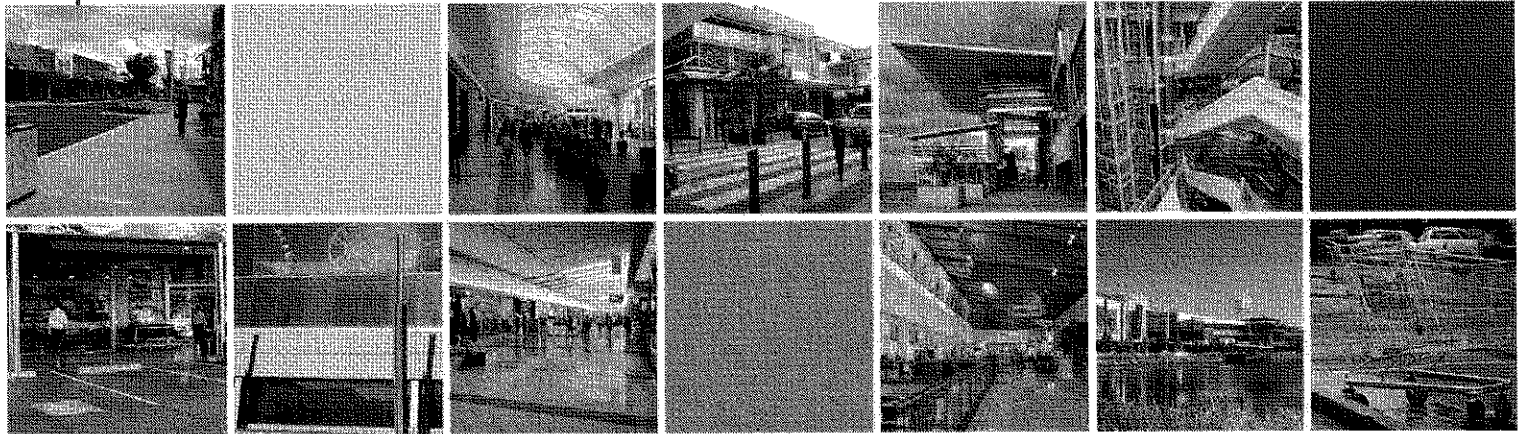


Stockland Wetherill Park

Section 96(2) Economic Impact Assessment

August 2013



MacroPlan Dimasi

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Introduction

This report presents an assessment of the likely economic impacts of a proposed amendment to the existing development approval at Stockland Wetherill Park. The centre has development approval from Fairfield City Council for an expansion of 16,703 sq.m of retail gross lettable area (GLA), inclusive of gyms, banks, travel agents and other non-retail services, which would increase the centre from 38,973 sq.m to 55,676 sq.m.

The proposed alteration will not increase the total amount of retail floorspace at the centre and nor will it change the nature of use of that floorspace. What is proposed is the provision of a supermarket of 4,300 sq.m replacing the existing Franklins supermarket (3,200 sq.m), and the previously proposed fresh food 'mini-major' of 1,100 sq.m.

MacroPlan Dimasi prepared an economic impact assessment (EIA) in support of an additional expansion to Stockland Wetherill Park in July 2012. In that assessment we examined the incremental trading impacts across the competitive supply network that might be expected from an increase in floorspace in addition to the already approved expansion.

Our analysis showed that the additional expansion applied for would result in no impacts being greater than 3.5% on any individual centre, which is considered to be a minor trading impact. Even taking into account the cumulative effects, i.e. incorporating the impacts from the already approved expansion, impacts were estimated to generally well below 10% on any individual centre.

Our EIA examining the impacts on the surrounding centres network under various scenarios regarding the expansion/development of Bonnyrigg Plaza and Bonnyrigg Shopping Centre. The scenario where both developments at Bonnyrigg proceed is considered to present the worst case scenario, as impacts are expected to be greatest across the whole network. We have therefore assessed sales and impacts

of the proposed S96 amendment (i.e. the subject of this report) under this scenario.

This report has been prepared under instruction from Stockland Development Pty Ltd, and is structured as follows:

- **Section 1** provides an overview Stockland Wetherill Park; and details the current centre composition, the composition of the approved DA, and the proposed Section 96 amendment.
- **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 Section 96 expansion with Government plans and policies.
- **Section 3** provides a brief overview of the change in the competitive retail environment within which Stockland Wetherill Park operates, since our previous economic impact assessment (EIA) was conducted in July 2012.
- **Section 4** assesses the sales potential of the centre assuming the Section 96 amendment is developed, compared with estimated sales for the approved DA, to identify whether any incremental sales will result from the proposed amendment.
- **Section 5** assesses the estimated retail turnover impacts of the incremental sales expected from the S96 amendment across the surrounding retail network. This section also examines other positive economic benefits that could result from the S96 amendment.
- **Section 6** presents the conclusions of our analysis.

Section 1: Proposed amendment

Table 1.1 compares the current floorspace composition of Stockland Wetherill Park with the approved floorspace and also the proposed Section 96 amendment. The key features of the existing centre are summarised as follows:

- The 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, comprising cinemas, community uses, medical and other business services.
- Major retail anchors within the centre comprise about 64% of total retail floorspace. This total includes Target and Big W discount department stores (DDS) (42%) and Woolworths and Franklins supermarkets (21%).
- There are five mini-major tenants at Stockland Wetherill Park, namely Priceline, Best & Less, Chemist Works, The Reject Shop and My Sneakers (external), totalling 2,996 sq.m of floorspace.
- 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.

Approved floorspace

Stockland Wetherill Park was recently granted development approval allowing an additional 16,699 sq.m of GLA floorspace. A summary of the approved floorspace is outlined below:

- Total incremental floorspace allowed is approximately 16,699 sq.m GLA (including non-retail services) above the current centre provision.
- The approval proposes 6 mini-major tenants, totalling 6,353 sq.m, including potential tenants such as JB Hi-Fi, Rebel Sport, Harris Scarfe, a large format fashion tenant and a fresh food tenant.
- A net addition of about 8,810 sq.m of traditional specialty retail floorspace, oriented towards fashion and food catering.
- A total increase in retail floorspace of 15,163 sq.m, with the remaining floorspace consisting of non-retail specialties and a gym.

Proposed Section 96 Amendment

The proposed Section 96 amendment results in no net addition of retail floorspace. It will consist of:

- the addition of a new supermarket of 4,300 sq.m, replacing the existing Franklins supermarket of 3,200 sq.m; and
- a reduction of proposed mini-major floorspace of 1,100 sq.m.

Table 1.1
Stockland Wetherill Park - Approved & Proposed Composition

Category	Current Composition		Approved Stage 1 (inc. S96) & Stage 2 DA		Approved DA + S96	
	sq.m	% of retail	sq.m	% of retail	sq.m	% of retail
Major tenants						
DDS	15,117	42%	15,117	30%	15,117	30%
Supermarket	<u>7,619</u>	<u>21%</u>	<u>7,619</u>	<u>15%</u>	<u>8,719</u>	<u>17%</u>
Total majors	22,736	64%	22,736	45%	23,836	47%
Mini-majors	2,996	8%	9,349	18%	8,249	16%
Retail specialties						
Food & liquor	1,104	3%	1,604	3%	1,604	3%
Food catering	2,284	6%	2,768	5%	2,768	5%
Apparel	4,145	12%	7,671	15%	7,671	15%
Household	420	1%	1,820	4%	1,820	4%
Leisure	280	1%	1,380	3%	1,380	3%
General	911	3%	2,011	4%	2,011	4%
Retail services	<u>921</u>	<u>3%</u>	<u>1,621</u>	<u>3%</u>	<u>1,621</u>	<u>3%</u>
Total retail spec.	10,065	28%	18,875	37%	18,875	37%
Total centre - retail	35,797	100%	50,960	100%	50,960	100%

Source: Stockland, MacroPlan Dimasi

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Section 2: Planning and policy overview

The Fairfield Council Retail and Commercial Centres/Activities Policy (*hereafter Retail Policy*) was endorsed in 2006 by Fairfield City 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.

The proposed S96 amendment does not involve the additional of floorspace at the centre, and thus, should not necessarily be subject to this policy. However we have assessed the S96 amendment against the criteria in this policy, as we expect a marginally higher sales outcome compared with the approved DA.

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. Negligible retail trading impacts expected at the three other sub-regional centres in Fairfield, given the convenience based nature of the amendment. The incremental impacts on the three other sub-regional centres ranges between 0.1% and 0.2%.

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

- a. The proposed amendment will not result in any reduction in the range of services provided in nearby neighbourhood centres. The additional supermarket space, replacing the existing Franklins supermarket, will be largely offset by potential sales that would have been generated by a fresh-food mini-major – thus the net increase in sales is expected to be only \$2.6 million.
- b. 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 be unaffected by a slightly larger replacement supermarket.
- c. Local centres will continue to maintain their importance for convenience purposes. Impacts on local and neighbourhood centres across the competitive network are generally all expected to be well under 1%, with impacts at Wetherill Park (Market Town) expected to be the most significant, equating to an impact in the order of 0.8%.

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

- a. The conversion of the existing Franklins supermarket into a larger, modern supermarket will improve the amenity and popularity of the centre as a whole, reducing potential escape expenditure to other sub-regional centres beyond the LGA.

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. We expect that the overall functionality and viability of the Wetherill Park sub-regional centre will be improved as a result of converting the existing Franklins supermarket to a larger, modern supermarket. Refurbishments to anchor tenants tend to attract greater patronage.

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

- a. An expanded and revitalised supermarket tenant replacing the tired Franklins supermarket would provide a much better offer to shoppers at Stockland Wetherill Park.
- b. A larger supermarket of 4,300 sq.m would be much more directly competitive with the existing 4,346 sq.m Woolworths at the centre. With two large supermarkets, we would expect to see greater price competition for essential food and grocery items, to the benefit of consumers.
- c. There would be no net loss of provision to the community, as the expanded supermarket is replacing what would have otherwise been a fresh food mini-major.

The proposed amendment will allow Stockland Wetherill Park to maintain, and even improve, its consistency with the role and function criteria for sub-regional centres as outlined on Page 8 of the *Retail Policy*. Two of the relevant 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 two discount department stores and two full line supermarkets – indeed this provision would be improved under the proposed expansion.

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Section 3: Changes to competitive supply

This office prepared an economic impact assessment (EIA) in July 2012 as part of the planning documentation supporting the approved expansion to the centre. Since this EIA was submitted, there have been a several changes to the existing competitive supply around Stockland Wetherill Park, with only one minor change to the proposed development pipeline. These changes are summarised in Table 3.1.

These changes are all considered to be relatively insignificant. As such, we have relied on our estimated sales analysis from July 2012 as a base against which to compare potential incremental sales from the proposed S96 amendment.

Most of the changes in supply have involved rebranding of existing Franklins supermarkets to IGA or Aldi supermarkets. Most existing Franklins supermarkets in the region were tired, poorly stocked and had not seen any capital investment for many years. The rebranding of these supermarkets would have likely improved supermarket sales at these centres, and overall centre performance and competitiveness.

Three previous Franklins supermarkets in the region have recently been converted to IGA or Supa IGA supermarkets, namely those at Bonnyrigg Plaza, Greenfield SC and Market Town SC. Two other Franklins stores, at Bass Hill Plaza and Liverpool Plaza, are proposed to be converted to Aldi supermarkets by the end of 2013.

The Coles supermarket at Guildford was recently converted into a Supa IGA and the Woolworths supermarket at Fairfield Heights opened for trading in December 2012, replacing a previous, smaller store.

The planned redevelopment of Greystanes SC will involve the consolidation of the existing Franklins (1,300 sq.m) and Woolworths (1,700 sq.m) supermarkets into one 3,000 sq.m Woolworths supermarket.

Section 3: Changes to competitive supply

Table 3.1
Stockland Wetherill Park - proposed changes in competition

Centre	Details/additions	Status of development	Expected completion
Guildford	Guildford Coles supermarket converted to Supa IGA.	Opened	Late 2012
Market Town SC	Conversion of the former Franklins supermarket into an IGA/Supa IGA supermarket.	Opened	Late 2012
Greenfield SC	Conversion of the former Franklins supermarket into an IGA/Supa IGA supermarket.	Opened	Late 2012
Bonnyrigg Plaza	Conversion of the former Franklins supermarket into an IGA/Supa IGA supermarket.	Opened	Late 2012
Fairfield Heights	Woolworths supermarket open in December 2012	Opened	Late 2012
Liverpool Plaza	Proposed conversion of the former Franklins supermarket into an Aldi supermarket.	Coverion process	Late 2013
Bass Hill Plaza	Proposed conversion of existing Franklins supermarket into an Aldi supermarket.	Coverion process	Late 2013
Greystanes SC	Franklins supermarket closed, existing Woolworths supermarket to be expanded by 1,300 sq.m.	Commenced	Late 2014

Source: MacroPlan Dimasi

Section 4: Estimated sales & trading impacts

In order to assess the potential impacts of the proposed Stockland Wetherill Park S96 alteration, we have assessed the expected net change in sales that would be expected as a result of a slightly larger supermarket (i.e. 4,300 sq.m) replacing the 3,200 sq.m supermarket presently occupied by Franklins and the proposed 1,100 sq.m fresh food mini-major tenant.

This amendment involves the replacement of some retail space with a very similar type of floorspace within the centre, and no additional floorspace.

Table 4.1 presents the estimated sales expected to be generated at Stockland Wetherill Park under the proposed S96 amendment expansion scenario, compared with expected sales under the approved DA expansion.

In order to provide a consistent comparison, we have assessed the incremental sales using data from our previously submitted economic impact assessment (EIA) for the approved expansion to Stockland Wetherill Park, which was prepared in July 2012. These data are presented in 2010/2011 dollars however because all sales in the report are presented in a consistent manner (i.e. 2010/2011 dollars), the percentage changes in sales performance and percentage trading impacts will be comparable to an assessment conducted in 2012/13 dollars.

In that previous analysis, we examined the impacts of the (now) approved expansion of Stockland Wetherill Park on the surrounding centres network under various scenarios regarding the expansion/development of Bonnyrigg Plaza and Bonnyrigg Shopping Centre. The scenario under which both developments at Bonnyrigg proceed is considered to present the worst case scenario, as impacts are expected to be greatest across the whole network. We have therefore assessed sales in 2015/16 of the proposed S96 expansion under that scenario.

Section 4: Estimated sales & trading impacts

Table 4.1 shows overall incremental sales at Stockland Wetherill Park would be in the order of \$2.1 million, equivalent to a 0.6% increase in centre sales potential. This sales increase incorporates the following elements:

- The new, larger supermarket is expected to result in an increase in potential supermarket sales in the order of \$11.5 million, but with a proportion of internal centre cannibalisation expected on the sales of the existing Woolworths supermarket.
- The additional supermarket sales will be almost completely offset by a reduction in the potential mini-major sales of \$9.6 million, as a result of the replacement of the proposed fresh food mini-major.

Table 4.1

Stockland Wetherill Park - Centre sales potential by retail category, 2015/16*
(Assumes Both Bonnyrigg SC and Bonnyrigg Plaza are developed)

Stockland Wetherill Park								
Category	Approved Stage 1 (inc. S96) & Stage 2 DA			Approved Floorspace + S96			Incremental sales from S96	
	GLA (sq.m)	Est. sales (\$'000)	(\$/sq.m)	GLA (sq.m)	Average sales (\$'000)	(\$/sq.m)	Incremental sales (\$'000)	(%)
Major tenants								
DDS	15,117	46,888	3,102	15,117	46,982	3,108	0	0.2%
Supermarket	<u>7,619</u>	<u>70,962</u>	<u>9,314</u>	<u>8,719</u>	<u>82,426</u>	<u>9,454</u>	<u>11,463</u>	<u>16.2%</u>
Total majors	22,736	117,850	5,183	23,836	129,408	5,429	11,463	9.8%
Mini-majors	9,349	57,409	6,140	8,249	47,784	5,793	-9,625	-16.8%
Retail specialties								
Food & liquor	1,604	22,007	13,719	1,604	22,084	13,767	0	0.4%
Food catering	2,768	28,043	10,130	2,768	28,071	10,140	0	0.1%
Apparel	7,671	59,412	7,745	7,671	59,472	7,752	0	0.1%
Household	1,820	14,691	8,074	1,820	14,706	8,082	0	0.1%
Leisure	1,380	12,119	8,784	1,380	12,131	8,792	0	0.1%
General	2,011	17,470	8,688	2,011	17,487	8,697	0	0.1%
Retail services	<u>1,621</u>	<u>12,856</u>	<u>7,930</u>	<u>1,621</u>	<u>12,901</u>	<u>7,958</u>	<u>0</u>	<u>0.4%</u>
Total retail spec.	18,875	166,598	8,826	18,875	166,852	8,840	254	0.2%
Total centre - retail	50,960	341,857	6,708	50,960	344,043	6,751	2,092	0.6%

*Constant 2010/11 dollars & including GST

Source: MacroPlan Dimasi

Section 5: Economic impacts

Estimated trading impacts

Table 5.1 presents our estimates of the net incremental trading impacts across the surrounding competitive network, expected to result from the proposed S96 amendment.

Our previous EIA showed that the full approved expansion of the centre would result in cumulative trading impacts of less than 10% across any individual centre, which is considered to be a moderate level of trading impact, presenting no risk to the ongoing viability of centres across the hierarchy.

We estimate the trading impacts on the surrounding centres network resulting from \$2.1 million in incremental sales generated by the S96 amendment would be negligible.

The largest impacts are expected to be 0.8%, on the nearby Wetherill Park Marketown centre, anchored by a Supa IGA. The next highest impacts are expected on Smithfield Square and Greenfield SC, at just 0.6% and 0.6%, respectively. Other impacts on surrounding centres, in particular other sub-regional centre, are expected to be negligible.

Economic benefits

An expanded and revitalised supermarket tenant replacing the tired Franklins supermarket would provide a much better offer to shoppers at Stockland Wetherill Park.

A larger supermarket of 4,300 sq.m would be much more directly competitive with the existing 4,346 sq.m Woolworths at the centre. With two large supermarkets, we would expect to see greater price competition for essential food and grocery items.

There would be no loss of provision to the community, as the expanded supermarket is replacing what would have otherwise been a fresh food mini-major.

Table 5.1

Proposed Centre: Estimated Impact on Specific Centres*
 (Assumes Both Bonnyrigg SC and Bonnyrigg Plaza are developed)

Centres	Estimated sales (2011/12) (\$M)	Est. Sales Potential (2015/16)		Est. Impacts	
		Stage 1 (Inc. S96) & Stage 2 DA (\$M)	Approved Floorspace + S96 (\$M)	\$M	%
<u>Within Total Trade Area</u>					
Stockland Wetherill Park	247.9	341.9	344.0	2.1	0.6%
<u>Sub-regional Centres</u>					
Bonnyrigg Town Centre	203.6	198.6	198.1	-0.5	-0.2%
Fairfield Town Centre	209.3	200.1	199.8	-0.3	-0.2%
Cabramatta Town Centre	188.0	190.7	190.7	-0.1	0.0%
<u>Local & Neighbourhood Centres</u>					
Wetherill Park (Market Town SC)	22.2	31.5	31.3	-0.3	-0.8%
Greenfield Park (Greenfield SC)	23.3	23.6	23.5	-0.1	-0.5%
Wakeley (Wakeley SC)	25.4	26.6	26.5	0.0	-0.1%
Edensor Park (Edensor Park Plaza)	23.5	23.5	23.4	-0.1	-0.3%
Fairfield Heights (Woolworths)	28.7	29.1	29.1	0.0	-0.1%
Fairfield West - Aldi	12.0	12.7	12.7	0.0	-0.3%
Fairfield Market Plaza	36.1	37.8	37.7	-0.1	-0.3%
Smithfield (Smithfield Square)	18.9	19.8	19.7	-0.1	-0.6%
Canley Heights	40.2	42.6	42.5	-0.1	-0.2%
Canley Vale	9.2	9.8	9.8	0.0	-0.1%
Horsley Park	7.0	7.4	7.4	0.0	-0.2%
Bonnyrigg - Aldi	13.0	13.7	13.7	0.0	-0.2%
Cecil Hills Marketplace	26.7	27.4	27.3	-0.1	-0.2%
Pemulwuy Marketplace	35.4	36.4	36.3	0.0	-0.1%
Valley Plaza	72.7	74.6	74.6	0.0	-0.1%
Greystanes SC	42.6	44.6	44.5	-0.1	-0.2%
Merrylands West SC	18.8	19.9	19.8	0.0	-0.2%
Miller Centre	52.6	55.9	55.9	0.0	0.0%
South Wentworthville	<u>16.1</u>	<u>17.1</u>	<u>17.1</u>	<u>0.0</u>	<u>0.0%</u>
Total within MTA	1,125.1	1,143.4	1,141.4	-2.0	-0.2%
<u>Beyond MTA</u>					
Westfield Liverpool	456.0	460.9	460.9	0.0	0.0%
Stockland Merrylands	<u>294.0</u>	<u>297.2</u>	<u>297.1</u>	<u>0.0</u>	<u>0.0%</u>
Total	1,875.1	1,901.5	1,899.4	-2.1	na

*Constant 2010/11 dollars & including GST

Source: Shopping Centre Council; MacroPlan Dimasi

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Section 6: Conclusion

The proposed S96 amendment will not add any additional floorspace to the centre and does not increase the number of supermarkets at the centre.

The S96 amendment will improve the quality of its offer, to the betterment of the surrounding community.

The proposed amendment is estimated to result in a very minor increase in centre sales, in the order of \$2.1 million or 0.6%, resulting in minimal trading impacts across the surrounding centres network.



Norling Consulting ^{Pty Ltd}

Business & Property Economics

Our Ref: 12063/050913

5 September 2013

Mr Liam Hawke
Senior Development Planner
Fairfield City Council
PO Box 21
FAIRFIELD NSW 1860

Email: lhawke@fairfieldcity.nsw.gov.au

Dear Liam

**RE: STOCKLAND WETHERILL PARK – S96 AMENDMENT TO STAGE 2
DEVELOPMENT APPLICATION**

Following your request dated 30 August 2013, I provide this review of the Economic Impact Assessment dated August 2013 and prepared by MacroPlanDimasi accompanying the s96 Amendment to the Stage 2 development application for Stockland Wetherill Park.

Background

The Stockland Wetherill Park currently provides 55,265m² (GFA), 46,495m² (GLA) and 38,973m² (GLAR) on a 12.2ha site. The centre is anchored by two discount department stores, two supermarkets and five mini-majors plus a cinema complex.

Stockland Wetherill Park has received Council approval for a Stage 1 increase of 11,955m² (GLAR) comprising a gymnasium, three mini-majors and specialty tenants. A subsequent amendment has reduced the size of the Stage 1 to 11,039m² (GLAR).

Stockland received Council approval for a Stage 2 of 5,664 (GLAR) comprising three mini-majors (including Harris Scarfe) and specialty stores. Stockland now seeks to amend the Stage 2 consent. Of relevance to need and impact matters, the quantum of floorspace proposed in the addition does not change, only the use of a component of the Stage 2. Specifically, a fresh food mini-major of 1,100m² is no longer proposed, with this floorspace to form an extension to the existing Franklins supermarket, taking it from 3,200m² to 4,300m². This amendment is accompanied by an Economic Impact Assessment dated August 2013 prepared by MacroPlanDimasi.

By letter dated 14 September 2012, I advised Council that the Economic Impact Assessment supporting the Stage 2 application should be accepted by Council. The minor qualification was that its calculations of economic impact should be increased by 5%, which did not affect its overall conclusions that impacts upon other centres were in the minor category.

Discussion

Ordinarily, supermarkets attract much higher turnover levels than mini-majors, with productivity levels (annual turnover per m²) being up to \$7,000/m² higher. On this basis, one could expect that the conversion of 1,100m² of floorspace from a mini-major to a supermarket could result in the centre obtaining an additional annual turnover of up to \$7.7m. However, in this case several factors suggest that the quantum of increased turnover would be much less than this:

- (a) A fresh food mini-major would be expected to obtain a much higher turnover level than typical mini-majors (those selling electrical goods, furniture, homewares or variety goods). The productivity level of a fresh food mini-major could approach or exceed that of an average supermarket, depending upon the level of competition and its marketing strength.
- (b) The productivity levels of marginal increases to a supermarket are typically much less than the productivity levels of the total supermarket both before and after an expansion. This is due to the number of stock-keeping units per m² typically falling as a supermarket expands in size and due to many shoppers not being able to distinguish between the offer of a 3,200m² store and a 4,300m² store.

Accordingly, it is my opinion that the proposed change of floorspace from a fresh food mini-major to the expansion of an existing supermarket would attract only a minor increase in turnover.

Economic Impact Assessment

The August 2013 Economic Impact Assessment prepared by MacroPlanDimasi:

- (a) Assessed the amendment against the Commercial Centres/Activities Policy;
- (b) Updated its list of competitive supply;
- (c) Found that the amendment would increase turnover at Stockland Wetherill Park by \$2.1m or 0.6%;
- (d) Found that the impacts upon neighbouring centres of the \$2.1m would be less than 1% on each centre; and
- (e) Concluded that the amendment would improve the Stockland Wetherill Park offer to its catchment population and result in minimal trading impacts across the surrounding centres network.

I consider that the Economic Impact Assessment has adopted an appropriate methodology, adopted reasonable assumptions and reached appropriate conclusions. However, for completeness, it is necessary to point out the following necessary consequences that are not readily discernable from the Economic Impact Assessment:

- (a) The \$2.1m increase in annual turnover represents an increase of 7.6% to the estimated turnover of the approved Stage 2. That is, the 0.6% reported in the Economic Impact Assessment represents the increase in comparison to the turnover of the existing centre plus the approved Stage 1 plus the approved Stage 2; and
- (b) The cumulative impacts of Stage 2 (including the amendment, not just the amendment) are estimated at -3.2% at Bonnyrigg Town Centre, -3.0% at Fairfield Town Centre, -2.3% at Wetherill Park and -2.0% at Greenfield Park, with all other centres likely to incur impacts of less than these quantum.

Conclusion

The conclusions reached by the MacroPlanDimasi Economic Impact Assessment should be accepted by Council. The proposed amendments should result in a centre that better meets the needs of its catchment population and result in minimal trading impacts across the competitive network.

I trust that this letter of advice sufficiently sets out the relevant matters of interest. Should you have any further queries, please do not hesitate to contact the author.

Yours faithfully
Norling Consulting Pty Ltd



Jon Norling
Director