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6 October 2021

Mr Anthony Witherdin
Director
Key Sites Assessments
4 Parramatta Square
12 Darcy Street, Parramatta NSW

Dear Anthony,

RE: Eastern Creek Retail Outlet Centre (SSD-10457)

1. The letter provides a response to Request for Additional Information (RFI) addressed to Mr Raj Sharma (Development Manager - Frasers Property), dated 23 September 2021. It responses to the component of the RFI under the heading Economic Assessment, namely:

   'Quantify the potential cumulative economic impact of the overall Eastern Creek Quarter development, including the Lot 3 retail outlet centre, to demonstrate that the overall impact on the local centres that were assessed in the original concept proposal, as modified (SSD-5175) would remain consistent with the approved impacts.'

2. Macroplan prepared an Economic Impact Assessment (EIA) in December 2020 for the Stage 3 development of Eastern Creek Quarter, which was prepared for Frasers Property to support a State Significant Development Application (SSDA) which seeks Concept Plan approval for the staged construction of a factory outlet centre. I was lead author of the report, though I now work at Ethos Urban.

3. The Macroplan EIA assessed the potential impacts that could occur on surrounding shopping centres and precincts following the development of Eastern Creek Quarter Stage 3, refer Appendix 1. The analysis shows that some retail facilities located within the surrounding region are likely to experience minor impacts following the development of a factory outlet centre at Eastern Creek Quarter. The EIA concluded that the estimated impacts were well within the reasonable bounds of normal competition. The EIA also examined the potential impacts likely to have resulted from the previously approved Stage 3 development (i.e. large format retail/bulky goods) and found that the trading impacts would have been higher on some centres compared with the currently proposed factory outlet centre.

4. The potential impacts on Local Centres from the Stage 3 factory outlet centre of Eastern Creek Quarter were also assessed in Macroplan EIA. The report concluded that a factory outlet centre would have a negligible and immaterial impact on convenience oriented local centres in the region.

5. HillPDA Consulting prepared an updated assessment of the potential impacts from Stages 1 and 2 of the Eastern Creek Quarter development, in a letter prepared by Adrian Hack (Principal, Urban and Retail Economics) dated 20 December 2019 (SSD 5175 MOD 5). The assessment

detailed the estimated impacts from Stages 1 & 2 on surrounding shopping centres, refer Appendix 2.

6. In my capacity as Associate Director Economics at Ethos Urban, together with my experience in preparing the EIA for Stage 3 when I worked at Macroplan, I have assessed the potential cumulative economic impacts of the overall Eastern Creek Quarter development (Stages 1,2 and 3) on the key retail precincts within Blacktown City Council, as detailed in Table 1. The estimated impacts on smaller local centres would be no greater than as previously assessed by HillPDA, as a factory outlet centre would have no noticeable impacts on convenience-oriented local centres in the area.

7. Therefore, based on a review of all relevant analysis, the impacts from the overall development at Eastern Creek Quarter on local centres would remain consistent with assessed impacts in the original concept proposal SSD-5175.

Table 1: Eastern Creek Quarter Stages 1-3, Estimated Cumulative Impacts on Key Centres

Key Centres within Blacktown LGA	Macroplan assessed Stage 3 potential impacts (as at 2024)	Hill PDA assessed Stage 1+2 potential impact (as at 2021)	Accumulated estimated impacts upon completion of all Stages
Strategic Centres			
• Westpoint Blacktown	2.1%	2.6%	4.7%
• Balance of centre	Less than 0.5%	N/A	Less than 0.5%
Mount Druitt			
• Westfield Mt Druitt	2.3%	4.1%	6.4%
• Balance of centre	Less than 0.5%	N/A	Less than 0.5%
Marsden Park	Less than 0.5%	N/A	Less than 0.5%
Urban Renewal Precincts			
Rooty Hill	Less than 0.5%	8.8%	Less than 9.3%
Doonside	Less than 0.5%	5.1%	Less than 5.6%
Seven Hills	Less than 0.5%	2.7%	Less than 3.2%
Toongabbie	Less than 0.5%	N/A	Less than 0.5%
Key Centres			
Emerton	Less than 0.5%	N/A	Less than 0.5%
Plumpton			
• Plumpton Marketplace	1.9%	3.7%	5.6%
• Balance of centre	Less than 0.5%	N/A	Less than 0.5%
Stanhope Village	1.9%	N/A	1.9%

Yours sincerely,

Ellis Davies
Associate Director – Economics
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Appendix 1: Macroplan EIA ECQ Stage 3 Estimated Impacts

The following is a replication of estimated impacts as detailed in the Eastern Creek Quarter Stage 3 EIA, completed by Macroplan in December 2020.

Table 5.3
Eastern Creek Quarter Factory Outlet Centre - estimated impact on specific centres ($M)*

Centre	GLA (sq.m)	Est. sales 2019/20	Est. 2023/24 sales No dev't	Est. 2023/24 sales With dev't	Impact 2024 $M	Impact 2024 %	Change 2020-24 (%) No dev't	Change 2020-24 (%) With dev't
Within trade area (Blacktown LGA)								
Westpoint Blacktown	82,500	537	567	555	-12.0	-2.1%	5.7%	3.5%
Westfield Mt. Druitt	60,000	412	435	425	-10.1	-2.3%	5.7%	3.2%
Plumpton Marketplace	16,000	173	182	179	-3.4	-1.9%	5.7%	3.7%
Stanhope Village	18,000	181	205	201	-3.9	-1.9%	13.3%	11.2%
Total Blacktown LGA	**176,500**	**1,302**	**1,390**	**1,361**	**-29.4**	**-2.1%**	**6.8%**	**4.5%**
Westfield Parramatta	137,700	853	926	912	-13.6	-1.5%	8.6%	7.0%
Westfield Penrith	76,000	680	730	722	-7.8	-1.1%	7.2%	6.1%
St. Mary's Village	15,700	94	99	97	-1.9	-1.9%	5.7%	3.7%
Stockland Wetherill Park	71,500	387	411	408	-2.9	-0.7%	6.3%	5.6%
Nepean Village	23,000	251	269	266	-2.2	-0.8%	7.2%	6.3%
Rouse Hill TC	56,600	456	529	524	-4.9	-0.9%	15.9%	14.9%
Stockland Merrylands	59,600	387	429	428	-0.9	-0.2%	10.7%	10.5%
Bonnyrigg Plaza	21,000	122	129	129	-0.7	-0.6%	6.3%	5.7%
Winston Hills SC	24,500	252	279	278	-0.9	-0.3%	10.7%	10.3%
Fairfield Forum	18,000	90	96	96	-0.6	-0.6%	6.3%	5.7%
Neeta City	20,000	80	86	86	-0.6	-0.7%	7.3%	6.6%
Total within trade area	**700,100**	**4,953**	**5,372**	**5,305**	**-66**	**-1.2%**	**8.4%**	**7.1%**
Beyond trade area								
DFO Homebush	29,880	322	380	366	-13.9	-3.7%	18.0%	13.7%
Fashion Spree - Liverpool	15,000	90	106	102	-3.9	-3.7%	17.0%	12.7%
Birkenhead Point	35,000	301	354	351	-2.6	-0.7%	17.5%	16.6%
Other beyond					-13.6			
Total beyond trade area					**-34**			
Total					**-100**			

**Constant 2018/19 dollars & including GST*
*** Due to the uncertain development timing of Plumpton SC, the impact on this development has no been assessed*
Source: Shopping Centre News; PCA; Company annual reports; MacroPlan

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Appendix 2: Hill PDA Consulting ECQ Stages 1 & 2 Estimated Impacts

The following is a replication of estimated impacts as detailed in the Eastern Creek Business Hub - Variation to Stage 2 assessment completed by Hill PDA Consulting in December 2019.

Table 1: Stages 1 and 2 - Redirection of Expenditure from Existing Centres in 2021

1	2	3	4	5	6	7	8	9	10
Retail Centre	Distance from Subject Site (km)	Approx. Retail Floor Space	Turnover in 2018	Turnover in 2021 without Proposal	Turnover in 2021 with Proposal	Immediate Shift in Turnover	% Shift in Turnover in 2021	Shift in turnover from 2018 to 2021	% Shift in turnover from 2018 to 2021
Proposed Centre					111.7	111.7			
Blacktown	7.2	141,500	752.1	814.7	793.3	-21.4	-2.6%	41.2	5.5%
Mount Druitt	4.4	70,300	513.5	556.2	533.2	-23.0	-4.1%	19.7	3.8%
St Marys	8.2	42,500	258.2	276.4	269.3	-7.1	-2.6%	11.1	4.3%
Plumpton Mrktplace	5.8	15,600	160.0	171.8	165.5	-6.3	-3.7%	5.5	3.4%
Rooty Hill	1.5	7,700	57.0	61.8	56.3	-5.5	-8.8%	-0.7	-1.3%
Doonside Station	3.9	1,950	14.7	15.5	14.7	-0.8	-5.1%	0.1	0.4%
Rainbow S.C.	4.1	4,500	42.0	44.4	41.3	-3.2	-7.2%	-0.7	-1.8%
Mytle St	5.6	4,000	35.4	37.5	35.3	-2.1	-5.7%	-0.1	-0.2%
Evans Road	0.6	1,500	9.4	10.1	9.0	-1.0	-10.2%	-0.4	-4.1%
Minchin Drive	2.6	1,900	15.2	16.1	15.0	-1.1	-7.1%	-0.2	-1.4%
Holbeche Rd	4.3	3,000	24.8	26.3	24.8	-1.5	-5.6%	0.0	0.2%
Homemaker Prospect	6.0	25,000	97.0	102.9	98.4	-4.5	-4.4%	1.4	1.5%
Minchinbury BG Precinct	5.0	46,000	144.0	152.8	144.9	-8.0	-5.2%	0.9	0.6%
Seven Hills (Bulky Goods)	11.0	15,000	58.2	61.8	60.1	-1.7	-2.7%	1.9	3.2%
Wetherill Park	10.0	20,000	74.0	78.3	76.1	-2.2	-2.8%	2.1	2.9%
Other Localities						-22.3			
TOTAL		400,450	2255.5	2426.6	2448.9	0.0	0.9%	187.2	8.6%

Columns:

1. Retail Centre Name (includes strip shops)
2. Distance in kilometres from subject site (source: Googlemaps).
3. Various including Shopping Centre News, PCA Shopping Centres Directory, Hill PDA Floorspace Surveys.
4. Various including Shopping Centre News, PCA Shopping Centres Directory, Shopping Centre Annual Reports, Urbis Retail Averages, Other Consultancy Reports and Hill PDA Estimate. Includes in-centre tyre retailing and servicing.
5. Allows for population growth (variable for each centre) and real growth in retail spend per capita of 0.9% per annum in line with the historic trend since 1986 (Hill PDA Calculation from ABS Retail Sales, population estimates and CPI indexes).
6. The turnover of centres following the proposed development. The forecast turnover of the proposed development is redirected from the existing centres based on distance and size.
7. Immediate shift in turnover. This is difference between the development and the do nothing options (i.e. Column 4 minus Column 5).
8. Immediate percentage shift in turnover divided by the turnover in 2021 without the development (ie Column 6 - Column 5)
9. This is the shift in turnover from 2018 to 2021 after the opening of the new development (Column 6 minus Column 4)
10. This is shift in turnover from 2018 to 2021 divided by the base turnover in 2018