75,670	\$86,055	\$70,778	\$96,206	\$77,503	\$101,090
Variation from benchmark	-12.9%	-38.8%	-14.2%	-25.1%	-14.9%	-30.0%	-4.8%	-23.3%	
Avg. household size	3.3	3.1	3.5	3.3	3.0	3.2	3.3	3.2	2.7
<u>Age distribution (% of pop'n)</u>									
Aged 0-14	18.8%	20.8%	20.9%	20.3%	21.0%	23.6%	20.6%	21.0%	19.2%
Aged 15-19	8.0%	7.4%	8.3%	7.8%	6.8%	8.8%	7.5%	7.8%	6.3%
Aged 20-29	14.5%	14.1%	14.6%	14.4%	13.5%	14.0%	14.5%	14.1%	14.8%
Aged 30-39	12.1%	13.7%	12.6%	13.0%	14.7%	12.9%	14.0%	13.3%	15.3%
Aged 40-49	13.7%	14.4%	14.7%	14.3%	13.3%	14.3%	14.4%	14.1%	14.3%
Aged 50-59	14.9%	12.3%	14.3%	13.6%	11.5%	12.5%	11.9%	13.0%	12.2%
Aged 60+	18.0%	17.2%	14.6%	16.7%	19.2%	13.9%	17.0%	16.7%	18.0%
Average age	37.2	36.3	35.3	36.3	36.7	34.0	36.0	36.0	37.1
<u>Housing status (% of h'holds)</u>									
Owner/purchaser	78.7%	58.8%	77.7%	69.3%	75.1%	64.7%	77.5%	70.0%	66.8%
Renter	20.7%	40.6%	21.8%	30.1%	24.1%	34.8%	21.2%	29.4%	32.4%
Other	0.6%	0.6%	0.5%	0.6%	0.8%	0.5%	1.2%	0.6%	0.8%
<u>Birthplace (% of pop'n)</u>									
Australian born	52.8%	38.5%	48.2%	45.3%	63.3%	56.4%	68.4%	51.1%	63.6%
Overseas born	47.2%	61.5%	51.8%	54.7%	36.7%	43.6%	31.6%	48.9%	36.4%
<u>Family type (% households)</u>									
Couple with dep't children	49.9%	46.9%	52.4%	49.3%	49.8%	50.8%	55.0%	49.8%	48.2%
Couple with non-dep't children	16.8%	10.4%	15.2%	13.6%	11.1%	11.2%	13.9%	12.7%	9.1%
Couple without children	14.5%	13.9%	12.2%	13.6%	17.5%	11.4%	17.9%	14.1%	20.1%
One parent with dep't children	8.9%	14.6%	11.3%	12.0%	9.3%	14.6%	5.9%	11.8%	8.5%
One parent with non-dep't child.	5.3%	6.3%	5.2%	5.7%	4.9%	5.6%	2.6%	5.5%	3.9%
Other family	1.0%	1.7%	1.0%	1.3%	1.1%	1.0%	0.9%	1.2%	1.2%
Lone person	3.7%	6.2%	2.8%	4.5%	6.3%	5.3%	3.7%	5.0%	9.0%

Source: ABS Census of Population &amp; Housing, 2011; MacroPlan Dimasi

## 5.4 Retail expenditure capacity

MacroPlan Dimasi estimates retail expenditure capacity generated by trade area residents based on information sourced from Market Data Systems (MDS), which utilises a detailed micro simulation model of household expenditure behaviour for all residents of Australia. The model takes into account information from a wide variety of sources, including the regular ABS Household Expenditure Surveys, national accounts data, Census data and other information.

The MarketInfo dataset from MDS starts with the household expenditure survey, a comprehensive exercise conducted by the ABS every five years. In the latest survey, just under 7,000 households across Australia were asked to provide complete details of their spending over a specific period.

In addition to a thorough interview, each member of the household in question over the age of 15 is required to keep a diary of every expenditure made over a two week period. The respondents itemise all outings by attaching grocery receipts as well as accurately recording all of the transactions which may range from taxi fares to insurance and alimony payments, to the amount of pocket money given to children in the household. Complete financial and social information about the entire household are also provided.

All these data are then matched with Census, Centrelink, National Accounts and other data collected by State and National Governments to create a model of spending that is at the heart of MarketInfo. Micro simulation techniques are the method by which these detailed calculations are performed.

MarketInfo calculates spending levels down to the Census Collection District (CCD), the smallest defined area used by the ABS. Each CCD covers an area of approximately 180 households. MarketInfo is able to draw down to this level because it starts with the unit records from the Household Expenditure Survey and uses the spending and other information from all of the nearly 7,000 surveyed households as the basis for modelling these actual results to the broader community.

Although it is not 'perfect', we consider MarketInfo data to be quite an accurate measure of available retail expenditure and it is widely relied on in the retail industry. This office has undertaken thousands of retail assessments using actual retail sales turnover data from retailers and shopping centres and numerous customer surveys to understand the expenditure behaviour of shoppers.

Appendix 1 further details the suitability and usage of MarketInfo data, particular in regards to economic impact assessments analysing turnover impacts.

In particular, Appendix 1 provides a reconciliation of the household retail expenditure data based on MarketInfo estimates with the ABS reported retail turnover data.

Total retail expenditure is detailed in a number of categories, as follows:

- Take-home food and groceries – expenditure on goods typically found in supermarkets and specialty fresh food stores.
- Packaged liquor – expenditure on packaged beer, wine and spirits such as those purchased at bottle-shops and liquor outlets (does not include liquor consumed on premises, such as at bars/clubs/pubs).
- Food catering – expenditure on cafes, take-away outlets and restaurants, including liquor consumed on such premises.
- Apparel – expenditure upon clothing, footwear, fashion and accessories.
- Household Goods – expenditure on giftware, electrical, computers, furniture, homewares, and hardware goods.
- Leisure – expenditure on sporting goods, music, DVDs, games, books, newsagents and film processing/photography and the like.
- General Retail – expenditure on, pharmaceutical goods, cosmetics, toys, florists, mobile phones and the like.
- Retail Services – expenditure on retail services such as key cutting, shoe repairs, hair and beauty and the like.

Chart 5.1 illustrates the retail expenditure levels per person for residents within the total trade area, benchmarked with corresponding Sydney metropolitan averages for each retail category.

Annual retail expenditure per capita within the Fairfield LGA is estimated to be about \$10,164 per person, which is about 20% lower compared with metropolitan Sydney averages. This differential is much less for fresh food and other food and grocery categories, which are key categories within supermarkets.

Table 5.4 details the estimated retail expenditure of the Stockland Wetherill Park main trade area population in 2012, as well as projected increases in retail spending to 2026.

The current retail expenditure of the main trade area population is estimated at \$1,730 million, including \$529 million in the primary sector, and is projected to increase to \$2,150 million by 2026. All spending forecasts presented throughout this report are expressed in constant dollars (i.e. no inflation) and including GST.

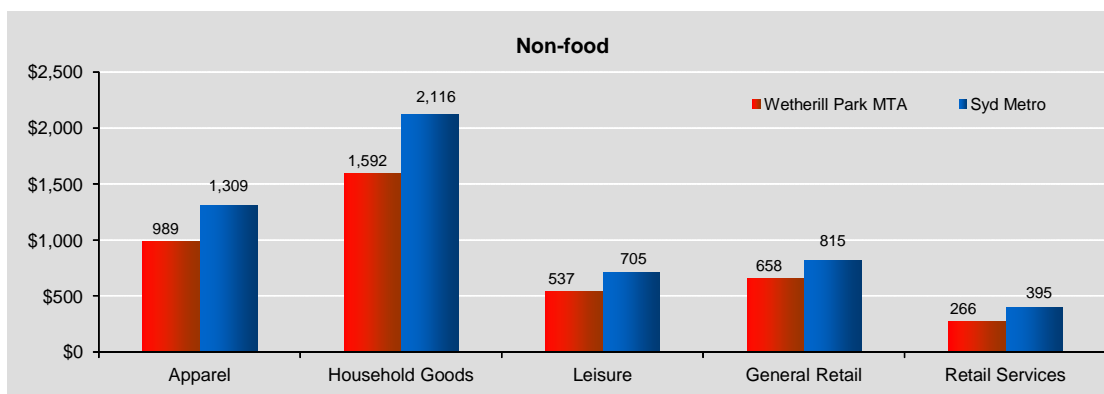
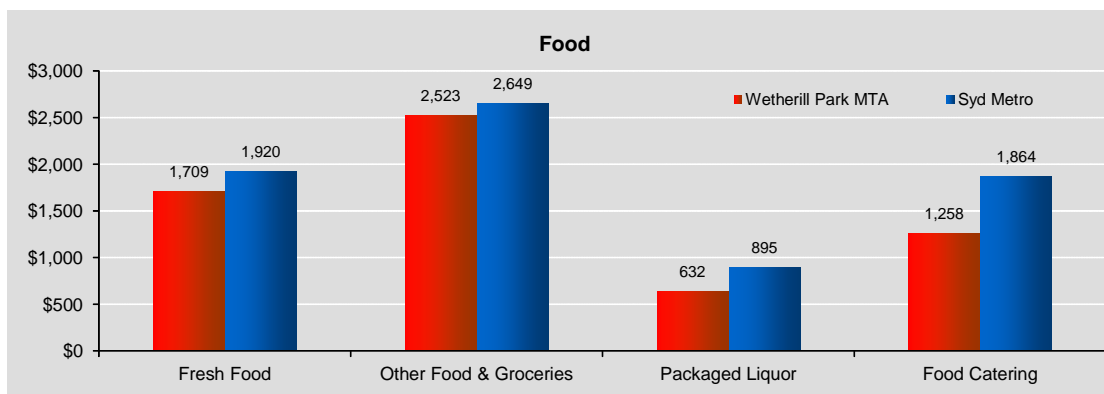
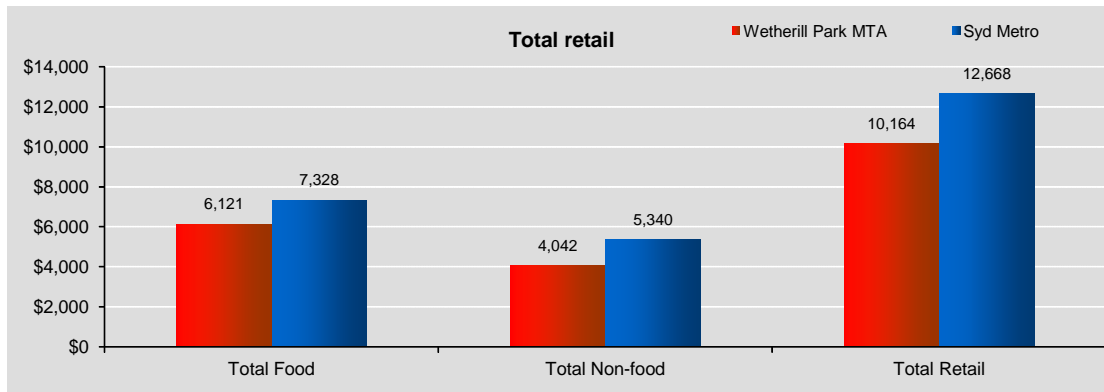
These spend forecasts are therefore comprised of growth as follows:

- Population growth of about 0.6% per annum
- Real growth in retail expenditure capacity of 1.0% per annum

Table 5.5 provides a summary of the retail expenditure capacity of the main trade area population by commodity group. Food and liquor retail spending accounts for the highest proportion of total retail expenditure, at 47.9% in 2012.

Chart 5.1

Wetherill Park trade area - retail spending per person, 2011/12\*



\*Including GST

Source: MarketInfo; MacroPlan Dimasi



**Table 5.4**  
**Wetherill Park main trade area - retail expenditure (\$M), 2012-2026**

Year ending June	Primary sector	Secondary sectors		Main TA
		East	South	
2012	529	684	517	1,730
2013	536	693	528	1,757
2014	543	702	538	1,784
2015	551	712	549	1,812
2016	558	722	561	1,841
2017	566	732	573	1,870
2018	574	742	585	1,900
2019	582	752	597	1,931
2020	590	762	610	1,962
2021	598	773	623	1,994
2022	606	783	636	2,025
2023	613	794	648	2,055
2024	620	805	661	2,086
2025	628	816	674	2,118
2026	635	827	688	2,150
<u>Average annual growth (\$M)</u>				
2012-2026	8	10	12	30
<u>Average annual growth (%)</u>				
2012-2026	1.3%	1.4%	2.1%	1.6%
*Constant 2010/11 dollars & including GST				
Source: MarketInfo; MacroPlan Dimasi				

Table 5.5

Wetherill Park main trade area - retail expenditure by product group (\$M), 2012-2026\*

Year ending June	FLG	Food catering	Apparel	Household goods	Leisure	General retail	Retail services
2012	828	214	168	271	91	112	45
2013	841	218	170	275	92	114	46
2014	855	222	172	279	94	116	46
2015	869	226	174	282	95	118	47
2016	883	231	176	286	96	121	48
2017	897	235	179	290	97	123	48
2018	912	240	181	294	99	126	49
2019	927	245	184	298	100	128	50
2020	942	249	187	303	101	130	50
2021	957	254	189	307	103	133	51
2022	972	259	192	311	104	135	52
2023	987	264	194	315	105	138	52
2024	1,002	269	197	319	107	140	53
2025	1,018	273	199	323	108	143	54
2026	1,033	278	202	327	110	146	54
<u>Average annual growth (\$M)</u>							
2012-2026	15	5	2	4	1	2	1
<u>Average annual growth (%)</u>							
2012-2026	1.6%	1.9%	1.3%	1.4%	1.3%	1.9%	1.3%
*Constant 2010/11 dollars & including GST							
Source: MarketInfo; MacroPlan Dimasi							

## Section 6: Economic impacts

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This section of the report examines the potential economic impacts that will result from the Stage 2 DA proposal at Stockland Wetherill Park. These impacts will include employment that is created during the construction of the project as well as on-going employment created on site, which will also lead to additional flow-on, or multiplier induced, impacts through the broader Fairfield and New South Wales economy. There will also be net community benefits such as improved shopping choice, more competitive (i.e. lower) pricing and improved centre functionality.

Retail developments will also usually result in some trading impacts upon other retail centres within or beyond the main trade area. At the heart of this argument is typically whether any other centres, as a whole, and not individual tenants or businesses, may be affected to the extent that their viability is in question, or the population served by the 'subject' centre and other centres will suffer some reductions in the level of service with they enjoy.

This section therefore examines the expected trading impacts upon other centres and more importantly, the likely consequence of such impacts. In assessing the impacts upon other competitive centres, we have had regard for the 'system of centres' that prevails across Fairfield LGA and how this operates subsequent to the proposed amended scheme expansion. We have also considered surrounding centres of relevance in adjacent LGAs.

The Stage 2 DA includes a net additional provision of mini-major floorspace of 3,175 sq.m and net additional specialty retail floorspace of 1,573 sq.m totalling 4,748 sq.m. However for the purposes of demonstrating a worst case scenario, we have examined the impacts of the total net additional 5,664 sq.m compared with the Stage 1 DA less the s96 amendment and we have also classified all of this additional area as retail floorspace as defined in Section 5.4 of this report.

## 6.1 Centre specific trading impacts

In order to understand whether any particular centre may be impacted to the extent that its continued viability is in question, we have estimated specific retail impacts that we expect surrounding centres to experience under the proposed expansion of Stockland Wetherill Park.

This provides an indication as to whether the scale of the expansion is reasonable and also whether any centres are at risk to the extent that the community would be at a net disadvantage, as a result of the proposed development.

There are various potential development permutations that will influence the potential sales that could be achieved by the proposed amended scheme expansion at Stockland Wetherill Park and therefore the extent of the trading impacts that the proposed expansion will generate.

There are two significant development applications for retail development at Bonnyrigg Town Centre and some uncertainty as to whether one or both of these developments are likely to proceed.

MacroPlan Dimasi has therefore modelled the potential trading impacts of the Stage 2 DA at Stockland Wetherill Park under three development scenarios at Bonnyrigg Town Centre. These are as follows:

- Scenario 1 – No development occurs at Bonnyrigg Town Centre.
- Scenario 2 – Bonnyrigg Shopping Centre is developed.
- Scenario 3 – Bonnyrigg Plaza expansion and Bonnyrigg Shopping centre development occurs.

The Stage 1 expansion Stockland Wetherill Park is already approved, and the s96 amendment seeks to reduce retail floorspace by 916 sq.m. Fairfield City Council has acknowledged that this development will assist in retaining retail expenditure leakage from the LGA and that estimated trading impacts upon the surrounding centres network were acceptable, indeed within the moderate range.

As such, only the impacts generated by the net additional retail GLA in the Stage 2 DA expansion of Stockland Wetherill Park are examined, for all three scenarios.

In each scenario we have estimated the trading impacts by the following methodology, assuming the first full year of trade will be 2015/16:

- First, the net sales potential of the proposed amended scheme expansion of Stockland Wetherill Park is calculated at 2015/16. That is, the difference in sales of the proposed amended scheme expansion and the sales of the approved expansion are calculated, to determine incremental sales. Although sales levels vary under each scenario, incremental sales are quite similar.
- Sales are then estimated across the surrounding competitive supply network as at 2011/12 based on detailed inspections of the various facilities, available data sets plus other known information. These estimates will be consistent across all three scenarios.
- Sales for the surrounding competitive supply network as at 2015/16 are then estimated, assuming the Stage 1 DA & s96 expansion of Stockland Wetherill Park proceeds but the Stage 2 DA does not. Sales are estimated based upon an analysis of available data sets, the size and composition of these centres, market growth and the locational and quality of these centres.
- Sales for all competitive centres as at 2015/16, if the Stage 2 DA expansion of Stockland Wetherill Park were to occur, are finally estimated. An assessment of likely trading impacts is then made by comparing the estimated sales for each centre with and without the Stage 2 DA development.

Scenarios 2 and 3, the developments at Bonnyrigg Town Centre are expected to impact upon the sales potential Stockland Wetherill Park, to the extent that its future trading performance will be lower under Scenario 2 and even lower under Scenario 3.

## 6.2 Scenario 1 – No development at Bonnyrigg

Table 6.1 presents our estimated sales for the Stage 1 DA and s96 amendment and Stage 2 DA, assuming no development occurs at Bonnyrigg.

Under the Stage 1 DA and s96 amendment, we estimate sales potential in the order of \$337.2 million in 2015/16. Under the Stage 2 DA scheme we estimate sales potential in the order of \$364.7 million in 2015/16 and therefore the net incremental sales potential of the Stage 2 DA scheme is \$27.4 million in 2015/16.

**Table 6.1**

**Stockland Wetherill Park - Centre sales potential by retail category, 2015/16\***

Scenario 1 - No Development at Bonnyrigg

Category	Stage 1 DA + Section 96			Stage 2 DA		
	GLA (sq.m)	Est. Sales potential (\$'000)	(\$/sq.m)	GLA (sq.m)	Est. Sales potential (\$'000)	(\$/sq.m)
Majors	22,736	127,624	5,613	22,736	127,624	5,613
Mini-majors	6,169	49,002	7,943	9,349	58,312	6,237
Retail specialties	<u>16,391</u>	<u>160,612</u>	<u>9,799</u>	<u>18,875</u>	<u>178,731</u>	<u>9,469</u>
<b>Total Retail sales**</b>	<b>45,296</b>	<b>337,238</b>	<b>7,445</b>	<b>50,960</b>	<b>364,667</b>	<b>7,156</b>
<b>Net increase in sales</b>					<b>27,429</b>	

\*Constant 2010/11 dollars & including GST

\*\*Excluding gym, banks, travel agents, non-retail services

Source: MacroPlan Dimasi

Table 6.2 overleaf shows the distribution of trading impacts across the surrounding competitive centres network under Scenario 1.

Typically, expansions at sub-regional centres result in the largest impacts being experienced by the closest like-for-like sub-regional shopping centres and nearby supermarket based centres.

We therefore expect the largest impacts to be experienced by large sub-regional and regional centres, including Bonnyrigg, Fairfield as well as Stockland Merrylands and Westfield Liverpool, the latter two, in the form of retained escape expenditure.

We estimate an impact on Bonnyrigg Town Centre in the order of 3.4%, while impacts upon Fairfield Town Centre are expected at about 2.9% and Cabramatta at just 1.4%.

Impacts across the local and neighbourhood centres are not expected to exceed 2.0% at any one centre, representing immaterial impacts, which on the whole, present no risk to the centres hierarchy.

These impacts are expected to be minor and temporary in nature, with impacts across all centres expected to dissipate within one year, given the projected population and retail market growth expected across the catchment and the Fairfield LGA.

Table 6.2

## Stage 2 DA: Estimated Impact on Specific Centres\*

Scenario 1 - No development at Bonnyrigg

Centres	Unit	Estimated 2011/12	Projected 2015/16		Est. Impacts	
			Approved DA	Amended DA	\$M	%
<b><u>Within Total Trade Area</u></b>						
Stockland Wetherill Park	\$M	247.9	337.2	364.7	27.4	8.1%
<b><u>Sub-regional Centres</u></b>						
Bonnyrigg Town Centre	\$M	120.9	117.7	113.7	-4.0	-3.4%
Fairfield Town Centre	\$M	209.3	209.3	203.2	-6.1	-2.9%
Cabramatta Town Centre	\$M	188.0	199.1	196.3	-2.8	-1.4%
<b><u>Local &amp; Neighbourhood Centres</u></b>						
Wetherill Park (Market Town SC)	\$M	22.2	31.6	31.1	-0.5	-1.5%
Greenfield Park (Greenfield SC)	\$M	23.3	23.6	23.3	-0.4	-1.5%
Wakeley (Wakeley SC)	\$M	25.4	26.7	26.3	-0.4	-1.5%
Edensor Park (Edensor Park Plaza)	\$M	23.5	23.9	23.5	-0.4	-1.5%
Fairfield Heights (Woolworths u/c)	\$M	28.7	29.1	28.8	-0.3	-1.0%
Fairfield West - Aldi	\$M	12.0	12.8	12.6	-0.1	-1.0%
Fairfield Market Plaza	\$M	36.1	37.9	37.5	-0.4	-1.0%
Smithfield (Smithfield Square)	\$M	18.9	19.8	19.6	-0.2	-1.0%
Canley Heights	\$M	40.2	42.8	42.6	-0.2	-0.5%
Canley Vale	\$M	9.2	9.8	9.8	0.0	-0.2%
Horsley Park	\$M	7.0	7.4	7.4	0.0	-0.5%
Bonnyrigg - Aldi	\$M	13.0	13.8	13.7	-0.1	-0.5%
Cecil Hills Marketplace	\$M	26.7	28.2	28.1	-0.1	-0.5%
Pemulwuy Marketplace	\$M	35.4	37.1	36.8	-0.4	-1.0%
Valley Plaza	\$M	72.7	77.0	76.6	-0.4	-0.5%
Greystanes SC	\$M	42.6	44.7	44.2	-0.4	-1.0%
Merrylands West SC	\$M	18.8	19.9	19.8	-0.1	-0.5%
Miller Centre	\$M	52.6	55.9	55.8	-0.2	-0.3%
South Wentworthville	<u>\$M</u>	<u>16.1</u>	<u>17.1</u>	<u>17.0</u>	<u>-0.1</u>	<u>-0.5%</u>
<b>Total within MTA</b>	<b>\$M</b>	<b>1,042.4</b>	<b>1,085.2</b>	<b>1,067.7</b>	<b>-17.5</b>	<b>-1.6%</b>
<b><u>Beyond MTA</u></b>						
Westfield Liverpool	\$M	456.0	465.8	460.7	-5.1	-1.1%
Stockland Merrylands	\$M	<u>294.0</u>	<u>300.3</u>	<u>295.5</u>	<u>-4.8</u>	<u>-1.6%</u>
<b>Total</b>	<b>\$M</b>	<b>1,792.4</b>	<b>1,851.3</b>	<b>1,823.9</b>	<b>-27.4</b>	<b>-1.5%</b>

\*Constant 2010/11 dollars &amp; including GST

Source: Shopping Centre News; Property Council of Australia; MacroPlan Dimasi



### 6.3 Scenario 2 – Bonnyrigg SC expansion

Table 6.3 presents our estimated sales for the Stage 1 DA and s96 amendment and Stage 2 DA scheme, assuming the Bonnyrigg Shopping Centre is developed by 2015/16.

Under the Stage 1 DA and s96 amendment, we estimate sales potential in the order of \$321.4 million in 2015/16. Under the Stage 2 DA scheme we estimate sales potential in the order of \$348.8 million in 2015/16 and therefore the net incremental sales potential of the Stage 2 DA scheme is \$27.4 million in 2015/16.

Table 6.3						
Stockland Wetherill Park - Centre sales potential by retail category, 2015/16*						
Scenario 2 - Bonnyrigg SC is developed but not Bonnyrigg Plaza						
Category	Stage 1 DA + Section 96			Stage 2 DA		
	GLA (sq.m)	Est. Sales potential (\$'000)	(\$/sq.m)	GLA (sq.m)	Est. Sales potential (\$'000)	(\$/sq.m)
Majors	22,736	120,612	5,305	22,736	120,612	5,135
Mini-majors	6,169	47,792	7,747	9,349	57,729	6,175
Retail specialties	<u>16,391</u>	<u>153,008</u>	<u>9,335</u>	<u>18,875</u>	<u>170,496</u>	<u>9,033</u>
<b>Total Retail sales**</b>	<b>45,296</b>	<b>321,412</b>	<b>7,096</b>	<b>50,960</b>	<b>348,838</b>	<b>6,723</b>
<b>Net increase in sales</b>					<b>27,426</b>	
*Constant 2010/11 dollars & including GST						
**Excluding gym, banks, travel agents, non-retail services						
Source: MacroPlan Dimasi						

Table 6.4 overleaf shows the distribution of trading impacts across the surrounding competitive centres network under scenario 2.

The assumed development of Bonnyrigg Shopping Centre in this scenario would result in reduced sales potential at Stockland Wetherill Park under both the Stage 1 DA and s96 amendment scheme and the Stage 2 DA scheme. Although we estimate a very similar incremental sales increase as the previous scenario, since both schemes would be impacted under this scenario.

We expect a fairly similar distribution of trading impacts across other centres across the competitive network. However the actual impact upon the Bonnyrigg

Town Centre will be slightly higher but in percentage terms, in fact, given that there would be two individual shopping centres generating much higher combined sales than the Bonnyrigg Plaza itself.

We estimate an impact on Bonnyrigg Town Centre in the order of 2.7%, while impacts upon Fairfield Town Centre are expected remain similar at about 2.9% and Cabramatta at just 1.2%.

Impacts across the local and neighbourhood centres are not expected to exceed 2.0% at any one centre, representing immaterial impacts, which on the whole, present no risk to the centres hierarchy.

These projected impacts are therefore minor and temporary in nature, with impacts across all centres expected to dissipate within one year, given the projected population and retail market growth across the catchment and the Fairfield LGA.

Table 6.4

## Stage 2 DA: Estimated Impact on Specific Centres\*

Scenario 2 - Bonnyrigg SC is developed but not Bonnyrigg Plaza

Centres	Unit	Estimated 2011/12	Projected 2015/16		Est. Impacts	
			Approved Scheme	Amended Scheme	\$M	%
<b><u>Within Total Trade Area</u></b>						
Stockland Wetherill Park	\$M	247.9	321.4	348.8	27.4	8.5%
<b><u>Sub-regional Centres</u></b>						
Bonnyrigg Town Centre	\$M	203.6	202.6	197.1	-5.4	-2.7%
Fairfield Town Centre	\$M	209.3	207.0	201.0	-6.0	-2.9%
Cabramatta Town Centre	\$M	188.0	195.1	192.7	-2.3	-1.2%
<b><u>Local &amp; Neighbourhood Centres</u></b>						
Wetherill Park (Market Town SC)	\$M	22.2	31.6	31.1	-0.5	-1.5%
Greenfield Park (Greenfield SC)	\$M	23.3	23.6	23.3	-0.4	-1.5%
Wakeley (Wakeley SC)	\$M	25.4	26.7	26.3	-0.4	-1.5%
Edensor Park (Edensor Park Plaza)	\$M	23.5	23.7	23.4	-0.4	-1.5%
Fairfield Heights (Woolworths u/c)	\$M	28.7	29.0	28.7	-0.3	-1.0%
Fairfield West - Aldi	\$M	12.0	12.8	12.6	-0.1	-1.0%
Fairfield Market Plaza	\$M	36.1	37.9	37.5	-0.4	-1.0%
Smithfield (Smithfield Square)	\$M	18.9	19.8	19.6	-0.2	-1.0%
Canley Heights	\$M	40.2	42.8	42.6	-0.2	-0.5%
Horsley Park	\$M	7.0	7.4	7.4	0.0	-0.5%
Cecil Hills Marketplace	\$M	26.7	27.9	27.8	-0.1	-0.5%
Pemulwuy Marketplace	\$M	35.4	37.1	36.8	-0.4	-1.0%
Valley Plaza	\$M	72.7	76.2	75.8	-0.4	-0.5%
Greystanes SC	\$M	42.6	44.7	44.2	-0.4	-1.0%
Merrylands West SC	\$M	18.8	19.9	19.8	-0.1	-0.5%
Miller Centre	\$M	52.6	55.9	55.8	-0.2	-0.3%
South Wentworthville	<u>\$M</u>	<u>16.1</u>	<u>17.1</u>	<u>17.0</u>	<u>-0.1</u>	<u>-0.5%</u>
<b>Total within MTA</b>	<b>\$M</b>	<b>1,102.9</b>	<b>1,138.8</b>	<b>1,120.5</b>	<b>-18.3</b>	<b>-1.6%</b>
<b><u>Beyond MTA</u></b>						
Westfield Liverpool	\$M	456.0	463.4	458.5	-4.9	-1.1%
Stockland Merrylands	<u>\$M</u>	<u>294.0</u>	<u>298.7</u>	<u>294.6</u>	<u>-4.2</u>	<u>-1.4%</u>
<b><u>Total Beyond MTA</u></b>	<b><u>\$M</u></b>	<b><u>750.0</u></b>	<b><u>762.1</u></b>	<b><u>753.0</u></b>	<b><u>-9.0</u></b>	<b><u>-1.2%</u></b>
<b>Total</b>	<b>\$M</b>	<b>1,852.9</b>	<b>1,900.9</b>	<b>1,873.6</b>	<b>-27.4</b>	<b>-1.4%</b>

\*Constant 2010/11 dollars &amp; including GST

Source: Shopping Centre Council; MacroPlan Dimasi

## 6.4 Scenario 3 – Bonnyrigg Plaza and Bonnyrigg SC

Table 6.5 presents our estimated sales for the approved development scheme and amended expansion scheme, assuming the Bonnyrigg Shopping Centre is developed and the Bonnyrigg Plaza is expanded. For the purposes of the modelling, we have assumed both occur by 2015/16.

Under the Stage 1 DA and s96 amendment, we estimate sales potential in the order of \$314.4 million in 2015/16. Under the Stage 2 DA scheme we estimate sales potential in the order of \$341.9 million in 2015/16 and therefore the net incremental sales potential of the Stage 2 DA scheme is \$27.5 million in 2015/16.

**Table 6.5**

**Stockland Wetherill Park - Centre sales potential by retail category, 2015/16\***

Scenario 3 - Bonnyrigg SC and Bonnyrigg Plaza

Category	Stage 1 DA + Section 96			Stage 2 DA		
	GLA (sq.m)	Est. Sales potential (\$'000)	(\$/sq.m)	GLA (sq.m)	Est. Sales potential (\$'000)	(\$/sq.m)
Majors	22,736	117,850	5,183	22,736	117,850	5,378
Mini-majors	6,169	47,432	7,689	9,349	57,409	6,140
Retail specialties	<u>16,391</u>	<u>149,104</u>	<u>9,097</u>	<u>18,875</u>	<u>166,598</u>	<u>8,826</u>
<b>Total Retail sales**</b>	<b>45,296</b>	<b>314,387</b>	<b>6,941</b>	<b>50,960</b>	<b>341,857</b>	<b>6,795</b>
<b>Net increase in sales</b>					<b>27,470</b>	

\*Constant 2010/11 dollars & including GST

\*\*Excluding gym, banks, travel agents, non-retail services

Source: MacroPlan Dimasi

Table 6.6 overleaf shows the distribution of trading impacts across the surrounding competitive centres network under scenario 3.

The assumed development of both Bonnyrigg Shopping Centre and the expansion of Bonnyrigg Plaza in this scenario would result in an even greater reduction in sales potential at Stockland Wetherill Park, under both the Stage 1 DA and s96 amendment scheme and the Stage 2 DA scheme.

Similar to Scenario 2, sales are reduced under both expansion scenarios and we expect very similar incremental sales increase under this scenario as for both scenario 1 and scenario 2, or \$27.5 million.

We estimate an impact on Bonnyrigg Town Centre in the order of 3.0%, while impacts upon Fairfield Town Centre (2.8%) and Cabramatta (1.2%) will remain similar.

Impacts across the local and neighbourhood centres are not expected to exceed 2.0% at any one centre, representing immaterial impacts, which on the whole, present no risk to the centres hierarchy.

Similar to the other two scenarios, impacts are expected to be minor and temporary in nature, with impacts across all centres expected to dissipate within one year, given the projected population and retail market growth expected across the catchment and the Fairfield LGA.

Table 6.6

Stage 2 DA: Estimated Impact on Specific Centres\*  
(Both Bonnyrigg SC and Bonnyrigg Plaza expand)

Centres	Unit	Estimated 2011/12	Projected 2015/16		Est. Impacts	
			Approved Scheme	Amended Scheme	\$M	%
<b><u>Within Total Trade Area</u></b>						
Stockland Wetherill Park	\$M	247.9	314.4	341.9	27.5	8.7%
<b><u>Sub-regional Centres</u></b>						
Bonnyrigg Town Centre	\$M	203.6	204.7	198.6	-6.1	-3.0%
Fairfield Town Centre	\$M	209.3	205.9	200.1	-5.8	-2.8%
Cabramatta Town Centre	\$M	188.0	193.0	190.7	-2.3	-1.2%
<b><u>Local &amp; Neighbourhood Centres</u></b>						
Wetherill Park (Market Town SC)	\$M	22.2	31.5	31.0	-0.5	-1.5%
Greenfield Park (Greenfield SC)	\$M	23.3	23.6	23.2	-0.4	-1.5%
Wakeley (Wakeley SC)	\$M	25.4	26.6	26.2	-0.4	-1.5%
Edensor Park (Edensor Park Plaza)	\$M	23.5	23.5	23.1	-0.4	-1.5%
Fairfield Heights (Woolworths u/c)	\$M	28.7	29.1	28.8	-0.3	-1.0%
Fairfield West - Aldi	\$M	12.0	12.7	12.6	-0.1	-1.0%
Fairfield Market Plaza	\$M	36.1	37.8	37.4	-0.4	-1.0%
Smithfield (Smithfield Square)	\$M	18.9	19.8	19.6	-0.2	-1.0%
Canley Heights	\$M	40.2	42.6	42.4	-0.2	-0.5%
Canley Vale	\$M	9.2	9.8	9.8	0.0	-0.2%
Horsley Park	\$M	7.0	7.4	7.4	0.0	-0.5%
Bonnyrigg - Aldi	\$M	13.0	13.7	13.7	-0.1	-0.5%
Cecil Hills Marketplace	\$M	26.7	27.4	27.2	-0.1	-0.5%
Pemulwuy Marketplace	\$M	35.4	36.4	36.0	-0.4	-1.0%
Valley Plaza	\$M	72.7	74.6	74.3	-0.4	-0.5%
Greystanes SC	\$M	42.6	44.6	44.1	-0.4	-1.0%
Merrylands West SC	\$M	18.8	19.9	19.8	-0.1	-0.5%
Miller Centre	\$M	52.6	55.9	55.7	-0.2	-0.3%
South Wentworthville	\$M	<u>16.1</u>	<u>17.1</u>	<u>17.0</u>	<u>-0.1</u>	<u>-0.5%</u>
<b>Total within MTA</b>	<b>\$M</b>	<b>1,125.1</b>	<b>1,157.6</b>	<b>1,138.8</b>	<b>-18.8</b>	<b>-1.6%</b>
<b><u>Beyond MTA</u></b>						
Westfield Liverpool	\$M	456.0	460.9	456.3	-4.6	-1.0%
Stockland Merrylands	<u>\$M</u>	<u>294.0</u>	<u>297.2</u>	<u>293.1</u>	<u>-4.1</u>	<u>-1.4%</u>
<b>Total</b>	<b>\$M</b>	<b>1,875.1</b>	<b>1,915.7</b>	<b>1,888.2</b>	<b>-27.5</b>	<b>-1.4%</b>

\*Constant 2010/11 dollars & including GST

Source: Shopping Centre Council; MacroPlan Dimasi

## 6.5 Employment impacts

The Stage 2 DA expansion of Stockland Wetherill Park will result in additional on-going employment on-site as well as further jobs through the supply chain, across industries servicing the retail (and non-retail) tenants at the site such as transport workers, wholesalers and the like.

Furthermore, the construction phase of the project will support construction employment during the period of construction as well as additional jobs through the broader economic supply chain (ie. multiplier impacts).

The Stage 2 DA expansion of Stockland Wetherill Park will include a net increase of 4,748 sq.m of retail GLA and a net decrease of 759 sq.m of non-retail GLA. In estimating employment impacts we have relied upon various data sources including data from retailers, the ABS and several state and local government agencies as well as 20-30 years of experience in the retail industry to estimate the employment impacts.

Table 6.7 provides an estimate of the total additional employment that would be created as a result of the Stage 2 DA expansion, including both on-going direct and indirect (multiplier induced) employment and on-going direct and indirect (multiplier induced) employment from the construction phase of the project.

**Table 6.7**

**Stockland Wetherill Park - estimated future additional centre employment levels\***

<b>Original stimulus</b>	<b>Estimated capital costs (\$M)</b>	<b>Direct employment</b>	<b>Supplier employment multiplier effects</b>	<b>Total</b>	
Construction of project	25.0	117	187	304	Job years <sup>1</sup>
Centre employment <sup>2</sup>		147	59	206	

\* Employment totals include both full-time and part-time work

1. Indicates the estimated number of jobs over the life of the construction project, for the equivalent of one year

2. Indicates the estimated number of net additional ongoing jobs as a result of the proposed development

Source: Stockland; MacroPlan Dimasi



Allowing for minor impacts upon employment at other centres in the order of 5%, we estimated the net direct employment at Stockland Wetherill Park to be in the order of 147 jobs.

To calculate the likely total economic stimulus that can be attributed to the Stage 2 DA expansion, both due to the direct retail employment which it will create, and also due to its construction, we have relied upon ABS Australian National Accounts Input/output multipliers.

ABS Input/output multipliers measure general economic flows between industry sectors. There are several types of input/output multipliers that can be relied upon and we consider for the basis of estimating fairly small scale, and localised impacts, that *employment* multipliers are most suitable for estimating the employment effects of the proposed expansion.

Typical construction costs for retail shopping centres in Metropolitan Sydney range between \$1,600 and \$2,000 per sq.m (Rawlinson 2012) for straightforward building. However the proposed development would entail some complexity including additional car-parking, reconfiguration of additional space, and partial fit-outs for the supermarkets. Based upon estimates provided by Stockland, the net additional capital costs, over and above that which is already approved are expected to be in the order of \$25 million.

Based upon estimated construction costs of \$25 million, which is expected to occur over one year, estimated employment resulting from the construction of the project is 304 jobs per year, including 117 created directly and a further 187 resulting from multiplier induced effects.

As previously estimated, net employment resulting from the Stage 2 DA expansion is expected to be 147 net jobs. Based upon the ABS employment multiplier for the retail industry we estimate this would also lead to a further 59 multiplier induced jobs.

The Stage 2 DA expansion will therefore result in a significant stimulus to local employment within the Fairfield LGA and wider NSW economy.

## 6.6 Other net community benefits

A further expansion (i.e. Stage 2 DA) to Stockland Wetherill Park centre should be considered in light of the benefits of consumer choice on the whole to the community. The additional retail mix will include three additional mini-major tenants, a reconfigured food court mix and supporting specialty, which will allow the centre to more ably fulfil its designation as a sub-regional centre, offering improved amenity, a wider variety of retail options and additional tenants not provided within the LGA at present.

The proposed Stage 2 DA expansion will also result in:

- Enhanced regional competitiveness of the Fairfield LGA retail network by retaining escape expenditure;
- Increased convenience and amenity for the population of the main trade area, in particular those within the primary sector;
- Ensuring the right type of retail is provided in the right location at the right time to meet the needs of the consumer.
- A reduction in vehicle kilometres travelled as people are able to access an increased range of retail options within one location;
- Achieving local and state Government policies by providing retail and employment facilities in-centre, near public transport and close to residents.

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## Section 7: Key findings and recommendation

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The proposed Stage 2 DA scheme for Stockland Wetherill Park would involve a relatively minor incremental increase of 4,748 sq.m of retail floorspace, over and above the development already approved for the centre.

We consider that this additional floorspace will result in net beneficial outcomes for the residents of the Fairfield LGA and more broadly, the Stockland Wetherill Park trade area. The development will result in:

- Minor trading impacts on the surrounding retail centres network, in particular the the network of sub-regional centres;
- Enhanced regional competitiveness of the Fairfield LGA retail network by retaining escape expenditure;
- Ensuring that the prevailing and future market gap is minimised within the Fairfield LGA;
- Increased convenience and amenity for the population of the main trade area, in particular those within the primary sector;
- Encouraging in-centre competition and consumer choice;
- Ensuring the right type of retail is provided in the right location at the right time to meet the needs of the consumer.
- A reduction in vehicle kilometres travelled as people are able to access an increased range of retail options within one location;
- A significant contribution to local employment and consequent economic multiplier impacts.
- Achieving local and state Government policies by providing retail and employment facilities in-centre, near public transport and close to residents.

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## Appendix 1: MarketInfo data

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### Retail Trade v MarketInfo

Table Appendix 1 below shows size of the overall retail market capacity as defined by MarketInfo for the years June 2010 and June 2011. In current prices, MarketInfo data show that the size of the retail expenditure market by Australian households was some \$267.61 billion for the year to June 2010, and increased to \$275.96 billion for the year to June 2011.

According to the ABS Retail Trade (#8501.0) publication, total recorded retail sales across all store types within Australia were \$239.13 billion in the year to June 2010, and increased to \$245.35 billion in the year to June 2011. The monthly Retail Business Survey captures most, though not all, retail businesses.

Table A1 shows that household expenditure capacity as measured by MarketInfo is about 12% greater than the retail turnover measured by the ABS Retail Publication. There are, however, a number of reasons for this difference, in particular:

- A number of sources of retail turnover, which account for substantial amounts of business, are not catered in the ABS retail trade numbers. The list includes:
  - Wholesale operators who also sell at retail (some food manufacturers)
  - Fresh food markets and roadside vendors
  - Wine clubs and cellar doors
  - Non-employing businesses, i.e. small retail enterprises which only employ family members
- Online retailing, a rapidly growing segment of the total Australian retail market, is not fully captured within the ABS retail turnover statistics. Clearly, online expenditure which is directed to overseas retailers does not form part of

the ABS retail turnover series, nor does online expenditure which is directed to pure play retailers which do not form part of the retail turnover series.

Therefore, while there might be some small discrepancy between household retail expenditure as estimated based on the MarketInfo data and ABS retail turnover, the majority of this discrepancy can be explained by such differences.

**Table Appendix 1**  
**MarketInfo versus Retail Trade**

	<b>Jun-10</b>	<b>Jun-11</b>
Aust Population (mid-point of fin yr)	22,131,177	22,446,046
<b>MarketInfo</b>		
<i>Exp. Per Capita Per Yr (\$)</i>	<i>\$12,002</i>	<i>\$12,201</i>
<i>MarketInfo Australia Per Yr (\$m)</i>	<i>\$265,610</i>	<i>\$273,861</i>
<b>Retail Trade</b>		
ABS Retail Trade Per Yr (\$m)	\$239,134	\$245,347
Difference (\$m)	\$26,476	\$28,515
Difference (%)	11%	12%

Source: MarketInfo, ABS

## Economic impacts

Even if one accepts that MarketInfo data overstate to some degree, available retail expenditure, any resulting analysis of trading impacts would still result in consistent outcomes on a proportionate basis, as overstated turnover estimates would be applied across all centres in any analysis, including the proposed development.

Further, while MarketInfo data are used to estimate the size of the available retail market, the growth in this market is driven primarily by population growth and assumptions of expected real growth in expenditure.

If future sales estimates for a subject centre are based on market shares applied to a market defined by MarketInfo data, and if this 'overstates' the market size, then future estimated sales will similarly be overstated. The relative (i.e. percentage) impact will therefore still be accurate





