

Dear Thomas,

Re: Matter of Clarification: Eastern Creek Business Hub

I write to clarify a matter concerning the method of assessing impact to centres.

By way of context, there are a number of different methods that may be used to assess the degree of economic impact to a centre over time. One such method (*change in turnover over time*) compares future turnover with the proposal (in the first full year of operation) to the *current* turnover. This method therefore shows the degree of movement from current trading levels.

Another approach (*point in time turnover shock*) compares future turnover with the proposal to future turnover without the proposal. This approach assesses the first full year of operation for the proposed development and shows the trading 'shock' when then proposed development starts trading (but does not illustrate the ability of centres to accommodate this shock and remain viable).

Both of these approaches were assessed by Hill PDA with the former more frequently cited in our assessment as it takes into consideration growth in demand over time. This approach calculates all impacts to centres in the locality as a result of the development to be under 10%.

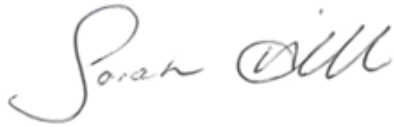
The later approach is however more frequently referred to by SGS in their Peer Review of Hill PDA's economic impact assessment. This approach calculated that the impact on some centres could be over 10% as this approach does not factor in growth in demand over time.

Whilst it is agreed that impacts of greater than 10% are generally above the competitive range, more detailed on site survey analysis and market research has been undertaken by Hill PDA with respect to existing levels of trade. This assessment has found that irrespective of the method of assessment, the degree of impact to centres in the locality of the subject site would be acceptable.

This analysis has been supported by SGS who have undertaken a peer review of Hill PDA's work on behalf of Planning and Infrastructure.

I trust this explanation helps to clarify the two different approaches. Please do not hesitate to contact me on 9252 8777 should you wish to discuss this matter further.

Yours sincerely,

A handwritten signature in dark ink, reading "Sarah Hill". The signature is written in a cursive, flowing style.

Sarah Hill
Director
HillPDA