

March 2024

Woolworths Eighth Avenue, Austral

Economic Impact Assessment

Prepared for Fabcot Pty Ltd

locationiq.com.au



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Introduction

This report presents an independent assessment of the need and demand for a proposed Woolworths supermarket-based development at 260 Eighth Avenue in the rapidly growing suburb of Austral in the South West Growth Area of Sydney. The report also considers the likely economic impacts that would result from the proposed development. The proposal is referred to as Eighth Avenue Woolworths throughout the remainder of this report.

This report is structured and presented in **five sections** as follows:

- **Section 1** details the location of the proposed Eighth Avenue Woolworths site. The planned development scheme is also reviewed.
- **Section 2** outlines the trade area likely to be served by the subject development, including current and projected population and retail spending levels over the period to 2041. A review of the socio-economic profile of the trade area population is also provided.
- **Section 3** summarises the current and future competitive retail environment within the surrounding region.
- **Section 4** outlines an assessment of the sales potential for the proposed Eighth Avenue Woolworths and provides an assessment of the range of economic impacts, both positive and negative that may result from development at the subject site.
- **Section 5** summarises the key conclusions of the impact analysis for the proposed Eighth Avenue Woolworths.

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Executive Summary

The key points to note from this independent economic impact assessment for the proposed Eighth Avenue Woolworths in Austral, include:

- 1 Emerging Area:** The developing suburb of Austral is in South West Sydney, some 12 km west of Liverpool, and 51 km from the Sydney Central Business District (CBD). Austral/Leppington North is the largest single precinct within the South West Growth Area.
- 2 High Profile, Accessible Location:** The subject site for the proposed Eighth Avenue Woolworths development is 260 Eighth Avenue in Austral. The site is zoned neighbourhood centre and is on the southern side of Eighth Avenue, bounded to the west by Warrawal Avenue, and to the south by Auger Street. Upon completion of planned road and infrastructure upgrades, the subject site would be at the south-eastern intersection of Eighth Avenue and Eastwood Road.
- 3 Planned Development Scheme:** The total development will comprise 7,365 sq.m, including a retail component of 5,602 sq.m. The retail component is anchored by a full-line Woolworths supermarket of 3,816 sq.m. The supermarket will be a modern offer, that would allow for a full weekly shop. A small provision of specialty shops, namely BWS (liquor) and specialty floorspace (combined 1,691 sq.m) would be provided on the upper ground level. The balance of floorspace will be commercial tenancies of 1,858 sq.m on the Lower Ground Level and Level One. Associated car parking would total 319 car bays (at-grade). The development is assumed to open by June 2026, meaning the first full year of trading would indicatively be 2026/27.
- 4 Main Trade Area Definition:** The defined Eighth Avenue Woolworths trade area reflects the likely draw of current and future supermarkets to serve the growing population and extends from Bringelly Road in the south to Kemps Creek Nature Reserve in the north. The Eighth Avenue Woolworths trade area has been split into smaller Sectors (1 – 9) to review trends at a level that assists in assessing demand and timing for a number of supermarkets. These Sectors largely incorporate the rezoned Austral/Leppington North precinct, with Sector 1 and Sector 7 overlapping the North Rossmore, part of Kemps Creek, and Rossmore precincts that are longer term areas for population but will be serviced in the short to medium term by facilities in Austral.

5 Main Trade Area Population: The Eighth Avenue Woolworths main trade area population is currently estimated at 14,822 (2023), and is projected to increase to 99,322 by 2041, reflecting an average annual growth rate of 4,694 persons, or 12.5%. Based on the observed dwelling size and composition currently, the ultimate population that is likely within the Austral Growth Area is in the order of 126,540 persons. This is well above the Greater Sydney and Australian benchmarks over the same period.

6 Competition: Two IGA supermarkets of 1,100 sq.m and 1,050 sq.m are within the main trade area at Austral Town Centre and Austral Shopping Centre, respectively. Full-line supermarkets are beyond the main trade area and include Woolworths (3,950 sq.m) at Leppington Village, Coles (4,445 sq.m) at Willowdale Shopping Centre, and Woolworths (4,415 sq.m) at Carnes Hill Marketplace.

7 Main Trade Area Supermarket Floorspace Provision: The existing provision of supermarket floorspace within the main trade area is 142 sq.m per 1,000 persons, which is lower the Greater Sydney average of 272 sq.m per 1,000 persons. Assuming the subject development proceeds in FY2027, the main trade area supermarket floorspace provision would still be well below the Greater Sydney average, at 193 sq.m per 1,000 persons, as well as the Australian average of 356 sq.m per 1,000 persons. By 2031, the main trade area supermarket floorspace provision would decrease further to 106 sq.m per 1,000 persons.

8 Retail Forecast Sales for the proposed development are \$54.0 million in FY2027, including Woolworths supermarket forecast sales of \$41.6 million (constant dollars and including GST). The supermarket expenditure generated by the Eighth Avenue Woolworths main trade area population is currently estimated at \$51.6 million and is projected to increase to over \$400 million at an average annual rate of 12.1%, or \$19.4 million annually. All figures presented in this report are in constant dollars and include GST.

9 Overall Impacts: Overall, the proposed Eighth Avenue Woolworths would not impact on the viability or continued operation of any existing or proposed centre within the main trade area or the surrounding region. Any impacts will likely be absorbed within the first few years of trading of the proposed development, given the strong population growth projected for the region.

10 Largest Impacts: The largest impact in percentage terms at -20% (-\$5.9 million) would fall on Austral Shopping Centre, which includes the closest supermarket to the subject site (IGA). Similarly, Austral Town Centre is projected to incur an impact of -15%, or around \$5.9 million. Given that neither IGA supermarket is a full-line offer and one full-line supermarket is typically provided for every 8,000 – 10,000 persons, it is likely that the IGA supermarkets are trading above average levels for mid-sized IGA supermarkets (~\$8,000 per sq.m) given the current main trade area population is estimated at around 15,000 persons. The IGA supermarkets are viable and trading strongly currently and will continue to trade above current levels even after the opening of the Eighth Avenue Woolworths development in FY2027. Further, strong population growth throughout the main trade area will ameliorate competitive impacts from the Woolworths, with some additional 6,300 persons projected annually within the main trade area over the 2026-31 period – or around \$22.8 million in additional supermarket spending annually. Based on inspection and the industry average trading levels for smaller IGA supermarkets of around \$8,000 per sq.m, the two IGA supermarkets in Austral are estimated to achieve combined sales in the order of \$20 million. Main trade area supermarket spending is currently more than \$51 million. On this basis, some \$31 - \$36 million in supermarket spend is currently directed to larger supermarkets beyond the main trade area.

11 Ultimate Population & Greater Retail Floorspace Demand: The ultimate population across Austral/Leppington is projected to be much higher than initially planned. Within the Austral/Leppington North Precinct Plan, prepared in 2013 by the New South Wales Department of Planning, 54,300 persons are ultimately projected within the area. Based on a review of Forecast i.d. projections prepared at the request of Liverpool City Council, more than 68,000 persons are projected to be living within Austral, an area which is geographically smaller, and wholly contained within the Austral/Leppington North Precinct Plan boundary. This population projections prepared by this office shown in this report are more conservative than those prepared on behalf of Council, which are based on observed higher dwelling densities than initially assumed. As such, a higher population throughout the region will result in a commensurate increase in demand for retail facilities, such as supermarkets.

12 Supermarket Demand: Over the period to 2041, based on population growth, one full-line supermarket is supportable every two years. Ultimately, 12 – 13 full-line supermarkets could be supported within the Eighth Avenue Woolworths main trade area. Excluding Sectors 1 & 7, the ultimate population would be 78,070, which would indicate potential for 7 – 8 full-line supermarkets. The Austral/Leppington North Precinct Plan designates four supermarket sites (excluding Leppington Town Centre).

13 Floorspace Caps: The maximum gross leasable floorspace of 10,000 sq.m at the Neighbourhood Zone land at Eighth Avenue represents a rigid and arbitrary limit and are based on outdated population estimate for the area which has been superseded by higher, Council-endorsed population projections. Floorspace caps are a rigid tool that do not provide the flexibility to adjust to changing consumer and developer needs over time. In most parts of Australia, floorspace caps have been removed and/or transitioned to an indication of potential rather than a limit. The removal of floorspace caps allows for development to be led by market demand and community needs rather than by rigid statutory restrictions, hence reducing escaped retail expenditure.

Net Community Benefit: it is the conclusion of this report that a substantial net community benefit would result from the development of the proposed Eighth Avenue Woolworths. Offset trading impacts on some existing retailers, there are very substantial, positive impacts including: Improved access to a range of retail facilities for residents, improved choice of location and price competition, and employment generation (1,191 jobs), among many others.

1 Site Location and Planned Development

This section of the report reviews the regional and local context of the proposed Eighth Avenue Woolworths and provides a summary of the planned development scheme.

1.1. Regional Context

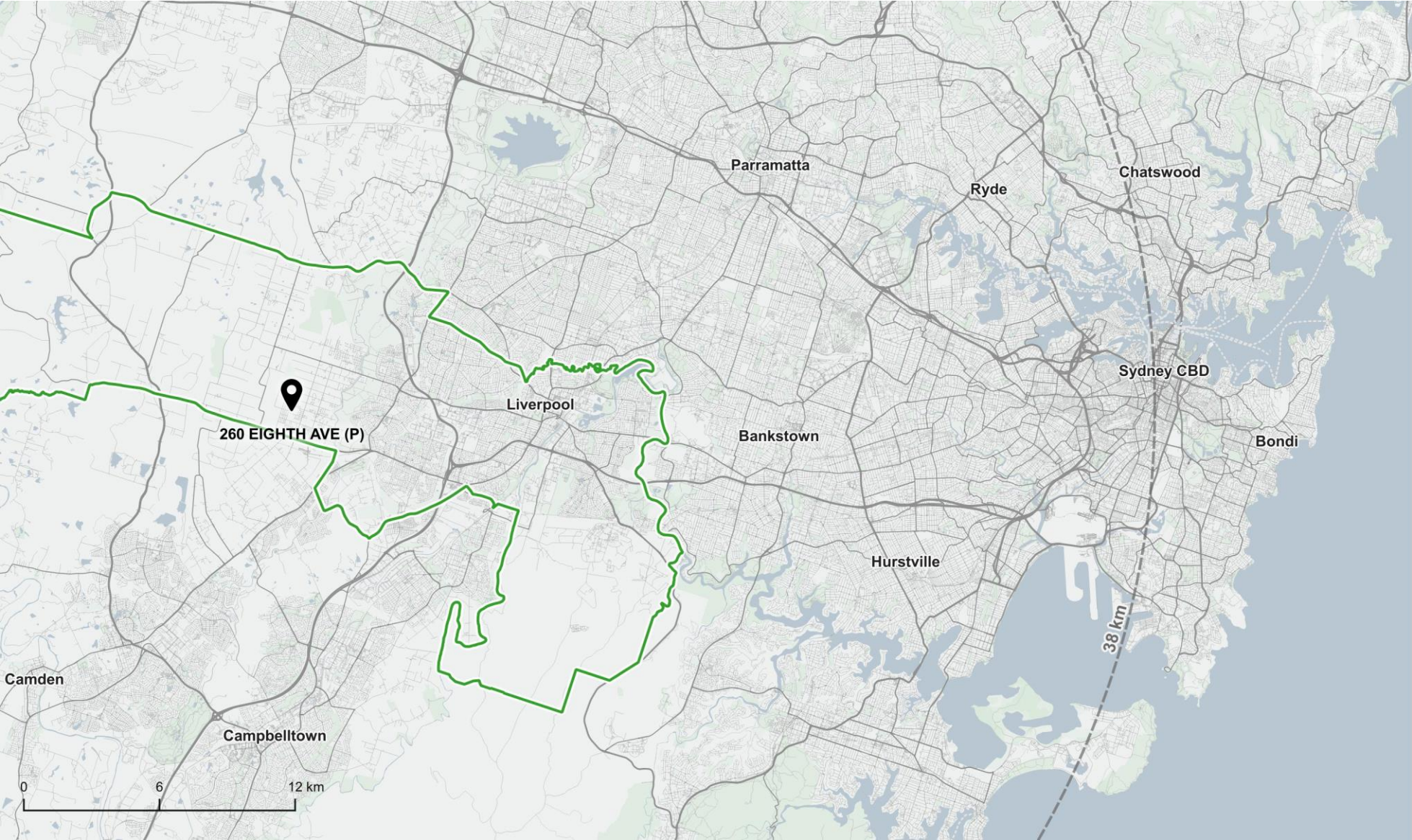
- i. The developing suburb of Austral is in South West Sydney, some 12 km west of Liverpool, and ~40 km from the Sydney Central Business District (CBD) (refer Map 1.1)
- ii. The South West Priority Growth Area (SWPGA) is provided across three Local Government Areas LGA's; namely Camden, Campbelltown, and Liverpool; and encompasses 18 precincts. With 17,000 hectares of land designated for residential development, it is estimated that upon completion the SWPGA will incorporate some 110,000 new dwellings, housing around 300,000 persons (refer Map 1.2).
- iii. To accommodate the significant growth projected for the SWPGA, major long-term infrastructure projects are planned or under construction within the broader South Western Sydney area. In addition, significant employment land is planned to be provided and is projected to generate 57,000 jobs over the next 30 years.
- iv. The Australian and New South Wales Governments are investing \$4.4 billion over 10 years in the Western Sydney Infrastructure Plan (WSIP), with the Australian Government providing over \$3.5 billion (refer Figure 1.1). Key road projects include:
 - Around 35 km of The Northern Road is planned to be upgraded from a 2 - 4 lane undivided road to a 6 - 8 lane divided road between The Old Northern Road at Narellan and Jamison Road at South Penrith. The upgrade will occur across six sections.
 - Bringelly Road has recently been upgraded to a minimum four lanes between Camden Valley Way at Leppington and The Northern Road at Bringelly.
 - Early construction on the M12 is underway and will provide toll-free, direct access to the future Western Sydney (Nancy Bird Walton) Airport at Badgerys Creek. The motorway will link 16 km east-west from the M7 Motorway at Cecil Hills to The Northern Road at Luddenham, providing better regional accessibility to the SWGA.
- v. The WSIP will provide better road linkages within the Western Sydney region and benefit the region's growing population. This investment will relieve pressure on existing infrastructure and unlock the economic capacity of the region by easing congestion and reducing travel times. The plan will deliver a quality surface transport network, ensuring the efficient movement of passengers, employees and freight, when Western Sydney

International (Nancy-Bird Walton) Airport opens in 2026. The WSIP is expected to support 4,000 direct and indirect jobs over the life of the plan.

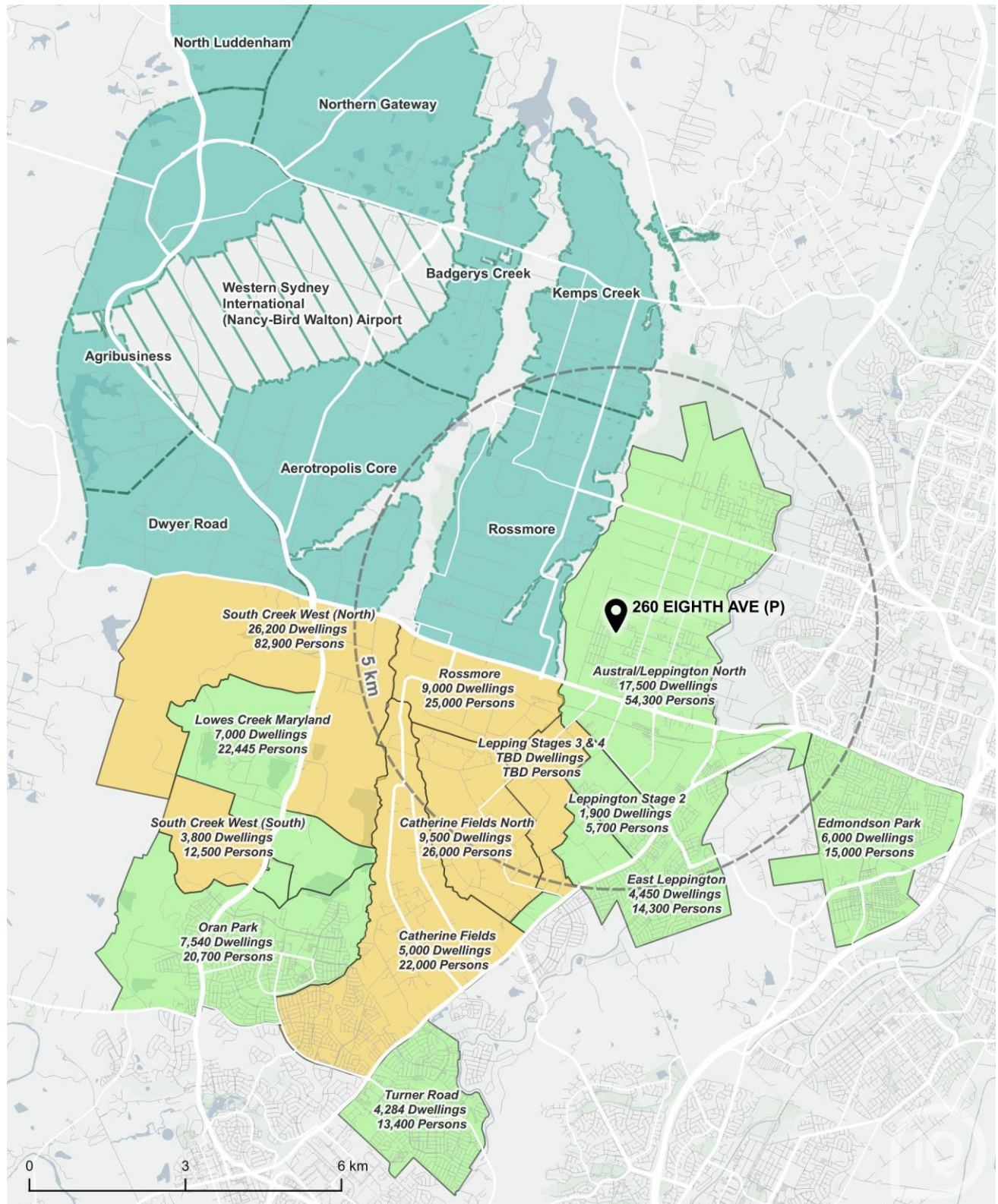
vi. Key supporting current and planned infrastructure includes:

- The **Western Sydney (Nancy Bird Walton) Airport** at Badgerys Creek which is due to open in 2026. The airport is expected to support almost 28,000 direct and indirect jobs by 2031. This large employment generating project is likely to boost demand for housing within the broader region. Construction is underway for Metro stations in the region, with options also being explored for a possible South West link from Leppington to the airport via proposed interchange at the future Badgerys Creek Aerotropolis. More than 2,700 workers are involved in the construction of the Western Sydney (Nancy Bird Walton) Airport who would likely frequent The Northern Road – with almost half of workers living in Western Sydney. This is expected to increase to around 4,500 workers upon opening of the airport.
- The **Western Sydney Aerotropolis** is just north of the SWGA and is proposed to encompass a significant economic precinct adjacent to the Western Sydney (Nancy Bird Walton) Airport in Badgerys Creek. Some precincts within the SWGA are also included in this plan and as such are expected to be comprise significant commercial and employment land, in addition to residential land (such as Rossmore). The Western Sydney Aerotropolis will be anchored by a major city to be named Bradfield, centred around the Aerotropolis core. The project focuses on a 10,000-hectare greenfield site around the new airport with plans to create more than 12,000 jobs in Western Sydney, focusing on health, education, transport and logistics.
- The **South-West Rail Link Extension** is a plan to lengthen the existing passenger rail line from Leppington Station to Bradfield so it connects with the North South Rail Line. This will provide a direct link to the Western Sydney Aerotropolis and surrounding business area. Under the current infrastructure plan, there is limited public transport access planned for current and future residents of Leppington (and the surrounding suburbs) to access to the Western Sydney (Nancy Bird Walton) Airport Metro Line. Investigations are currently underway, with the South-West Rail Link Extension mooted to run expected to run parallel to Bringelly Road. However, plans are not yet finalised.

MAP 1.1. AUSTRAL REGIONAL CONTEXT



MAP 1.2. SOUTH WEST PRIORITY GROWTH AREA



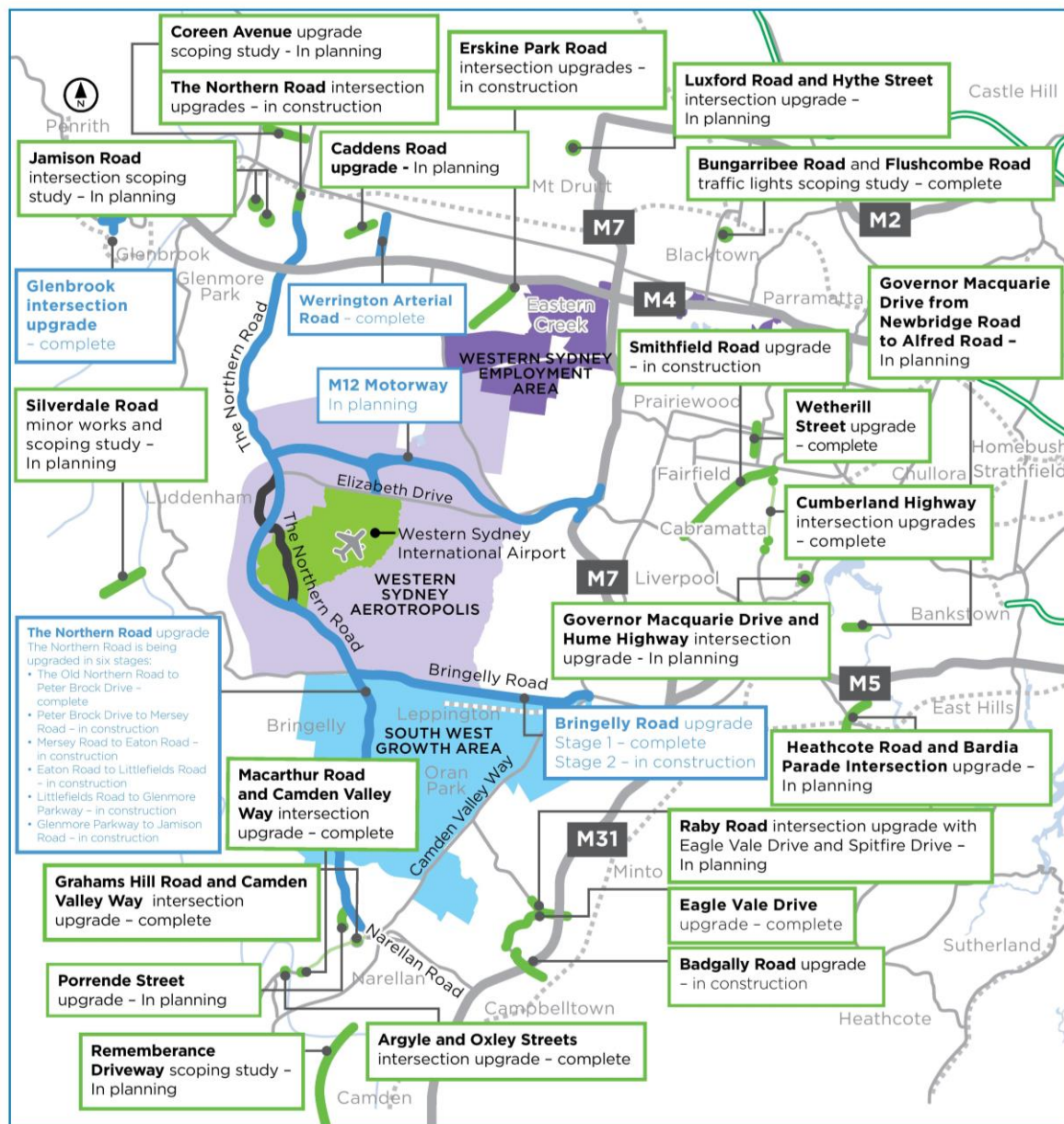
South West Growth Area Precincts

Rezoned/Under Construction

Western Sydney Aerotropolis Precincts

Not Rezoned

FIGURE 1.1. WESTERN SYDNEY INFRASTRUCTURE PLAN



1.2. Defined Priority Growth Areas

- i. The New South Wales Department of Planning originally identified 18 precincts within the South West Priority Growth Area, with this having been expanded based on the split or definition of several sub-precincts.
- ii. Table 1.1 shows the status of each precinct, as well as the minimum dwelling yield and resulting estimated population. Austral/Leppington North is the largest single precinct within the South West Growth Area.

TABLE 1.1. SOUTH WEST PRIORITY GROWTH AREA PRECINCT STATUS AND YIELD

Growth Area	Minimum Dwelling Yield	Estimated Population
Rezoned/Under Construction		
Austral/Leppington North	17,350	54,300
Leppington Stage One	2,500	7,000
Leppington Stage Two	1,900	5,700
Leppington Stage Five	500	1,500
East Leppington	4,450	14,302
Edmondson Park	6,000	15,000
Turner Road	4,284	13,400
Catherine Fields (Part)	3,229	10,212
Oran Park	7,540	20,700
Lowes Creek Maryland	7,000	22,445
Pondicherry	2,700	8,830
South West Creek (North)	6,860	22,445
South West Creek (South)	5,390	17,248
Bringelly	5,000	14,000
North Bringelly	5,000	14,000
Northern Gateway	3,400	10,000
Total Rezoned/Under Construction	83,103	251,082
Not Rezoned		
Kemps Creek	1,000	2,500
Leppington Stage Three & Four	TBD	TBD
Rossmore	9,000	25,000
North Rossmore	6,500	18,000
Catherine Fields	5,000	22,000
Catherine Fields North	9,500	26,000
Total Not Rezoned	31,000	93,500

Source: NSW DPE

1.3. Austral/Leppington North Precinct Plan

- i. The Austral/Leppington North Precinct Plan (refer Figure 1.2) was finalised in March 2013 by the New South Wales Department of Planning and Environment. The masterplan outlines controls which allow for 17,350 new homes and the delivery of local amenities close to transport options, including:
 - New Major Centre.
 - The new Leppington station.
 - Three neighbourhood centres.
 - 220 hectares of employment land
 - 135 hectares of open space and recreation areas.
 - Upgrades to major roads.
 - New primary and high schools.
 - Protection of significant vegetation, and major creek corridors.
 - Improved connections to encourage walking and cycling.
- ii. It is worth noting that the Precinct Plan acknowledges that it is possible that more than the stipulated number of homes could be built. The 17,350 dwellings figure identified in the plan serves as a guide based on the dwelling densities assumed by Liverpool City Council across the various residential zones.
- iii. The Leppington Town Centre, which generally extends from Ingleburn Road in the south to Sixth Avenue in the north, is currently under review with rezoning of the precinct likely. The rezoning of the Leppington Town Centre was deemed necessary because of changes to the planning and land use framework to the surrounding area since the Austral/Leppington Precinct Plan was initially announced in 2013, including:
 - Announcement of the Aerotropolis.
 - Planned extension of the rail line to the Aerotropolis.
 - Planned high frequency bus corridors.

Location*iQ*

1.4. Local Context

- i. The subject site for the proposed Eighth Avenue Woolworths development is 260 Eighth Avenue in Austral, which is a designated neighbourhood centre site. The site is on the southern side of Eighth Avenue, bounded to the west by Warrawal Avenue, and to the south by Auger Street (refer Map 1.3). Key points to note include:
 - Eighth Avenue is a key east – west link that ultimately will connect from east of Edmondson Avenue in the east to Kelly Street in the west.
 - Fourth Avenue is less than 500 metres to the east and is a major north – south traffic route that connects to Bringelly Road in the south and intersects a number of east – west orientated roads to the north, including Fifteenth Avenue.
 - The site is surrounded by new and soon to be built homes to the north, east, south, and west.
 - Future school sites are indicated on the northern side of Eighth Avenue and on the northern side of Sixth Avenue to the south of the site.
- ii. Overall, the proposed Eighth Avenue Woolworths enjoys a high profile site as part of a significant new growth area. The site is easily accessible to the local and wider region population.

1.5. Current and Future Road Network

- i. Austral is in the process of undergoing significant improvements to the road network throughout the suburb. The Austral/Leppington North Post-Exhibition Planning report, published by the New South Wales Government in 2013, illustrates the planned changes to the road network and intersections (refer Figure 1.3).
- ii. As shown, Eastwood Road is planned to be extended from the south of Bringelly Road via a signalised intersection to connect with Eighth Avenue – enabling greater local and regional accessibility to the subject development.
- iii. The Eighth Avenue Woolworths site would be at the south-eastern collector road intersection of Eighth Avenue and Eastwood Road, with continued accessibility to the residential areas near Boyd Street and Kelly Street.

MAP 1.3. EIGHTH AVENUE WOOLWORTHS LOCAL CONTEXT



- | | | | |
|---|---|---|---|
| Site | Education | Transport | Industrial |
| Shopping Centre | Community | | |

PhotoMap by nearmap.com



FIGURE 1.3. AUSTRAL/LEPPINGTON NORTH PLANNED CHANGES TO ROAD NETWORK

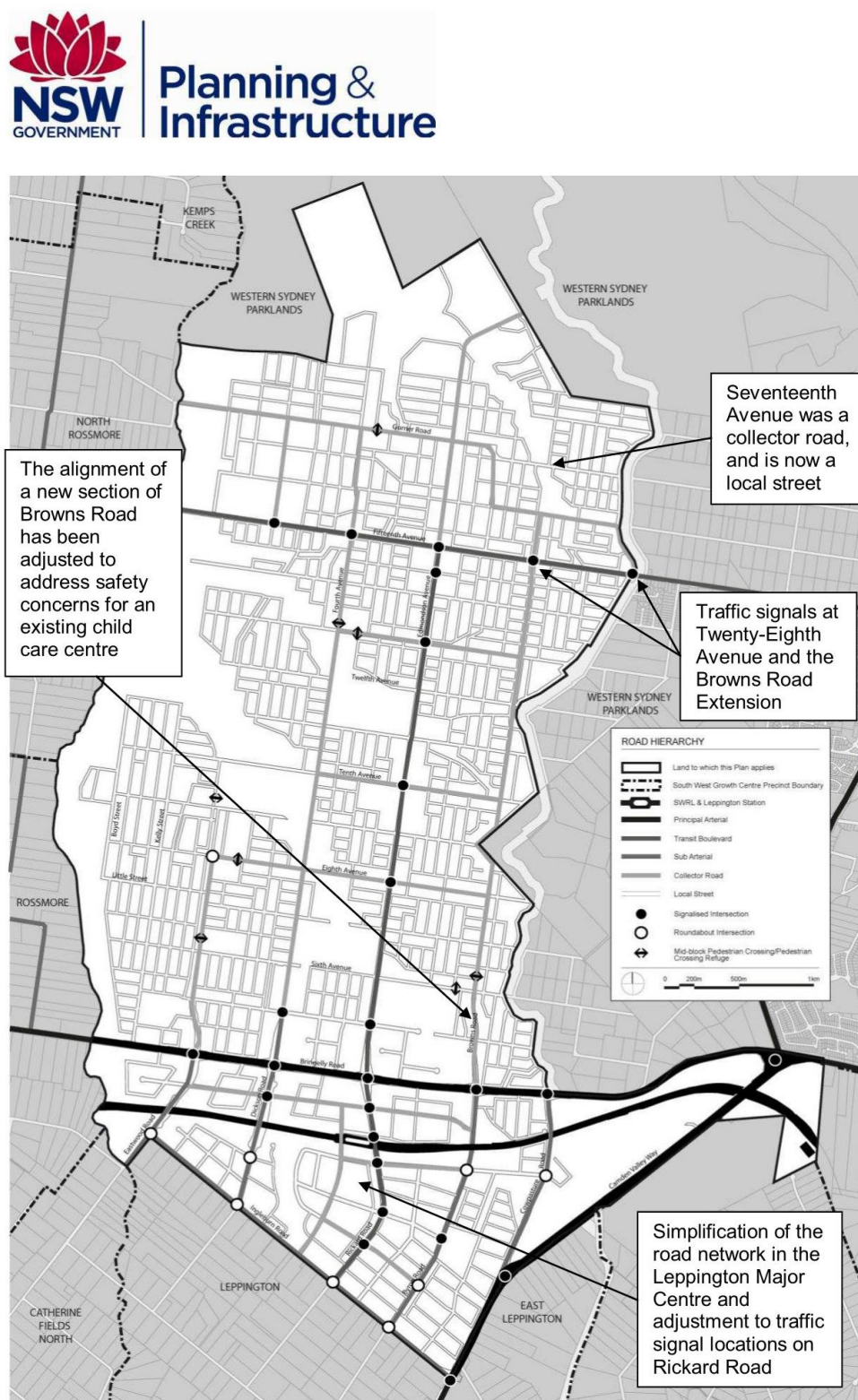


Figure 4-1: Changes to the road network and intersections

1.6. Planned Development Scheme

- i. Figures 1.4 – 1.6 illustrate the layout of the proposed Eighth Avenue Woolworths development, with Table 1.2 detailing the indicative mix. Key points to note are as follows:
 - The total development will comprise 7,365 sq.m, including a retail component of 5,507 sq.m.
 - The retail component is anchored by a full-line Woolworths supermarket of 3,664 sq.m including Direct to Boot (DTB). The supermarket will be a modern offer, that would allow for a full weekly shop. The supermarket will be on the on the Upper Ground Level.
 - A small provision of specialty shops, namely BWS (liquor) and specialty floorspace of a combined 1,691 sq.m of on the Upper Ground Level.
 - The balance of floorspace will be commercial tenancies of 1,858 sq.m on the Lower Ground Level and Level One.
 - Associated car parking at grade (Upper Ground Level) as well as Woolworths DTB and on-street parking for a total of 319 car bays.
- ii. The development is assumed to open by June 2026, meaning the first full year of trading would indicatively be 2026/27.
- iii. Supermarkets are typically defined in planning documents and Courts as:

“Grocery and dry goods stores of at least 500 sq.m, with smaller stores classified as food stores.”
- iv. Supermarkets offer a broad range of items not typically included in smaller sized stores such as a bakery, butcher, seafood, and fresh produce segments.
- v. Overall, the proposed development would provide a modern, full-line Woolworths supermarket; a small provision of retail shops, and commercial floorspace to meet the current and future demand of residents.

TABLE 1.2. PROPOSED EIGHTH AVENUE WOOLWORTHS – INDICATIVE COMPOSITION

Tenant/ Category	GLA (sq.m)	% of Total
Majors		
Woolworths (inc. BOH and DTB)	3,816	51.8%
BWS	200	2.7%
Specialty	1,491	20.2%
Total	5,507	74.8%
Office/Commercial	1,858	25.2%
Total	7,365	100%

Source: Woolworths

WARRAWAL AVENUE

EIGHTH AVENUE

RECEIVING
1000

REFUSE
1001

LOADING DOCK
(OSD BELOW)

Woolworths
1002

SPECIALTY RETAIL
1003

SPECIALTY RETAIL
1004

SPECIALTY RETAIL
1005

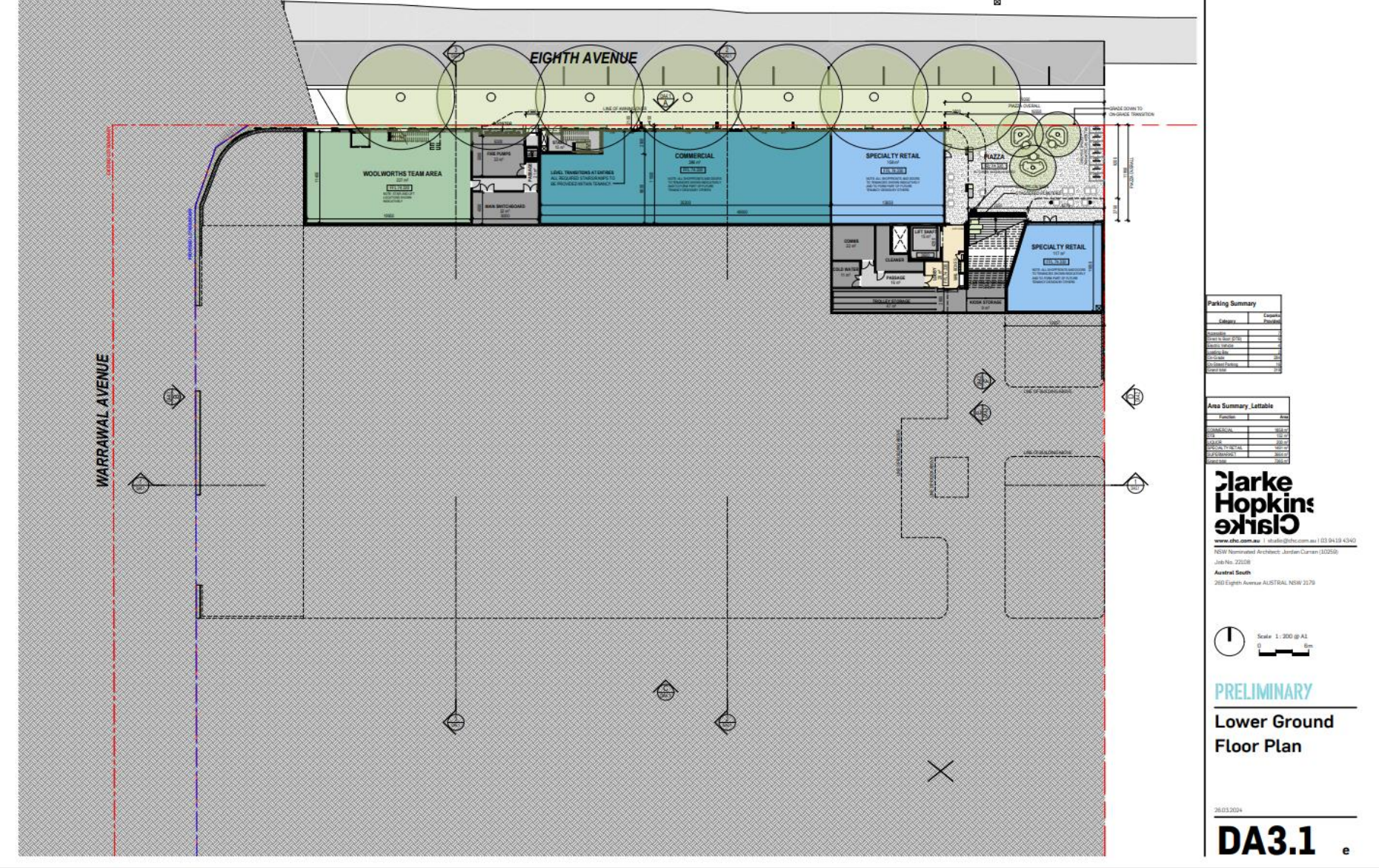
PIZZA BELOW

NOTE: ALL SHOPPING CARCARE ARE TO BE PROVIDED BY THE CLIENT AND THE CLIENT IS TO BE RESPONSIBLE FOR THE PROVISION OF THE CARCARE AREAS.

FOR COMPREHENSIVE CARPARK DIMENSIONS REFER DRAWING DA2.6

PRELIMINARY
**Upper Ground
Floor Plan**

FIGURE 1.5. ARCHITECTURAL PLAN – LOWER GROUND



Architectural site plan of a building complex at the intersection of Warrawal Avenue and Eighth Avenue. The plan shows a large commercial building with a blue roof, a condenser deck, a waste roof, and a feature roof. A large area is designated as an 'INDICATIVE ZONE FOR PV PANEL INSTALLATION'. The plan also shows parking spaces, trees, and a 'PERMITS OFF BUILDING' area.

Area Summary_Lettab	
Function	
COMMERCIAL	
OTD	
LIQUID	
SPECIALTY RETAIL	
SUPERMARKET	



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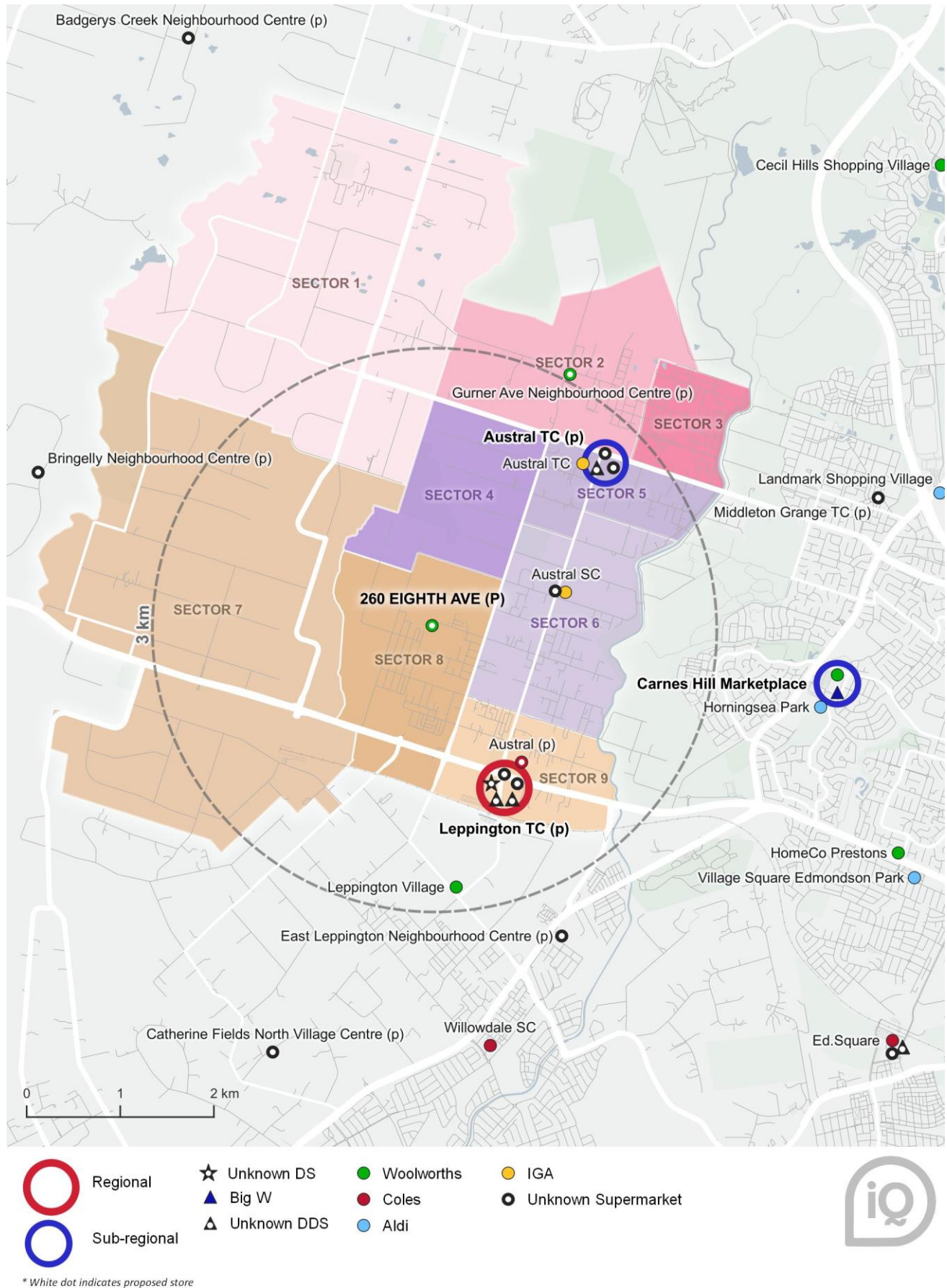
2 Trade Area Analysis

This section of the report provides a review of the trade area likely to be served by Eighth Avenue Woolworths, including current and projected population and retail spending levels over the period to 2041. A review of the socio-economic profile of the trade area population is also provided.

2.1. Trade Area Definition

- i. For the purposes of this assessment, the defined Eighth Avenue Woolworths trade area reflects the likely draw of current and future supermarkets to serve the growing population and extends from near Rossmore Crescent in the south to Kemps Creek Nature Reserve in the north (refer Map 2.1).
- ii. The Eighth Avenue Woolworths trade area has been split into smaller Sectors (1 – 9) to review trends at a level that assists in assessing demand and timing for various supermarkets. These Sectors largely incorporate the rezoned Austral/Leppington North precinct, with Sector 1 and Sector 7 overlapping the North Rossmore, part of Kemps Creek, and Rossmore precincts that are longer term area for population but will be serviced in the short to medium term by facilities in Austral.
- iii. The Eighth Avenue Woolworths trade area takes into consideration the likely trade areas for supermarkets - which is based on the experience of Location iQ and has been established and refined over many years across many similar assessments. Location iQ has also been provided with existing store customer data (including exit-survey results, transaction data, mobile phone ping data and the like), which assists in the refinement and cross-checking of trade area boundaries for existing networks and can then be utilised for future scenarios.
- iv. The Eighth Avenue Woolworths trade area is based on Australian Bureau of Statistics (ABS) SA1 statistical areas, which is common convention for trade area definitions - given SA1s are the smallest unit area released in Census data. SA1s typically have a population of between 200 and 800 persons, with an average population size of approximately 400 persons.
- v. In urban areas across Australia, it is acknowledged that overlapping catchments are typical in any retail hierarchy. It is observed in any established population area that residents/customers move freely between different shopping facilities depending on choice, offer, complementary trip purposes, place of work, place of education, place of recreation and the like. It is not unreasonable to expect consumers to make choices about their shopping patterns based on these types of criteria and conversely, it is highly unlikely that residents would just undertake shopping at their closet facility all the time.
- vi. The trade area for the proposed Eighth Avenue Woolworths currently includes almost all of the Austral/Leppington North precinct and would likely change over time with population growth, new roads and infrastructure, and the gradual addition of new retail facilities. Currently, the fringe metropolitan location of the site implicates a larger trade area than what is typically observed in denser metropolitan locations (~3 km radius). Over time, more distant trade area Sectors such as Sectors 1, 2 and 3 would be served by their own supermarket catchments and hence, would be less likely to frequent the subject development.

MAP 2.1. EIGHTH AVENUE WOOLWORTHS TRADE AREA & COMPETITION



2.2. Main Trade Area Population

- i. Table 2.1 details the main trade area current and projected population levels by sector. This information is sourced from the following:
 - The 2011, 2016 and 2021 Census of Population and Housing undertaken by the Australian Bureau of Statistics (ABS).
 - New dwelling approvals statistics from the ABS from 2011/12 to 2022/23 (refer Chart 2.1), which indicate an average of 201 new dwellings were approved across the Austral South main trade area annually over this timeframe.
 - The latest population projections prepared at a Statistical Area 2 (SA2) level by the New South Wales Department of Planning and Environment (DPE).
 - The delivery of drinking and waste water services are critical in examining the estimated timing of housing across growth areas.
 - Investigations by this office into new residential developments in the region.
- ii. The Eighth Avenue Woolworths main trade area population is currently estimated at 14,822 (2023), and is projected to increase to 99,322 by 2041, reflecting an average annual growth rate of 4,694 persons, or 12.5%. This is well above the Greater Sydney and Australian benchmarks over the same period. Key points to note regarding the current (2023) estimated main trade area population include:
 - The Austral main trade area population has more than doubled since 2011.
 - The largest population is accommodated in Sector 8, with around 4,050 persons.
 - There are six Sectors with a current population of more than 1,000 persons.
 - Over the period to 2041, five Sectors will accommodate more than 10,000 persons, namely Sectors 1, 2, 6, 7, and 8.
 - Based on the indicative land use, an ultimate population of over 126,000 persons is estimated across the main trade area.
- iii. One full-line supermarket of 3,200 sq.m and larger is typically provided for every 8,000 – 10,000 persons. On this basis, the main trade area current population (14,822) would support 1 – 2 full-line supermarkets, with 6 – 7 full-line supermarkets by FY2031, 9 – 10 full-line supermarkets by FY2041, and ultimately 12 – 13 full-line supermarkets (refer Chart 2.2). Over the period to 2041, based on population growth, one full-line supermarket is supportable every two years.

TABLE 2.1. MAIN TRADE AREA POPULATION, 2011 – 2041

Population	Actual			Forecast					Change	Ultimate
	2011	2016	2021	2023	2026	2031	2036	2041	2023-41	Population
• Sector 1	1,658	1,592	1,537	1,537	1,537	2,537	6,537	11,537	10,000	17,040
• Sector 2	321	305	830	1,170	3,270	8,270	13,270	15,770	14,600	14,830
• Sector 3	280	261	1,256	2,456	4,256	5,756	6,006	6,006	3,550	6,100
• Sector 4	395	417	388	388	838	4,838	7,338	7,838	7,450	7,900
• Sector 5	572	533	645	645	945	4,945	7,445	8,445	7,800	9,080
• Sector 6	610	705	1,165	2,105	3,605	8,605	13,605	15,105	13,000	15,580
• Sector 7	1,669	1,757	1,630	1,630	1,630	2,630	6,630	11,630	10,000	31,430
• Sector 8	505	507	1,857	4,057	7,357	13,357	14,857	15,107	11,050	15,580
• Sector 9	446	392	714	834	1,134	5,134	7,884	7,884	7,050	9,000
Main Trade Area	6,456	6,469	10,022	14,822	24,572	56,072	83,572	99,322	84,500	126,540

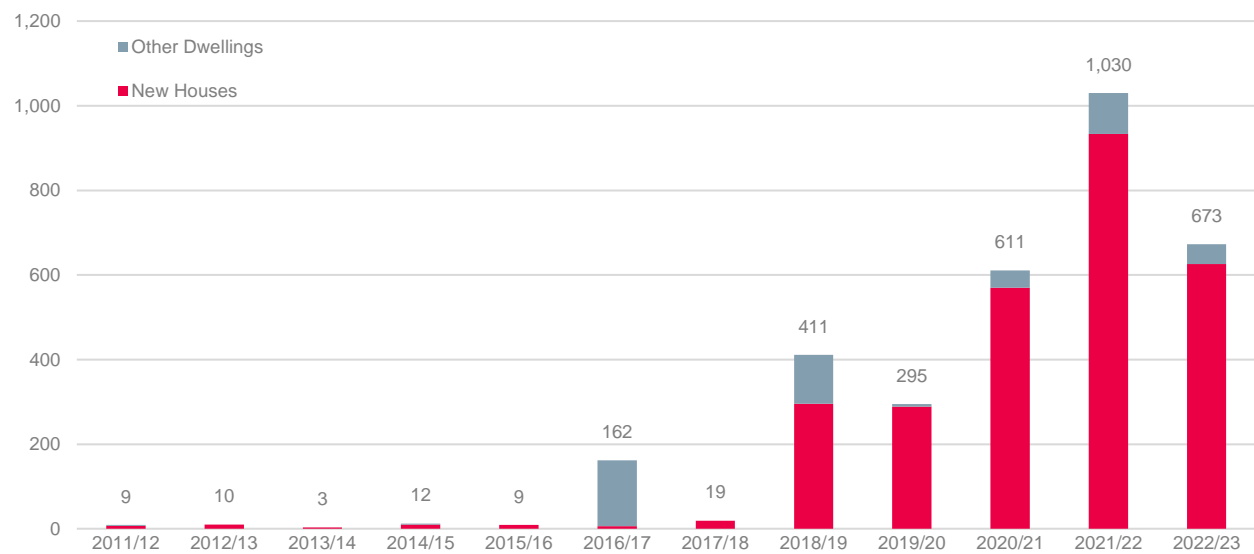
Avg. Annual Change (No.)	Actual		Forecast					Change
	2011-16	2016-21	2021-23	2023-26	2026-31	2031-36	2036-41	2023-41
• Sector 1	-13	-11	0	0	200	800	1,000	556
• Sector 2	-3	105	170	700	1,000	1,000	500	811
• Sector 3	-4	199	600	600	300	50	0	197
• Sector 4	4	-6	0	150	800	500	100	414
• Sector 5	-8	22	0	100	800	500	200	433
• Sector 6	19	92	470	500	1,000	1,000	300	722
• Sector 7	18	-25	0	0	200	800	1,000	556
• Sector 8	0	270	1,100	1,100	1,200	300	50	614
• Sector 9	-11	64	60	100	800	550	0	392
Main Trade Area	3	711	2,400	3,250	6,300	5,500	3,150	4,694

Avg. Annual Change (%)	Actual		Forecast					Change
	2011-16	2016-21	2021-23	2023-26	2026-31	2031-36	2036-41	2023-41
• Sector 1	-0.8%	-0.7%	0.0%	0.0%	10.5%	20.8%	12.0%	8.4%
• Sector 2	-1.0%	22.2%	18.7%	40.9%	20.4%	9.9%	3.5%	16.6%
• Sector 3	-1.4%	36.9%	39.8%	20.1%	6.2%	0.9%	0.0%	9.1%
• Sector 4	1.1%	-1.4%	0.0%	29.3%	42.0%	8.7%	1.3%	17.7%
• Sector 5	-1.4%	3.9%	0.0%	13.6%	39.2%	8.5%	2.6%	14.6%
• Sector 6	2.9%	10.6%	34.4%	19.6%	19.0%	9.6%	2.1%	14.6%
• Sector 7	1.0%	-1.5%	0.0%	0.0%	10.0%	20.3%	11.9%	8.1%
• Sector 8	0.1%	29.6%	47.8%	21.9%	12.7%	2.2%	0.3%	12.2%
• Sector 9	-2.5%	12.7%	8.1%	10.8%	35.3%	9.0%	0.0%	14.3%
Main Trade Area	0.0%	9.1%	21.6%	18.4%	17.9%	8.3%	3.5%	12.5%
<i>Greater Sydney</i>	<i>1.7%</i>	<i>1.3%</i>	<i>0.0%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.5%</i>	<i>1.3%</i>	<i>1.1%</i>
<i>Australian Average</i>	<i>1.6%</i>	<i>1.2%</i>	<i>2.4%</i>	<i>1.6%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.1%</i>	<i>1.6%</i>

All figures as at June and based on 2021 SA1 boundary definition.

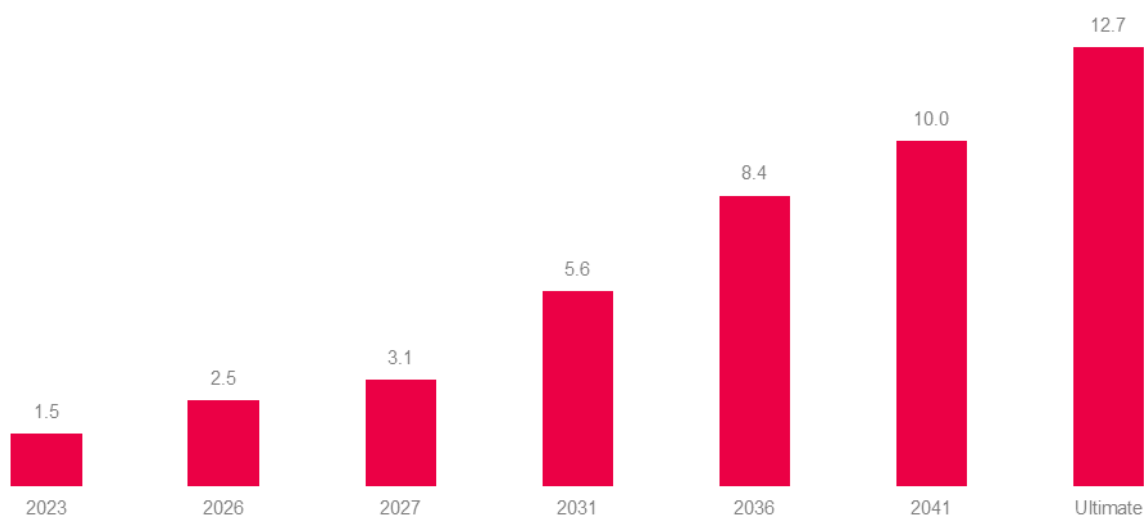
Sources : ABS; NSW DPIE

CHART 2.1. MAIN TRADE AREA NEW DWELLING APPROVALS, 2011/12 – 2022/23



Source: ABS

CHART 2.2. MAIN TRADE AREA FULL-LINE SUPERMARKET DEMAND, 2023 – 2041 (CUMULATIVE NUMBER OF SUPPORTABLE FULL-LINE SUPERMARKETS)



Note: One full-line supermarket per 10,000 persons

2.2.1. South West Priority Growth Area Precincts

- i. Table 2.2 provides a breakdown of the South West Priority Growth Area precincts, including those that fall within the defined main trade area (shown on Map 2.2).
- ii. The following South West Growth Area precincts overlap with the main trade area (refer Map 2.2):
 - The **Austral/Leppington North** precinct is comprised of Sectors 2,3,4,5,6,8, and 9, in addition to some land to the south of the rail line. When the Precinct Plan was published, the total estimated dwelling yield across the precinct was estimated at 17,350, or 54,300 persons. As stated previously, drinking and wastewater services throughout the Austral/Leppington North precinct is anticipated for completion in December 2023, with residential development likely to accelerate from 2024. Completion of homes within the precinct is projected to occur post-2041, reflecting the current and projected rate of growth. The precinct also encompasses the Leppington Town Centre Draft Planning Proposal, which is currently on public exhibition, and is proposed to include around 11,000 dwellings (25,000 persons).
 - The **Rossmore** precinct overlaps with the majority of Sector 7. The precinct is estimated to provide 9,000 homes, or 25,000 persons. It is noted that this precinct is yet to be zoned and is subject to change upon further investigation of the area. First homes are assumed from 2031, however, this is contingent upon the delivery of drinking and wastewater services, as well as the planning progression of the precinct. In the short term, residents of Rossmore would likely rely on supermarket facilities in Austral.
 - The **North Rossmore** precinct overlaps both Sector 1 and Sector 7. North Rossmore is estimated to provide 6,500 homes, or 18,000 persons. The precinct is at the same planning and water infrastructure stage as the Rossmore precinct outlined above.
 - The southern portion of the **Kemps Creek** precinct overlaps with Sector 1. Kemps Creek is indicated to include predominantly industrial-type uses, with only 1,000 lots (2,500 persons) planned.
- iii. A minimum dwelling yield of 33,850 is observed across the overlapping South West Growth Area precincts, or 99,322 persons. With development currently occurring at a higher density than anticipated, the ultimate population across the Austral main trade would be ~25% higher. This will be examined in further detail in Section 2.2.6.

TABLE 2.2. SOUTH WEST PRIORITY GROWTH AREA PRECINCTS SUMMARY

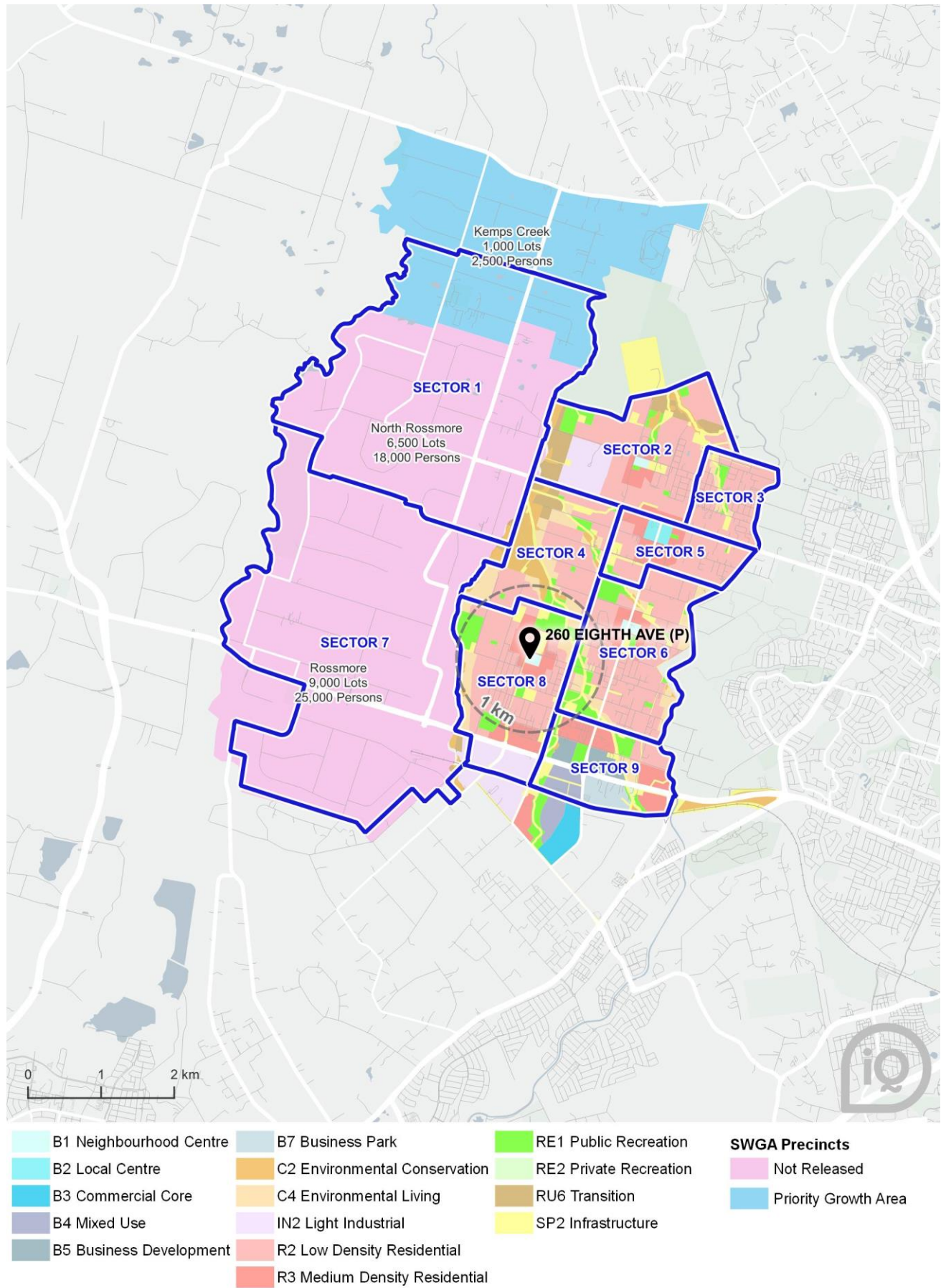
Growth Area	Minimum Dwelling Yield	Estimated Population	Drinking Water Status	Waste Water Status	Planning Status	Est. Homes Built*	First Homes	Est. Completion
Rezoned/Under Construction								
Austral/Leppington North	17,350	54,300	Dec-23	Adequate	Under Construction	4,900	2016	Post-2041
Leppington Stage One	2,500	7,000	Limited	Limited	Under Construction	900	2019	2030
Leppington Stage Two	1,900	5,700	Limited	Limited	Earthworks	0	2024	2030
Leppington Stage Five	500	1,500	Limited	Limited	Rezoned	0	2024	2028
East Leppington	4,450	14,302	Adequate	Adequate	Under Construction	3,140	2014	2027
Edmondson Park	6,000	15,000	Limited	Adequate	Under Construction	5,420	2012	2028
Turner Road	4,284	13,400	Adequate	Adequate	Under Construction	2,300	2010	2034
Catherine Fields (Part)	3,229	10,212	Adequate	Adequate	Under Construction	2,230	2017	2026
Oran Park	7,540	20,700	Adequate	Adequate	Under Construction	5,000	2010	2030
Lowes Creek Maryland	7,000	22,445	FY2023-24	FY2025	Rezoned	0	2025	2036
Pondicherry	2,700	8,830	FY2023-24	FY2025	Earthworks	0	2024	2028
South West Creek (North)	6,860	22,445	FY2023-24	Strategic Planning	Rezoned	0	2025	2041
South West Creek (South)	5,390	17,248	FY2023-24	Strategic Planning	Rezoned	0	2025	2041
Bringelly	5,000	14,000	Concept Planning	FY2026	Rezoned	0	2027	2036
North Bringelly	5,000	14,000	FY2023-24	FY2025	Rezoned	0	2027	Post-2041
Northern Gateway	3,400	10,000	Concept Planning	FY2027	Rezoned	0	2028	Post-2041
Total Rezoned/Under Construction	83,103	251,082				23,890		
Not Rezoned								
Kemps Creek	1,000	2,500	Strategic Planning	Strategic Planning	Planning	0	2031	Post-2041
Leppington Stage Three & Four	TBD	TBD	Strategic Planning	FY2026	Planning	0	2028	Post-2041
Rossmore	9,000	25,000	Strategic Planning	Strategic Planning	Planning	0	2031	Post-2041
North Rossmore	6,500	18,000	Strategic Planning	Strategic Planning	Planning	0	2031	Post-2041
Catherine Fields	5,000	22,000	Strategic Planning	Strategic Planning	Planning	0	2031	Post-2041
Catherine Fields North	9,500	26,000	Strategic Planning	Strategic Planning	Planning	0	2031	Post-2041
Total Not Rezoned	31,000	93,500				0		

Source: NSW DPE, Greater Sydney Urban Development Program Dashboard, Sydney Water

*As at March 2023

Overlaps Study Area

MAP 2.2. AUSTRAL GROWTH AREA AND ZONING



2.2.2. Higher Dwelling Density

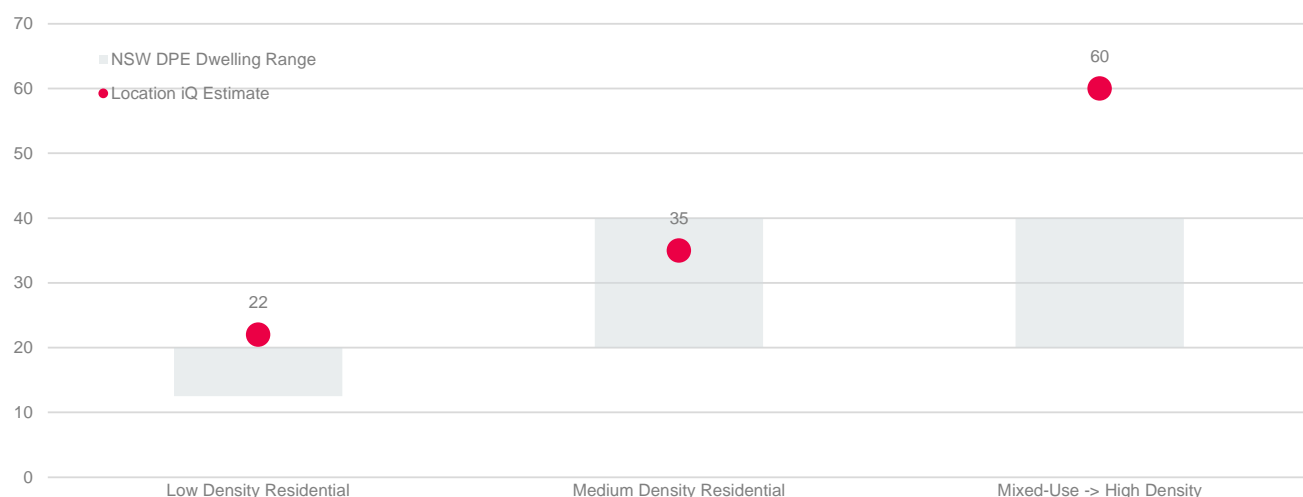
- i. In March 2013, the draft precinct plan for the 'Austral/Leppington North' South West Growth Area precinct was finalised by the New South Wales DPE.
- ii. The Post-Exhibition Planning Report published in 2012 as part of the final precinct plan details the key desired outcomes of the precinct regarding housing, social and transport infrastructure, environmental management, retail centres, and various other planning controls.
- iii. Table 4.1 of the Post-Exhibition Planning report summarises the key elements of the final indicative layout plan of the Austral/Leppington North precinct, including the indicative average dwelling density projected for the precinct. It is stated that across 1,077.2 hectares of low density residential, medium density residential, mixed-use, and environmental living land, that 16.1 dwellings per hectare would result in the estimated minimum population of 17,350 projected across the entire precinct.
- iv. Table 5.1 of the Post-Exhibition Planning report titled '*Consistency with the Growth Centres Development Code*' summarises the density targets of the various residential zones, as follows:
 - Low Density Residential: 12.5 – 20 dwellings/ha.
 - Medium Density Residential: 20 – 40 dwellings/ha.
 - High Density Residential: 20 – 40 dwellings/ha.
- v. Minimum density controls within the Austral/Leppington North precinct for the low and medium density residential zones are as follows:
 - Low Density Residential: 10 – 20 dwellings/ha.
 - Medium Density Residential: 25 dwellings/ha.
- vi. It is acknowledged in Section 5.1 of the Post-Exhibition Planning report titled '*Growth Centres Structure Plan*' that:

"There is potential for the dwelling yield to exceed 17,350 if development occurs at densities higher than the minimums specified in the Precinct Plan."
- vii. Chart 2.2 illustrates the density target ranges outlined in the Post-Exhibition Planning report against those currently observed by this office throughout the Austral/Leppington North precinct, and then applied in the preceding population projections. The variation between the dwelling density ranges estimated within the Post-Exhibition Planning report and those assumed within this report is attributable to development patterns observed by this office using aerial imagery.
- viii. It is worth noting that all the mixed-use land indicated within the Austral/Leppington North precinct is within the designated Leppington Town Centre precinct, which is currently under review to enable 10,500 dwellings through higher density development. As such, a density of 60 homes per hectare is assumed within this zone.
- ix. This is congruent with the preliminary findings outlined by Camden Council in the 2023 '*Leppington Town Centre Draft Planning Proposal*', which states that:

“The Planning Proposal proposes the provision of 10,000 apartments and 500 – 1,000 townhouses in order to increase the diversity of housing within the Leppington Town Centre”.

- x. In light of the above, the assumption in the Austral/Leppington North that mixed-use land would only accommodate 20 dwellings per hectare is deemed unreasonable given that this would represent a similar dwelling density to that of low density residential land.
- xi. A key implication of an increase in the dwelling density of residential development is that the timing and ultimate supportability of retail floorspace, including full-line supermarkets, would change.
- xii. The Lowes Creek Maryland South West Growth Area precinct was rezoned in 2021 – far more recently than Austral/Leppington North, in 2013. In the *Lowes Creek Maryland Finalisation Report* (2021), low density residential uses are defined as being between 10 and 25 dwellings per hectare. This is reflective of the emerging way developers aim to condense housing to alleviate demand pressure on the market.

CHART 2.3. NSW DPE VS LOCATION IQ AUSTRAL/LEPPINGTON NORTH DWELLING DENSITY



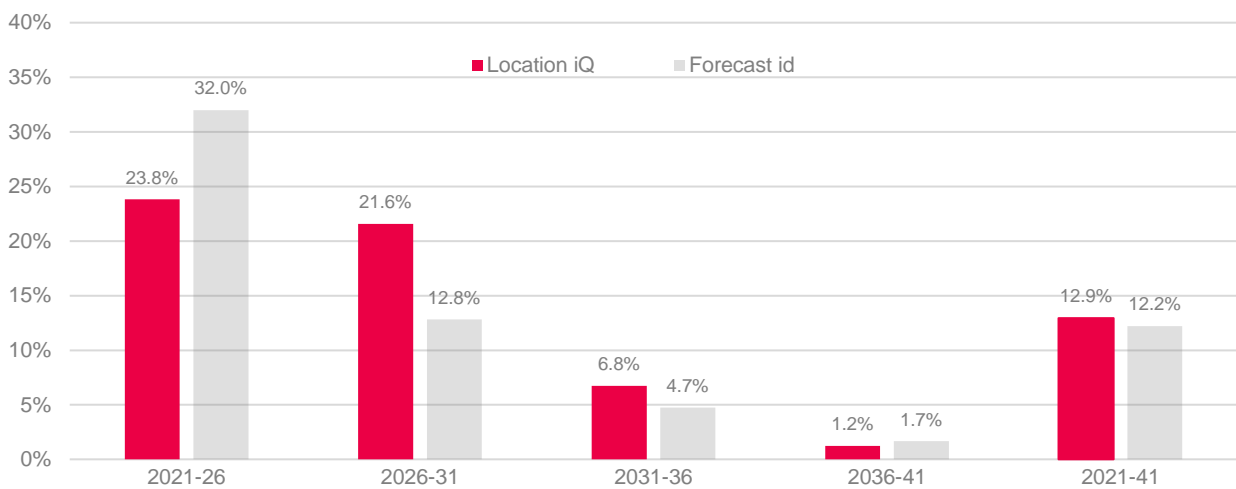
Source: Location IQ Database

2.2.3. Forecast.id Population Projections

- i. Forecast .id is a population forecasting service delivered under the .id Consulting brand. The service conducts population forecasts at the request of over 130 Council areas across Australia, including Liverpool City Council.
- ii. Forecast .id conduct population forecasts across non-ABS-defined geographies which approximately align with suburb boundaries. Map 2.3 illustrates the Forecast .id. Austral area, as compared with the overlapping main trade area Sectors defined by this office, noting that Sectors 8 and 9 extend south of the Forecast .id Austral area to the rail line.
- iii. Chart 2.3 provides a comparison between the projected average annual population growth rates presented in this report with the official projections released by .id Consulting (Forecast .id). The Liverpool City Council population projections were last reviewed in January 2023. Key points to note include:
 - The projected average annual growth rate across the overlapping main trade area is generally consistent with the Forecast .id projections over the 2021 to 2041 period (12.9% vs 12.2%).

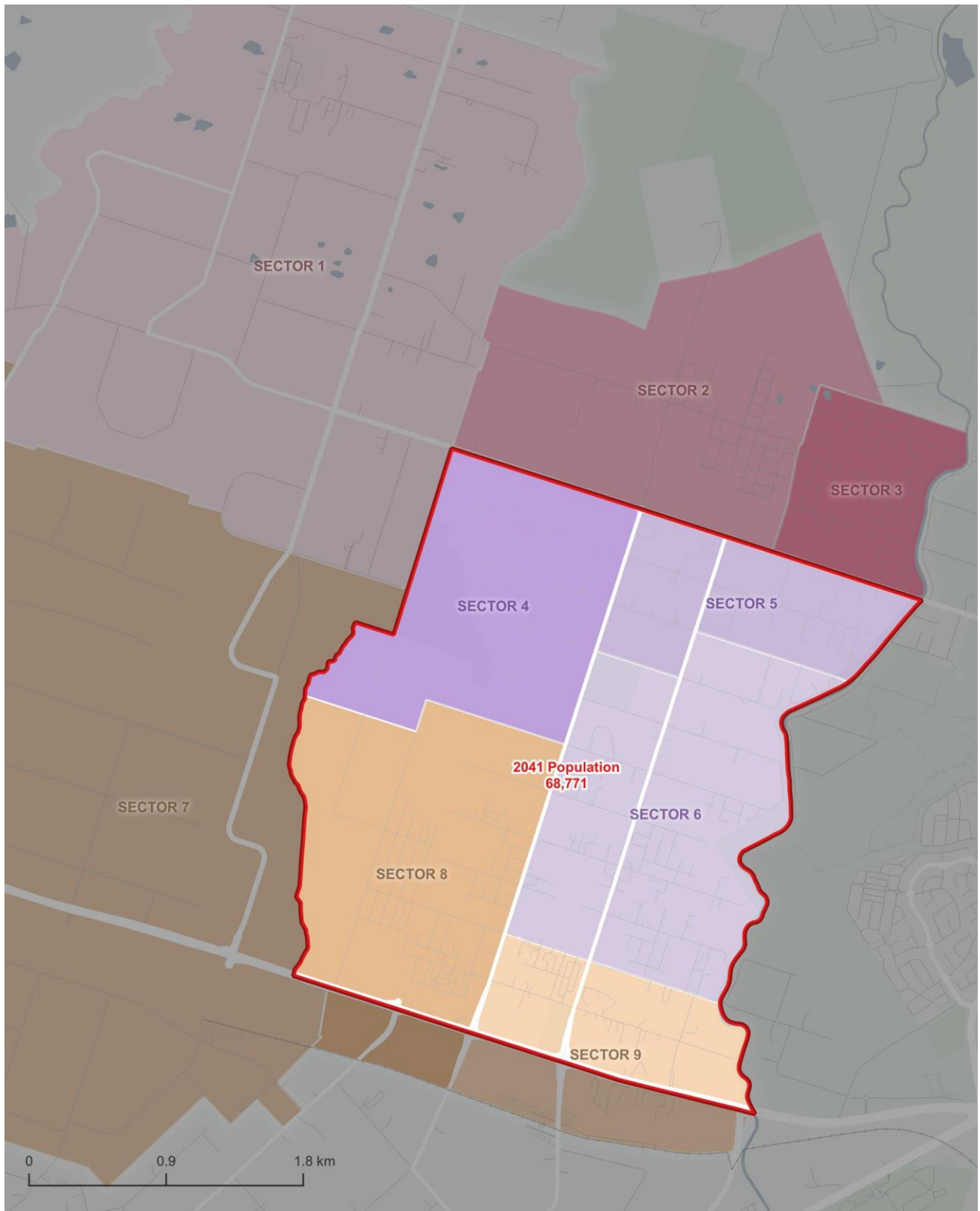
- Forecast id. Population projections are much more aggressive over the 2021 to 2026 period and taper off lower than the Location iQ projections over the 2026 to 2036 period.
- The higher overall average annual growth rate observed in the Location iQ population projections can also be attributed to the inclusion of higher density zoned land to the south of Bringelly Road – which is likely to develop post-2026.
- Population projections prepared by Forecast .id are ultimately far more aggressive than those used in this report, with this office projecting around 55,000 persons by 2041 in the overlapping areas versus Forecast .id projecting ~68,770 persons. On this basis, the population projections in this report are conservative.


CHART 2.4. POPULATION PROJECTION GROWTH RATES VS. OFFICIAL FORECASTS, 2021 – 2041



Source: Forecast i.d. projections undertaken on behalf of Liverpool City Council

MAP 2.3. AUSTRAL LOCATION IQ VS FORECAST I.D. POPULATION PROJECTION BOUNDARY



 Forecast id - Austral Forecast Area



2.2.4. Dwelling Density

- i. Table 2.3 outlines the zoning capable of residential development across the main trade area. Key points to note are summarised as follows:
 - Nearly 780 hectares of low density residential and 161.8 hectares of medium density residential is observed throughout the main trade area.
 - Sector 6 comprises the largest indicative dwelling capacity within the Austral/Leppington North Precinct, at over 4,722 potential homes.
 - In total, the main trade area is estimated to accommodate capacity for some 38,454 homes.
 - The assumed dwelling density of zoned land across the main trade area is based on a sample of areas captured across completed residential developments throughout the precinct. Further, it is common in growth areas for very small lot sizes in the range of 200 sq.m to 400 sq.m which, even accounting for road infrastructure, often equates to a dwelling density of over 20 dwellings per hectare.
- ii. It is noted in the Austral/Leppington North Precinct Plan that low density residential zones are defined to incorporate a dwelling density in the order of 10 - 20 dwellings per hectare. However, it is acknowledged within the Precinct Plan that development at higher densities than the range specified is possible and would result in higher yields. For instance, based on a sample of over 3,700 subdivided cadastral areas within the low density residential zone across the Austral South main trade area, the median lot size was 322 sq.m. Dividing 10,000 sq.m by 322 sq.m indicates a density of over 31 homes per hectare. Conservatively, 22 dwellings per hectare have been applied to allow for road infrastructure, comprising nearly 30% of low density residential zoning.
- iii. Demand for housing within the designated growth areas of Sydney is very high, meaning that developers who subdivide lots within these areas will seek to maximise the number of lots possible by minimizing lot size. 10 – 20 dwellings per hectare would represent a sub-optimal yield for development within these zones and is not consistent with what has been provided since development of Austral began in 2016.

TABLE 2.3. AUSTRAL GROWTH AREA ZONING SUMMARY

Study Area Sector	SWGA Precinct	Residential Zoning (ha)		Mixed Use (ha) ³	Indic. Dwel
		Low Density ¹	Medium Density ²		
Study Area 1*	North Rossmore	n.a.	n.a.	n.a.	5,164
Study Area 2	Austral/Leppington North	175.6	18.0	0	4,495
Study Area 3	Austral/Leppington North	85.2	0.0	0	1,875
Study Area 4	Austral/Leppington North	107.2	0.2	0	2,364
Study Area 5	Austral/Leppington North	75.9	30.9	0	2,752
Study Area 6	Austral/Leppington North	180.0	21.8	0	4,722
Study Area 7*	Rossmore	n.a.	n.a.	n.a.	9,524
Study Area 8	Austral/Leppington North	140.2	46.8	0	4,721
Study Area 9	Austral/Leppington North	15.0	44.2	16.0	2,837
Total		779.2	161.8	16.0	38,454

¹ Assuming 22 homes per hectare² Assuming 35 homes per hectare³ Assuming 60 homes per hectare

*Applying dwelling estimate of Rossmore and North Rossmore

2.3. Socio-economic Profile

- i. Tables 2.4 – 2.5 summarise the socio-economic characteristics of the main trade area population by smaller Sector, compared with the metropolitan Sydney benchmarks. This information is based on the 2021 Census of Population and Housing. It is worth noting that significant variations are observed by Sector due to the limited number of persons reported in some of the smaller Sectors as at the 2021 Census.
- ii. Sectors 2, 3, and 8 experienced strong population growth over the 2016 and 2021 Census periods. As such, these sectors likely reflect the future socio-economic profile of the Austral South main trade area. Key points to note regarding these smaller Sectors are as follows:
 - More than a quarter of the population is under the age of 15.
 - A significant Asian born population is present, with notably higher variations in the North Africa and Middle East, and Southern and Central Asian demographics.
 - The dominant household type is traditional families, with more than 60% of all households across the three Sectors (i.e. 2, 3, and 8) comprising couples with dependent children.
- iii. As at the 2021 Census, the remaining main trade area sectors included a sizeable established population. It is likely that with continued development throughout Austral, that the socio-economic profile of these main trade area sectors would continue to reflect that of Sectors 2, 3, and 8.

TABLE 2.4. AUSTRAL MAIN TRADE AREA SOCIOECONOMIC PROFILE 2021 (1)

Characteristic	Main Trade Area Sector									Total Study Area	Greater Sydney Average	Australia Average
	1	2	3	4	5	6	7	8	9			
People												
Age Distribution (% of Pop'n)												
Aged 0-14	16.5%	27.4%	25.4%	20.4%	19.7%	27.2%	17.1%	28.0%	19.7%	22.6%	18.3%	18.0%
Aged 15-19	7.5%	7.2%	4.8%	8.4%	3.3%	5.5%	8.1%	3.9%	5.6%	6.0%	5.6%	5.7%
Aged 20-29	15.0%	13.8%	17.6%	11.4%	18.1%	13.2%	12.7%	18.0%	12.9%	15.1%	14.2%	13.3%
Aged 30-39	10.7%	18.9%	25.1%	11.4%	15.4%	27.3%	8.8%	27.4%	19.4%	18.9%	16.0%	14.6%
Aged 40-49	13.5%	13.2%	11.4%	14.4%	11.6%	10.4%	14.3%	9.7%	8.4%	11.8%	13.6%	13.0%
Aged 50-59	14.3%	7.6%	7.1%	13.6%	14.3%	4.8%	11.7%	6.9%	6.9%	9.4%	12.0%	12.5%
Aged 60+	22.5%	11.8%	8.6%	20.2%	17.7%	11.5%	27.2%	6.0%	27.1%	16.2%	20.4%	23.0%
Average Age	39.3	31.5	30.1	37.7	37.5	30.8	41.2	28.4	41.8	34.8	38.4	39.5
Birthplace (% of Pop'n)												
Australian	70.2%	54.8%	53.2%	68.0%	68.8%	55.6%	70.0%	52.3%	39.2%	59.2%	60.6%	72.0%
Overseas	29.8%	45.2%	46.8%	32.0%	31.2%	44.4%	30.0%	47.7%	60.8%	40.8%	39.4%	28.0%
• Asia	6.0%	15.2%	17.6%	9.0%	6.8%	24.8%	6.1%	28.2%	20.0%	15.7%	20.3%	12.1%
• Europe	10.5%	5.0%	3.1%	13.4%	11.6%	4.1%	9.4%	2.3%	19.8%	7.5%	6.9%	7.2%
• Other	13.4%	25.0%	26.1%	9.6%	12.8%	15.5%	14.6%	17.2%	21.0%	17.5%	12.2%	8.7%
Family												
Average Household Size	3.2	3.6	3.2	3.0	2.8	2.9	3.4	3.2	3.1	3.2	2.7	2.5

Sources: ABS Census of Population and Housing 2021

TABLE 2.5. AUSTRAL MAIN TRADE AREA SOCIOECONOMIC PROFILE 2021 (2)

Characteristic	Main Trade Area Sector									Total Study Area	Greater Sydney Average	Australia Average
	1	2	3	4	5	6	7	8	9			
Family												
Family Type (% of Pop'n)												
Couple with dep't children	45.3%	63.6%	62.5%	42.4%	46.0%	56.9%	45.2%	60.9%	55.2%	53.9%	47.8%	44.2%
Couple with non-dep't child.	16.4%	8.4%	8.6%	9.9%	11.8%	4.8%	15.7%	5.4%	7.0%	10.0%	8.9%	7.7%
Couple without children	17.9%	13.8%	18.3%	20.3%	18.4%	18.4%	19.8%	18.2%	17.9%	18.1%	21.1%	23.8%
Single with dep't child.	9.0%	7.1%	4.6%	14.7%	7.4%	8.7%	8.7%	8.5%	10.9%	8.3%	7.7%	8.6%
Single with non-dep't child.	5.1%	3.0%	3.0%	6.8%	8.8%	3.9%	5.7%	2.6%	2.1%	4.3%	4.2%	4.0%
Other family	1.4%	0.6%	0.6%	0.0%	1.1%	1.2%	0.4%	1.0%	0.8%	0.9%	1.1%	1.0%
Lone person	5.0%	3.4%	2.5%	5.9%	6.7%	6.1%	4.4%	3.4%	6.2%	4.5%	9.2%	10.8%
Employment												
Income Levels												
Average Per Capita Income	\$45,645	\$47,470	\$51,700	\$43,258	\$46,834	\$56,227	\$43,411	\$55,921	\$52,932	\$49,583	\$60,644	\$55,301
Per Capita Income Variation	-24.7%	-21.7%	-14.7%	-28.7%	-22.8%	-7.3%	-28.4%	-7.8%	-12.7%	-18.2%	n.a.	n.a.
Average Household Income	\$113,368	\$119,260	\$126,334	\$116,908	\$107,278	\$122,332	\$110,169	\$120,626	\$122,177	\$117,839	\$125,158	\$109,594
Household Income Variation	-9.4%	-4.7%	0.9%	-6.6%	-14.3%	-2.3%	-12.0%	-3.6%	-2.4%	-5.8%	n.a.	n.a.
Housing												
Tenure Type (% of Dwellings)												
Owned	62.5%	79.4%	79.4%	63.4%	68.4%	72.8%	69.5%	65.4%	52.7%	68.8%	62.3%	67.4%
Rented	33.7%	19.2%	19.8%	31.7%	30.1%	21.0%	28.0%	34.0%	42.5%	28.5%	36.1%	30.8%
Other Tenure Type	3.8%	1.4%	0.8%	5.0%	1.6%	6.2%	2.5%	0.6%	4.8%	2.7%	1.6%	1.8%

Sources: ABS Census of Population and Housing 2021

2.4. Main Trade Area Retail Expenditure

- i. The estimated retail expenditure capacity of the main trade area population is based on information sourced from CommBank iQ Retail Spend Insights.
- ii. Reflecting the rapid population growth, the spending profile of the main trade area sectors that currently include largely rural lots will evolve. Sector 8 experienced the strongest population growth of all main trade area sectors over the period since 2016, and as such, the per capita spending profile of Sector 8 residents has been applied to all main trade area sectors.
- iii. CommBank iQ Retail Spend Insights is a new dataset that was first released in April 2023 (Calendar Year 2022) and is to be released for each Financial Year and Calendar Year going forwards (i.e. released every six months). The dataset has initially been adopted by leading economic property consultants in Australia.
- iv. Retail Spend Insights is a modelled view of retail spend per capita across Australia. It is provided at the granularity of SA1 allowing for the creation of bespoke catchments to facilitate a view on resident spend by category for the area. The dataset is based on de-identified, privacy treated retail banking transactions, normalised to be representative of the Australian population. Transactions may include purchases and refunds from credit card, debit card, EFTPOS cards, BPay and direct debit. Adjustments have been made for the inclusion of cash payments.
- v. CommBank iQ Retail Spend Insights excludes cash and buy now pay later services (CBNPL). The data provides the average annual (for FY2023) spend across 81 categories for people aged 18 years and older. The data is also split out by instore and online transactions.
- vi. Charts 2.4 and 2.5 illustrate the retail spending levels per person for Sector 8 main trade area, compared with the Greater Sydney averages in 2022/23. As shown, main trade area per capita retail expenditure is lower than the benchmark across all categories.
- vii. Table 2.6 outlines the total retail expenditure levels generated by the main trade area population. The total retail expenditure level is currently estimated at \$220.3 million and is projected to increase at an average rate of 12.4% to nearly \$1.8 billion by 2041.
- viii. Table 2.7 provides a breakdown of the main trade area retail spending levels, indicating the largest spending market is supermarket spending at \$51.6 million. Over the period to 2041, main trade area supermarket spending is projected to increase to over \$400 million at an average annual rate of 12.1%, or \$19.4 million annually. All figures presented in this report are in constant dollars and include GST.
- ix. The projected growth rate in retail spending for the Austral South main trade area considers the following:
 - Real growth in retail spending per capita of 0.0% is assumed over the period to 2023, reflecting the impact of the Covid-19 pandemic on the economy. From 2024 real growth per capita is assumed at 0.5% annually for food retail and 1.0% for non-food retail over the period to 2041.
 - Main trade area population growth is projected at 11.1% per annum.

CHART 2.5. MAIN TRADE AREA PER CAPITAL RETAIL SPENDING, 2022/23

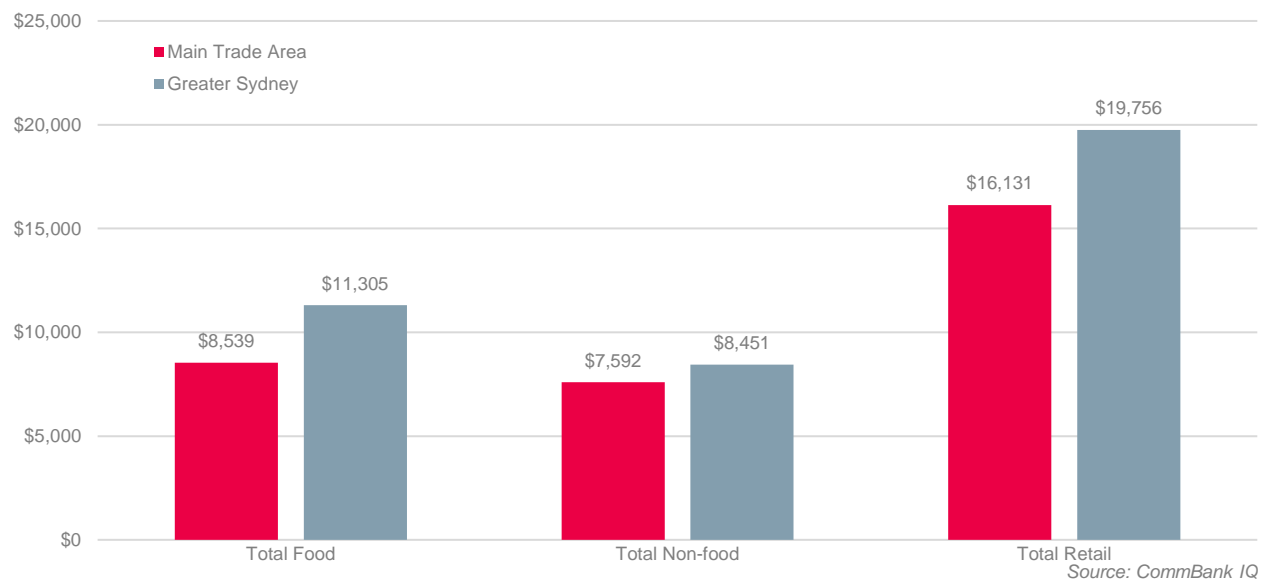


CHART 2.6. MAIN TRADE AREA PER CAPITAL RETAIL SPENDING CATEGORY BREAKDOWN, 2022/23

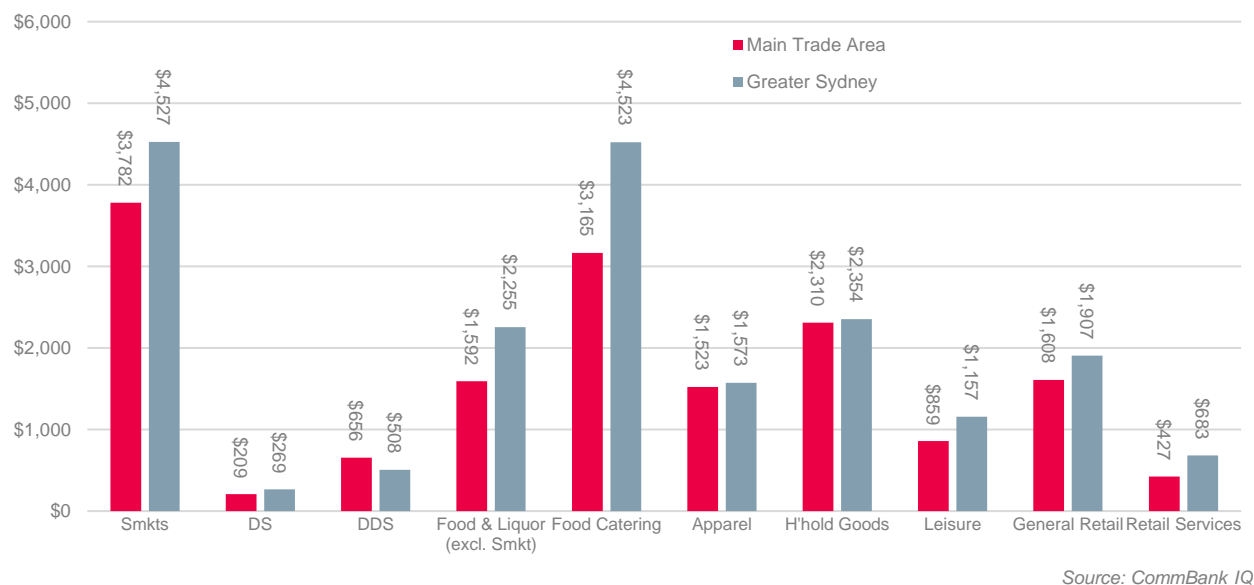


TABLE 2.6. MAIN TRADE AREA RETAIL EXPENDITURE, 2023 – 2041

Y/E June	Sector									Main TA
	1	2	3	4	5	6	7	8	9	
2023	24.8	17.3	33.5	6.3	6.0	38.1	26.3	54.2	13.8	220.3
2024	24.8	22.4	43.4	7.1	6.6	45.9	26.3	72.6	15.0	264.2
2025	24.8	31.6	52.2	9.2	8.0	53.3	26.3	88.5	16.6	310.4
2026	25.0	44.8	63.1	12.0	9.9	62.4	26.5	108.7	18.4	370.9
2027	26.5	58.8	71.9	16.4	13.4	73.4	28.0	128.4	22.5	439.3
2028	29.5	71.4	77.0	23.4	19.8	86.7	31.1	145.8	30.5	515.3
2029	32.9	86.6	82.5	33.5	29.5	102.5	34.5	165.5	41.3	608.8
2030	36.7	105.1	88.3	48.0	43.8	121.0	38.3	188.0	56.0	725.1
2031	40.8	127.6	94.5	68.7	65.1	142.9	42.4	213.4	75.8	871.4
2032	47.6	148.0	98.7	86.1	83.2	162.9	49.2	230.8	92.4	998.8
2033	58.0	164.0	100.3	94.3	91.4	179.2	59.7	237.7	101.4	1,085.9
2034	70.6	181.7	102.0	103.3	100.4	197.2	72.4	244.7	111.3	1,183.6
2035	86.0	201.3	103.7	113.2	110.3	216.9	87.8	252.0	122.2	1,293.4
2036	104.8	223.1	105.4	124.1	121.1	238.6	106.5	259.5	134.1	1,417.2
2037	123.0	239.9	106.7	131.3	129.1	253.8	124.6	264.9	141.0	1,514.3
2038	138.9	250.4	107.6	134.1	133.6	261.1	140.6	267.9	142.2	1,576.3
2039	156.8	261.3	108.5	137.0	138.2	268.6	158.6	271.0	143.3	1,643.3
2040	177.1	272.6	109.4	139.9	143.1	276.3	178.9	274.1	144.5	1,715.9
2041	200.1	284.5	110.2	142.9	148.0	284.2	201.8	277.3	145.7	1,794.8
Expenditure Growth										
2023-26	0.2	27.5	29.6	5.7	3.9	24.3	0.2	54.5	4.6	150.6
2026-31	15.9	82.8	31.4	56.7	55.2	80.5	15.9	104.7	57.4	500.6
2031-36	64.0	95.5	10.9	55.3	56.0	95.7	64.1	46.1	58.3	545.8
2036-41	95.3	61.4	4.8	18.9	26.9	45.6	95.3	17.8	11.6	377.6
2023-41	175.3	267.2	76.7	136.7	142.1	246.1	175.5	223.0	131.9	1,574.5
Average Annual Growth Rate										
2023-26	0.3%	37.3%	23.5%	24.2%	18.2%	17.9%	0.3%	26.1%	10.0%	19.0%
2026-31	10.3%	23.3%	8.4%	41.8%	45.8%	18.0%	9.9%	14.4%	32.7%	18.6%
2031-36	20.7%	11.8%	2.2%	12.5%	13.2%	10.8%	20.2%	4.0%	12.1%	10.2%
2036-41	13.8%	5.0%	0.9%	2.9%	4.1%	3.6%	13.6%	1.3%	1.7%	4.8%
2023-41	12.3%	16.8%	6.8%	19.0%	19.5%	11.8%	12.0%	9.5%	14.0%	12.4%

*Constant 2022/23 dollars & including GST

Source : CommBank IQ, Location IQ

TABLE 2.7. MAIN TRADE AREA RETAIL EXPENDITURE BY CATEGORY, 2023 – 2041

Y/E June	Smkt	Dept Store	Discount Dept Store	Food & Liquor	Food Catering	Apparel	H'hold Goods	Leisure	General Retail	Retail Services
2023	51.6	2.9	9.0	21.7	43.2	20.8	31.5	11.7	22.0	5.8
2024	61.9	3.4	10.7	26.1	51.8	24.9	37.8	14.1	26.3	7.0
2025	72.8	4.0	12.6	30.6	60.9	29.3	44.4	16.5	30.9	8.2
2026	86.7	4.8	15.0	36.5	72.9	35.1	53.2	19.8	37.0	9.8
2027	102.4	5.7	17.8	43.1	86.5	41.6	63.2	23.5	44.0	11.7
2028	119.7	6.6	20.8	50.4	101.7	48.9	74.2	27.6	51.7	13.7
2029	141.0	7.8	24.5	59.4	120.4	57.9	87.8	32.7	61.2	16.2
2030	167.4	9.2	29.1	70.5	143.6	69.1	104.8	39.0	73.0	19.4
2031	200.6	11.1	34.8	84.4	172.9	83.2	126.2	46.9	87.9	23.3
2032	229.2	12.7	39.8	96.5	198.6	95.6	144.9	53.9	100.9	26.8
2033	248.4	13.7	43.1	104.6	216.3	104.1	157.9	58.7	109.9	29.2
2034	269.9	14.9	46.8	113.6	236.2	113.7	172.4	64.1	120.0	31.9
2035	294.1	16.2	51.0	123.8	258.6	124.5	188.7	70.2	131.4	34.9
2036	321.2	17.7	55.7	135.2	283.9	136.6	207.2	77.1	144.3	38.3
2037	342.1	18.9	59.4	144.0	303.9	146.3	221.8	82.5	154.4	41.0
2038	355.0	19.6	61.6	149.5	316.9	152.5	231.3	86.0	161.0	42.7
2039	369.0	20.4	64.0	155.3	331.0	159.3	241.6	89.9	168.2	44.6
2040	384.1	21.2	66.6	161.7	346.3	166.6	252.7	94.0	175.9	46.7
2041	400.5	22.1	69.5	168.6	362.9	174.6	264.8	98.5	184.4	48.9
Expenditure Growth										
2023-26	35.0	1.9	6.1	14.7	29.7	14.3	21.7	8.1	15.1	4.0
2026-31	113.9	6.3	19.8	48.0	100.0	48.1	73.0	27.2	50.8	13.5
2031-36	120.6	6.7	20.9	50.8	111.0	53.4	81.0	30.1	56.4	15.0
2036-41	79.3	4.4	13.8	33.4	79.0	38.0	57.6	21.4	40.1	10.6
2023-41	348.8	19.3	60.5	146.9	319.6	153.8	233.3	86.8	162.4	43.1
Average Annual Growth Rate										
2023-26	18.8%	18.8%	18.8%	18.8%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
2026-31	18.3%	18.3%	18.3%	18.3%	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%
2031-36	9.9%	9.9%	9.9%	9.9%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
2036-41	4.5%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2023-41	12.1%	12.1%	12.1%	12.1%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%

*Constant 2022/23 dollars & including GST

Source : CommBank IQ, Location IQ

3 Competitive Environment

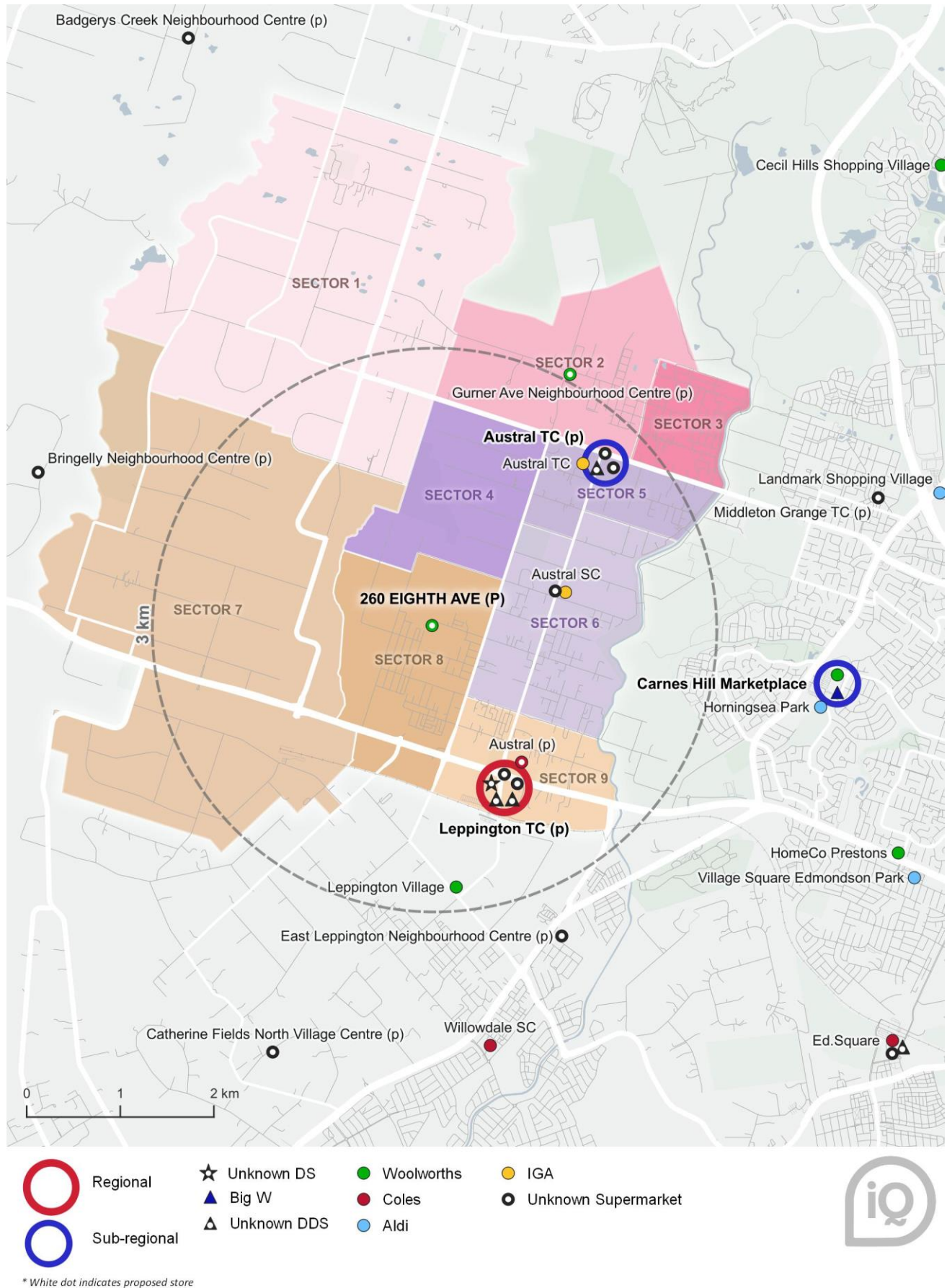
This section of the report provides a summary of the existing and future competitive developments within the region. The key retail facilities provided throughout the main trade area and surrounding region are illustrated on Map 3.1, with the composition of these facilities summarised in Table 3.1.

TABLE 3.1. COMPETITIVE FACILITIES

Centre	Shopfront GLA (sq.m)	Supermarket Tenants	Dist. From Site (km)
Within Main Trade Area			
Austral Shopping Centre	2,900	IGA (1,050)	1.3
Austral Town Centre	5,000	IGA (1,100)	3.3
Beyond Main Trade Area			
Leppington Village	8,000	Woolworths (3,950)	3.6
Willowdale Shopping Centre	5,490	Coles (4,445)	5.9
HomeCo Prestons	5,200	Woolworths (3,400)	7.0
<u>Horingsea Park</u>	<u>20,000</u>		<u>7.2</u>
• Carnes Hill Marketplace	18,000	Woolworths (4,415)	
• Other	2,000	Aldi (1,750)	
Village Square Edmonson Park	5,000	Aldi (1,600)	7.5
Ed.Square	25,000	Coles (4,025)	9.6

Source: Location IQ Database

MAP 3.1. SUPERMARKET LOCATIONS



3.1. Within the Main Trade Area

- i. Table 3.2 details the composition of Austral Shopping Centre and Austral Town Centre, with key points to note including:
 - IGA (1,050 sq.m) anchors **Austral Shopping Centre** at the intersection of Edmondson Avenue and Tenth Avenue. Austral Shopping Centre is provided within the designated Neighbourhood Centre zone and includes 22 shopfronts and no vacancies. It is stated within the Austral/Leppington North Precinct Plan that the centre:

“Provide[s] a block size suitable for redevelopment to include a full-line supermarket and associated specialty retail and car parking on the land comprising the existing shops and the adjoining block.”
 - **Austral Town Centre** is at the south-western intersection of Edmondson Avenue and Fifteenth Avenue and includes an IGA supermarket of 1,100 sq.m. The centre is positioned within the designated Local Centre zone, which is indicated to incorporate between 25,000 – 30,000 sq.m of retail floorspace as per the Austral/Leppington North Precinct Plan. This would suggest that redevelopment of the site to include at least one full-line supermarket would be suitable.
- ii. Austral Shopping Centre and Austral Town Centre comprise an estimated 40 shopfronts in combination, including significant food catering (10 shopfronts), retail services (six shopfronts), medical/dental facilities (six shopfronts), and only one vacancy. These centres are centrally located along Edmondson Avenue and will continue to serve the day-to-day convenience needs of residents.
- iii. The specialty floorspace planned at Eighth Avenue Woolworths at 1,721 sq.m would represent a modest increase in the existing main trade area specialty floorspace, which currently has very limited vacancies. Population growth will demand additional floorspace.
- iv. Based on inspection and the industry average trading levels for smaller IGA supermarkets of around \$8,000 per sq.m, the two IGA supermarkets in Austral are estimated to achieve combined sales in the order of \$20 million. As shown in Table 2.7, the main trade area supermarket spending is currently more than \$51 million. On this basis, some \$31 - \$36 million in supermarket spend is currently directed to larger supermarkets beyond the main trade area.

3.2. Beyond the Main Trade Area

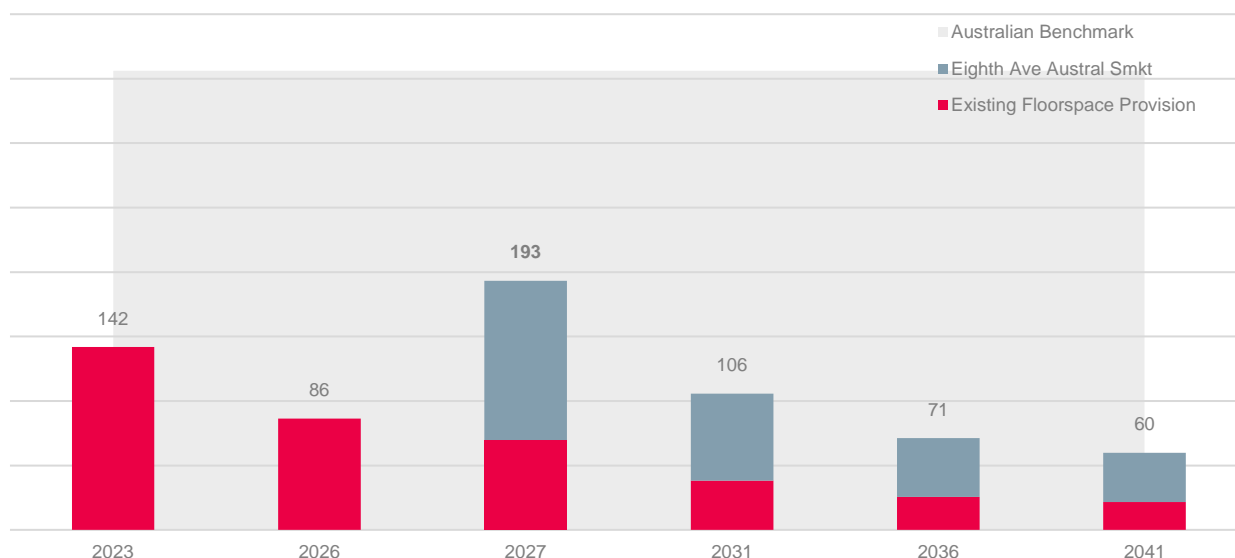
- i. Supermarkets beyond the main trade area include:
 - Woolworths (3,950 sq.m) at Leppington Village opened in August 2023. The supermarket is the closest full-line offer to most main trade area residents.
 - Coles (4,445 sq.m) at Willowdale Shopping Centre, which is in the suburb of Denham Court to the south of Camden Valley Way. The centre includes an estimated 15 specialty shops, including Terry White Chemmart, KFC, and My Family Health Medical Centre.
 - Carnes Hill Marketplace (18,000 sq.m) is a Big W (7,300 sq.m), and Woolworths (4,415 sq.m) anchored sub-regional shopping centre, around 7 km to the east. According to Shopping Centre News' *Mini Guns 2023* Publication, the centre achieved a Moving Annual Turnover (MAT) of \$186 million. The Urbis Retail Averages 2021/22 for single discount department store based sub-regional shopping centres state that the average centre of 22,595 sq.m achieves a MAT of around \$145 million. Note the Urbis Retail Averages 2022/23 did not split out sales for single discount department store based sub-regional shopping centres. The average MAT for all sub-regional shopping centres is \$188 million. This indicates that Carnes Hill Marketplace is trading well above the industry average.
- ii. As shown, the focus for supermarkets in the surrounding area is concentrated to the east, within and around the more established suburbs of Horningsea Park, Denham Court, Edmondson Park, and the like.
- iii. In terms of future competitive developments, note the following:
 - Middleton Grange Town Centre, 7.1 km to the north-east, is a masterplan approved shopping centre to include a full-line supermarket (3,800 sq.m), small supermarket (1,870 sq.m), and specialty shops. Progression of the development has halted and is not assumed to proceed.
 - Similarly, West Hoxton Business Hub received concept approval for a supermarket-based centre with employment uses. This too is not assumed to proceed.

3.3. Supermarket Floorspace Provision

- i. Chart 3.1 details the main trade area current supermarket floorspace provision. As shown, the existing provision of supermarket floorspace within the main trade area is 142 sq.m per 1,000 persons, which is lower the Greater Sydney average of 272 sq.m per 1,000 persons as well as the Australian average of 356 sq.m per 1,000 persons.
- ii. It is noted that the Greater Sydney benchmark is significantly lower than the national average, given the lack of available land and planning constraints in the inner and middle ring regions of Sydney. For the purposes of this analysis, the Australian benchmark has been adopted given the availability of land designated within communities in outer-metropolitan Sydney.
- iii. Assuming the subject development proceeds in FY2027, the main trade area supermarket floorspace provision would still be well below the Greater Sydney and Australian averages, at 193 sq.m per 1,000 persons. By 2031, the main trade area supermarket floorspace provision would decrease further to 106 sq.m per 1,000 persons.

- iv. Over the period to 2041 and beyond, the supermarket floorspace provision across the main trade area would decrease further with population growth. Similarly, competitive impacts on surrounding supermarkets would also ameliorate over time with population growth.
- v. Based on one full-line supermarket for every 10,000 persons, across the main trade area, one full-line supermarket would be supportable every two years based on the projected population growth. Ultimately, 12 – 13 full-line supermarkets could be supported within the Eighth Avenue Woolworths main trade area.

CHART 3.1. MAIN TRADE AREA SUPERMARKET FLOORSPACE PROVISION, 2023 – 2041



3.4. Designated Supermarket Sites

- i. In addition to the 260 Eighth Avenue site, there are four designated supermarket sites elsewhere within the main trade area (refer Map 3.2). Details are as follows:

495 Gurner Avenue

- The 495 Gurner Avenue site (refer Map 3.3) is at the south-eastern intersection of Gurner Avenue and Fourth Avenue, directly opposite Al-Faisal College – a K-12 School which incorporated some 1,193 students (as of 2022). A State Significant Development proposal is currently under assessment at the school seeking approval for the staged construction of expanded facilities at the school – allowing for a maximum of 2,940 primary students and 2,520 secondary students by 2042.
- The neighbourhood centre zone land spans 2.39 hectares and enjoys 115 metres of frontage onto Fourth Avenue to the west and 200 metres to Gurner Avenue to the north.
- Population growth surrounding the 495 Gurner Avenue site is focused to the east with easy connection to the site, with little development currently occurring immediately around the site.

Fifteenth Avenue

- The Fifteenth Avenue site (refer Map 3.4) is along the spine of Edmondson Avenue, bounded by Fifteenth Avenue to the north and Fourteenth Avenue to the south. The site is the largest designated centre within the Austral/Leppington North precinct.
- The local centre zoned land spans 9.4 hectares, including ~4.9 hectares in the western portion and ~4.5 hectares in the eastern portion.
- Within the Austral/Leppington North Precinct Plan, the centre is ultimately planned for ~25,000 – 30,000 sq.m, including a discount department store, supermarket, specialty retail, and local commercial offices.
- The site currently incorporates small scale retail uses in the north-western portion of the site, including Austral Town Centre - a neighbourhood shopping centre of approximately 5,000 sq.m that is anchored by a small IGA supermarket (1,100 sq.m). The centre is somewhat dated and fragmented across multiple buildings on the site. Redevelopment of the centre is likely over time. There is an adjacent service station and Home Timber and Hardware of circa 2,000 sq.m (to be rebranded Mitre 10).

Edmondson Avenue

- The Edmondson Avenue site (refer Map 3.5) is to the north of Tenth Avenue, split to the east and west of Edmondson Avenue.
- The neighbourhood centre zoned land spans across two parcels of 2.4 hectares and 1.2 hectares, to the east and west, respectively. It is stated in the Austral/Leppington North Precinct Plan that the eastern block provides a size that is:

“Suitable for redevelopment to include a full-line supermarket and associated specialty retail and car parking”.

- Austral Shopping Centre (2,900 sq.m) is currently provided on the designated site and is anchored by an IGA supermarket of 1,050 sq.m. Again, this centre is somewhat dated, and would only cater to the day-to-day top up shopping needs of residents in the immediate area.
- St Anthony of Padua Catholic College is 300 metres to the east and is currently undergoing an expansion to allow for up to 2,480 students and 200 staff. As at 2022, 871 students were enrolled.
- Residential development is scattered around the Edmondson Avenue site, however, is predominantly occurring to the south.

Leppington Core/Town Centre

- The Leppington Town Centre precinct is currently under review by the New South Wales Department of Planning, with current zoning shown on Map 3.6 likely subject to future change.
- Figure 3.1 illustrates the Draft Indicative Layout Plan of the Leppington Town Centre, published in June 2023. As shown, the core of the Leppington Town Centre – i.e. around the train station - is planned to be zoned predominantly for mixed uses.

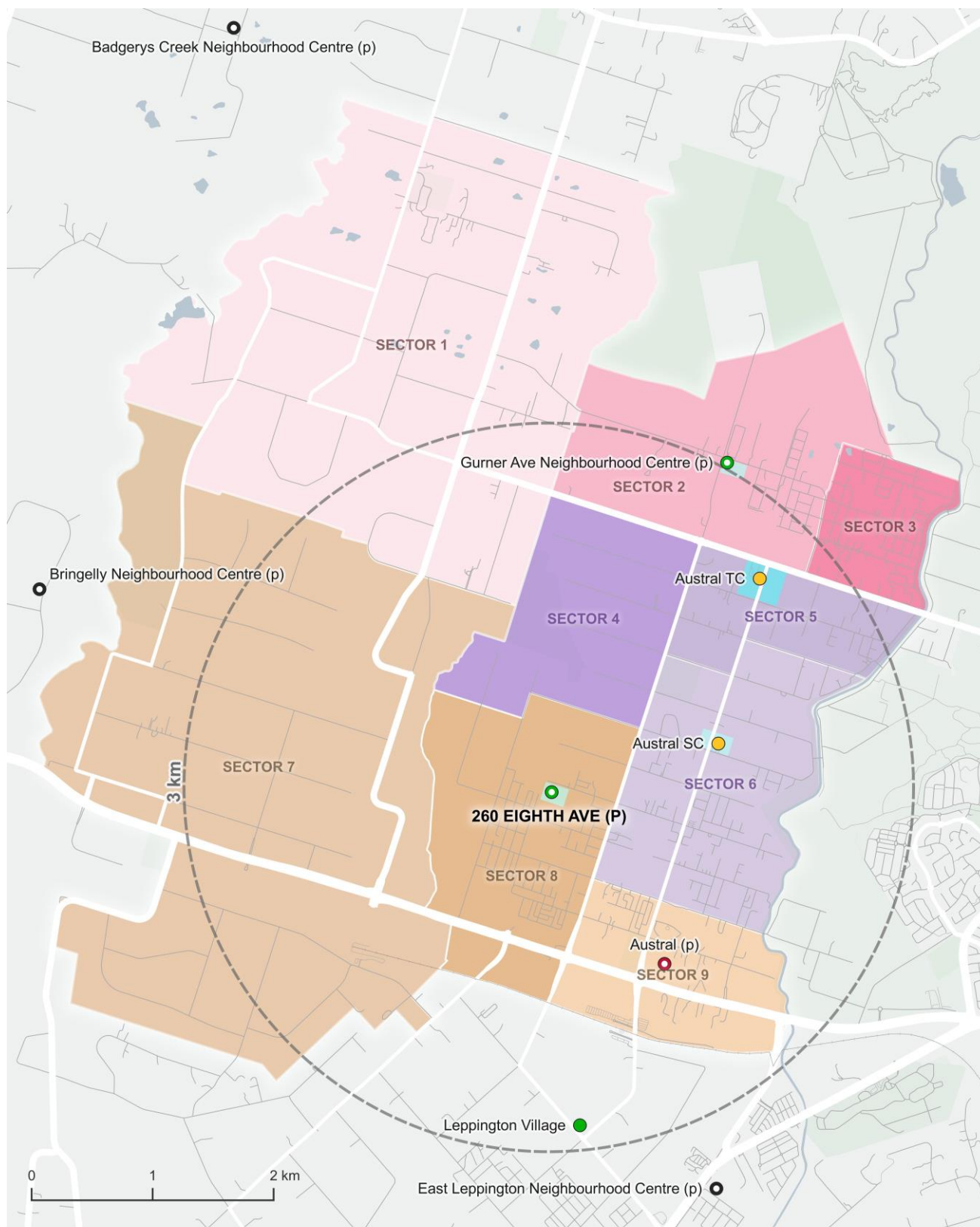
- On Page 46, Section 3.2 of the 'Justification' of the Leppington Town Centre Draft Planning Proposal, it is stated regarding supermarket floorspace that:

"There are significant gaps in supermarket floorspace within the Liverpool LGA, particularly in the City Centre District and new release areas. In response, this Strategy highlights the need to review and amend planning controls and continue to progress planning proposals to support the development of new local centres...."

"...The planning proposal for the Leppington Town Centre will not solve this significant gap in supermarket floorspaces, it will act as a supportive centre, providing access to retail and supermarket floorspace."

- Retail floorspace within the Leppington Town Centre will intend to serve a supportive role to the local centres. With significant employment floorspace planned, the Town Centre will be positioned above the neighbourhood and local centres designated elsewhere within the Austral Leppington North Precinct Plan.
 - Mixed Use and high density development within the Leppington Town Centre is likely to occur post-2026, or after the expected opening of the Western Sydney Airport and completion of most low density and medium density residential development elsewhere within the precinct.
 - It is worth noting that Coles have recently purchased a site at 120-130 Fifth Avenue – likely with the intent of providing a supermarket anchor at the site. This address is positioned within the B5 Business Development zone which is currently under review for the Leppington Town Centre plan. As per the Leppington Town Centre Indicative Layout Plan, the site is located within a high density residential zone and therefore is assumed not to proceed for the purposes of this report.
- ii. No supermarket sites are currently designated within Sectors 1 and 7 (i.e. Rossmore and North Rossmore), however, these sites will likely be designated upon rezoning of the SWGA precincts.

MAP 3.2. AUSTRAL DESIGNATED SUPERMARKET SITES



- Woolworths
- Coles
- IGA
- Unknown Supermarket
- B1 Neighbourhood Centre
- B2 Local Centre
- B3 Commercial Core
- B4 Mixed Use



* White dot indicates proposed store

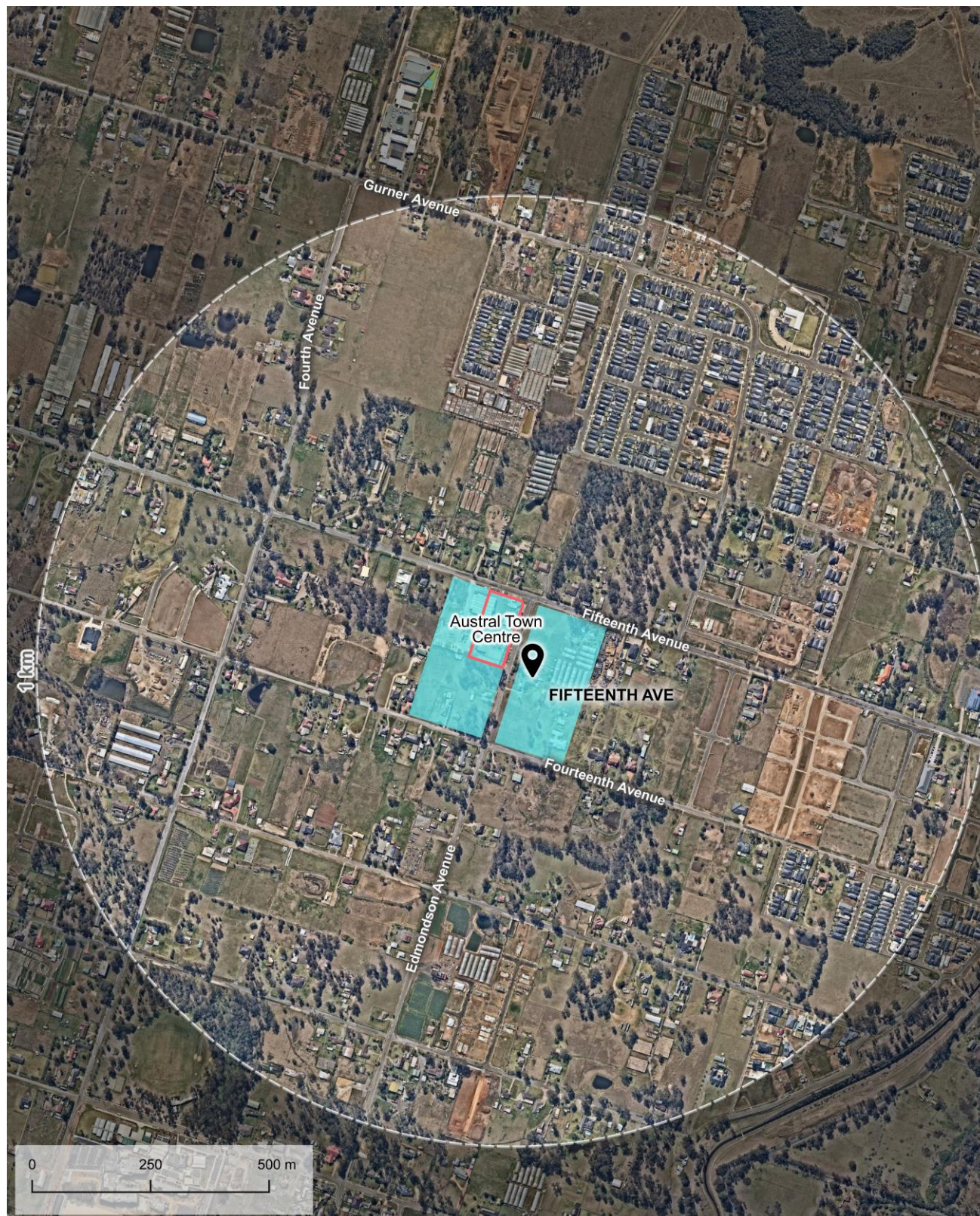
MAP 3.3. 495 GURNER AVENUE SITE



 Education  B1 Neighbourhood Centre



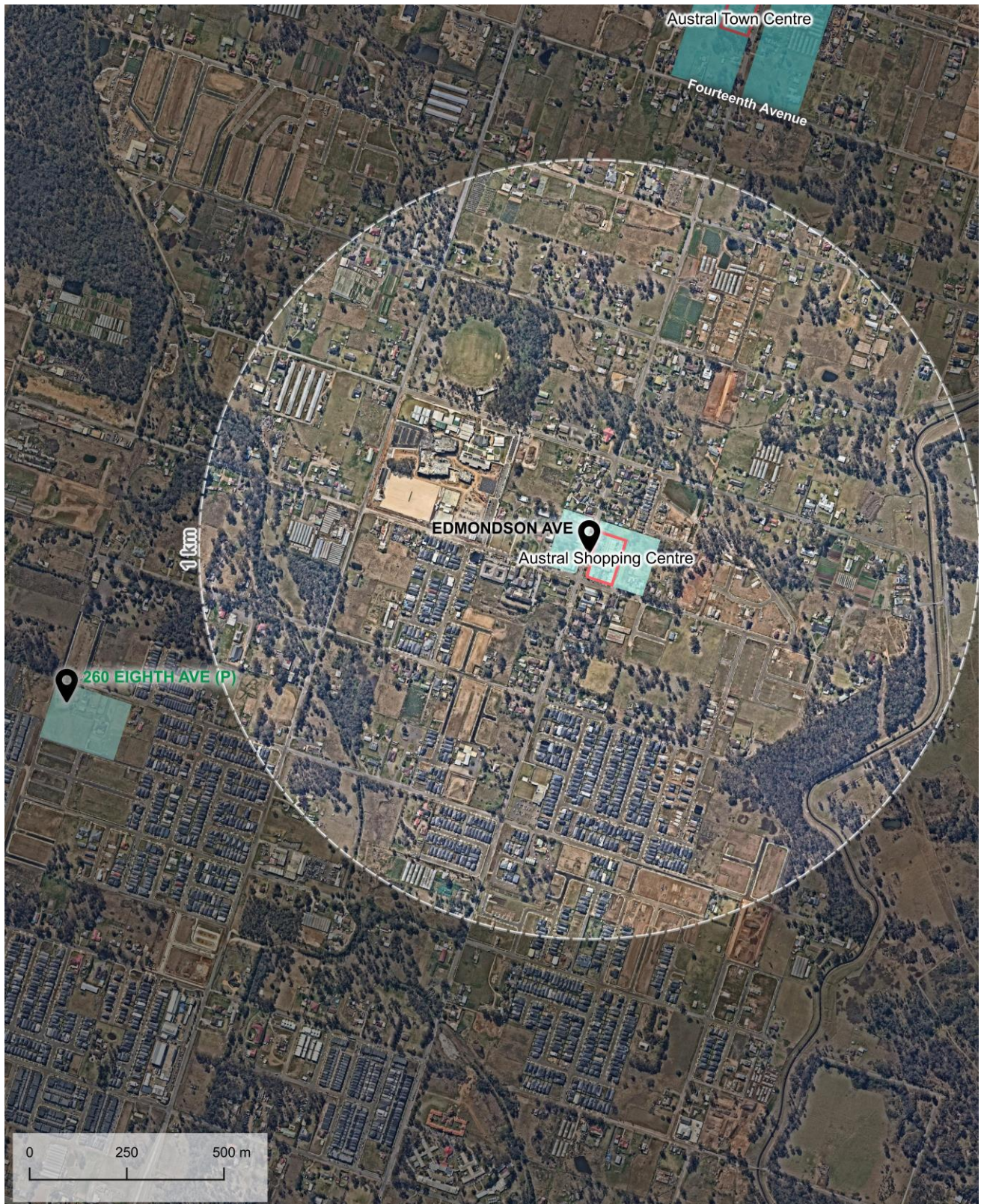
MAP 3.4. FIFTEENTH AVENUE SITE



 Shopping Centre



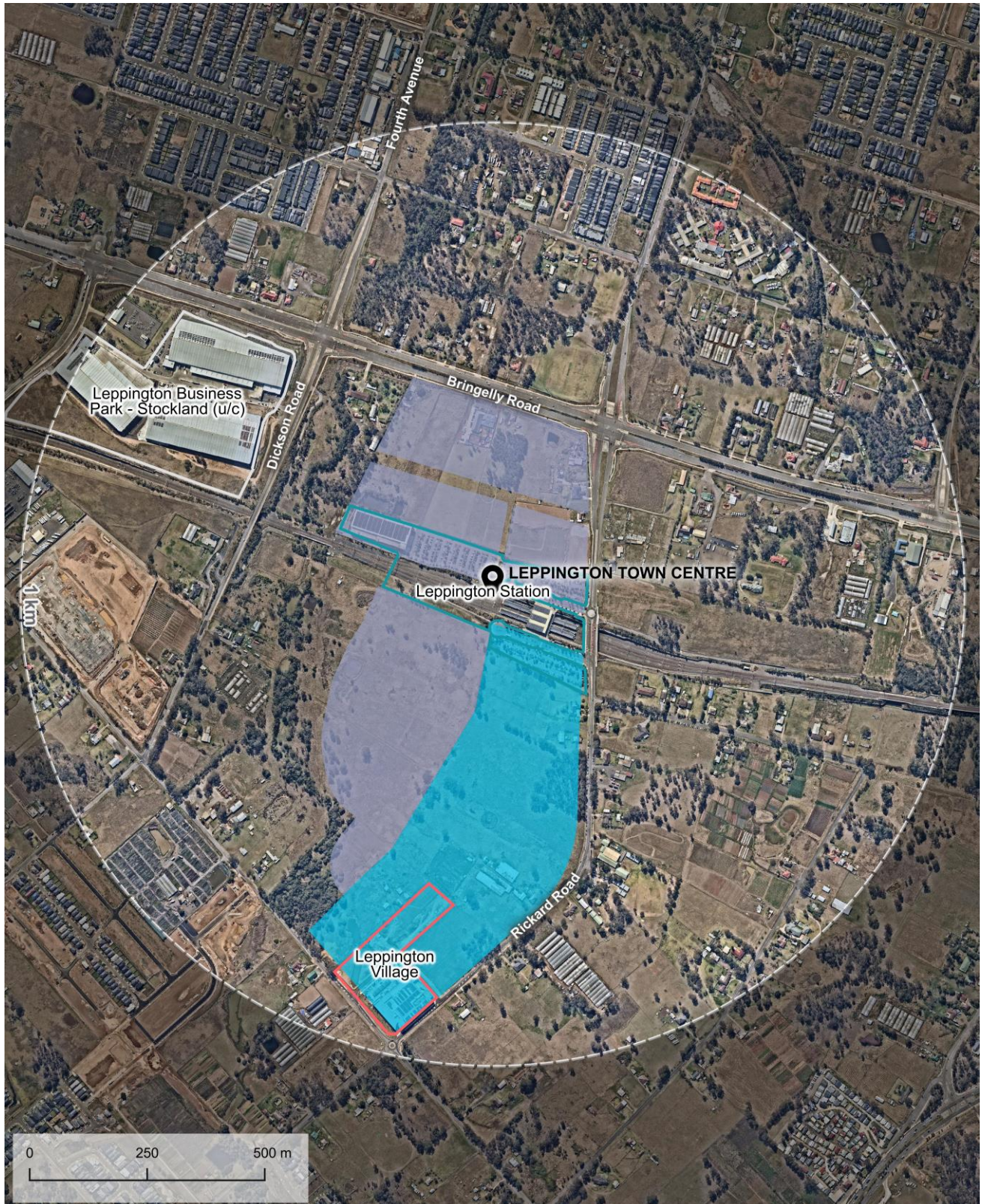
MAP 3.5. EDMONDSON AVENUE SITE



- B1 Neighbourhood Centre
- B2 Local Centre
- Shopping Centre



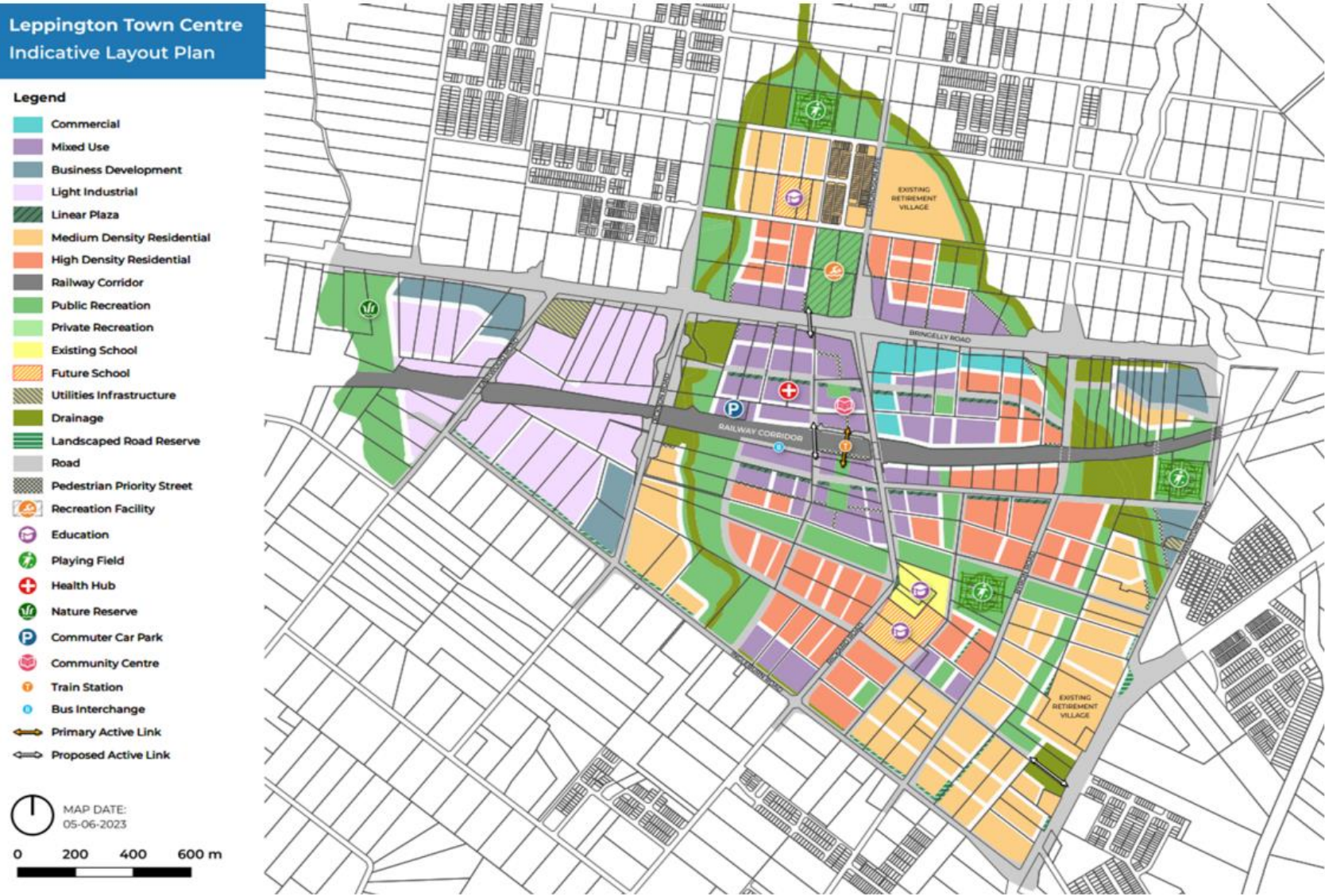
MAP 3.6. LEPPINGTON CORE SITE



- | | |
|---|--|
| B3 Commercial Core | Shopping Centre |
| B4 Mixed Use | Transport |
| | Industrial |



FIGURE 3.1. LEPPINGTON TOWN CENTRE INDICATIVE LAYOUT PLAN, JUNE 2023



3.5. Summary

- i. There are currently no full-line supermarkets within the main trade area, with only two smaller IGA supermarkets of 1,100 sq.m each. Based on inspection and the industry average trading levels for smaller IGA supermarkets of around \$8,000 per sq.m, the two IGA supermarkets in Austral are estimated to achieve combined sales in the order of \$20 million
- ii. Woolworths of 3,950 sq.m opened at Leppington Village in August 2023 and is the closest full-line offer to most main trade area residents.
- iii. Across the main trade area, the supermarket floorspace provision is currently 142 sq.m per 1,000 persons, which is lower than all the comparable benchmarks. Upon the opening of a full-line Woolworths supermarket at the Eighth Avenue site, the main trade area supermarket floorspace provision at 195 sq.m per 1,000 persons is still lower than the benchmarks – highlighting the strong population growth projected for the area and the lack of full-line supermarkets currently.
- iv. Based on one full-line supermarket for every 10,000 persons, across the main trade area, one full-line supermarket would be supportable every two years based on the projected population growth. Ultimately, 12 – 13 full-line supermarkets could be supported within the Eighth Avenue Woolworths main trade area. Excluding Sectors 1 & 7, the ultimate population would be 78,070, which would indicate potential for 7 – 8 full-line supermarkets. The Austral/Leppington North Precinct Plan designates four supermarket sites (excluding Leppington Town Centre).

4 Assessment of Potential

This section of the report considers the sales potential for the proposed Eighth Avenue Woolworths as well as the likely trading and other impacts that can be anticipated following the construction of the proposed development.

4.1. Sales Overview

- i. To assess the potential economic benefits and impacts that may arise from the proposed Eighth Avenue Woolworths development, the net additional sales level which the development is projected to achieve are outlined.
- ii. The sales performance of any retail facility, be it an individual store or a collection of stores provided in a shopping centre or precinct, is determined by a combination of the following critical factors:
 - The composition and quality of the facility, including the major trader or traders; the specialty mix; centre layout and configuration; ease of accessibility and parking; and the overall feel of the centre.
 - The size of the available trade which the facility serves.
 - The location and strength of competitive retail facilities.
- iii. The sales potential for Eighth Avenue Woolworths is now considered accounting for these factors.

4.2. Methodology

- i. Assessing a proposed retail development fundamentally requires an understanding of a variety of factors and methodologies, including:
 - Retail turnover;
 - Market shares;
 - Retail supply, demand, and impacts.
- ii. Location iQ adopt an evidence-based model that has been tested and refined over more than 10 years and across a range of clients. The model uses all available data, including the Location iQ proprietary database of supermarket and shopping centre tenant size and sales figures.
- iii. Location iQ has undertaken more than 100 retail needs assessments/economic impact assessments in Australia over the last decade, adopting a similar methodology as presented in this report for the high-level overview of retail demand. A range of other property consulting firms also adopt the approach outlined by Location iQ.

4.3. Supermarket Sales Potential

- i. The proposed full-line Woolworths supermarket at the subject site is indicated to be 3,816 sq.m in size. Supermarket spending is discussed and measured in Section 2 of this report.
- ii. Table 4.1 details the potential for a full-line Woolworths supermarket at Austral South. The calculations in this Table go through a series of steps, commencing with the available expenditure that is of relevance to supermarkets, namely food and grocery spending; assessing the share of expenditure which all supermarkets are likely to achieve; and then concluding with the likely sales which main trade area supermarkets can expect to generate.
- iii. Forecast sales are detailed, noting that supermarkets are defined as grocery and dry goods stores of at least 500 sq.m. Smaller foodstores less than 500 sq.m are excluded from this analysis.
- iv. The assessment detailed in Table 4.1 is based on the experience of many comparable analyses in locations throughout Australia, as follows:
 - For the main trade area defined earlier in this report, the total supermarket spending market is estimated at \$51.6 million for the year to June 2023. The total supermarket spending market for the main trade area population is projected to increase to \$102.4 million by 2026/27 (constant 2023 dollars).
 - The next step in the analysis is to estimate the likely proportion of total supermarket spending which can be retained by main trade area supermarkets; specifically in this case, the proportion of expenditure that can be retained by the existing supermarkets and the full-line supermarket at Eighth Avenue Woolworths, compared with spending directed to supermarkets beyond the main trade area. Currently an estimated 64.9% of supermarket spending is escaping the main trade area.
 - The level of retained spending is estimated at 56.5% upon opening in 2026/27. Hence, 43.5% of main trade area supermarket spending would continue to be attracted by supermarkets beyond the main trade area (i.e. around \$44.4 million).
 - Additionally, supermarket sales are likely to be attracted from beyond the defined main trade area. This proportion of sales is estimated at 10%, or \$6.4 million in 2026/27.
- v. The steps detailed above generate the annual estimates of total supermarket spending available to supermarkets within the main trade area at \$64.3 million in 2026/27.
- vi. Forecast sales for the full-line Woolworths supermarket is \$41.6 million in 2026/27, representing a sales productivity of \$10,893 per sq.m, in line with the national benchmarks and increasing over time with population growth in the main trade area.
- vii. Other supermarkets within the main trade area (i.e., IGA supermarkets at Austral Town Centre and Austral Shopping Centre) are estimated to achieve combined forecast sales of \$22.7 million in 2026/27, which is higher than current levels estimated at \$20.0 million. This would represent a sales productivity higher than \$10,000 per sq.m. This is also higher than the typical IGA/independent supermarket sales productivity of \$8,000 per sq.m.
- viii. New supermarkets will continue to be demanded after the planned opening of Eighth Avenue Woolworths.

TABLE 4.1. EIGHTH AVENUE WOOLWORTHS SUPERMARKET ANALYSIS, 2023 – 2027

	Financial Year	
	2023	2027
Spending to Supermarkets		
Main Trade Area	51.6	102.4
Supermarket Spending Retained by TA Smkts		
Main Trade Area (@ 34.9% incr. to 56.5% in 26/27)	18.0	57.9
Smkt Sales from Beyond MTA (10% in FY23, no change in FY2027)	2.0	6.4
Total Supermarket Sales for MTA Smkts	20.0	64.3
Smkt Floorspace in MTA (sq.m)**	2,150	5,966
Average Trading Level (\$/sq.m)	9,321	10,777
Distribution of TA Smkt Sales		
Austral Smkt	0.0	41.6
Other TA Supermarkets**	<u>20.0</u>	<u>22.7</u>
Total TA Smkt Sales	20.0	64.3

*Constant 2022/23 dollars & including GST

**Existing supermarkets in MTA are IGA supermarkets at Austral Town Centre and Austral Shopping Centre

4.4. Total Retail Sales Potential

- i. Table 4.2 outlines forecast sales for the proposed Eighth Avenue Woolworths development in FY2027 (the assumed first full year of opening). Key points to note are as follows:
 - **GLA:** In total, 5,507 sq.m of retail floorspace is planned, including a full-line Woolworths supermarket (3,816 sq.m). Table 1.2 (previously) summarises the composition and assumed uses within the development.
 - **Total retail forecast sales** are \$53.9 million in FY2026. Key components of retail sales are as follows:
 - **Supermarket:** \$41.6 million (or \$10,711 per sq.m).
 - **BWS:** \$2.6 million (or \$12,989 per sq.m).
 - **Retail Specialty:** \$9.7 million (or \$6,495 per sq.m).
- ii. Retail forecast sales for the proposed development reflect the following:
 - No full-line supermarkets in the main trade area currently.
 - The Eighth Avenue Woolworths main trade area population is currently estimated at 15,158 (2023) and is projected to increase at an average annual growth rate of 11.0% to 99,658 by 2041.
 - Typically, one major full-line (>3,000 sq.m) supermarket is provided for every 8,000 – 10,000 persons, indicating that 1 - 2 are currently supportable. Currently there are no full-line supermarket in the main trade area, with several beyond the main trade area.

- The centrally located, easily accessible nature of the site.
- The convenience offer of the retail component.

TABLE 4.2. TOTAL RETAIL CENTRE FORECAST SALES, FY2027

Tenant/ Category	GLA (sq.m)	Forecast Sales	
		(\$'000)	(\$/sq.m)
Woolworths (inc. BOH)	3,816	41,570	10,893
BWS	200	2,598	12,989
Specialty	1,491	9,683	6,495
Total Retail	5,507	53,851	9,779
Office/Commercial	1,858		
Total	7,365		

**Constant 2022/23 dollars & including GST*

4.5. Sales Impacts

- i. This sub-section of the report outlines the likely sales impacts on competitive retail facilities because of the additional sales generated by the proposed Eighth Avenue Woolworths.
- ii. It is important to note that impacts outlined in this report are indicative as it is difficult to precisely project the sales impact of the opening of a new store/centre on existing retail facilities. Several factors can influence the impact on individual centres/retailers, including but not limited to:
 - Refurbishment/improvements to existing centres.
 - Expansions to existing centres.
 - Loyalty programs of existing retailers.
 - The existing centre mix and how it competes with the proposed development.
- iii. For these reasons and other similar factors, sales impacts outlined in this report should be used as a broad indication.
- iv. The following factors are typically considered when assessing the potential impacts of a new supermarket-based development on each existing facility or centre:
 - The distance of the (impacted) centre, by road, from the proposed development.
 - The size of the centre, in terms of total retail floorspace.
 - The amount of supermarket floorspace, and brands of these supermarkets.
 - The quality of offer and unique attributes including 24 hour trade etc.
 - The role and function of the centre.

- Relative accessibility and convenience compared with the proposed retail development.
 - The estimated performance of the centre (in current sales) and future performance (in the impact year), accounting for any future developments in the region that may also impact on the future sales of existing centres.
 - The share of available expenditure which the centre attracts from the identified main trade area of the proposed development. A centre may not be situated in the identified main trade area of the proposed development, but its main trade area may extend to include parts, or all, of the main trade area. For example, the main trade area for large regional shopping centres typically includes circa 250,000 persons. Such a trade area is likely to include (partially or completely) trade areas for surrounding smaller convenience-based centres, sub-regional centres, retail strips and stand-alone supermarkets.
- v. The following key principles are then relied on when assessing the dollar (and percentage) impacts that are likely to be absorbed by existing facilities/centres:
- The greatest impacts are typically absorbed by the closest comparable centres. For example, a new Woolworths supermarket is generally likely to impact the closest nearby Woolworths supermarket to the greatest extent, followed by impacts on other comparable supermarkets (e.g. Coles), and at the lower end of the spectrum, smaller scale supermarkets/foodstores, which serve much more limited roles.
 - Impacts on smaller local supermarkets/foodstores tend to be smaller in scale, as these stores normally attract a lower market share of available main trade area expenditure and perform a different role and function within the hierarchy, often serving the local walkable catchments surrounding them, and/or serving more specialised/discerning needs (e.g. a smaller IGA).

4.5.1. Sales Impact Modelling

- i. Table 4.3 outlines the projected sales impacts from the proposed Eighth Avenue Woolworths development. The steps involved in assessing the sales and impacts on competitive centres are presented as follows:
- **Step 1:** Estimate sales levels for existing centres in the 2022/23 financial year.
 - **Step 2:** Projected sales are presented for existing and proposed developments in 2026/27, the first full year of trading for the Eighth Avenue Woolworths (FY2027). These projections allow for retail market growth and are presented in constant 2022/23 dollars (i.e., excluding inflation).
 - **Step 3:** Outline the change in sales at each centre in FY2027 resulting from retail sales generated by Eighth Avenue Woolworths. As outlined in Section 3, there are no approved competitive developments of relevance assumed to occur within the forecast period – other supermarkets are likely to open post FY2027 supported by future population growth. Again, all sales are expressed in constant 2023 dollars.
 - **Step 4:** Show the impact on sales on competitive centres in FY2027, both in dollar terms and as a percentage of sales.
- ii. Factors such as trading performance; expansions/refurbishments of centres; potential loss of services to the community; expected growth; and overall net community benefit should be considered when assessing trading impacts.

4.5.2. Sales Impact Overview

i. The key information outlined in Table 4.3 is summarised as follows:

- The proposed Eighth Avenue Woolworths development forecast sales are \$53.9 in FY2027, including Woolworths supermarket sales of \$41.6 million.
- Around 30% of forecast impacts from the Austral South development would fall on retail floorspace within the main trade area, with the balance (i.e. around 70%) falling on retail floorspace beyond the main trade area.
- The largest impact in percentage terms at -20% (-\$5.9 million) would fall on Austral Shopping Centre, which includes the closest supermarket to the subject site (IGA). Similarly, Austral Town Centre is projected to incur an impact of -15%, or around \$5.9 million. Given that neither IGA supermarket is a full-line offer and one full-line supermarket is typically provided for every 8,000 – 10,000 persons, it is likely that the IGA supermarkets are trading above average levels for mid-sized IGA supermarkets (~\$8,000 per sq.m) given the current main trade area population is estimated at around 15,000 persons.
- The IGA supermarkets are viable and trading strongly currently and will continue to trade above current levels even after the opening of the Austral South Woolworths development in FY2027. Further, strong population growth throughout the main trade area will ameliorate competitive impacts from the Woolworths, with some additional 6,300 persons projected annually within the main trade area over the 2026-31 period.
- Leppington Village is projected to incur the largest percentage impact (at -8.0%, or -\$7.7 million) of facilities beyond the main trade area. This is consistent with the above principle that impacts are generally concentrated on the most comparable facility, i.e., the opening of a new Woolworths store is likely to impact another Woolworths store the most.
- Facilities at Horningsea Park are likely to incur the highest dollar value impact, at -\$11.1 million (or – 4.7%). Such facilities include Woolworths at Carnes Hill Marketplace and the adjoining Aldi supermarket. For residents in the northern part of the main trade area, Woolworths at Carnes Hill Marketplace is the nearest full-line supermarket offer. Carnes Hill Marketplace, however, has a sizable, established population within proximity to the centre at Hoxton Park and West Hoxton from which the Woolworths supermarket likely draws the majority of sales.
- Other impacts are estimated at -\$9.9 million in 2026/27 and are all less than -6%.
- All centres and precincts would achieve higher forecast sales in FY2027 post the opening of the Eighth Avenue Woolworths development compared to current sales. Given these projected impact levels, the viability of these facilities would not be threatened. The Eighth Avenue site is a designated neighbourhood centre and is identified in the Austral/Leppington North Precinct Plan as including a supermarket and specialty shops.

- It is emphasised that Woolworths is committed to be the operator of the supermarket at the Austral South site. The existing Woolworths supermarket network would be expected to absorb a significant proportion of the projected impacts from the opening of a new Woolworths at Austral South. Woolworths has assessed the levels of impact on the existing and future Woolworths store network, with only a moderate reduction in trading volumes that would not compromise the future viability of other Woolworths supermarkets.

TABLE 4.3. EIGHTH AVENUE WOOLWORTHS PROJECTED IMPACTS, FY2027

	Unit	Estimated 2023	Projected 2027 Pre Dev. Post Dev.		Impact 2027 \$M %	
Austral Site	\$M	n.a.	n.a.	53.9	n.a.	n.a.
Within the Main Trade Area						
Austral Shopping Centre	\$M	22.0	29.4	23.5	-5.9	-20.0%
Austral Town Centre	\$M	29.5	39.4	33.5	-5.9	-15.0%
Beyond the Main Trade Area						
Leppington Village	\$M	72.4	96.7	89.0	-7.7	-8.0%
Willowdale Shopping Centre	\$M	52.3	63.6	61.4	-2.2	-3.5%
HomeCo Prestons	\$M	63.6	71.6	67.3	-4.3	-6.0%
Horingsea Park	\$M	207.4	233.4	222.3	-11.1	-4.7%
Village Square Edmonson Park	\$M	37.0	45.0	43.8	-1.1	-2.5%
Ed.Square	\$M	94.4	114.7	112.4	-2.3	-2.0%

**Constant 2022/23 dollars & including GST*

4.5.3. Sales Impact Summary

- Given these projected impact levels, the viability of any centres or precincts would not be threatened. All centres and precincts are projected to achieve a similar or higher sales level in 2027 as compared with currently. In particular, IGA supermarkets at Austral would continue to benefit from the rapid population growth projected in the surrounding area, meaning the supermarkets would trade at levels higher than what is currently achieved - noting that the IGA supermarkets are likely outperforming the industry average.
- Both IGA supermarkets are supported by a range of retail and non-retail shopfronts, with only one vacancy currently. Population growth will drive demand for additional retail and non-retail floorspace.
- Overall, the planned Eighth Avenue Woolworths development would not impact on the viability or continued operation of any existing in the surrounding region, with all of the impacts within the normal competitive range. The highest dollar-value impacts are on strong trading, full-line supermarkets that would continue to achieve sales levels above the national benchmark.
- In addition, the proposed development has a BWS liquor store and small provision of retail shops only, and residents will continue to frequent other centres/shops in the surrounding area for a variety of tenants that are not likely to be provided as part of the proposed development.
- In summary, all sales impacts across the identified centres are within an acceptable range, and when considered in the context of the size, performance and role and function of surrounding centres, would be highly

unlikely to result in a material reduction of retail service provision. The proposed development would add to the range of services in the region.

- vi. As at 2027 (i.e. the first full year of operation), the main trade area population is projected to reach ~30,900. The main trade area population is projected to increase at 6,300 persons annually over the 2026-31 period - indicating potential for a new full-line supermarket every ~2 years over this period, given that one full-line supermarket is typically provided for every 8,000 – 10,000 persons.

4.6. Employment and Consumer Impacts

- i. The proposed Eighth Avenue Woolworths would result in a range of important economic benefits which will be of direct benefit to the local community. These key positive employment and consumer impacts include:
- ii. These key positive employment and consumer impacts include:
- The provision of a wider range of retail facilities near residents' homes.
 - Increased convenience and price competition for residents.
 - Improved customer amenity, design, and aesthetic for the residents by way of a new and modern development.

Ongoing Employment Generation

- Table 4.4 summarises the projected level of ongoing employment likely to be generated by the Eighth Avenue Woolworths development. The employment benchmarks (jobs per 1,000 sq.m) used to calculate the indicative total jobs generated is based on typical floorspace and employment yield benchmarks.
- The proposed development is projected to employ 385 persons. Taking a conservative view and allowing for an estimated 10% of the total increase to result due to reduced employment at existing facilities, net additional jobs are estimated at 347.

TABLE 4.4. NET ADDITIONAL ESTIMATED PERMANENT EMPLOYMENT

Component	Total Floorspace (sq.m)	Employment Potential		
		Employm. per 1,000 sq.m	Indic. Total Jobs	Net Increase ¹
Retail				
Supermarket	3,816	50.0	191	172
Retail Specialty Shops	1,691	60.0	101	91
Total Retail	5,507		292	263
Complementary Non-retail				
Offices	1,858	50.0	93	84
Total	7,365		385	347

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

Source : Australian National Accounts: Input-Output Tables 1996-97

Construction

- Construction of the Eighth Avenue Woolworths is indicated to incur total capital costs of \$35 million (including GST), generating significant employment within the construction and associated industries during the development of the project.
- By using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and a deflated estimated total capital cost of construction of \$19.3 million (i.e., in 1996/97 dollars), it is estimated that the construction period of the proposed development would directly create some 135 full-time, part time and temporary jobs over the development timeline (refer Table 4.5).

TABLE 4.5. ESTIMATED CONSTRUCTION EMPLOYMENT

Metric	Total
Estimated Capital Costs of Construction	
Estimated Capital Costs 2021/22 (\$M)*	\$35.0
Estimated Capital Costs 1996/97 (\$M)	\$19.3
Direct Employment Generation	
Construction Jobs per \$1 million (2021/22)	3.87
Total Construction Jobs¹	135

Source : Australian National Accounts: Input-Output Tables 1996-97

Employment totals include both full-time and part-time work. Indicates the estimated number of jobs over the life of the construction project plus ongoing multiplier effects, for the equivalent of one year

Multiplier Effect

- Overall, it is estimated that the proposed development will directly generate the following jobs (refer Table 4.6):
 - Ongoing Employment from planned floorspace: 347 jobs
 - Construction Phase: 135 jobs
 - In addition to this direct employment, multiplier effects will flow through the local economy and indirectly generate additional employment opportunities through ancillary businesses/suppliers that support the development and services, as well as additional consumption expenditure by workers employed within the precinct (spending wages).
 - Again, by using the appropriate ABS Input/Output Multipliers that were last produced in 1996/97 and adjusting for inflationary and other changes to present, it is estimated that an additional 625 jobs will be created indirectly.
- iii. Overall, the proposed redevelopment is likely to generate 1,191 jobs directly and indirectly.

TABLE 4.6. EMPLOYMENT SUMMARY

Metric / Category	Est. Net Employment Increase ¹	Employment Multiplier Effects	Total Employment
Ongoing Employment from Planned Floorspace			
Retail	263	250	513
Complementary Non-retail	84	79	163
Total	347	408	839
Construction Phase			
Direct Employment Generation	135	217	352
Net Additional Employment	482	625	1,191

Source : Australian National Accounts: Input-Output Tables 1996-97

1. Net increase includes an allowance for reduced employment levels at impacted centres estimated at 10% of the total increase

5 Needs Analysis

The final section of this report summarises the key conclusions of the impact analysis for the proposed Eighth Avenue Woolworths.

'Need' or 'Community Need' in a planning sense is a relative concept that relates to the overall wellbeing of a community. A use is needed, for example, if it would, on balance, improve the services and facilities available in a locality. The reasonable demands and expectations of a community are important, therefore, in assessing need.

Several important factors that relate to need, particularly economic need, include:

- Population and supermarket demand.
- Consumer trends.
- Location.
- Impacts on existing retail facilities.
- Impacts on retail hierarchy.
- Net community benefits.

5.1. Population and Supermarket Demand

- i. The Eighth Avenue Woolworths main trade area population is currently estimated at ~14,822 (2023) and is projected to increase at an average annual growth rate of 12.5% to 99,322 by 2041. By FY2027, which is the assumed first full year of operation, the main trade area population is more than 26,500 persons.
- ii. Typically, one major full-line (>3,000 sq.m) supermarket is provided for every 8,000 – 10,000 persons, indicating that 2 - 3 are supportable by FY2027. Currently there are no full-line supermarket in the main trade area.
- iii. Based on one full-line supermarket for every 10,000 persons, across the main trade area, one full-line supermarket would be supportable every two year based on the projected population growth.
- iv. This simple analysis highlights the need for an additional full-line supermarket to serve the daily and weekly needs of surrounding residents. The proposed development would therefore result in an increased level of facilities and services available to the local community.

5.2. Consumer Trends

- i. Retail facilities in Australia, such as the proposed development, play fundamental roles in the economies of Australia's metropolitan areas, having developed around the need to meet consumer demand. The nature of consumer demand continues to develop and evolve, reflecting social changes within society, such as:
 - Increasing time pressures on working families.
 - Population and income growth.
 - The evolution of new retail formats and traders.
 - Competitive retail developments and precincts.
- ii. The demands of retailers, as well as consumers, combine to add pressure for additional retail floorspace in existing retail precincts.
- iii. There is a strong need for supermarket facilities within proximity to the homes of main trade area residents, with consumers visiting supermarkets two to three times a week on average.
- iv. Over the past decade, there has been an increasing trend towards convenience shopping. This trend has been largely driven by broader social trends that have resulted in consumers becoming more time poor, such as longer working hours and an increase in the number of women in the labour force.
- v. Time pressures are ranked at the top of the list of issues that consumers face when undertaking their regular food and grocery shopping. As a result, there is growing demand for convenience shopping facilities to meet the needs of residents.
- vi. The design of the proposed development, including a full-line supermarket, a provision of retail specialty floorspace, and commercial floorspace, as well as easily accessible car parking, would be highly convenient for local families who would visit on a regular basis.

5.3. Location

- i. The Eighth Avenue site is zoned and would be easily accessible from the broader region from the planned future road upgrades for the area. As outlined previously in Section 1.4, the subject development would be at the south-eastern roundabout intersection of Eighth Avenue and the extended Eastwood Avenue. This would enable easy access to the site for the surrounding region, as well as from passing traffic along Bringelly Road via a signalised intersection.
- ii. It is observed in any established population area that residents/customers move freely between different shopping facilities depending on choice, offer, complementary trip purposes, place of work, place of education, place of recreation and the like. It is not unreasonable to expect consumers to make choices about their shopping patterns based on these types of criteria and conversely, it is highly unlikely that residents would just undertake shopping at their closet facility all the time.

- iii. Woolworths is committed to be the operator of the supermarket at the subject site, implicating the existing Woolworths supermarket network to absorb a significant proportion of the projected impacts from the opening of a new Woolworths.
- iv. The planned Eighth Avenue Woolworths development is a plan for now and the future. Retail planning is typically lumpy in nature given the large size and cost involved in construction. The proposed site would offer a high level of convenience.
- v. The trade area for the proposed Eighth Avenue Woolworths would likely change over time with population growth, roads and infrastructure, and the gradual addition of new retail facilities. Currently, the fringe metropolitan location of the site implicates a larger trade area than what is typically observed in denser metropolitan locations. Over time, more distant trade area Sectors such as Sectors 2 and 3 would be served by their own supermarket catchments and hence, would be less likely to frequent the subject development.

5.4. Floorspace Cap Limitations

- i. Schedule 1 of the Liverpool Growth Centre Precincts Development Control Plan (also referred to as the DCP) applies to all development on the land within the Austral and Leppington North Precincts.
- ii. Section 3.1.1 of Schedule 1 - Hierarchy and function of local and neighbourhood centre stipulates the following:

“The Eighth Avenue Neighbourhood Centre is to contain a mix of retail and local commercial land uses, to service a population in the order of 10,000 people, and to a maximum gross leasable floorspace of 10,000 sq.m.”

- iii. The proposed Woolworths supermarket and complementary uses have a gross leasable floorspace of 7,365 sq.m. This includes 1,858 sq.m of commercial uses on the Lower Ground Level and Level One. This commercial floorspace is targeted to be occupied by a range of employment uses and not retail tenants.
- iv. The 10,000 sq.m limit applies to the entirety of the Neighbourhood Centre, therefore, assuming strict adherence to the GLA cap, the adjacent site at 310 - 320 Eighth Avenue would only be limited to a maximum gross leasable floorspace of 2,540 sq.m.
- v. The balance of floorspace of 2,540 sq.m is still a significant scale when put in the context of the average GLA of a range of possible uses:
 - Mini-major: 400 sq.m
 - Specialty shop: 100 sq.m.
 - Gym/Fitness: 200 sq.m plus.
 - Medical Centre: 250 sq.m plus.
 - Childcare Centre: 1,000 sq.m plus.
 - Tavern: 300 – 2,000 sq.m.

- vi. It is worth noting that the non-supermarket floorspace components of the subject development, at 3,549 sq.m GFA, represents only a slightly higher provision of retail and commercial floorspace as compared with the neighbouring site – which is not indicated to have a supermarket.
- vii. The provision of specialty floorspace that is supportable at any retail centre is typically determined by the amount and sales of major and mini-major tenant floorspace. These major and mini-major tenants act as the key customer generators to a centre, with specialty floorspace drawing business from the customer flows. The Woolworths supermarket is the anchor and so most shops would seek to be adjacent.
- viii. Activity centres in new growth areas continue to evolve and are not just retail centres. A range of complementary uses including gyms, childcare, medical, tuition, small offices, dance schools, and the like are now common place in these new activity centres. This reflects the outer suburban or fringe metropolitan location and the lack of or limited strip based opportunities in planned areas that in established suburban locations can accommodate these uses. A number of these uses were not historically considered to be retail and commercial centre uses.
- ix. Table 5.1 shows the *Urbis Retail Average 2022/23* for Australian single supermarket based shopping centres which indicates an average GLA of just over 7,000 sq.m, with around 50% of total floorspace occupied by the supermarket anchor. The Woolworths lodged DA plan has an overall GLA of 7,365 sq.m, which is consistent with most modern supermarket based shopping centres.
- x. Floorspace caps are a rigid tool that do not provide the flexibility to adjust to changing consumer and developer needs over time. In most parts of Australia, floorspace caps have been removed and/or transitioned to an indication of potential rather than a limit.
- xi. When the floorspace caps were first imposed on the Neighbourhood Centre zoned land within Austral/Leppington North, the initial population and dwelling yields were very conservative and were imposed under the assumption that the Neighbourhood Centre would only service around 10,000 persons. Based on more current research undertaken by this office into population growth in the area, a commensurate increase in retail demand has not been considered in these rigid and arbitrary floorspace caps which are based on an old, lesser overall population estimate.
- xii. It is observed in growth areas where there is a more limited supply of retail and non-retail floorspace, that shopping centres can often be larger than what is typically provided in established population areas given the lack of nearby competition and strip-based retail and non-retail floorspace.
- xiii. The opening of new supermarkets will support a range of complementary retail floorspace. Across Australia, there is around 2.2 sq.m of retail floorspace per person. Excluding large format retail floorspace (0.6 – 0.7 sq.m per person), with indicates around 1.5 – 1.6 sq.m of traditional retail floorspace per person.
- xiv. The Eighth Avenue Woolworths main trade area population of almost 15,000 persons would indicate demand for around 23,000 sq.m of traditional retail floorspace, increasing to around 154,000 sq.m by 2041. The projected increase in demand by the new population over the period from 2023 to 2041 would be more than 130,000 sq.m. This is significantly higher than the floorspace guidelines allocated across the various local and neighbourhood centres with Austral/Leppington North, totalling 60,000 sq.m. Leppington Town Centre is indicated to include around 160,000 sq.m of GLAR or shopfront space, including large format retail and other uses that would serve the wider region population.

- xv. The delivery of the Eighth Avenue Neighbourhood Centre may be compromised if floorspace limitations (and consequently planning permits) are not flexible enough to meet the needs of consumers, retailers, and developers which all change over time.
- xvi. The removal of floorspace caps allows for development to be led by market demand and community needs rather than by rigid statutory restrictions.

TABLE 5.1. SINGLE SUPERMARKET BASED SHOPPING CENTRES – URBIS RETAIL AVERAGES 2022/23

Category	Single Smkt Centres	
	GLA (sq.m)	% of Retail
Majors		
Supermarket	3,622	67.5%
Total Majors	3,652	68.0%
Mini-majors	376	7.0%
Retail Specialties		
Food & Liquor	215	4.0%
Food Catering	412	7.7%
Apparel	141	2.6%
Household Goods	32	0.6%
Leisure	58	1.1%
General Retail	266	4.9%
Retail Services	<u>217</u>	<u>4.0%</u>
Total Retail Spec.	1,341	25.0%
Total Centre - Retail	5,369	100%
Non-retail		
Cinemas/Entertainment	113	
Non-retail (Reporting)	15	
Non-retail (Non-Reporting)	559	
Gym	184	
Childcare	14	
Commercial	186	
Other Non-shop Non-retail	77	
Vacant	293	
Storage	7	
Seating	0	
Total Centre	6,816	
External (Reporting)	87	
External (Non-Reporting)	133	
Total Property	7,037	

**Urbis Retail Averages 2022/23*

5.5. Impacts on Existing Retailers

- i. The analysis of impacts provided in the previous section of this report shows the projected impacts on other retailers throughout the area from the proposed development would not threaten the viability or continued operation of any centre/precinct.
- ii. Overall, the proposed Eighth Avenue Woolworths would not impact on the viability or continued operation of any existing or proposed centre within the main trade area or the surrounding region.
- iii. Any impacts will likely be absorbed within the first few years of trading of the proposed development, given that convenience retail shopping patterns adjust relatively quickly. Retail development is inherently 'lumpy' or staggered in nature. As such, it is very difficult to incrementally add floorspace so as to soften impacts of new entrants to the market. Following the development of Eighth Avenue Woolworths, all competing centres and precincts will trade at levels which are higher than current levels.
- iv. The largest impact in percentage terms at -20% (-\$5.9 million) would fall on Austral Shopping Centre, which includes the closest supermarket to the subject site (IGA). Similarly, Austral Town Centre is projected to incur an impact of -15%, or around \$5.9 million. Given that neither IGA supermarket is a full-line offer and one full-line supermarket is typically provided for every 8,000 – 10,000 persons, it is likely that the IGA supermarkets are trading above average levels for mid-sized IGA supermarkets (~\$8,000 per sq.m) given the current main trade area population is estimated at around 15,000 persons.
- v. The IGA supermarkets are viable and trading strongly currently and will continue to trade above current levels even after the opening of the Austral South Woolworths development in FY2027. Further, strong population growth throughout the main trade area will ameliorate competitive impacts from the Woolworths, with some additional 6,300 persons projected annually within the main trade area over the 2026-31 period.
- vi. Leppington Village is projected to incur the largest percentage impact (at -8.0%, or -\$7.7 million) of facilities beyond the main trade area. This is consistent with the above principle that impacts are generally concentrated on the most comparable facility, i.e., the opening of a new Woolworths store is likely to impact another Woolworths store the most.
- vii. Facilities at Horningsea Park are likely to incur the highest dollar value impact, at -\$11.1 million (or – 4.7%). Such facilities include Woolworths at Carnes Hill Marketplace and the adjoining Aldi supermarket. For residents in the northern part of the main trade area, Woolworths at Carnes Hill Marketplace is the nearest full-line supermarket offer. Carnes Hill Marketplace, however, has a sizable, established population within proximity to the centre at Hoxton Park and West Hoxton from which the Woolworths supermarket likely draws most sales.
- viii. Other impacts are estimated at -\$9.9 million in 2026/27 and are all less than -6%.
- ix. It is emphasised that Woolworths is committed to be the operator of the supermarket at the Austral South site. The existing Woolworths supermarket network would be expected to absorb a significant proportion of the projected impacts from the opening of a new Woolworths at Austral South.
- x. Woolworths has assessed the levels of impact on the existing and future Woolworths store network, with only a moderate reduction in trading volumes that would not compromise the future viability of other Woolworths supermarkets.

5.6. Impacts on Retail Hierarchy

- i. The proposed redevelopment will provide additional choice and competition for retail facilities within the region.
- ii. The proposed Eighth Avenue Woolworths would provide a major full-line supermarket-based development which would benefit the local community by increasing the ability of the population to shop locally, while not impacting the viability of existing centres in the surrounding area.
- iii. The Eighth Avenue Woolworths development is planned at a designated neighbourhood centre zone. Retail development of the planned scale (i.e. full-line supermarket and shops) is congruent with the desired outcome for a neighbourhood centre.
- iv. Two other neighbourhood centres are designated elsewhere within the precinct, at Gurner Avenue and Fifteenth Avenue. Given the ultimate projected population in-excess of 125,000 persons, future supermarkets at these centres would be demanded at these sites also. Based on this ultimate population, 12 – 13 full-line supermarkets would ultimately be demanded, noting that the subject development would account for a fraction of total future demand. There are only five designated supermarket sites within the main trade area (excluding the mixed-use zones at Leppington Town Centre).
- v. The planned Austral Town Centre is indicated to include between 25,000 – 30,000 sq.m of retail floorspace. It is also suggested that the Town Centre site could include multiple supermarkets in addition to a discount department store. As such, the subject development at 7,460 sq.m would not undermine the Austral Town Centre as being the high-order retail facility of Austral.
- vi. The Leppington Town Centre is indicated to include up to 160,000 sq.m of retail floorspace, including multiple full-line supermarkets, to fulfil its role as the major, higher-order retail facility of the broader region. The proposed Eighth Avenue Woolworths development would aim to primarily serve the weekly grocery needs of nearby residents.
- vii. Eighth Avenue Woolworths is well positioned to serve the convenience needs of the population and provide an alternate supermarket location which is easily accessible.

5.7. Net Community Benefits

- i. It is the conclusion of this report that a substantial net community benefit would result from the development of Eighth Avenue Woolworths, offsetting the trading impacts on some existing retailers, there are very substantial positive impacts including the following:
 - Improvement in the range of retail facilities that would be available to residents.
 - The proposed development would improve choice of location and allow for price competition.
 - The addition of the proposed development would also result in the retention of spending currently being directed to other supermarkets located beyond the main trade area, thereby reducing the need for residents to travel further afield for their supermarket and convenience-based shopping needs.

- The creation of additional employment which would result from the project, both during the construction period, and more importantly, on an ongoing basis once the development is complete and operational. In total, 1,200 jobs are likely to be created both directly and indirectly from the proposed development. This includes youth employment opportunities with retail developments employing many younger staff.
- ii. It is concluded that the combination of the substantial positive economic impacts serves to more than offset the trading impacts that could be anticipated for a small number of existing and proposed retail stores, particularly supermarkets, in the region. Further, the impacts would not threaten the viability of any retail facilities/centres.



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