

Horsley Drive Business Park Customer Fulfillment Centre

Economic and Social Assessment

PREPARED FOR Charter Hall

January 2020



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Executive Summary

Macroplan has been commissioned by Charter Hall (i.e. applicant) to assess the social and economic impacts of the proposed customer fulfilment centre development for stage two of the Horsley Drive Business Park, Wetherill Park.

The subject site is 8.792 ha in area and located on the eastern side of Cowpasture Road, approximately 160 metres north along Cowpasture Road from the Cowpasture Road & Victoria Street roundabout. Presently, the site is effectively undeveloped and vacant.

Overall, the application seeks to develop the subject site for a 24-hour warehouse and distribution centre (i.e. customer fulfilment centre), encompassing offices, car parking, delivery vehicle unloading and loading areas, landscaping and supporting infrastructure within the business park. The proposed development would assist in providing new employment opportunities and promoting industry diversification. As demand for online grocery retailing continues to expand strongly in immediate future, centralised fulfilment centres are considered to be critical infrastructure that not only provide jobs directly to the 'Transport, Postal and Warehousing' sector, but also enable sustainable, operationally efficient fulfilment to maximise customer satisfaction.

The proposed development can support the existing Horsley Drive Business Park and the Smithfield-Wetherill Park Industrial Estate by maintaining employment land stocks and employment objectives, while promoting industry diversification (and generate new employment sources) and can generate more employment during the planning, construction and maintenance stages. It is our opinion that the development will generate 70 to 80 full-time equivalent jobs per annum directly in the construction industry and a further 125 to 135 full-time equivalent jobs per annum indirectly (for example, jobs in transport, manufacturing, fabrication, design etc).

Further to this, the employment outcome from the proposed configuration could surpass the traditional light industrial uses. According to the applicant, it is estimated that an additional 612 direct jobs per annum could be generated on site once the development is fully completed and operational. It is our opinion that the operational job estimate seems reasonable and achievable.

The project approval will allow for expanded employment outcome in terms of direct jobs which means it can generate additional indirect jobs. Based on our multiplier assessment, with approval, 612 additional direct jobs will generate additional 659 indirect and induced jobs outside the customer fulfilment centre, equating to about 46% increase in the current indirect and induced employment in the Fairfield Local Government Area (LGA).

In addition to the economic benefits, our social infrastructure needs assessment found that, given the scale and nature of the proposal, it will have a minimal impact on existing community and social facilities and that there is no requirement to provide for or contribute to new infrastructure in the local area.

Section 1: Introduction

Macroplan has been commissioned by Charter Hall (i.e. the applicant) to assess the potential economic and social impacts of a proposed State Significant Development application (SSD) of the new customer fulfilment centre for stage two of the Horsley Drive Business Park, Wetherill Park.

The application seeks to develop the subject site for a 24-hour warehouse and distribution centre (i.e. customer fulfilment centre), encompassing offices, car parking, delivery vehicle unloading and loading areas, landscaping and supporting infrastructure within the business park. The customer fulfilment centre comprises:

- Warehouse - around 23,830 m² of Gross Lettable Area (GLA) with associated plant and equipment
- Warehouse amenities (within Warehouse building) including, bakery, freezer and wash
- Plant & energy rooms
- Data centre
- An ancillary office area
- Van/trailer/prime mover parking
- Truck waiting bays
- Staff carpark for 527 cars (including 10 accessible parking) and 32 Bicycle/Motorcycle spaces
- 24/7 Operation

The capital investment value of the proposed development is estimated to be \$100 million¹. The development will employ 70 to 80 FTE direct jobs during construction and installing equipment. The new customer fulfilment centre could employ 612 FTE direct jobs once operational.

The report is structured as follows:

- **Section 2** Identifies key business/industry trends which are expected to influence employment generation in Fairfield.
- **Section 3** examines the benefits of introducing new warehouse/distribution centre on the subject site including direct and indirect jobs created.
- **Section 4** considers any other economic and community impacts that are achievable as a result of development.
- **Section 5** provides an inventory of existing, socially oriented infrastructure, and assess the demand for community infrastructure in the area in the subject locality.
- **Section 6** concludes the assessment.
- **Section 7** comprises of appendices & references.

¹ Source: Charter Hall & FDC

1.1 Regional and Locational Context

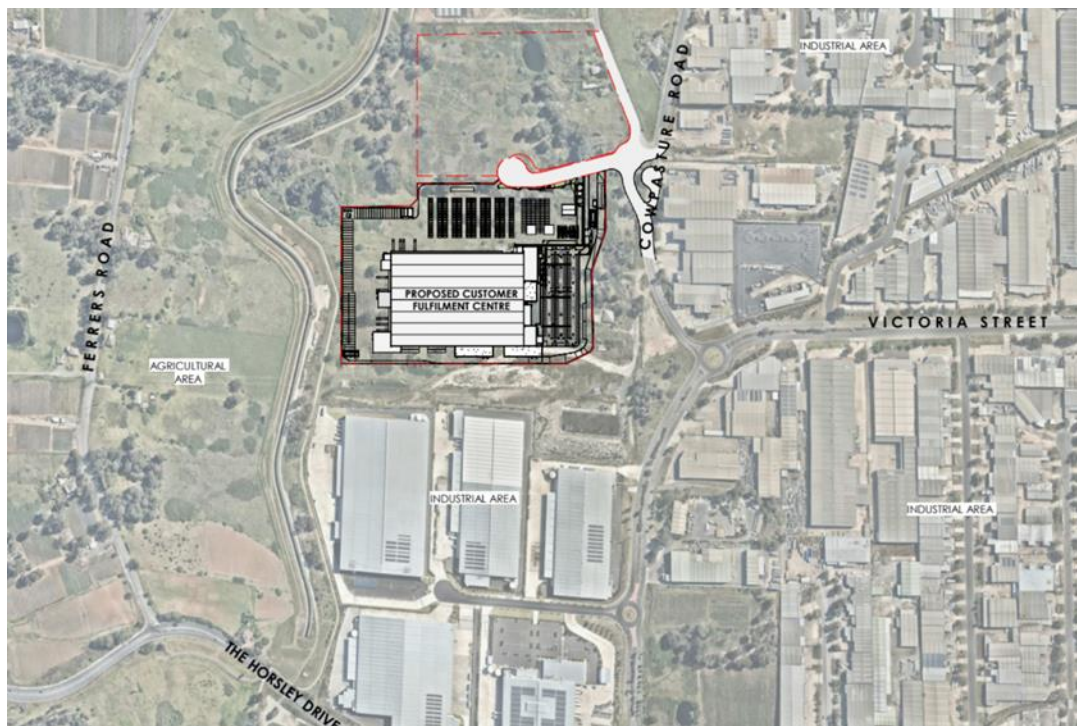
The proposal is for the development of a vacant site within stage 2 of the Horsley Drive Business Park. Figures 1 to 3 illustrate the land's location and general layout (see location below).

Figure 1 Locality



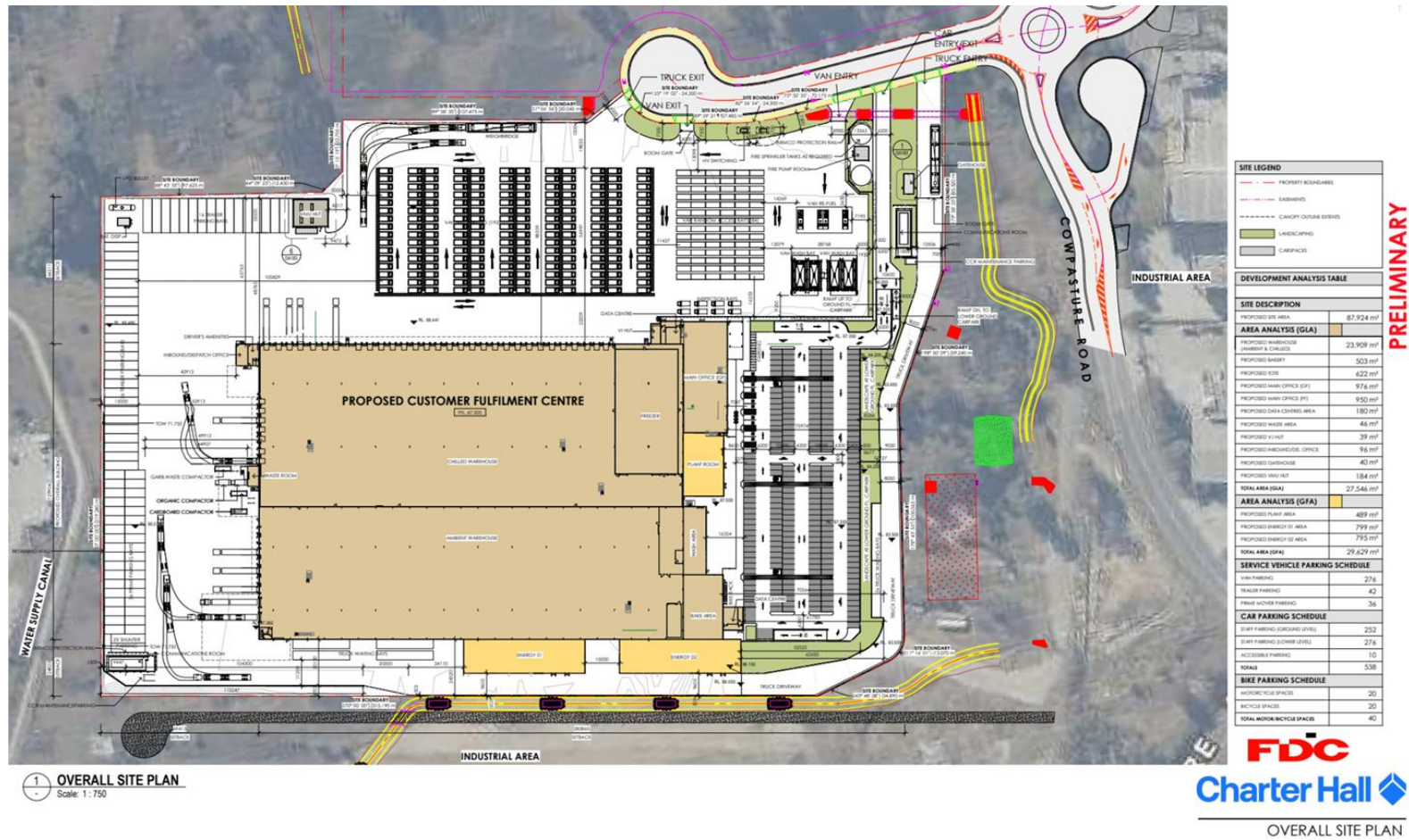
Source: Nearmap

Figure 2 Site Context Plan



Source: Charter Hall, FDC

Figure 3 Overall Site Plan



Source: Charter Hall, FDC

Stage 2 of the Horsley Drive Business Park² is 17.6 ha in area and located on the eastern side of Cowpasture Road, approximately 160 metres north along Cowpasture Road from the Cowpasture Road & Victoria Street roundabout. It appears mainly used for extensive agriculture (i.e. grazing) and is also occupied by a few dwelling houses along with various outbuildings.

To the immediate east, the site is bounded by the Wetherill Park Industrial Precinct and to the south the Horsley Drive Business Park Stage 1 which was completed in late 2017. North of the site is part of Western Sydney Parklands Trust (WSPT)'s Urban Farming Precinct which was currently utilised for agricultural farming purposes. To the immediate west is the Sydney Water Canal which is a significant heritage item which will be considered in the site design. The site's western boundary adjoins Cowpasture Road, but vehicular access will be obtained from Cowpasture Road/Trivet Street intersection to the north and south of the subject site.

The large lot size, visual exposure and excellent position on the regional road network provide an excellent location for general industrial, light industrial and warehouse and distribution centre land uses. The proposed land uses will complement the existing industrial uses contained in the adjacent Smithfield-Wetherill Park Industrial Area.

1.2 Background

WSPT has developed a long-term strategy for development of the Parklands which includes the establishment of business hubs. The business hubs are detailed in the Western Sydney Parklands Plan of Management 2020 which was adopted by the Minister for Western Sydney in 2011.

Collectively, the business hubs will comprise a maximum of 2% of the total Parklands area with the aim of generating income to help fund the management and future development of the other 98% of the Parklands, including improvements to picnic areas and playgrounds, cycling and walking track networks and sporting facilities, and restoration and expansion of the bushland corridor.

The Supplement (2014) to the Plan of Management was developed to outline WSPT achievements to date and further detail the key strategic directions that guide the future of the Parklands, including the business hubs. The sites identified for business hubs have the least ecological value, are located adjacent to motorways and major arterial roads and are on the periphery of the Parklands.

Accordingly, Horsley Drive Business Park Stage 2 is proposed to be developed into an industrial estate as an extension of the Wetherill Park industrial precinct and the Stage 1 of Horsley Drive Business Park.

Now, the applicant seeks development consent to erect buildings and carry out works for the purpose of warehouse/distribution centre, more specifically a new customer fulfilment centre for stage two of the Horsley Drive Business Park. For this assessment, we focus on the subject site (refer to the Figures 1-3), which forms part of the business park (i.e. 8.792 ha in area).

² Lots 17-22 DP 13961 and Lot 2 DP 1212087 within the Horsley Drive Business Park, Cowpasture Road, Wetherill Park

1.3 Scope of Work

Macroplan has assessed the value of construction and infrastructure associated with the potential development of the proposed customer fulfilment centre on the subject site, which will include:

- Assessing the potential economic benefit during development phase (i.e. direct, indirect and induced employment generation and value-added estimation)
- Assessing the projected benefit of the development following completion of construction
 - Projections of total ongoing jobs created as a direct result of the development
 - Projections of total full-time equivalents generated as an indirect and an induced result of the development
- Considering any other economic/community benefits (e.g. more local spending from residents and workers, employment self-containment etc.)
- Providing an inventory of existing, socially oriented infrastructure, and assessing the demand for community infrastructure in the area in the subject locality.

1.4 Data and Information Sources

Our research draws on a wide range of information sources including: various planning and strategic documents (Local, State and Federal), NSW Department of Planning, Industry and Environment Projections, Department of Jobs and Small Business data, TPA Population & Employment Projections; Australian Bureau of Statistics – Census data (2011 & 2016) and various latest statistics; and relevant experience throughout NSW and Australia, with particular reference to socio-economic profiles, industry trends, and recent property market trends in Wetherill Park and Greater Western Sydney.

1.5 Limitations

The information in this report have been obtained from, and opinions herein are based on, sources believed to be reliable. Although great care has been taken to ensure accuracy and completeness in this report, macroplan has not independently verified and does not accept responsibility for its completeness and accuracy of the factual information on which its opinions and assumptions are based. Further, as the report involves future forecasts, it can be affected by a number of unforeseen variables. It represents for the party to whom or which it is addressed the best estimates of macroplan, but macroplan can give no assurance that any forecasts will be achieved.

Section 2: Employment Profile

In this section of the report, we review employment trends that have been observed in the Fairfield LGA.

2.1 Overview

According to the latest Census data, the Fairfield LGA accommodated 57,093 jobs as at 2016. At the time, the largest employing industry, 'Manufacturing', supported 7,761 of these jobs, equivalent to 13.6% of total jobs in the LGA. Of the remaining industries³, the next five largest employing industries were 'Retail Trade' (10.8%), 'Health Care and Social Assistance' (10.0%), 'Education and Training' (9.0%), 'Construction' (8.5%), 'Accommodation and Food Services' (7.6%) and 'Transport, Postal and Warehousing' (6.9%).

Table 1 Number of Jobs by Industry, Fairfield LGA (ANZSIC Digit 1, Place of Work), 2016

Industry	Fairfield LGA
Agriculture, Forestry and Fishing	292
Mining	69
Manufacturing	7,761
Electricity, Gas, Water and Waste Services	365
Construction	4,881
Wholesale Trade	3,354
Retail Trade	6,144
Accommodation and Food Services	4,331
Transport, Postal and Warehousing	3,926
Information Media and Telecommunications	351
Financial and Insurance Services	760
Rental, Hiring and Real Estate Services	830
Professional, Scientific and Technical Services	1,645
Administrative and Support Services	1,827
Public Administration and Safety	2,149
Education and Training	5,131
Health Care and Social Assistance	5,731
Arts and Recreation Services	494
Other Services	2,538
Unclassified	4,512
Total	57,093

Source: ABS, macroplan

³ Excluding 'unclassified'

Table 2 Jobs Composition (%), Fairfield LGA & Greater Sydney (ANZSIC Digit 1, Place of Work), 2016

Industry	Fairfield LGA	Greater Sydney	% difference (compared to GS)
Agriculture, Forestry and Fishing	0.5%	0.4%	0.1%
Mining	0.1%	0.2%	-0.1%
Manufacturing	13.6%	5.9%	7.7%
Electricity, Gas, Water and Waste Services	0.6%	0.8%	-0.2%
Construction	8.5%	6.9%	1.7%
Wholesale Trade	5.9%	3.7%	2.2%
Retail Trade	10.8%	9.5%	1.2%
Accommodation and Food Services	7.6%	6.8%	0.8%
Transport, Postal and Warehousing	6.9%	5.0%	1.9%
Information Media and Telecommunications	0.6%	2.8%	-2.2%
Financial and Insurance Services	1.3%	6.6%	-5.3%
Rental, Hiring and Real Estate Services	1.5%	2.0%	-0.5%
Professional, Scientific and Technical Services	2.9%	10.1%	-7.2%
Administrative and Support Services	3.2%	3.3%	-0.1%
Public Administration and Safety	3.8%	5.7%	-1.9%
Education and Training	9.0%	8.2%	0.8%
Health Care and Social Assistance	10.0%	11.7%	-1.7%
Arts and Recreation Services	0.9%	1.7%	-0.8%
Other Services	4.4%	3.5%	0.9%
Unclassified	7.9%	5.1%	2.8%
Total	100%	100%	

Source: ABS, macroplan

Relative to the Greater Sydney, the industry profile for the Fairfield LGA differs in that it encompassed greater representation amongst 'Manufacturing', 'Wholesale Trade', 'Construction', 'Retail Trade' and 'Transport Postal and Warehousing'; reflecting the increasing significance of the region as one of the major industrial/employment hubs in Greater Sydney⁴.

Furthermore, as shown in the Table 3, jobs growth in the LGA has been predominantly led by 'Construction', 'Health Care and Social Assistance' and 'Transport, Postal and Warehousing'. During the intercensal periods, the LGA incurred a considerable job growth, by 10,266 jobs since 2011. Of remaining industries⁵, the next five largest growth industries were 'Accommodation and Food Services' (+952), 'Education and Training' (+889), 'Retail Trade' (+718), 'Administrative and Support Services' (+609), and 'Other Services' (+485).

⁴ Excluding 'unclassified'

⁵ Excluding 'unclassified'

Table 3 Number of Jobs by Industry, Fairfield LGA (ANZSIC Digit 1, Place of Work), 2011 & 2016

Industry	2016	2011	Changes since 2011
Agriculture, Forestry and Fishing	292	197	95
Mining	69	38	31
Manufacturing	7,761	10,142	-2,381
Electricity, Gas, Water and Waste Services	365	295	70
Construction	4,881	2,701	2,180
Wholesale Trade	3,354	4,118	-764
Retail Trade	6,144	5,426	718
Accommodation and Food Services	4,331	3,379	952
Transport, Postal and Warehousing	3,926	2,684	1,242
Information Media and Telecommunications	351	278	73
Financial and Insurance Services	760	723	37
Rental, Hiring and Real Estate Services	830	633	197
Professional, Scientific and Technical Services	1,645	1,331	314
Administrative and Support Services	1,827	1,218	609
Public Administration and Safety	2,149	1,905	244
Education and Training	5,131	4,242	889
Health Care and Social Assistance	5,731	4,418	1,313
Arts and Recreation Services	494	384	110
Other Services	2,538	2,053	485
Unclassified	4,512	660	3,852
Total	57,093	46,825	10,266

Source: ABS, macroplan

2.1 Employment Projections

In terms of employment projections, the projections have indicated that the Fairfield LGA employment is projected to increase to 72,549 in 2026 and 81,095 in 2036 or by an average 1.8% per annum (2016-2036), higher than the projected growth rates of 1.59% in Greater Sydney.

Aside from the 'Transport, Postal and Warehousing' sector, the Fairfield LGA will have an additional 1,941 workers by 2026 and 3,173 by 2036.

In total, at an average employment density of 6.7 FTE jobs per 1,000 m² GLA (i.e. 150m² per employee), the LGA will need to provide additional 'Transport, Postal and Warehousing' floorspace of 291,000 m² GLA by 2036, and potentially need 475,950 m² GLA by 2036.

The proposal incorporates the provision of around 23,830 m² of gross floor area warehouse floorspace (also include 3,565 m² of other floorspace for warehouse amenities and ancillary office) , and therefore contribute to achieving the anticipated employment growth for the Fairfield LGA, without a discernible impact on overall capacities across the Greater Western Sydney region.

Table 4 Employment Projections by Industry, Fairfield LGA (ANZSIC Digit 1, Place of Work), 2021-2036

Industry	2021	2026	2031	2036
Agriculture, Forestry and Fishing	337	335	332	323
Mining	67	68	69	70
Manufacturing	11,902	11,569	11,645	11,608
Electricity, Gas, Water and Waste Services	495	547	601	639
Construction	6,093	6,623	7,496	7,808
Wholesale Trade	4,829	5,454	6,365	6,406
Retail Trade	7,460	7,517	7,804	7,995
Accommodation and Food Services	5,380	5,539	5,579	5,811
Transport, Postal and Warehousing	5,574	5,867	6,935	7,099
Information Media and Telecommunications	363	347	385	429
Financial and Insurance Services	954	1,003	1,122	1,169
Rental, Hiring and Real Estate Services	966	963	1,045	1,090
Professional, Scientific and Technical Services	2,280	2,782	3,439	3,576
Administrative and Support Services	2,093	2,505	2,907	3,014
Public Administration and Safety	2,994	3,204	3,407	3,490
Education and Training	5,897	6,324	6,676	7,052
Health Care and Social Assistance	6,988	7,560	7,942	8,604
Arts and Recreation Services	757	788	834	849
Other Services	3,420	3,556	3,946	4,061
Total	68,848	72,549	78,528	81,095

Source: ABS, *macroplan*

The Fairfield LGA will continue to grow in both population and employment and deliver new demand for employment space at this 'end of Sydney. Horsley Drive Business Park (and the subject site) is well-placed to respond to emerging trends identified above. The proposed development at the subject site would assist in providing new employment opportunities and promoting industry diversification.

Section 3: Employment Generation

In this section of our report, we examine the spatial context of the subject land, and consider its employment dividend and its potential role in contributing to the employment future of the Fairfield LGA and Western Sydney generally. The assessment considered the employment returns that are achievable as a result of development compared to the current employment dividend potential (i.e. 'Do nothing' vs 'proposed development').

The proposed development can support local employment by maintaining employment/industrial land stocks and local employment objectives, while promoting key local industries and generating more employment during the planning, construction, operation and maintenance stages.

There are three elements to the impact of expansion of a particular industry:

- First, there is the direct employment, value-added (income), and output in that industry.
- Secondly, there is the indirect employment, value-added (income), and output of other industries supplying inputs into the industry.
- The third element is the induced spending impact. This comes from the economic ripples that result from added consumption generated by the added income spent by those employed directly and indirectly. For example, employees spending their incomes at local supermarkets, car dealerships and hotels and these local firms having workers of their own.

3.1 Development Phase

Based upon details provided, the estimated project cost of the proposed customer fulfilment centre is expected to be approximately \$100 million, which comprises site works, construction and equipment installation. This development will generate 70 to 80 full-time equivalent jobs per annum directly in the construction industry and a further 125 to 135 full-time equivalent jobs per annum indirectly (for example, jobs in transport, manufacturing, fabrication, design etc).

3.2 Post-development

3.2.1 Direct Employment

The proposed development can support the existing Horsley Drive Business Park by maintaining employment land stocks and employment objectives, while promoting industry diversification (and generate new employment sources) and can generate more employment during the planning, construction and maintenance stages.

Table 5 (below) illustrates the estimated net increase in direct employment (on-site) that could potentially be created if the proposed development at the subject site were to proceed, provided by the applicant (Charter Hall). As shown, it is estimated that an additional 612 direct jobs per annum could be generated on site once the development is fully completed and operational.

Table 5 Staff Number, Horsley Park Business Park Stage 2 – Building 1

Location	Function	Staff Total	Shift Split
Warehouse	Operations Headcount	277	50% day 50% night
	OSP Engineering	27	50% day 50% night
Office	Main Office (non-shift management)	36	90% day 10% night
	SD Office & Support	12	50% day 50% night
Transport	Office	12	90% day 10% night
	Drivers	248	50% day 50% night

* The shift splits above reflex 2x10 hour shifts with a 4 hour maintenance/re-positioning period each day

Source: Charter Hall & FDC

In our view, the above-mentioned job estimate seems reasonable considering the specific nature of some industries:

- Over a proposed office floorspace of 1,948 m², the proposed development will engage about 60 office workers, equivalent to an average rate of 32.5 m² (GLA) of floorspace per employee. In our view, the employment density assumptions utilised by the applicant are realistic and complies with planning standards.
- In contrast to a commercial/general office setting, uses tend to occupy larger floorplates. For example, the average floor space allocation for a warehouse function is significantly higher, at approximately 140-200 m² per worker, than for a general office worker typically that requires between 20-35 m² per worker.
- In addition to achieving higher employment outcomes, the proposed land uses are consistent with market appetite – business growth in Fairfield and Western Sydney was most pronounced amongst ‘Transport, Postal and Warehousing’, ‘Administrative and Support Services’ and ‘Retail Trade’ sectors.

As previously observed, the subject site is undeveloped and vacant. There is presently no employment generation at the subject site.

If the development does not proceed, the site would not provide employment opportunities for an employment sector which is currently in demand. Further to this, it would not provide local employment opportunities for the people of Fairfield and Western Sydney.

3.2.2 Indirect and Induced Employment

The following analyses of the ‘Transport Support services and storage sector’⁶ indicate the linkages with other sectors within the Fairfield LGA.

Presently, the sector employs 1,317 direct jobs, on this measure total impact is 2,736 jobs, implying a ratio of 2.08

⁶ ABS Input-output tables are published using a different classification to ANZSIC: input-output product categories (IOPC) and input-output product groups (IOPG). These two classification structures do not perfectly align, but the BCAR has attempted to do the best matching possible.

jobs for each direct job. Therefore, the total employment multiplier is 2.08 (i.e. 100 direct jobs at the warehouse/distribution centre will generate about 108 indirect and induced jobs outside the warehouse/distribution centre).

Table 6 Total Impact of Transport Support Services and Storage Sector, Fairfield LGA (without approval)

	Direct	Indirect	Induced	Total Impact	Ratio Total to Direct
Output (\$'m)	722.2	193.7	284.3	1,200.3	1.66
Value Add (\$'m)	370.2	96.9	198.1	665.2	1.80
Employment (jobs)	1,317.0	510.9	907.8	2,735.7	2.08

Source: ABS, macroplan

Looking at the current make-up of total impact on employment, of the 1,418 indirect and induced jobs created from 'Transport Support services and storage sector' operation about 35% are indirect jobs with the remaining 65% are induced jobs.

As discussed before, the project approval will allow for expanded employment outcome in terms of direct jobs which means it can generate additional indirect jobs. Based on our multiplier assessment, with approval, 612 additional direct jobs at the subject site will generate additional 659 indirect and induced jobs outside the customer fulfilment centre, equating to about 46% increase in the current indirect and induced employment.

Table 7 Total Impact of Transport Support Services and Storage Sector, Fairfield LGA (with approval)

	Direct	Indirect	Induced	Total Impact	Ratio Total to Direct
Output (\$'m)	1,057.9	283.8	416.4	1,758.1	1.66
Value Add (\$'m)	542.2	141.9	290.2	974.4	1.80
Employment (jobs)	1,929.0	748.4	1,329.6	4,006.9	2.08

Source: ABS, macroplan

Section 4: Other Economic Impacts

In this section of the report considered other economic and community impacts that are achievable as a result of development.

4.1 Online grocery retail is growing

Online retail is a growth industry. Australian's spent \$27.5 billion buying goods online⁷, equivalent to approximately 10% of total retail spending in Australia. Online retail sales in Australia have been growing rapidly, and saw an increase of 24.4% growth rate year-on-year. In comparison, total retail spending (excluding café, restaurants, and takeaway food services) recorded a modest 3% annual growth.

The online grocery sales industry is yet to achieve the scale of the overall online retail sector, but it has significant potential for growth. The industry is estimated to generate \$3.3 billion in revenue in 2019⁸, and is expected to grow to \$4.2 billion by 2023⁹.

As demand for online grocery retailing continues to expand strongly in immediate future, macroplan anticipates that there will be a surge in the take up of warehouse space (and also spaces required for transport & logistics) over the next 5 years.

4.2 Harnessing automation for Growth

Automation is a key differentiator for success in online grocery retail. With the scale of operations growing at a rapid pace, automation becomes a necessity to keep up with customer demands and to achieve profitability. Increasing pressure on shorter delivery windows drives up last-mile costs that need to be offset at an earlier stage of the order fulfilment process. This has an important implication in that a centralised fulfilment option should be considered rather than a micro fulfilment option.

Presently, there are two models currently being adopted. One is the Centralised Fulfilment Centre (CFC) where the picking and packing of orders is done in a large-scale warehouse. The second is a Micro Fulfillment Centre (MFC) where orders are picked and packed in localised areas such as within an existing supermarket.

If there is a weaker economics at scale (e.g. low sales volume), MFC would be a more preferred option because it is relatively easy to deploy (i.e. low cost & quick to build) and benefits from lower transportation costs by being closer to the customer.

The recent research from Roy Morgan has found that 31% of Australian grocery shoppers are likely to make a purchase online over the next 12-months, up by 800,000 from the previous year. Of those surveyed, Woolworths

⁷ Inside Australian Online Shopping (2019 eCommerce Industry Report)

⁸ IBIS World (2019)

⁹ IGD (2019)

and Coles shoppers are the most likely to move their shopping online, with one-third (34 percent) of consumers from each chain expressing interest in trialling each brands' e-commerce offerings.

Once sales volumes have scaled, order pickers compete with customers creating congestion and leaving 'in-store' items out-of-stock more frequently. Furthermore, most of store lay-outs are traditionally designed for customers, but not for pickers, resulting in lower order picking efficiencies. In our view, a CFC option can enable sustainable, operationally efficient fulfilment on a larger scale.

4.3 Employment Containment

Job containment refers to the proportion of working residents who are employed within their LGA to the total number of working residents. A high self-containment implies there are many jobs in an area which employs local people – evidence of a strong regional employment base. Fairfield LGA currently achieves a self-containment level of 30.4%¹⁰, noting that a high proportion of local workers travel to work outside of Fairfield LGA.

If the development of the proposed customer fulfilment centre is not allowed, there will be no job creation arising from its operation. Without job creation, this means that Fairfield will have a lower self-containment rate and will become less self-contained.

4.4 Industry Value Added

In its developed form, the proposed customer fulfilment centre will employ about 612 FTE direct workers. This could generate an Industry Value Added (IVA) of close to \$75 to \$80 million per annum.

¹⁰ ABS Census 2016

Section 5: Social Assessment

This section provides an inventory of existing, socially oriented infrastructure in the subject locality.

The following facilities have been considered and addressed:

Primary Schools	Secondary Schools	Tertiary: University and TAFE
Community Health Centre	GP medical Centre	Children's Health Services
Hospital	Aged Care	Youth Centres
Childcare facility	After school care facility	Library
Performing Arts / Cultural Centre	Ambulance services	Police services
Local community Centre	Open space and recreation	Swimming pool

The inventory was developed through desktop analysis of the locality. Appendices of this assessment (i.e. Section 7) outlines the inventory in both table and map format.

In preparing the inventory, a 'catchment area' with a radius of 2km from the subject site was used. This was thought to be more appropriate given the characteristics of the area. This has been used to determine the current social infrastructure provision and the potential future needs.

Catchment Characteristics

- 2km radius
- Immediate area is primarily Smithfield-Wetherill Park Industrial Area
- Remainder of catchment area is residential i.e. part of Bossley Park

5.1 Community Infrastructure Approaches

This section provides a theoretical and practical framework to help guide the development of community infrastructure.

In particular, the section discusses:

- Current emerging trends in community infrastructure
- Best-practice examples
- Principles
- Standards of provision

Community infrastructure refers to the civil infrastructure, public domain and physical facilities that support the built environment and benefit the immediate and incoming population as well as the wider population that could be expected to visit an area.

There are various approaches to community infrastructure planning and provision, these include:

- A hierarchical approach (using a regional, local and state framework) – which allow provision to key market/community catchments; and
- An integrated approach which seeks to combine different facilities, leveraging the benefits and synergies of all uses.

The current study adopts a hierarchical approach recognising the benefits of community infrastructure hierarchy.

Community Infrastructure Principles

Our assessment has regard for benchmark provisions across other Sydney-based urban renewal precincts. A set of principles have been developed to help guide the development of community infrastructure.

These include:

- Hierarchy of facilities/settings: Regional, district and local facilities each perform a different role. As such, sizing and features will differ by the population of the community.
- Hubbing/co-location: Combining facilities helps to leverage the benefits of each, improving activation, product offering and financial viability of provision.
- Multi use: These facilities are dynamic, making them more responsive to the needs and aspirations of the community.
- Flexibility (change function over time): Changing community expectations requires facilities to be flexible and adaptable. Facilities that are responsive will be used more intensively over their lifetime.
- Targeted to local needs/demands: Every community is different and changes over time. Understanding and responding to the unique and individual circumstances of the community increases the appeal of community infrastructure.
- Activity generators (day/night)/active programming: Social and community infrastructure are places of action and activity. These include both passive and active forms of recreation and leisure. People are increasingly attracted to places where they can be active and experience new things and infrastructure that meets these needs will be used more intensively.
- Access (disability access and transport): Providing easy access to facilities (through both better disabled access and transport) helps to ensure that a wider range of people are attracted to and able to visit the facilities.
- Visibility (highly visible location): Visible facilities are more likely to be used and are better able to compete with other forms of leisure, recreation and social infrastructure.
- Safety/security (passive surveillance): The community expects that they and their children will be safe in their own facilities. Ensuring that this is the case (and perceived to be) will maximise the possibility that these facilities are used effectively and efficiently.
- Avoid duplication: Minimising duplication will ensure that resources are utilised effectively and that each facility is unique thereby offering a better and attractive product and service to the community.
- Contributions to health, wellbeing and capacity: Social/community infrastructure fulfils a critically important role in serving the needs and aspirations of the community. Health and well-being are two basic needs. Maximising 'capacity' (or the potential of each person and the community as a whole) will ensure that everyone can be the best they can be.
- Promotion of social equity: A rapidly changing economy and society has meant that the gulf between people and communities has widened in recent years. Social/community infrastructure plays an important role in bridging this gap through a variety of means including through the establishment of networks and

collaborative activity, decreasing isolation and promoting skills and education (through for example the use of the Internet and other technologies which helps to reduce the digital divide).

- Seek sustainable approaches to management, funding and maintenance (capital and operating) e.g. whole of life costs: Facilities that are sustainable in the long term are more likely to remain as key community assets and provide a better community service.
- Create local competitive advantage, uniqueness and identity: Reflecting and serving the local community is important in an age where competitive advantage, uniqueness and identity are increasingly found in local things and where regions and areas compete globally for knowledge, resources and workers. Dynamic and responsive community/social infrastructure can help set a local community apart and provide new opportunities at a state, national and international level.

5.2 Social Infrastructure Demand

In order to assess the demand for community infrastructure in the area we have considered a range of community infrastructure standards that take into consideration:

- Community infrastructure standards from a range of inner urban projects and the councils in which they are situated, as well as standards developed by the Growth Centres Council (October 2006). The standards relate a range of community infrastructure facilities
- Estimates of current supply of community/social infrastructure within a 2km catchment area
- Previous lessons and experience in community infrastructure.

It is noted that the demand/supply balance uses different catchments (with the supply catchment covering a larger area). Hence, care must be taken in interpreting the results as the number of facilities provided by the economic model (the balance between supply and demand) must take into account possible usage and travel patterns (which will be determined in part by distance and the nature of the facility). For example, some employees may consider facilities 5km too far. Hence, this may require a smaller facility closer to a local population. This is most evident in the provision of public open space where a small neighbourhood park can meet local needs within a 500m radius, while a regional park will attract users from larger distances.

The table below outlines the specific number of community facilities that would be required to cater to the future employment generated by the proposed customer fulfilment centre. It also highlights the community infrastructure requirements as determined by simple provision ratios.

Our assessment has revealed that there is no need for additional facilities within the catchment to cater for the future employment needs arising from the proposal. Our findings are discussed further in section 7 (Appendices).

Item/Space/Facility	Urban Renewal Benchmarks*	Comments
Local Government – Open Space & Recreation		
Local open space	2ha: 10,000 persons	<ul style="list-style-type: none"> Long-term local open space accepted standard Includes passive & active areas
Local parks	1: 3,000 households (Parks and Leisure Australia & SOPA 2008 Facilities Strategy)	<ul style="list-style-type: none"> For residential areas all households within 400 metres/5-min' walk to open space Varied embellishment – court style, seating, active & passive
Playing fields	1: 4,500 households (City of Sydney urban areas) <u>or</u> 1: 10,000 persons (GCC greenfield standard)	<ul style="list-style-type: none"> Contribution to existing Council facilities if justified District wide provision to be considered
Indoor sports court	1: 20,000 population (City of Sydney urban areas) <u>or</u> 1: 10,000 persons (GCC greenfield local standard)	<ul style="list-style-type: none"> Contribution to existing/proposed Council facilities if justified
Indoor swimming pool	1: 50,000-100,000 population (City of Sydney urban areas) <u>or</u> 1: 100,000 population (GCC district standard)	<ul style="list-style-type: none"> To be considered within a District wide context
Integrated multipurpose facilities	1: 20,000-30,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> 2,000-2,500m² per facility, increasing with catchment's population growth Possible contribution to existing/proposed Council facilities if justified
Local Government – Community Centres and Libraries		
Library (Substantial library) branch	1: 20,000-30,000 population (NSW State Library standards) <u>or</u> , sliding scale m²/population: - 58m ² /1,000 – up to 20,000p - 39m ² /1,000 – 20,000-35,000 - 35m ² /1,000 – 35,000-65,000 - 31m ² /1,000 – 65,000-100,000 - - - 28m ² /1,000 – 100,000+ person	<ul style="list-style-type: none"> To be considered within district wide context.
Local community centre / multi-purpose facility	1: 20,000-50,000 persons (for large centre, GHD benchmark study) <u>or</u> 3-4: 20,000-30,000 persons (for meeting spaces /activity provisions – based on City of Sydney urban areas standard)	<ul style="list-style-type: none"> Possible contribution to existing/proposed Council facilities if justified
Youth facility/centre	1: 20,000 young people	<ul style="list-style-type: none"> Possible contribution to existing/proposed Council facilities if justified
Cultural space / centre	1: 20,000-50,000 persons (district provision)	<ul style="list-style-type: none"> Possible contribution to existing/proposed Council facilities if justified
Local Government – Care		
Childcare	1 place: 2 children aged 0-4 years (City of Sydney & Sydney Olympic park standard)	<ul style="list-style-type: none"> Realistic assumption that service will be required/provided although benchmark standards vary substantially across LGAs 29-44 places (on average) per centre

	1 place: every 75 workers (City of Sydney & Sydney Olympic park standard) OOSH - 1:5 children / 5-11 years	<ul style="list-style-type: none"> Typically provided by market per demand Need to consider current local supply/demand situation
State Government - Education		
Primary schools	1: 500 students (City of Sydney urban areas) 1: 2,000-2,500 dwellings (Sydney Olympic Park standard) 1: 1,500 dwellings (GCC greenfield standard)	<ul style="list-style-type: none"> Provision in accordance with DET's <i>Planning New Schools, School Safety & Urban Planning Advisory Guidelines</i> 3ha minimum requirement (greenfield standard) 2.3ha if joint use Lesser area required in built-up areas – dependent on land availability and density of site development
Secondary schools	1: 1,200 students (City of Sydney urban areas) 1: 6,000-7,500 dwellings (Sydney Olympic Park standard) 1: 4,500 dwellings (GCC greenfield standard)	<ul style="list-style-type: none"> Provision in accordance with DET's <i>Planning New Schools, School Safety & Urban Planning Advisory Guidelines</i> 6-10ha minimum requirement (greenfield standard) Lesser area required in built-up areas Need to consider existing school capacity and/or potential to amalgamate boys/girls or as K-12 provision
TAFE	1: 300,000-500,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> Note existence of current TAFE facilities in Wetherill Park – additional provision not required
University	1: 150,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> Note existence of Western Sydney University & University of Wollongong - additional provision not required
State Government – Health and Care		
Before and after school care	1: 25 children (5-12 years) (City of Sydney urban areas) <u>or</u> 1: 5 children aged 5-11 years (GHD benchmark study)	<ul style="list-style-type: none"> Typically provided by market according to demand
Hospitals	2 beds: 1,000 population (GCC greenfield standard)	<ul style="list-style-type: none"> Note existence of existing public and private facilities within wider catchment area
Community health centre (primary healthcare, including mental health)	1: 50,000 population (City of Sydney urban areas) 1: 60,000 population (GCC greenfield standard)	<ul style="list-style-type: none"> Existing facilities within wider catchment area - additional provision not required
GP medical centres	1 (GP): 4,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> Typically provided by market per demand
Children's health services	1 nurse: 2,000 children (City of Sydney urban areas)	<ul style="list-style-type: none"> No specific provision identified
Aged care	88 places: 1,000 (70+ years) (City of Sydney urban areas) <u>or</u> 40 beds: 1,000 (70+ years) (GCC greenfield standard)	<ul style="list-style-type: none"> Typically provided by market per demand Need to consider existing supply / demand provision
State Government – Emergency Services		
Ambulance services	1 (Station): 105,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> Note existence of existing facilities Cnr Cowpasture Rd & Gloucester Rd.

Fire services	1 (Station): 60,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> ▪ Note existence of existing facilities within the wider catchment area
Police	1 (Station): 108,000 population (City of Sydney urban areas)	<ul style="list-style-type: none"> ▪ Note existence of existing facilities within the wider catchment area
<p><i>* All benchmarks subject to discussion/clarification with relevant responsible authorities/agencies. Benchmarks sourced from current literature/studies, including:</i></p> <ul style="list-style-type: none"> - GHD, Parramatta Road Urban Transformation Strategy Social Infrastructure Analysis Report, Vol 1, November, 2016 - Growth Centres Commission, North West & South West Growth Centres Development Control Plans - Various Studies and Section 94 Plans for City of Sydney (Green Square); Sydney Olympic Park; Rhodes Precinct: Wolli Creek; Ashmore Precinct and Parramatta CBD 		

Section 6: Conclusion

This report provides a social and economic assessment of a proposed customer fulfilment centre development within Horsley Drive Business Park (Stage 2).

The proposed development can support the Horsley Drive Business Park and the existing Smithfield-Wetherill Park Industrial Estate by developing existing industrial land stocks and promoting industry diversification. It will also generate more employment during the planning, construction and maintenance stages.

In addition, it is our opinion that the proposed development format can deliver 612 FTE direct jobs (operational). However, the operational employment outcome is subject to several variables including online sales growth trajectory or systematic risk (e.g. recession, policy changes, international conditions). Therefore, the potential FTE direct jobs could be higher or lower than our estimate. The employment outcome from the proposed customer fulfilment centre configuration could also surpass the traditional light industrial uses.

Further to this, the additional direct job creation will generate additional 659 indirect and induced jobs outside the customer fulfilment centre (i.e. indirect and induced jobs).

We also understand that, the capital investment value of this project is expected to be approximately \$100m. Based on this investment value, 70 to 80 full-time equivalent jobs per annum directly in the construction industry and a further 125 to 135 full-time equivalent jobs per annum indirectly (for example, jobs in transport, manufacturing, fabrication, design etc).

Moreover, our social infrastructure need assessment found that, given the scale and nature of the proposal, it will have a minimal impact on existing community and social facilities and that there is no requirement to provide for or contribute to new community or social infrastructure in the local area.

Section 7: Appendices

This section discusses the required social infrastructure in the precinct.

7.1 Current Supply and Opportunity Assessment

Methodology

The requirement for additional social infrastructure has been based on an economic model which seeks to understand the balance between:

- Demand/population projections (using specific groups where required, for example 70+ or children aged 0-4) in the catchment area and;
- Audits of current supply of community /social infrastructure within a 2km catchment.

In addition, a range of other qualitative and quantitative factors are utilised to understand the nature, type and product requirement for social/community infrastructure.

Our assessment has revealed that there is no need for additional facilities within the catchment to cater for the future employment needs arising from the proposal:

Scope of Community/Supply Facility

The following facilities (consistent with the Urban Renewal Benchmarks¹¹) have been considered and assessed:

- | | |
|---------------------------------|-----------------------------------|
| • Primary Schools | • Childcare facility |
| • Secondary Schools | • After school care facility |
| • Tertiary: University and TAFE | • Performing Arts/Cultural Centre |
| • Community Health Centre | • Ambulance services |
| • GP medical centre | • Fire services |
| • Children's Health Services | • Police services |
| • Hospital | • Local Community Centre |
| • Aged Care | • Open Space and Recreation |
| • Youth Centres | • Swimming Pool |

¹¹ All benchmarks subject to discussion/clarification with relevant responsible authorities/agencies. Benchmarks sourced from current literature/studies, including:

- GHD, Parramatta Road Urban Transformation Strategy Social Infrastructure Analysis Report, Vol 1, November, 2016
- Growth Centres Commission, North West & South West Growth Centres Development Control Plans
- Various Studies and Section 94 Plans for City of Sydney (Green Square); Sydney Olympic Park; Rhodes Precinct: Wolli Creek; Ashmore Precinct and Parramatta CBD

Youth Centre

There is currently no youth centre in the 2km catchment radius. The Prairiewood Youth and Community Centre is located three kilometres from the site.

Recommendations: The proposal does not generate the need for a new youth centre.

7.1.1 Local Community Centre

There is currently no local community centre in the 2km catchment radius. There are 3 nearby community halls within a 3km radius, namely Horsley Park Hall, Wetherill Park Community Centre and Hall, and the Prairiewood Youth and Community Centre.

Recommendations: The proposal does not generate the need for a new secondary school.

7.1.2 Child Care Facility Centre

There are currently 2 childcare facilities located in the 2km catchment, one of which is co-located with Bossley Park Public School and the other in Greenway Plaza. There are also 2 childcare/after-school care services within 2.5km from the subject site. In our view, there is sufficient capacity within these to cater for any likely increased demand arising from the proposal.

Recommendations: According to macroplan's community infrastructure standards, there is not considered to be a need for additional childcare/after school care services to cater for the increased employment numbers arising from the proposal.

7.1.3 Library

There is currently no library located in the catchment. Notably, Wetherill Park Library is 3km away from the subject site.

Recommendations: The proposal does not generate the need for a new library.

7.1.4 Performing Arts/Cultural Centre

There is currently no performing arts/ cultural centre located in the catchment.

Recommendations: The proposal does not generate the need for a new secondary school.

7.1.5 University and TAFE

There is currently no tertiary facility located in the catchment. There is a TAFE Campus 3.5km away from the subject site.

Recommendations: According to macroplan's community infrastructure standards, there is not considered to be a need for additional tertiary educational facilities to cater for the increased employment numbers arising from the proposal.

7.1.6 Open Space and Recreation Area

There are a number of open spaces and recreation areas within two kilometres of the subject site. These include the surrounding Western Sydney Regional Park, which includes locations such as the Lizard Log Park (< 1km away) and the Sydney International Equestrian Centre (1.4km away).

The Prospect Nature Reserve is also in close proximity (1.7km), immediately adjacent to the West Regional Park and surrounding the Prospect Reservoir. Walder Park, associated with the Prospect Nature Reserve, is 1km from the subject site.

Recommendations: According to macroplan's community infrastructure standards, there is not considered to be a need for additional open space or recreational facilities to cater for the increased employment numbers arising from the proposal.

7.1.7 Swimming Pool

There is currently no indoor swimming pool facility located in the 2km catchment radius. Notably, the nearest swimming pool is in the Prairiewood Leisure Centre, which is about 3km away from the subject site.

Recommendations: There is no requirement for swimming pool facilities in the catchment area.

7.1.8 NSW Fire Station

There is currently no fire station located in the 2km catchment radius, but there are 5 fire stations within a 10km radius.

- Smithfield Fire Station (875 The Horsley Drive, Smithfield)
- Yennora Fire Station (198 Fairfield Road, Yennora)
- Cabramatta Fire Station (100 St Johns Rd, Cabramatta)
- Busby Fire Station (101 Cartwright Avenue, Busby)
- Bonnyrigg Heights Fire Station (70 Gloucester Street, Bonnyrigg Heights)

Recommendations: In our view, there is already a sufficient service coverage from the existing stations to accommodate growth demand from increasing population.

7.1.9 NSW Ambulance Service

There is currently no ambulance station located in the 2km catchment radius. However, according to the up-to-date NSW Ambulance Stations register (i.e. List of all Stations, August 2019) – Cecil Hills Ambulance Station (Cnr Cowpasture Rd & Gloucester Rt) is located within a 5km radius.

Recommendations: In our view, there is already a sufficient service coverage from the existing stations to accommodate growth demand from increasing population.

7.1.10 Primary School

There is currently one primary school located within in the 2km catchment radius.

Recommendations: The proposal does not generate the need for a new primary school.

7.1.11 Secondary School

There is currently one secondary school located within in the 2km catchment radius.

Recommendations: The proposal does not generate the need for a new secondary school.

7.1.12 GP Medical Centre

There is currently a medical centre located in the 2km catchment radius.

Recommendations: According to macroplan's community infrastructure standards, there is no need for additional medical centres to cater for the increasing population in the area.

7.1.13 Community Health Centre

There are currently no Community Health Facilities located in the 2km catchment radius.

Recommendations: According to macroplan's community infrastructure standards, there will not be a need for additional community health centres to cater for the increased employment numbers arising from the proposal.

7.1.14 Hospital

There are currently no hospital(s) located in the 2km catchment radius. However, there is Fairfield Hospital within a 5km radius, a district hospital located in Prairiewood.

Recommendations: In our view, there is already a sufficient supply of Hospitals and beds to accommodate growth demand from increasing population.

7.1.15 Residential aged care facility

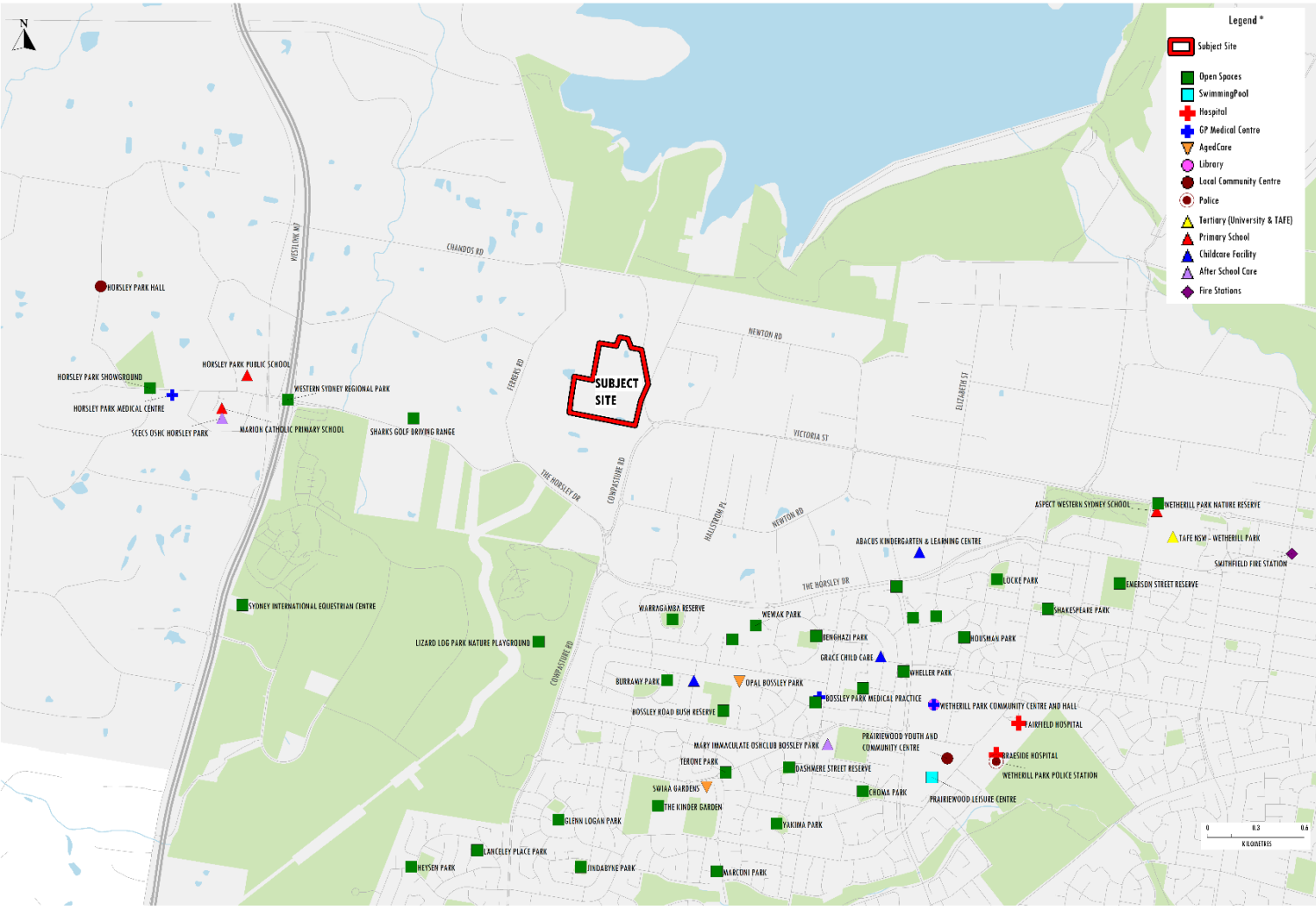
There are currently no existing aged care facilities located in the 2km catchment radius.

Recommendations: The proposal does not generate the need for a new aged care facility.

7.2 Community Infrastructure Map

The following series of maps indicate the location of various existing community infrastructure provisions in proximity to the subject site.

Figure 4 Community Infrastructure Map



Source: macroplan

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