

# Tallawong Station Precinct South

## Retail and Commercial Land Use Strategy

Deicorp

December 2020

# Document Control

---

Project Manager: Esther Cheong  
Email: esther.cheong@atlasurbaneconomics.com  
Telephone: +61 2 8016 3864

Job ID: J88  
Job Name: Tallawong Station Precinct  
South

Client: Deicorp  
Client Contact: Joelle Knouf

Document Name: Tallawong Station Precinct South Retail and  
Commercial Strategy

Last Saved: 15/12/2020 3:00 PM

Version	Date	Approved by	Reviewed by
Draft	2 October 2020	Jacob Vince	Esther Cheong
Revised Draft	9 December 2020	Jacob Vince	Esther Cheong
Final Draft	15 December 2020	Jacob Vince	Esther Cheong

Liability limited by a scheme approved under Professional Standards Legislation

All care and diligence has been exercised in the preparation of this report. Forecasts or projections developed as part of the analysis are based on adopted assumptions and can be affected by unforeseen variables. Consequently, Atlas Urban Economics Pty Ltd does not warrant that a particular outcome will result and accepts no responsibility for any loss or damage that may be suffered as a result of reliance on this information

# Executive Summary

## BACKGROUND

The Tallawong Station Precinct South is located immediately south of the Tallawong Metro Station and comprises two lots measuring a combined 43,270sqm. The Tallawong Station Precinct South (the Site) is illustrated in **Figure ES.1**.

**Figure ES.1: Tallawong Station Precinct South**



Source: Atlas/Nearmap

In mid-2018, Landcom submitted a State Significant Development Concept Plan (SDD 9063) application with the Department of Planning, Industry and Environment (DPIE) on behalf of Sydney Metro for the Site. The application was approved in early 2019 for the development of up to 1,100 dwellings and 9,000sqm of retail floorspace. Following approval of the SSD, Deicorp purchased the Site. Deicorp submitted an SSD Application for the Site in June 2020 to develop the Site.

It is understood DPIE has sought justification from Deicorp for the proposed retail and commercial uses envisaged in the Proposal considering the strategic role of the Site, potential impacts on the future Tallawong Town Centre to the north (zoned B2 Local Centre) and other neighbouring centres and justification for departure from the existing retail premises cap of 300sqm per tenancy.

Atlas Urban Economics (Atlas) have been engaged by Deicorp to carry out a Retail and Commercial Strategy for the Tallawong Station Precinct South to address the issues raised by DPIE.

## PURPOSE AND APPROACH

Atlas Urban Economics (Atlas) is engaged by Deicorp to prepare a Retail and Commercial Strategy (the Study) for the Tallawong Station Precinct South. The Study will consider:

1. Objectives of the B4 Mixed Use zone and the strategic planning role of Tallawong Station Precinct South;
2. Impacts on the future Tallawong Town Centre to the north of Tallawong Station and any other nearby local centres;
3. Requirements in Schedule 4 of Blacktown City Council Growth Centre Precincts Development Control Plan 2010, which limits retail premises in the B4 Mixed Use Zone to a maximum of 300sqm for any single tenancy.

Furthermore, DPIE have requested a Retail and Commercial Land Use Strategy that provides an analysis of:

- The socio-economic context of the Site;
- Market competition and catchments for the proposed retail and commercial uses;
- Economic and community impacts of the Proposal.

These various issues have been considered and addressed in this Study.

## KEY FINDINGS

The Study investigates and discusses:

- The impact of the Proposal on neighbouring centres, including the future Tallawong Town Centre (north);
- Justification for tenancy sizes in excess of the existing 300sqm single tenancy limit outlined in Schedule 4 of the Blacktown City Council Growth Centre Development Control Plan (2010); and
- The economic and community impacts of the Proposal.

### Impact on Neighbouring Centres

The supporting *Retail and Commercial Land Use Analysis* (AEC Group, 2018) included in the Concept Plan application (SSD 9063) for the Cudgegong Road Station Precinct South identified that based on future resident, worker and commuter populations, the Tallawong Road Town Centre could support demand of between 18,000sqm and 30,000sqm of retail floorspace (depending on various residential growth scenarios) by 2036. The forecast demand exceeded the 12,500sqm-15,000sqm of retail floorspace initially planned for the B2 Local Centre zoned portion of the Town Centre.

The Proposal envisages the delivery of 9,000sqm of retail and commercial gross floor area (GFA). This broadly aligns with the tenancy and land use recommendations provided in the previous findings of the approved Cudgegong Road Precinct South SSD. Given the significant forecast demand from future residents in the Tallawong Precinct (up to 30,000sqm), the Proposal is not expected to result in any material impact on the future development of the B2 Local Centre land in the Town Centre.

Many of the larger tenancies proposed on the Site are considerably smaller compared to similar neighbouring tenancies. For instance, the ~800sqm 'metro style' supermarket is significantly smaller compared to the full-line supermarkets in neighbouring centres such as Rouse Hill Town Centre and Schofields (Alex Avenue). The proposed tavern (~800sqm) is much smaller compared to other nearby taverns located along Windsor Road and indeed smaller than taverns located in other nearby local centres such as Quakers Hill and Marayong.

Economic impact modelling undertaken concludes that the additional household expenditure generated by new residents at the Site would be largely met by the development of the proposed retail and non-retail uses. The higher order shopping needs of new residents would expectedly be accommodated through larger neighbouring centres such as Rouse Hill Town Centre. The Proposal is therefore to largely accommodate localised demand generated by its own resident catchment.

### Single Tenancy Cap

The *Growth Centre Precincts Development Control Plan* (2010) applies to the B4 Mixed Use zone and limits retail premises to a maximum of 300sqm for any single tenancy. This followed the North West Growth Centre Structure Plan which was prepared in 2006. The floorspace control was implemented to ensure that the B4 Mixed Use zone south of the train station would not compete with the B2 Local Centre north of the train station.

Since its implementation in 2010, residential development and population growth across the North West Growth Area (NWGA) has significantly exceeded the growth expected in initial precinct planning. This uptick in population growth and development activity was acknowledged in the *North West Growth Area Land Use and Infrastructure Implementation Plan* (2017) with an additional capacity of 20,000 dwellings allowed for to cater to additional growth.

Apartments are now economically viable and being delivered at scale, accommodating much greater quantum of residents that originally envisaged in the 2006 structure plan. It is this additional population growth which is driving demand for additional retail floorspace across the NWGA.

Given the significant quantum of forecast localised demand in the Tallawong Road Precinct (between 18,000sqm to 30,000sqm of retail floorspace by 2036), the existing retail premises cap requires amendment. Retention of the 300sqm retail tenancy cap would significantly inhibit the capacity of the B4 Mixed Use portion of the Town Centre to meaningfully contribute to accommodating retail demand over time. This issue was previously identified in the *Retail and Commercial Land Use Analysis* (AEC Group, 2018) for the Cudgegong Road Station Precinct South SSD which noted:

*“...relaxation to the restrictive floorspace cap in the B4 Mixed Use zone is justified... doing so would support the overall attraction, functionality and viability of the Cudgegong Road Centre. This retail provision would serve localised demand without adversely impacting the vitality, viability or attraction of the B2 Local Centre. Indeed, it would contribute to the overall attraction of the Cudgegong Road Centre as a place to live, work and visit”.*

The 300sqm retail premises cap was implemented in 2010 at a time when the dwellings and population envisaged were much lower than that which has resulted particularly over the 2014-2018 period. Retention of this 300sqm retail cap would:

- Result in several key retail tenants being unable to locate on the Site, including a small supermarket, grocery store, tavern, childcare centre and gym. These tenants will service the immediately surrounding population catchment and be key drivers of the centre’s vitality.
- Limit the ability of the B4 Mixed Use portion of the Town Centre to accommodate forecast retail demand over time.
- Limit the choice of retail and non-retail services and community offer available to the local community, resulting in the need to travel further afield to have their convenience needs met.
- Limit the viability of future retailers in the B4 Mixed Use precinct. It is well recognised that smaller retailers require proximity to larger anchor tenants in order to be viable, particularly in a greenfield setting such as the Site.

Relaxation of the retail premises cap would not alter the quantum of floorspace on the Site, rather it would result in a more diverse retail offering, providing better consumer choice to the community.

## Economic and Community Impacts

The Study demonstrates the Proposal is expected to generate a significant economic impact upon operation. The Proposal has the capacity to annually contributing 62.1 million in GRP to Blacktown LGA economy and supporting a total of 364 jobs on-site, including 304 jobs within the proposed retail/commercial floorspace and 60 dispersed jobs (i.e. new residents working from home). Accordingly, the Proposal is would generate major economic benefits for the local Blacktown economy.

The proposed mix of retailers and services is intended to play a primarily service-orientated role for new residents in the Tallawong Precinct. Future residents are expected to be characterised by a high proportion of young and middle-aged working families heavily reliant on public transport and private vehicle to commute to work. Providing local retail options for these future residents is expected to provide a significant community benefit given the growing issue of managing work and family life for Western Sydney residents.

## RECOMMENDATIONS

It is recommended the indicative tenancy mix be retained given it aligns with future retail demand that will be generated by residents of the Tallawong Precinct, specifically younger residents and growing families.

The overall quantum of retail and commercial floorspace is recommended to be retained as it not expected to impact on the future viability of the B2 Local Centre portion of the Town Centre, nor will it materially impact on the trading capacity of neighbouring centres.

It is recommended that the existing 300sqm single retail tenancy restriction included in the *Growth Centre Precincts Development Control Plan* (2010) be waived given the extent of forecast demand in the Tallawong Precinct. Retention of the cap would significantly inhibit the capacity of the Site to meaningfully contribute in accommodating forecast retail demand over time, resulting in unmet localised demand. This aligns with the supporting evidence of the approved Cudgegong Road Station Precinct South SSD.

Overall, the Proposal seeks to progress the vision established for the Tallawong Station Precinct South site by Landcom and Sydney Metro and will capitalise on the significant investment in the locality by Sydney Metro whilst generating major economic and community benefits for future residents.



# Table of Contents

---

Document Control.....	i
Executive Summary.....	i
Table of Contents.....	iv
1. Introduction .....	1
1.1 Background.....	1
1.2 Approach and Structure of the Study .....	2
1.3 Assumptions and Limitations.....	2
2. Site Context.....	3
2.1 Location.....	3
2.2 Planning Context.....	4
2.3 Cudgegong Road Station Precinct South.....	5
3. Socio-Demographic Profile .....	6
3.1 Socio-Demographic Profile .....	6
3.2 Implications for the Proposal.....	8
4. Competitive Context .....	9
4.1 Existing Centres.....	9
4.2 Planned Centres .....	10
4.3 Retail Hierarchy .....	10
4.4 Implications for the Precinct.....	11
5. Economic and Community Impacts.....	12
5.1 Overview and Approach .....	12
5.2 Economic Activity and Impacts.....	13
5.3 Community Impacts .....	14
6. Recommendations and Conclusion.....	15
6.1 Matters for Considerations .....	15
6.2 Recommendations .....	16
References.....	17
<b>Schedule</b>	
1 Indicative Tenancy Schedule .....	19
2 Economic Impact Modelling Assumptions .....	20

# 1. Introduction

## 1.1 Background

Sydney Metro Northwest (Stage 1) commenced operations in early 2019 with the opening of 13 Metro stations between Chatswood and Tallawong (Rouse Hill) in Sydney's North West.

Landcom and Sydney Metro are working in collaboration to roll out the Metro Northwest Places Program which will provide for walkable, attractive precincts on government owned land surrounding several of the new Metro stations. The Tallawong Project is the first project to be launched under the program with Stage 1 comprising Tallawong Station Precinct South.

The Tallawong Station Precinct South is located immediately south of the Tallawong Metro Station and comprises two lots measuring a combined area of 43,270sqm. The Tallawong Station Precinct South precinct is illustrated in **Figure 1.1**.

**Figure 1.1: Tallawong Station Precinct South**



Source: Atlas/Nearmap

In mid-2018, Landcom submitted a State Significant Development Concept Plan (SDD 9063) application with the Department of Planning, Industry and Environment (DPIE) on behalf of Sydney Metro for the mixed-use development of the Tallawong Station Precinct South (the Site). The application was approved in early 2019 for the staged development of up to 1,100 dwellings and 9,000sqm of commercial and retail floorspace.

Following approval of the SSD, Landcom conducted a call for Expressions of Interest to potential development partners to deliver the project with Deicorp being the successful applicant. Deicorp submitted an SSD Application for the Site in June 2020 for development of 987 dwellings across 17 buildings with 9,000sqm of retail and commercial GFA.

It is understood DPIE has sought justification from Deicorp for the proposed retail and commercial uses envisaged in the Proposal considering the strategic role of the Site, potential impacts on the future Tallawong Town Centre to the north and other neighbouring centres and justification for departure from the existing retail premises cap of 300sqm per tenancy.

Atlas Urban Economics (Atlas) have been engaged by Deicorp to carry out a Retail and Commercial Strategy for the Tallawong Station Precinct South to address the issues raised by DPIE.

## 1.2 Approach and Structure of the Study

Atlas Urban Economics (Atlas) is engaged by Deicorp to prepare a Retail and Commercial Strategy (the Study) for the Tallawong Station Precinct South. It is understood DPIE requires justification for the proposed retail and commercial uses (including the land use mix and tenancy sizes) considering:

1. Objectives of the B4 Mixed Use zone and the strategic planning role of Tallawong Station Precinct South;
2. Impacts on the future Tallawong Town Centre to the north of Tallawong Station and any other nearby local centres;
3. Requirements in Schedule 4 of Blacktown City Council Growth Centre Precincts Development Control Plan 2010, which limits retail premises in the B4 Mixed Use Zone to a maximum of 300sqm for any single tenancy.

Furthermore, DPIE have requested a Retail and Commercial Land Use Strategy that provides an analysis of:

- The socio-economic context of the Site;
- Market competition and catchments for the proposed retail and commercial uses;
- Economic and community impacts of the Proposal.

To meet the requirements of the brief, Atlas have structured the Study using the following approach:

- Chapter 1 provides an overview of the project background, scope and approach and assumptions and limitations.
- Chapter 2 considers the locational context of the Site and nature of the existing planning framework, including the approved concept plan for the Site (SSD 9063).
- Chapters 3 carries out a review of the forecast socio-demographic profile of the area immediately surrounding the Site and the implications for the Proposal.
- Chapter 4 carries out a review of existing and planned centres surrounding the Site and suggests a retail hierarchy from which to assess the Proposal.
- Chapter 5 undertakes economic impact modelling to understand the ongoing operational economic impacts associated with the Proposal in addition to any potential community benefits.
- Chapter 6 considers the key matters of consideration raised by DPIE and makes an assessment against the foregoing analysis comprised in Chapters 3-5.

## 1.3 Assumptions and Limitations

Atlas acknowledges a number of limitations associated with the Study.

- At the time of writing the COVID-19 induced recession has had significant economic ramifications for the local Blacktown and Australian economy. The true economic ramifications of the recession are yet to fully play out and are intrinsically linked to the capacity of the health network to contain the spread of the virus.
- Data from third party sources is assumed to be correct and is not verified.
- Desktop market research has been undertaken without physical site surveys and inspections.
- Specific assumptions related to economic impact modelling are detailed in Chapter 5 and Schedule 2.

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



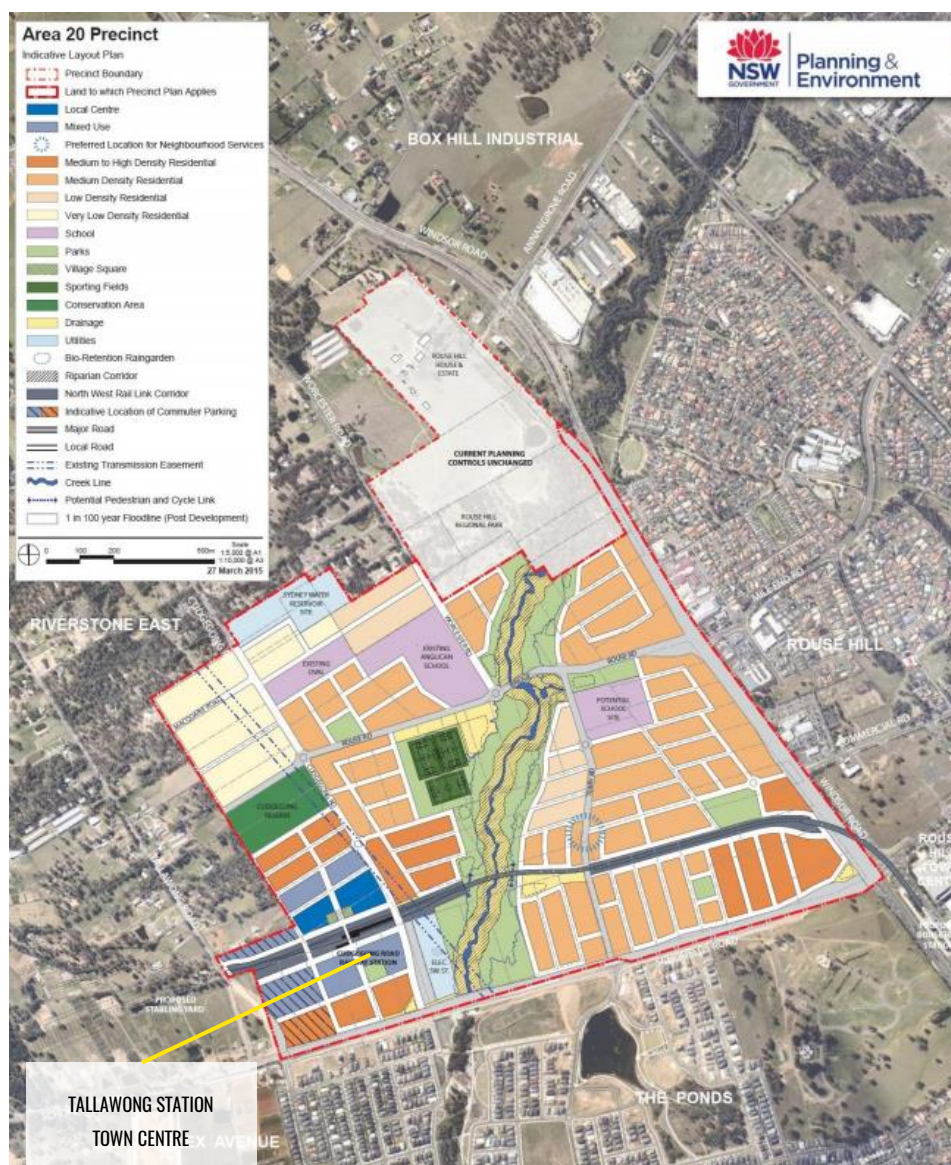
## 2. Site Context

This Chapter examines the location of the Site and the relevant planning instruments that guide its development, including a review of the approved SDD Concept Plan.

### 2.1 Location

The Site is located in Rouse Hill some 41km north-west from the Sydney CBD and within the Blacktown local government area. The Site comprises two individual parcels of land located at 2-12 Conferta Avenue and 1-15 Conferta Avenue respectively. The Site is situated within the Tallawong Station Precinct (formerly known as the Cudgegong Road or Area 20 Precinct) which forms part of the North West Growth Area (NWGA) – one of Greater Sydney’s main greenfield release areas. The Tallawong Station was rezoned in 2011 as part of the NWGA though development activity has only commenced in 2017. The location of the Tallawong Town Centre was identified in initial precinct planning in 2015 and is depicted in **Figure 2.1**.

Figure 2.1: Locality Map



Source: DPIE (2015)

The Site is located approximately 2.2km south-west from Rouse Hill Town Centre which serves as the one of the largest retail centres in the surrounding region. Surrounding land uses include a mix of recently developed subdivisions, multi dwellings and residential flat buildings and the recently completed Tallawong Metro Station and commuter car park.

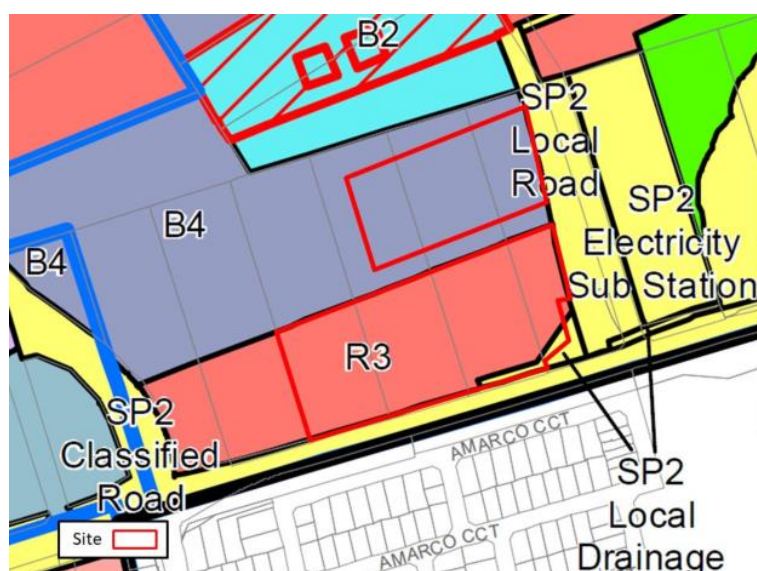
## 2.2 Planning Context

### 2.2.1 State Environmental Planning Policy (Sydney Growth Centre) 2006

The Growth Centres SEPP establishes the planning framework for all land in the growth areas (i.e. North West, South West and Greater Macarthur growth areas). Consent authorities (i.e. local councils) must apply the provisions and consider the objectives of the Growth Centres SEPP when they make planning decisions in the growth centres.

Under the Growth Centres SEPP, the northern allotment of the Site adjacent the metro station (referred to as 'Site 1') is zoned B4 Mixed Use with the southernmost bordering Schofields Road (known as 'Site 2') is zoned R3 Medium Density Residential.

Figure 2.2: Land Use Zones, The Site



Source: Growth Centres SEPP

The objectives of both these land use zones under the Growth Centres SEPP are outlined in **Table 2.1**.

Table 2.1: Land Use Objectives

B4 Mixed Use	R3 Medium Density Residential
<ul style="list-style-type: none"><li>• Provide a mixture of compatible land uses.</li><li>• Integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.</li><li>• Facilitate active retail, commercial, entertainment and community uses at ground level of mixed use developments.</li><li>• Provide for residential development that contributes to the vitality of the local centre.</li><li>• Ensure that residential development adjacent to the local centre does not detract from the primary function of the centre being to provide for retail, business, entertainment and community uses.</li></ul>	<ul style="list-style-type: none"><li>• Provide for the housing needs of the community within a medium density residential environment.</li><li>• Provide a variety of housing types within a medium density residential environment.</li><li>• Enable other land uses that provide facilities or services to meet the day to day needs of residents.</li><li>• Support the well-being of the community by enabling educational, recreational, community, religious and other activities where compatible with the amenity of a medium density residential environment.</li></ul>

Source: Growth Centres SEPP

### 2.2.2 North West Growth Area Land Use and Infrastructure Implementation Plan

Released in mid-2017, the North West Growth Area Land Use and Infrastructure Implementation Plan (LUIIP) updates the planning framework for the NWGA and replaces the 2006 North West Growth Centre Structure Plan.

Notably, the LUIIP recognised structural changes were occurring in the market and proposed changes to planning controls to reflect market demand for smaller format housing and higher residential densities. This resulted in a revision of housing capacity in the Tallawong Road Precinct to circa 5,000 dwellings (compared to 4,400 dwellings previously identified).

The LUIIP also enabled the consolidation of six existing NWGA precinct plans in the Blacktown LGA into a single Blacktown Growth Centres Precinct Plan.

### 2.2.3 Blacktown Growth Centre Precincts Development Control Plan (2018)

The Blacktown Growth Centre Precincts Development Control Plan (2018) (the Growth Centres DCP) provides the planning, design and environmental objectives and controls to guide development within the various precincts of the NWGA which fall within the Blacktown LGA. The various objectives and controls for land use and development in the Tallawong Precinct are outlined within Schedule 4 of the Growth Centres DCP.

The vision for the Tallawong Precinct (referred to as 'Area 20' in the Blacktown Growth Centres DCP) is to create walkable residential neighbourhoods complemented by local retail, employment, community, open space and recreational opportunities for residents. Schedule 4 outlines a series of key development controls which apply to the precinct, namely:

- A range of retail, commercial and community uses are to be encouraged;
- A total of between 12,500sqm to 15,000sqm of retail floorspace is permitted to ensure that the centre functions in accordance with its position in the regional centre hierarchy;
- Retail premises in the B4 Mixed Use zone shall be a maximum of 300sqm for any single premises to focus retail development in the B2 Local Centre zone;

A range of building heights is permitted, generally 2-6 storeys and up to 6-8 storeys.

It is highlighted that there is currently no defined retail centre hierarchy for the Blacktown LGA. It is understood that a Centres Study is currently being prepared by Blacktown City Council which will include a centre hierarchy.

## 2.3 Cudgegong Road Station Precinct South

In July 2018, Landcom submitted a State Significant Development Concept Plan (SDD 9063) application to progress the development of the Tallawong Station Precinct South. The application was subsequently approved in February 2019 for:

- Building envelopes for up to 16 buildings of varying heights, to a maximum of eight storeys;
- A maximum Gross Floor Area (GFA) of almost 94,000sqm;
- Residential development of up to 1,100 dwellings equating to 85,000sqm GFA, including 5% affordable housing;
- Commercial, retail and community uses of approximately 9,000sqm GFA;

Following approval of the SSD, Deicorp was appointed to develop Tallawong Station Precinct South. The Proposal submitted by Deicorp was generally consistent with SDD 9063, albeit sought a number of minor variations regarding, *inter alia*, building envelopes and heights, street design and street design.

The Proposal envisages the construction of 987 dwellings across 17 buildings with 9,000sqm of non-residential GFA. The proposed development yield is outlined in **Table 2.2**.

**Table 2.2: Development Yield, Proposed Development**

Site Area (sqm)	43,270
GFA (sqm)	93,393
Buildings	17
Storeys	2-8 storeys
Residential Units	987
Non-Residential GFA (sqm)	9,000sqm

Source: Deicorp

An indicative tenancy schedule accompanied the Proposal and outlines the type, size and number of proposed commercial and retail tenants. The tenancy schedule includes 31 individual tenants which total 8,360sqm of lettable area. The proposed tenancy mix is geared towards food and beverage and convenience-based retail with a split of 7,407sqm of retail and non-retail shopfront space and 953sqm of commercial space. Of these 31 tenants, 8 retail and non-retail tenancies (including a proposed metro supermarket) comprise a lettable area in excess of 300sqm.

The indicative tenancy mix is attached to this Study at Schedule 1.



## 3. Socio-Demographic Profile

This Chapter reviews the existing and forecast socio-demographic of the area immediately surrounding the Site, including forecast population growth, age profile and household and family composition.

### 3.1 Population Growth in the North West Growth Area

The NWGA has witnessed a surge in development activity and population growth over the past decade.

Population growth observed in the NWGA has well exceeded that originally anticipated in the North West Growth Centre Structure Plan (2006). This significant population growth has been inadvertently supported by the minimum density requirements outlined for the NWGA in the 2006 Structure Plan which has resulted in much greater housing densities being developed across the NWGA (e.g. townhouses, villas, residential flat buildings) than which was initially planned.

This steep rise in population growth has been recognised in the North West Growth Area Land Use and Infrastructure Implementation Plan (2017), which has increased the capacity of the NWGA to allow for the additional 20,000 dwellings needed to accommodate the ~60,000 more residents than originally anticipated in 2006.

### 3.2 Socio-Demographic Profile

In a rapidly growing area such as Tallawong characterised by limited urban development in the years prior 2016, analysing historic Australian Bureau of Statistics (ABS) Census data is of limited use. Alternatively, socio-demographic forecasts carried out by demographic consultants .id in partnership with Blacktown City Council provides a more accurate gauge of the Tallawong Precincts expected resident profile.

Population and socio-demographic forecasts carried out by .id are based on small area geographies as defined in consultation with Blacktown City Council. Of these small areas, the 'Riverstone East - Area 20' precinct is considered to most accurately represent the trading catchment of the Tallawong Town Centre. This captures the Tallawong and Riverstone East precincts as defined in the North West Growth Area.

The 'Riverstone East - Area 20' small area is subsequently referred to as the 'Catchment Area' and is illustrated in **Figure 3.1**.

**Figure 3.1: Catchment Area**



Source: Atlas/.id/Nearmap



### 3.2.1 Population Growth

The Catchment Area was estimated as accommodating some 700 residents in 2016 – a reflection of the limited residential development which had occurred prior to 2016. By 2021, the Catchment Area is forecast to accommodate some 4,250 residents as new residential development (particularly around the Tallawong Town Centre) is completed. This reflects growth of almost 3,500 residents over the five years to 2021 (.id, 2017).

By 2026, the Catchment Area is expected to have grown to over 10,200 residents following additional growth of almost 6,000 residents. By 2036, the Catchment Area is forecast to have grown to a total of almost 25,700 residents.

### 3.2.2 Age Profile

The Catchment Area is forecast to be heavily dominated by younger residents over the coming decades to 2036. Residents aged 17 years and younger are expected to comprise around 30% of the population in both 2026 and 2036, whilst younger and middle aged adults (25 to 49 years old) are expected to form the largest component of the local population at almost half of all residents. This aligns with forecasts expected in the broader NWGA as new housing continues to attract young working couples and families their family building years.

**Table 3.1** demonstrates the forecast age profile of the Catchment Area in 2016 to 2036.

**Table 3.1: Age Profile Forecasts (2016, 2026, 2036), Catchment Area**

Service Age Groups	2016		2026		2036	
	No.	%	No.	%	No.	%
Babies and pre-schoolers (0 to 4)	51	7.2%	1,094	10.7%	2,441	9.5%
Primary schoolers (5 to 11)	37	5.2%	1,269	12.4%	3,125	12.2%
Secondary schoolers (12 to 17)	56	7.9%	750	7.3%	2,076	8.1%
Tertiary education and independence (18 to 24)	56	7.9%	828	8.1%	2,123	8.3%
Young workforce (25 to 34)	112	15.9%	2,215	21.6%	4,626	18.0%
Parents and homebuilders (35 to 49)	135	19.1%	2,493	24.3%	6,329	24.7%
Older workers and pre-retirees (50 to 59)	83	11.8%	784	7.7%	2,375	9.3%
Empty nesters and retirees (60 to 69)	86	12.2%	463	4.5%	1,433	5.6%
Seniors (70 to 84)	80	11.3%	303	3.0%	980	3.8%
Elderly aged (85 and over)	10	1.4%	48	0.5%	154	0.6%
<b>Total</b>	<b>706</b>	<b>100.0%</b>	<b>10,247</b>	<b>100.0%</b>	<b>25,661</b>	<b>100.0%</b>

Source: .id (2017)

### 3.2.3 Household and Family Composition

By 2026, the Catchment Area is expected to accommodate a total of 3,200 households with an average household size of 3.2 persons per dwellings. By 2036, a total of over 8,100 households is anticipated.

Couple families with dependents are forecast to represent the overwhelming majority of households in 2026 and 2036, accounting for almost 50% of all households. This aligns with the forecast age profile which anticipates high representation of middle-aged adults and younger children.

Couples with no dependents are forecast to be the other main household type over the decades to 2036, account for over 20% of all households in both 2026 and 2036. Line person households are expected to increase markedly over 2026-2036, rising from 470 households to almost 1,400 households respectively.

**Table 3.2** depicts the forecast household composition for the Catchment Area over the 2016-2036 period.

**Table 3.2: Household Composition Forecasts (2016, 2026, 2036), Catchment Area**

Household Type	2016		2026		2036	
	No.	%	No.	%	No.	%
Couple families with dependents	92	33.3%	1,590	49.6%	3,908	48.0%
Couples without dependents	78	28.3%	767	23.9%	1,835	22.5%
Group households	4	1.4%	46	1.4%	106	1.3%
Lone person households	57	20.7%	470	14.7%	1,375	16.9%
One parent family	30	10.9%	242	7.6%	701	8.6%
Other families	15	5.4%	90	2.8%	216	2.7%
<b>Total</b>	<b>276</b>	<b>100.0%</b>	<b>3,205</b>	<b>100.0%</b>	<b>8,141</b>	<b>100.0%</b>

Source: .id (2017)

### 3.3 Implications for the Proposal

The North West Growth Area has experienced significant population growth over the past decade. This growth has well exceeded that originally anticipated when precinct planning for the NWGA (including the Tallawong Precinct) was carried out in 2006. This is recognised in the North West Growth Area Land Use and Infrastructure Implementation Plan.

Previous socio-demographic forecasts were prepared by GHD Consulting (2018) as part of Landcom's SDD proposal for the Cudgong Road South Precinct. A review of this analysis shows a series of characteristics were expected to be exhibited by the future resident population of Tallawong, including:

- High proportion of middle-income households;
- Culturally diverse population with large number of Chinese and Indian origin households.
- Large number of working families with two working parents and high levels of commuting.
- High car ownership though slightly lower than the average for the Blacktown LGA given the nearby metro station.
- A higher proportion of privately rented households in the high-density housing stock.

Forecasts carried out for the Tallawong Precinct by .id in partnership with Blacktown City Council suggest:

- The Catchment Area is expected to accommodate some 4,250 residents by 2021, growing to 10,200 residents by 2026.
- Young and middle-aged adults are expected to be the largest cohort of residents in the Catchment Area in the years to 2026 and 2036, closely followed by adolescents and minors.
- Couples with dependents are forecast to be the primary household type in the coming years to 2026 and 2036 with major growth in lone person households expected post 2026.

In combination, the implications of this analysis are that the Tallawong Town Centre will be best suited to providing an accessible, convenience-focused retail offering for time poor, above average earning households. Discretionary retail, higher order services and commercial uses are most likely to be sought at the neighbouring Rouse Hill Town Centre.

Socio-demographic forecasts suggest a high number of young infants and working parents will reside in the Catchment Area. This has obvious implications for non-retail services such as childcare and medical services. The high proportion of young couples in the Catchment Area is also suggestive of demand for food and beverage retail.

Overall, the mix of retail and non-retail uses envisaged in the Proposal is considered to appropriately align with future convenience-based retail demand that will be generated by residents of the Catchment Area.

The next chapter considers the nature and role of neighbouring centres from a competitive perspective.

## 4. Competitive Context

---

This chapter investigates existing and future planned retail centres in the area surrounding the Site. The analysis of competing centres enables an understanding of the competitive context in which the Site will operate and how the Proposal may impact upon the established retail hierarchy.

### 4.1 Existing Centres

There are numerous existing retail centres surrounding the Site, including the key strategic centre of Sydney's North West – the Rouse Hill Town Centre. Each of these existing centres are discussed in turn.

- **Rouse Hill Town Centre**

Rouse Hill Town Centre is the primary strategic centre for the NWGA. The town centre services a wide catchment providing approximately 51,800sqm of retail space with 6 major anchor tenants (Coles, Woolworths, Target, Big W, Best & Less and JB Hi Fi) and 235 specialty stores providing a wide range of retail and services (PCA 2020). The centre has been trading since 2008 and has a well-established brand and customer following.

Rouse Hill Town Centre is the closest retail centre to the Site being situated approximately 2km to the south-east by road and is the first Metro stop after Tallawong Station.

The commencement of Sydney Metro's Northwest rail line has enabled further expansion of the town centre with opportunity for new commercial development and a new health sector to encourage growth in health and education and a greater proportion of knowledge-intensive jobs. This coincides with the planned construction of the NSW Government's Rouse Hill Hospital adjacent the existing town centre along Windsor Road.

Proposed expansions to the north of the existing centre are in planning with GPT Group submitting a concept development application in 2018 for a new masterplan to include 8 superlots, 2,500 residential apartments, 20,700sqm of retail, commercial and community floorspace and over 1.4ha of green open space. With construction initially expected to commence in 2020, GPT deferred the project in mid-2020 in light of deteriorating economic conditions.

- **Stanhope Village Shopping Centre**

Stanhope Village is a sub-regional centre located approximately 5km south from the Site within the local centre of Stanhope Gardens. The centre provides circa 16,750sqm of retail space with two major supermarkets (Coles and Aldi), a discount department store (Kmart) and 72 specialty stores providing a mix of personal and professional services, food related and medical services (PCA, 2020). The centre opened in 2003 and was expanded and refurbished in 2015.

- **Norwest Marketown**

Norwest Marketown is a two-storey enclosed neighbourhood centre located 9km south-east from the Site within the strategic centre of Norwest. The centre provides 8,400sqm of retail space with Coles Supermarket as anchor tenant and 53 specialty stores including a food court (PCA, 2020).

- **North Kellyville Square**

North Kellyville Square is a small enclosed neighbourhood village approximately 5km east of the Site. The centre provides 6,500sqm of retail floorspace with a Woolworths supermarket and 18 specialty retailers (PCA 2020).

- **The Ponds Shopping Centre**

The Ponds Shopping Centre is a neighbourhood centre approximately 2.2km south from the Site. The centre provides approximately 7,200sqm of retail floorspace with 30 specialty retailers providing personal services, cafes/ restaurants, clothing, medical and dentistry and professional businesses anchored by Woolworths supermarket (PCA, 2020e).

- **Rouse Hill Village Centre**

Rouse Hill Village is a neighbourhood shopping strip off Windsor Road approximately 2.2km north-east from the Site. The centre comprises some 2,500sqm of retail floorspace anchored by IGA supermarket with 21 specialty retailers.

- **Riverstone Village Shopping Centre**

Riverstone Village Shopping Centre is an enclosed neighbourhood centre approximately 6km north-west from the Site. The centre comprises approximately 2,500sqm of retail floorspace with an IGA supermarket and 10 specialty stores providing a mix of service related tenancies. The centre also provides a Riverstone Branch Council library (PCA, 2020).

The shopping centre has been approved for redevelopment encompassing expansions to the library and 7,200sqm of new retail floor space comprising two supermarkets and a total of 25 specialty stores and food court. The redevelopment is anticipated to commence upon completion of the Riverstone Area Development Control Plan.

## 4.2 Planned Centres

Owing to the significant level of new development still expected across the NWGA, several future centres are being planned proximate the Site to service their respective residential catchments. Of most relevance to the Site is the Schofields Town Centre and planned Riverstone East local centre.

- **Alex Avenue (Schofields) and Schofields Town Centre**

Alex Avenue Precinct is a 420ha precinct within the NWGA and is situated some 2km east of the Site. The Alex Avenue Precinct Plan was finalised in May 2010 and new planning controls were implemented to enable the development of 6,300 new homes and at least 25,000sqm of retail GFA. Only part of the Alex Avenue centre has been developed to date, including a full-line Woolworths supermarket of 3,300sqm.

The proposed Schofields Town Centre is being planned and delivered by Blacktown City Council. Located approximately 3.2km west from the Site, the new Town Centre will provide for up to 13,600sqm of new retail and commercial floorspace including a full line supermarket. This centre is at an early stage of planning and is not expected to be delivered until 2026.

- **Riverstone East Local Centre**

Riverstone East Precinct is a 650ha precinct forming part of the NWGA and located immediately north of the Site. The precinct is approved to be delivered in three stages with Stages 1 and 2 finalised in 2016. Stage 1 is expected to deliver some 1,800 new dwellings.

The Riverstone East local centre is proposed to be constructed in Stage 2. The centre is being planned for up to 4,500sqm of retail floorspace including a 2,000sqm supermarket with commencement to align with the population of the Riverstone East reaching around 7,000 residents (NSW Government, 2016).

The next section examines the potential retail hierarchy of the existing and planned centres proximate the Site.

## 4.3 Role of Centres

Planning for 'great places' is a key component of Central City District Plan. Great places include all parts of the public realm such as open space, streets, centres and neighbourhoods that combine and complement residential and non-residential uses.

The District's 'great places' include local and strategic centres categorised in a 'retail hierarchy' for Council's to manage growth in housing, goods and services and other community services within their respective LGAs. This hierarchy of local and strategic centres (including transport interchanges) should be informed by an evidence-based assessment of local and district-wide housing, employment, retail, commercial services and infrastructure demand.

Strategic centres are the focus of public transport investment that seek to realise the District Plan's 30 minute city objective and encourage employment growth. Strategic centres vary in size however common to all centres is high levels of private sector investment, co-location of a wide mix of land uses including residential, high levels of community amenity and specific areas for commercial uses where appropriate.

Local centres are the focal point of a neighbourhood with public transport interchanges often acting as an anchor. Local centres are diverse and vary in size however all provide essential day-to-day goods and services close to where people live.

It is reiterated that a retail hierarchy has yet to be publicly defined for the Blacktown LGA. The following retail hierarchy has been formulated based on the quantum of floorspace and proposed role of each centre earlier examined.



**Table 4.1: Potential Retail Hierarchy of Existing and Planned Centres**

Hierarchy	Centre (Suburb)	Status	Distance (km)	Retail GLA (sqm)	Centre Mix	Anchor Tenant
Strategic Centres	Rouse Hill Town Centre (Rouse Hill)	Existing/Planned	2	51,800 (+20,700)	6 x anchor and 235 x specialty	Coles, Woolworths, Big W, Target, Best & Less, JB Hi Fi
	Norwest Marketown (Norwest)	Existing	9	8,400	1 x anchor and 53 x specialty	Coles
Local Centre	Alex Avenue Precinct (Schofields)	Existing/Planned	2	3,300 (+21,700)	Unknown	Unknown
	Stanhope Village (Stanhope Gardens)	Existing	5	16,750	1 x anchor and 72 x specialty	Coles, Aldi, Kmart
	The Ponds (The Ponds)	Existing	2	7,200	1 x anchor and 30 specialty	Woolworths
	North Kellyville Square (North Kellyville)	Existing	5	6,500	1 x anchor and 18 x specialty	Woolworths
	Riverstone East (Riverstone)	Planned	2	4,500	Unknown	Unknown
	Woolworths Alex Avenue (Schofields)	Existing	2	3,300	1 x anchor	Woolworths
	Rouse Hill Village (Rouse Hill)	Existing	2	2,500	1 x anchor and 21 x specialty	IGA
	Riverstone Village (Riverstone)	Existing	6	2,500	1 x anchor and 10 x specialty	IGA

Source: Atlas

## 4.4 Tallawong Town Centre

The original precinct planning carried out for the Tallawong Town Centre (then referred to as the Cudgegong Road Town Centre) identified the potential for a local centre accommodating some 12,500sqm to 15,000sqm of retail and commercial floorspace. This was predicated on the Tallawong Precinct accommodating a total of some 4,400 dwellings upon buildout.

The supporting *Retail and Commercial Land Use Analysis* (AEC Group, 2018) included in the SSD for the Cudgegong Road Station Precinct South identified that based on future resident, worker and commuter populations, the Tallawong Road Town Centre could demand between 18,000sqm and 30,000sqm of retail floorspace (depending on a capped or high residential growth scenario) by 2036. This forecast demand well exceeded the 12,500sqm-15,000sqm of retail floorspace initially planned for the B2 Local Centre zoned portion of the Town Centre.

Based on these findings, the *Retail and Commercial Land Use Analysis* (AEC Group, 2018) concluded that additional retail and commercial floorspace would need to be provided in the B4 Mixed Use area of the Town Centre (i.e. the Site). A total of 6,000sqm of retail and non-retail floorspace and 3,000sqm of commercial office floorspace was deemed appropriate. This quantum of floorspace was considered necessary to meet the demands of future residents and was not considered to negatively impact upon the trading capacity of the B2 Local Centre portion of the Tallawong Town Centre.

## 4.5 Implications for the Precinct

Our investigations reveal a network of existing and planned centres throughout the Northwest Growth Area all within 10km from the Site. There are currently eight existing centres and a further three planned centres servicing the broader NWGA.

The hierarchy of this network of centres is well defined from a market perspective with the Rouse Hill Town Centre being the highest order centre serving the NWGA with the other centres largely playing a service-orientated role.

The Tallawong Town Centre was proposed to operate as a local centre in providing day-to-day essential services and amenity within walking distance to new housing. It was intended to play a supporting role to the larger centres of Rouse Hill Town Centre and Alex Avenue. The quantum of retail floorspace proposed on the Site is consistent with this envisaged role.

The next Chapter considers the economic and community impacts of the Proposal.

## 5. Economic and Community Impacts

### 5.1 Overview and Approach

This chapter examines the ongoing economic activity and impacts that could be facilitated through progression of the Proposal upon completion.

It is assumed the Site will be developed in accordance with the Proposal, specifically a staged development of a new town centre with a total of 17 buildings ranging from 2 to 8 storeys, including:

- 8,360sqm of net lettable area for retail, non-retail uses and commercial uses (totalling 9,000sqm in GFA);
- 967 residential units;
- 3,507sqm publicly accessible park.

The economic impacts are assessed at the Blacktown LGA level. An Input-Output (including the development of specific regional Input-Output transaction tables) was developed to reflect the economic structure of the Blacktown LGA.

Input-Output modelling describes economic activity through examining four types of impacts as defined in **Table 5.1**.

**Table 5.1: Economic Indicators**

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Product	The value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g. Gross Regional Product (GRP)) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment positions generated by the Project (either full time or part time, directly or indirectly). Employment is reported in terms of Full-Time Equivalent (FTE) positions or person-years.

Source: Atlas

Input-Output modelling estimates show the impacts of direct spending in a particular industry as well as from Production-induced impacts (Type I) or Consumption-induced impacts (Type II):

- **Production-induced impacts** (Type I) estimate the effects of industrial support effects of additional activities undertaken by supply chain industries increasing their production in response to direct spending.
- **Consumption-induced impacts** (Type II) estimate the re-circulation of labour income earned as a result of the initial spending through other industry impacts (or impacts from increased household consumption).

The reported estimates consider both production and consumption-induced flow-on impacts. Type II impacts are commonly considered to overstate economic activity and therefore the types of flow-on impacts are reported separately.

#### Drivers of Economic Activity

The Proposal is expected to impact ongoing economic operational activity through the following:

- Direct turnover generated by the various retail and non-retail (i.e. fitness, medical/education, childcare) operational activities on-site.
- Economic activity as a result of employment activity from 'dispersed jobs', i.e. residents who work from home.
- Economic activity as a result of direct expenditure of new households, i.e. additional households in new dwellings.

Schedule 2 includes a detailed description of the drivers and assumptions that underpin the assessed economic impacts.

## 5.2 Economic Activity and Impacts

The Proposal is expected to generate a variety of business activity both on and off-site. This business activity is generally categorised into the following activity types:

- **Town Centre Activity**  
The economic activity that results from the businesses who occupy the completed retail and non-retail floorspace.
- **Dispersed Jobs**  
The economic activity that results from the proportion of new residents who will work from home.
- **Additional Household Expenditure**  
The impact of increased household expenditure resulting from the additional residents accommodated in the Proposal.

Each of these ongoing impacts associated with the Proposal are summarised in **Table 5.2**.

**Table 5.2: Operational Economic Impacts in Blacktown LGA**

Indicator	Output (\$M)	GRP (\$M)	Incomes (\$M)	Employment (FTE)
<b>Town Centre Activity</b>				
Direct	\$49.1	\$26.4	\$18.6	304
Flow-on Type I (Production-induced)	\$14.2	\$6.6	\$3.8	43
Flow-on Type II (Consumption-induced)	\$19.9	\$11.6	\$4.7	66
<b>Total</b>	<b>\$83.2</b>	<b>\$44.5</b>	<b>\$27.2</b>	<b>413</b>
<b>Dispersed Jobs</b>				
Direct	\$22.3	\$9.7	\$5.7	60
Flow-on Type I (Production-induced)	\$9.0	\$3.8	\$2.1	25
Flow-on Type II (Consumption-induced)	\$6.9	\$4.0	\$1.6	23
<b>Total</b>	<b>\$38.2</b>	<b>\$17.6</b>	<b>\$9.5</b>	<b>108</b>
<b>Total Operational Impacts</b>				
Direct	\$71.40	\$36.10	\$24.30	364
Flow-on Type I (Production-induced)	\$23.20	\$10.40	\$5.90	68
Flow-on Type II (Consumption-induced)	\$26.80	\$15.60	\$6.30	89
<b>Total</b>	<b>\$121.40</b>	<b>\$62.10</b>	<b>\$36.70</b>	<b>521</b>

Source: Atlas

As shown in **Table 5.2**, the Proposal is estimated to support the following annual economic activity through direct and indirect (flow-on) impacts:

- \$121.4 million in output (including \$71.4 million in direct activity).
- \$62.1 million contribution to GRP (including \$36.1 million in direct activity).
- \$36.7 million in incomes and salaries paid to households (including \$24.3 million in direct income).
- 521 FTE jobs (including 364 directly related to activity on the Site).

It is important to note that the annual economic activity shown in **Table 5.2** is based on the total economic activity which could result from the Site at build-out.

It is recognised that delivery of the Proposal will be staged however, with delivery of the town centre to occur once the residential component of the development has been largely delivered and established.

Furthermore, the Site is expected to facilitate an increase in household expenditure through the increase in residents accommodated in the 964 proposed apartments. The economic activity which could be driven by these households has been assessed and is summarised in **Table 5.3**.

**Table 5.3: Additional Household Expenditure in Blacktown LGA**

Indicator	Output (\$M)	GRP (\$M)	Incomes (\$M)	Employment (FTE)
Direct	\$47.1	\$27.2	\$14.8	255
Flow-on Type I (Production-induced)	\$12.1	\$5.6	\$3.1	36
Flow-on Type II (Consumption-induced)	\$15.9	\$9.2	\$3.8	53
<b>Total</b>	<b>\$75.0</b>	<b>\$42.0</b>	<b>\$21.7</b>	<b>344</b>

Source: Atlas

As demonstrated from **Table 5.3**, new households accommodated on the Site would generate economic activity in the order of \$42.0 million, supporting a total of 344 jobs.

Care should be taken when considering total operational impacts, as not all household expenditure and employment generated by the Proposal will be 'net new' to the Blacktown LGA and potential exists for double counting between (direct and flow on) business operations and expenditure by resident households.

### 5.3 Community Impacts

The future socio-demographic profile of the Tallawong Precinct (examined in Chapter 3) is expected to be characterised by young families with two working parents and young children. These households are expected to be heavily reliant on public transport and private vehicle to commute to work. In 2016, only around 30% of residents in the Blacktown LGA also worked in the Blacktown area (ABS, 2017).

Young and middle-aged families are increasingly struggling to manage family and work responsibilities. This has significant implications for the psychological wellbeing of growing families. Time management has been identified as a key driver of psychological distress in Western Sydney families (Taylor, Stevens, Agho and Raphael, 2017).

The mix of retailers and services included in the Proposal represents a strong convenience focused offering intended to cater to younger residents and growing families. Anchored by a small 'metro-style' supermarket (800sqm in floor area), the Proposal will provide options for households looking for a 'top-up' shop and will not provide the range of products or services offered in larger centres nearby. This convenience offer is further complemented by other proposed uses (i.e. childcare, post office, NSW service centre, education, etc) which will be utilised by the immediate population catchment.

Overall, the Proposal is considered to provide a mix of essential retail and services which will be readily used by the future population and generate a positive impact for Tallawong's future community.



## 6. Recommendations and Conclusion

---

### 6.1 Matters for Considerations

It is understood that DPIE requires consideration of several matters to assess the Proposal, principally:

- The impact of the Proposal on neighbouring centres, including the future Tallawong Town Centre (north);
- Justification for tenancy sizes in excess of the existing 300sqm single tenancy limit outlined in Schedule 4 of the Blacktown City Council Growth Centre Development Control Plan (2010); and
- The economic and community impacts of the Proposal.

These key matters are discussed in turn.

#### 6.1.1 Impact on Neighbouring Centres

The supporting *Retail and Commercial Land Use Analysis* (AEC Group, 2018) included in the SSD for the Cudgegong Road Station Precinct South identified that based on future resident, worker and commuter populations, the Tallawong Road Town Centre could demand between 18,000sqm and 30,000sqm of retail floorspace (depending on a capped or high residential growth scenario) by 2036. This forecast demand well exceeded the 12,500sqm-15,000sqm of retail floorspace initially planned for the B2 Local Centre zoned portion of the Town Centre.

The Proposal envisages the delivery of 8,360sqm of retail and commercial floorspace (totalling 9,000sqm in GFA), including 7,407sqm of retail/ non-retail and 953sqm of commercial lettable area. This broadly aligns with the tenancy and land use recommendations provided in the previous findings of the approved Cudgegong Road Precinct South SSD. Given the significant forecast demand from future residents in the Tallawong (up to 30,000sqm), the Proposal is not expected to result in any material impact on the future development of the B2 Local Centre land in the Town Centre.

Many of the larger tenancies proposed on the Site are considerably smaller compared to similar neighbouring tenancies. For instance, the ~800sqm 'metro style' supermarket is significantly smaller compared to the full-line supermarkets in neighbouring centres such as Rouse Hill Town Centre and Schofields (Alex Avenue). The proposed tavern (~800sqm) is much smaller compared to other nearby taverns located along Windsor Road and indeed smaller than taverns located in other nearby local centres such as Quakers Hill and Marayong.

Economic impact modelling undertaken in Chapter 5 concluded that the additional household expenditure generated by new residents at the Site would be largely met by the development of the proposed retail and non-retail uses. The higher order shopping needs of new residents would expectedly be accommodated through larger neighbouring centres such as Rouse Hill Town Centre. The Proposal is therefore to largely accommodate localised demand generated by its own resident catchment.

#### 6.1.2 Single Tenancy Cap

The *Growth Centre Precincts Development Control Plan* (2010) applies to the B4 Mixed Use component of the Site and limits retail premises to a maximum of 300sqm for any single tenancy. This control was implemented to ensure that retail uses in the B4 Mixed Use zone south of the train station would not compete with the B2 Local Centre north of the train station.

Since its implementation in 2010, residential development and population growth across the North West Growth Area (NWGA) has significantly exceeded the growth expected in initial precinct planning. This uptick in population growth and development activity was acknowledged in the *North West Growth Area Land Use and Infrastructure Implementation Plan* (2017) with an additional capacity of 20,000 dwellings allowed for to cater to additional growth.

Apartments are now economically viable and being delivered at scale, accommodating much greater quantum of residents that originally envisaged in the 2006 structure plan. It is this additional population growth which is driving demand for additional retail floorspace across the NWGA.

Given the significant quantum of forecast localised demand in the Tallawong Road Precinct (between 18,000sqm to 30,000sqm of retail floorspace by 2036), the existing retail premises cap requires amendment. Retention of the 300sqm retail tenancy cap would significantly inhibit the capacity of the B4 Mixed Use portion of the Town Centre to meaningfully

contribute to accommodating retail demand over time. This issue was previously identified in the *Retail and Commercial Land Use Analysis* (AEC Group, 2018) for the Cudgegong Road Station Precinct South SSD which noted:

*“...relaxation to the restrictive floorspace cap in the B4 Mixed Use zone is justified... doing so would support the overall attraction, functionality and viability of the Cudgegong Road Centre. This retail provision would serve localised demand without adversely impacting the vitality, viability or attraction of the B2 Local Centre. Indeed, it would contribute to the overall attraction of the Cudgegong Road Centre as a place to live, work and visit”.*

The 300sqm retail premises cap was implemented in 2010 at a time when the dwellings and population envisaged were much lower than that which has resulted particularly over the 2014-2018 period. Retention of this 300sqm retail cap would:

- Result in several key retail tenants being unable to locate on the Site, including a small supermarket, grocery store, tavern, childcare centre and gym. These tenants will service the immediately surrounding population catchment and be key drivers of the centre's vitality.
- Limit the ability of the B4 Mixed Use portion of the Town Centre to meaningfully contribute to accommodate forecast retail demand over time.
- Limit the choice of retail and non-retail services and community offer available to the local community, resulting in the need to travel further afield to have their convenience needs met.
- Limit the viability of future retailers in the B4 Mixed Use precinct. It is well recognised that smaller retailers require proximity to larger anchor tenants in order to be viable, particularly in a greenfield setting such as the Site.

Relaxation of the retail premises cap would not alter the quantum of floorspace on the Site, rather it would result in a more diverse retail offering, providing better consumer choice to the community.

### 6.1.3 Economic and Community Impacts

Chapter 5 demonstrates the Proposal is expected to generate a significant economic impact upon operation. The Proposal has the capacity to annually contributing \$62.1 million in GRP to Blacktown LGA economy and supporting a total of 364 jobs on-site, including 304 jobs within the proposed retail/commercial floorspace and 60 dispersed jobs (i.e. new residents working from home). Accordingly, the Proposal is would generate major economic benefits for the local Blacktown economy.

The proposed mix of retailers and services is intended to play a primarily service-orientated role for new residents in the Tallawong Precinct. Future residents are expected to be characterised by a high proportion of young and middle-aged working families heavily reliant on public transport and private vehicle to commute to work. Providing local retail options for these future residents is expected to provide a significant community benefit given the growing issue of managing work and family life for Western Sydney residents.

## 6.2 Recommendations

The Proposal seeks to develop the Site into a new mixed-use precinct with a mix of residential, commercial and retail uses and a publicly accessible park with a total of 9,000sqm of retail and commercial GFA.

It is recommended the indicative tenancy mix be retained given it aligns with future retail demand that will be generated by residents of the Tallawong Precinct, specifically younger residents and growing families.

The overall quantum of retail and commercial floorspace is recommended to be retained as it not expected to impact on the future viability of the B2 Local Centre portion of the Town Centre, nor will it materially impact on the trading capacity of neighbouring centres.

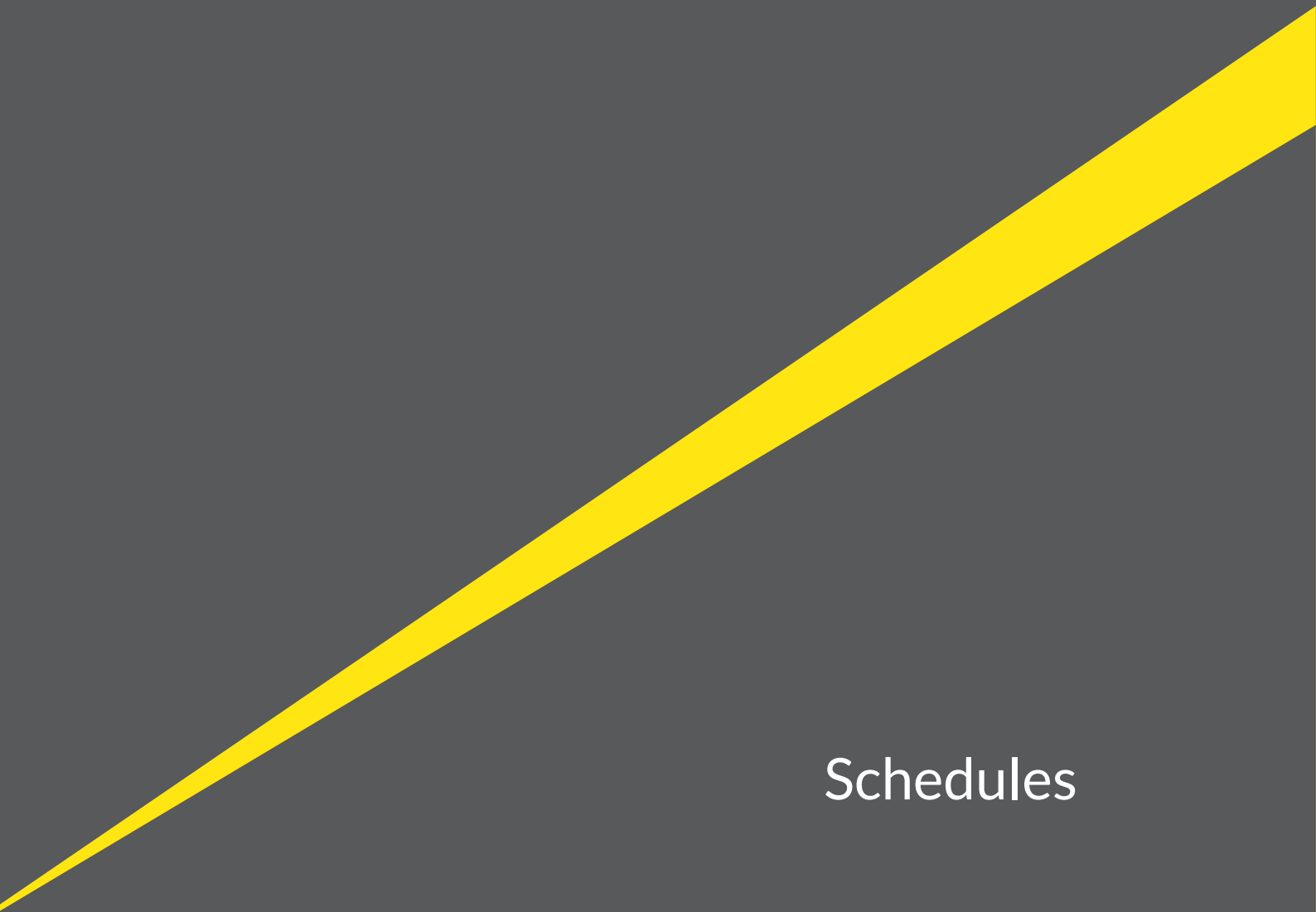
It is recommended that the existing 300sqm single retail tenancy restriction included in the *Growth Centre Precincts Development Control Plan* (2010) be waived given the extent of forecast demand in the Tallawong Precinct. Retention of the cap would significantly inhibit the capacity of the Site to meaningfully contribute in accommodating forecast retail demand over time, resulting in unmet localised demand. This aligns with the supporting evidence of the approved Cudgegong Road Station Precinct South SSD.

Overall, the Proposal seeks to progress the vision established for the Tallawong Station Precinct South site by Landcom and Sydney Metro and will capitalise on the significant investment in the locality by Sydney Metro whilst generating major economic and community benefits for future residents.

# References

---

- ABS (2020). *Australian National Accounts: Input-Output Tables, 2017-18*. Cat. No. 5209.0.55.001. ABS, Canberra.
- ABS (2017). *Household Expenditure Survey, 2016*. Cat. No. 6530.0. ABS, Canberra.
- AEC Group (2018). *Retail and Commercial Land Use Analysis: Cudgegong Road Station Precinct South*. AEC Group, Sydney.
- Blacktown City Council (2015). *Growth Centres Development Control Plan*. Available at: <https://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/development-control-plan-blacktown-2016-09-07.ashx>
- Greater Sydney Commission (2018). *Central City District Plan*. Available at: <https://www.greater.sydney/central-city-district-plan/introduction>
- Department of Planning, Infrastructure and Environment (2016). *Riverstone East Priority Precinct – Finalisation Report Stages 1 and 2*. Available at: <https://www.planning.nsw.gov.au/~media/Files/DPE/Reports/riverstone-east-priority-precinct-stage-1-and-2-finalisation-report-2016-07-15.pdf?la=en>
- Department of Planning, Infrastructure and Environment (2017). *North West Priority Growth Area Land Use and Infrastructure Implementation Plan*. Accessible from: <https://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/land-use-and-infrastructure-implementation-plan-north-west-pga-2017-05-02.pdf>.
- Department of Planning, Infrastructure and Environment (2018). *Schedule 4 – Area 20 Precinct*. Available at: <https://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/blacktown-city-council-schedule-4-area-20-2016-07-05.ashx>
- Department of Planning, Infrastructure and Environment (2016). *Riverstone East Priority Precinct – Finalisation Report Stages 1 and 2*. Available at: <https://www.planning.nsw.gov.au/~media/Files/DPE/Reports/riverstone-east-priority-precinct-stage-1-and-2-finalisation-report-2016-07-15.pdf?la=en>
- Department of Planning, Infrastructure and Environment (2015). *Cudgegong Road (Area 20 Station Precinct) Finalisation Report*. Accessible from: <https://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/cudgegong-road-station-area-20-precinct-finalisation-report-2015-06.pdf?la=en>.
- Kronenberg, T. (2009). *Construction of Regional Input-Output Tables Using Nonsurvey Methods: The Role of Cross-Hauling*. International Regional Science Review, 32(1), 40–64.
- Norbert, S. (2015). *Methods for Regionalising Input-Output Tables*. Regional Statistics, 5(1), 44-65.
- Property Council Australia (2020). *Shopping Centre Directory: NSW & ACT*. Property Council of Australia, Sydney.
- Taylor, M. R., Stevens, G., Agho, K. E., & Raphael, B. (2017). *The impacts of household financial stress, resilience, social support and other adversities on the psychological distress of Western Sydney parents*. International Journal of Population Research, 2017. Accessible here: <https://researchdirect.westernsydney.edu.au/islandora/object/uws:40411>.



Schedules

# Indicative Tenancy Schedule

**Table S1.1: Indicative Tenancy Mix (Site 1) - Subject to Change**

Shop No.	Level	Proposed Tenancy	Net Lettable Area (sqm)	Land Use Type
1	LG	Tenancy 1 - Daily Needs	165	Retail
2	LG	Tenancy 2 - Wine Bar	175	Retail
3	LG	Tenancy 3 - Food Specialty	165	Retail
4	LG	Tenancy 4- Bike Shop, Vespa Sales / Cafe	375	Retail
5	LG	Tenancy 5 - Dry Cleaner	90	Retail
6	LG	Tenancy 6 - Fitness Centre	120	Non-retail
1-3	G	Tenancy 7 - Tavern	837	Non-retail
4	G	Tenancy 8 - Agency	163	Commercial
5	G	Tenancy 9 - Vitamins and Supplements	80	Retail
6	G	Tenancy 10 - Juice Bar	65	Retail
7	G	Tenancy 11 - Chemist	255	Retail
8	G	Tenancy 12 - Optometrist	50	Retail
9	G	Tenancy 13 - Cafe	100	Retail
10	G	Tenancy 14 - Food Specialty	120	Retail
11	G	Tenancy 15 - Yum Cha/ Reception	720	Retail
12	G	Tenancy 16 - Cafe	75	Retail
13	G	Tenancy 17 - Bank	80	Retail
14	G	Tenancy 18 - Food Specialty	95	Retail
15	G	Tenancy 19 - Convenience Store	450	Retail
16	G	Tenancy 20 - Deli	105	Retail
17	G	Tenancy 21 - Seafood	90	Retail
18	G	Tenancy 22 - Bakery	55	Retail
19	G	Tenancy 23 - Nails	50	Retail
20	G	Tenancy 24 - Hair Dresser	75	Retail
21	G	Tenancy 25 - Barber	50	Retail
22, 25-27	G	Tenancy 26 - Metro Supermarket	800	Retail
23	G	Tenancy 27 - Fitness Centre	680	Non-retail
24	G	Tenancy 28 - retailer	840	Retail
1	1	Tenancy 29 - Fitness Centre	600	Commercial
2	1	Tenancy 30 - Fitness Centre(Possible Yoga)	120	Non-retail
3	1	Tenancy 31 - Education/Tutorial	190	Commercial
4	1	Tenancy 32 - Childcare	525	Non-retail
<b>Total</b>	<b>37</b>		<b>8,360</b>	

\*Tenancy yet to be confirmed – likely to be divided into smaller tenancies  
Source: Deicorp



## Economic Impact Modelling Assumptions

Input-Output models are a method to describe and analyse forward and backward economic linkages between industries based on a matrix of monetary transactions. The model estimates how products sold (outputs) from one industry are purchased (inputs) in the production process by other industries.

The analysis of these industry linkages enables estimation of the overall economic impact within a catchment area due to a change in demand levels within a specific sector or sectors.

Impacts are traced through the economy via:

- Direct impacts, which are the first round of effects from direct operational expenditure on goods and services.
- Flow-on impacts, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
  - Industry Support Effects (Type I) derived from open Input-Output models. Type I impacts represent the production induced support activity as a result of additional expenditure by the industry experiencing the stimulus on goods and services, and subsequent round effects of increased purchases by suppliers in response to increased sales.
  - Household Consumption Effects (Type II) derived from closed Input-Output Models. Type II impacts represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the catchment economy.

Economic analysis considers the following four types of impacts.

**Table S2.1: Economic Activity Indicators**

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Product	The value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g. Gross Regional Product, GRP) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment positions generated by the Project (either full time or part time, directly or indirectly). Employment is reported in terms of Full-Time Equivalent (FTE) positions or person-years.

Source: Atlas

## REGIONAL MODEL DEVELOPMENT

Multipliers used in this assessment have been created using a regionalised Input-Output model derived from the 2017-18 Australian transaction table (ABS, 2020).

Estimates of gross industry production in the catchment area (i.e. Blacktown LGA) were developed based on the share of employment (by place of work) within the Australian economy (ABS, 2017) using the Flegg Location Quotient and Cross Hauling Adjusted Regionalisation Method (CHARM). See Norbert (2015) and Kronenberg (2009) for further details.

## MODELLING LIMITATIONS AND ASSUMPTIONS

Input-Output modelling is subject to a number of key assumptions and limitations (ABS, 2020):

- **Lack of supply-side constraints:** The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.
- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production:** Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount;
- **No allowance for purchasers' marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.

Despite these notable limitations, Input-Output techniques provide a solid approach for assessing the direct and flow on economic impacts of a project or policy that does not result in a significant change in the overall economic structure.

## DRIVERS OF ECONOMIC IMPACT

In order to understand the economic impacts likely to result from the Proposal Case, it is necessary to identify the ongoing operational impacts which could be expected. These would include:

- Direct turnover generated by the various retail and non-retail (i.e. fitness, medical/education, childcare) operational activities on-site.
- Economic activity as a result of employment activity from 'dispersed jobs', i.e. residents who work from home.
- Economic activity as a result of direct expenditure of new households, i.e. additional households in new dwellings.

### Operational Impacts

In order to model the economic impacts, operational employment levels for the economic activity occurring in Proposal were categorised into the ANZSIC industries which Atlas considered most appropriate.

Employment by industry estimates were converted to a direct output value using a multiplier based on the national transaction table (ABS, 2020). The resultant estimates of output were modelled as the direct activity associated with the Proposal.

Dispersed jobs (i.e. number of residents working from home) were based on the historic number of residents in the Blacktown LGA who work from home (2.5% as at the 2016 Census). These estimated jobs were then split based on the historic employment profile of Blacktown LGA residents.

**Table S2. 2: Operational FTE Allocation of Floorspace**

Work Type	NLA (sqm)	NLA/ FTE	Estimated Jobs (FTE)	ANZSIC
Australia Post	165	30	6	Postal and Courier
Wine bar	175	25	7	Food and Beverage Services
Poke bowl	165	25	7	Food and Beverage Services
Bike shop/ vespa sales/ café	375	25	15	Retail Trade
Dry cleaners	90	25	4	Personal Services
Anytime Fitness	120	50	2	Sports and Recreation
Tavern	837	50	17	Food and Beverage Services
Services NSW	163	20	8	Public Administration
Vitamins and Supplements	80	25	3	Retail Trade
Juice	65	25	3	Food and Beverage Services
Chemist	255	25	10	Healthcare Services
Optometrist	50	25	2	Healthcare Services
Café	100	25	4	Food and Beverage Services
Dumpling Bar	120	25	5	Food and Beverage Services
Yum Cha/ Reception	720	25	29	Food and Beverage Services
Café	75	25	3	Food and Beverage Services
Bank	80	25	3	Retail Trade
Pizza	95	25	4	Food and Beverage Services
Indian Grocer	450	25	18	Retail Trade
Deli	105	25	4	Retail Trade
Seafood	90	25	4	Retail Trade
Bakery	55	25	2	Retail Trade
Nails	50	25	2	Personal Services
Hairdresser	75	25	3	Personal Services
Barber	50	25	2	Personal Services
Mint Fresh IGA	800	25	32	Retail Trade
Anytime Fitness	680	50	14	Sports and Recreation
Retailer	840	25	34	Retail Trade
We Work	600	15	40	Professional, Scientific and Technical Services
Yoga	120	50	2	Sports and Recreation
Education/ Tutoring/ Kumon	190	50	4	Primary and Secondary Education Services
Childcare	525	50	11	Residential Care and Social Assistance Services
<b>Total</b>	<b>8,360</b>		<b>304</b>	

Source: Atlas

### Household Expenditure Supported

The ABS Household Expenditure Survey (ABS, 2017) was used to identify the proportion of weekly household incomes that is spent across expenditure items in the Blacktown LGA. The fourth quintile of NSW residents was used to best represent the expenditure patterns of residents in the Blacktown LGA.

The household survey only contains household expenditure data, and individual residents must be converted to an equivalent number of households. This was achieved by applying the estimated number of net new dwellings (967), a vacancy rate of 2% resulting in 948 equivalent households residing within the development under the Proposal.

This data was converted to 2020 values, annualised and allocated into their respective ANZSIC industries. The breakdown to ANZSIC industries was developed based on assumptions by Atlas on the most appropriate ANZSIC industries applicable.

**Table S2. 3** shows the household expenditure estimates for the Blacktown LGA should the Site be redeveloped to accommodate 948 households.

**Table S2. 3: Estimated Household Expenditure Supported, Proposal**

ANZSIC	Total Annual Spend (\$M)	% Spent in Blacktown LGA	Local Spend (\$M)
Ownership of Dwellings	\$15.1	50%	\$7.6
Retail Trade	\$14.2	75%	\$10.6
Food and Beverage Services	\$7.6	75%	\$5.7
Personal Services	\$4.1	75%	\$3.1
Other Services	\$4.1	75%	\$3.1
Telecommunication Services	\$2.6	25%	\$0.6
Road Transport	\$5.3	50%	\$2.7
Rail Transport	\$3.2	50%	\$1.6
Air and Space Transport	\$2.1	0%	\$0.0
Sports and Recreation	\$6.7	75%	\$5.0
Primary and Secondary Education Services	\$0.9	75%	\$0.7
Technical, Vocational and Tertiary Education Services	\$0.7	60%	\$0.4
Arts, Sports, Adult and Other Education Services	\$0.2	60%	\$0.1
Health Care Services	\$4.6	75%	\$3.5
Heritage Creative and Performing Arts	\$2.9	75%	\$2.1
Electricity Transmission, Distribution, On Selling and Electricity Market Operation	\$1.0	25%	\$0.3
<b>Total</b>	<b>\$75.4</b>	<b>62%</b>	<b>\$47.1</b>

Note: Totals may not sum due to rounding.

Source: ABS (2017b), Atlas

## **SYDNEY**

Level 17, 135 King Street  
Sydney, NSW 2000  
+612 8016 3864

## **MELBOURNE**

Level 17, 40 City Road  
Southbank, VIC 3006  
+613 8554 4604

