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ECONOMIC IMPACT ASSESSMENT

**DHL SITE: LOT 1 DEPOSITED PLAN 1306448,
AT 1953-2109 ELIZABETH DRIVE, BADGERYS
CREEK**

STAGE TWO: WAREHOUSES 01 & 02

SEPTEMBER 2024

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September 2024

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EXECUTIVE SUMMARY

1.1 CONTEXT

- The Subject Site comprises part of Lot 1 Deposited Plan 1306448, at 1953-2109 Elizabeth Drive, Badgerys Creek and is currently vacant.
- With a total area of approximately 13 ha (within a broader 25 ha parcel owned by DHL), the site represents a notable developable area in close proximity to the future Western Sydney Airport, making it a highly desirable location.
- DHL Supply Chain (Australia) Pty Ltd (DHL) seek approval of a State Significant Development Application (SSDA) with the NSW Department of Planning and Environment for the construction and operation of warehouse and logistics facilities ('Warehouses 01 & 02').
- The Concept Plan includes two warehouses and associated office space, plus landscaping works, to be constructed on the northern side of the Estate Road. The development would provide around 66,750 sqm of employment floorspace in addition to associated infrastructure to support predominantly logistics, warehousing and distribution uses.

1.2 PURPOSE

- The purpose of this report is to provide an outline of the economic impacts and broader benefits that would occur as a result of redeveloping the Subject Site in accordance with the proposal (application number SSD-70817958).

1.3 ECONOMIC IMPACT ASSESSMENT

- Total capital investment associated with the proposed construction is estimated to be in the order of \$103.7 million.
- Construction on-site would provide 219 direct job years and 359 indirect (or flow-on) job years in the wider economy.
- Total ongoing or operational employment following the construction of the concept plan for the Subject Site would amount to 693 jobs.
- Wages for ongoing staff in the completed facilities would total in the order of \$63 million and a share of this money would support local retailers through everyday purchasing.
- Total indirect or flow-on jobs in the wider economy (in supplies, transport, retail, and other such sectors) following the development would amount to a further 743 jobs.
- Development will contribute around \$102 million per annum to GDP once the project is completed and operational.

Employment outcomes that will be created by the project are shown below:

Fig. 1. Nominated Subject Site Development - Employment Summary

Type of Employment	Direct Employment	Indirect Employment	Total Employment
Construction-related employment	219 job years	359 job years	578 job years
Total ongoing employment (ie. operations)	693 jobs	743 jobs	1,436 jobs

Source: Oxford Economics Australia

2. COMPLIANCE WITH PLANNING SEARS

This report responds to the NSW Planning Secretary’s Environmental Assessment Requirements (SEARs) issued by the NSW Department of Planning and Environment (DPE) on 22 May 2024. The table below summaries all key issues raised in the SEARs relevant to economic impact and how they have been addressed in this report.

Fig. 2. SEARs relevant to Economic Impact Assessment (EIA)

Key issue listed in the SEARs	Report reference
Provide an estimate of the retained and new jobs that would be created during the construction and operational phases of the development, including details of the methodology to determine the figures provided.	Section 7.4

Source: DPE 2022, SEARs issued 22 May 2024

3. AGENCY CONSULTATION

None required.

4. INTRODUCTION

This report supports a State Significant Development Application (SSDA) (SSD-70817958) submitted to the NSW Department of Planning, Housing and Industry (DPHI) on behalf of DHL Supply Chain (Australia) Pty Ltd (DHL). DHL is seeking to secure consent for the construction and operation of warehouse and logistics facilities, including two warehouses and associated landscaping works within part of Lot 1 in Deposited Plan 1306448 at 1953-2109 Elizabeth Drive, Badgerys Creek.

4.1 BACKGROUND

Oxford Economics Australia has been commissioned by DHL Supply Chain (Australia) Pty Ltd (DHL) to undertake an Economic Impact Assessment (EIA) to accompany an application to develop part of Lot 1 in Deposited Plan 1306448 at 1953-2109 Elizabeth Drive, Badgerys Creek (known by the project names “DHL Logistics Facility, Badgerys Creek (North)” or “Stage 2 of the DHL Masterplan”).

The DHL Masterplan site occupies approximately 25-hectares (ha) of the larger 171.84ha site at 1953-2109 Elizabeth Drive, Badgerys Creek. The wider site is currently the subject of an existing SSDA (SSD-70316465). SSD-70316465 is an SSDA which was issued SEARs on the 22 May 2024 and is currently in the process of finalising the application for lodgement following Test of Adequacy with the DPHI in September 2024.

SSD-70316465 is seeking development consent for a concept plan including future development lots and building footprints. The development also seeks consent for the Stage 1 works which will include bulk earthworks across the site, infrastructure delivery, road access/intersections, internal road construction, civil infrastructure and utilities, stormwater infrastructure works and the construction of three (3) warehouse buildings.

The applicant for SSD-70316465 is the trustee for Burra Park Prop Trust 1 which is a joint venture entity, with ISPT Core Fund and UniSuper each holding an equal share.

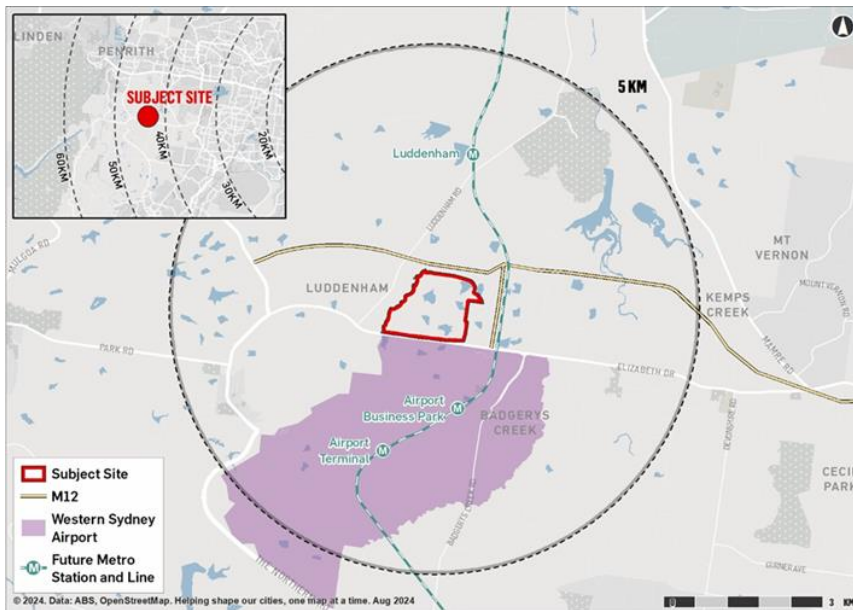
DHL intend to develop part of the site for a logistics facility, the subject of this SSDA. The DHL Masterplan Site is known as Super lot 4a and 4b within the wider concept plan. Super lot 5B to the north of the DHL Logistics Facility SSDA lots have been sold to Canberra Data Centres (CDC).

4.2 SITE DESCRIPTION

The Subject Site is located within part of Lot 1 in Deposited Plan 1306448 at 1953-2109 Elizabeth Drive, Badgerys Creek. The site is approximately 13.4 hectares in size and situated north of the new Western Sydney Airport. Located in the Penrith Local Government Area (LGA), the site is approximately 13 km south-east from the Penrith CBD, 25 km southwest from Parramatta’s CBD and 44 km west from Sydney’s CBD.

The site is currently used for agricultural purposes and is largely cleared of vegetation with areas of dispersed grass and scattered natural and/or planted tree growth. The site contains several farm dams, primarily within the central and southern areas. The location context and aerial plan are depicted below, noting that these images relate to a broader 25-hectare parcel which comprise Stage 1 and Stage 2 of DHL’s site.

Fig. 3. Overall site location



Source: DHL

Fig. 4. Aerial photo of the site

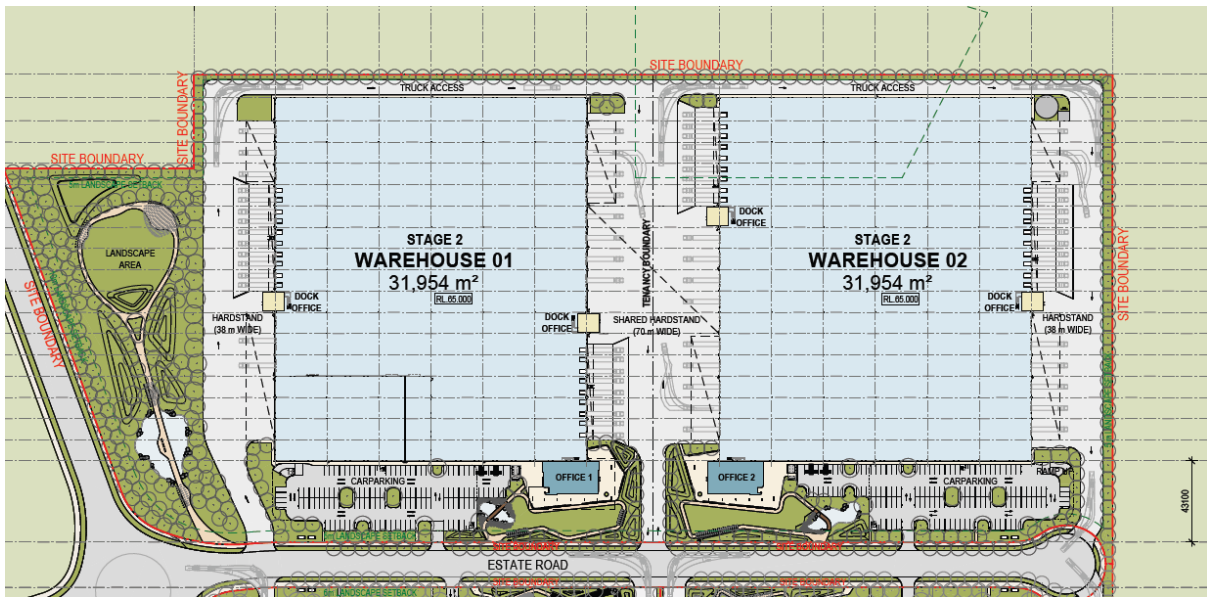


Source: DHL

4.3 PROPOSED DEVELOPMENT

The 13.4 ha site will be developed for freight & logistics purposes, comprising two warehouses and around 66,750 sqm of Gross Floor Area (GFA). These warehouses are identified as 'Warehouse 01' and 'Warehouse 02' in concept plans prepared by SBA Architects (shown below), noting that the 13.4 ha parcel is located on the northern side of the Estate Road. Specifically, the SSDA seeks consent for the staged construction of warehouse buildings for use as a logistics centre with 24 hour/day, seven days a week operation, comprising two warehouses; building fit out; hardstand, loading and car parking; plus landscaping works and signage.

Fig. 5. Concept plan



Source: SBA Architects Pty Ltd (August 2024)

Approximately 66,750 sqm of gross building area has been identified in the concept plan, comprising 63,908 sqm of warehouse space, plus 1,932 sqm of office building area and 916 sqm of dock office space.

The building and land area breakdown for the concept plan shown in Figure 5 is included below. These estimates form the basis of subsequent job generation analysis.

Fig. 6. Area schedule

Facility	Warehouse GBA (sqm)	Office GBA (sqm)	Dock Office GBA (sqm)	Total GBA (sqm)
Warehouse 01	31,954	966	458	33,378
Warehouse 02	31,954	966	458	33,378
Total	63,908	1,932	916	66,756

Source: SBA Architects Pty Ltd (August 2024)

4.4 REPORT OBJECTIVES

The objectives of this report are as follows:

- To provide an estimate of the jobs that will be created by the development during the construction and operational phases of the proposed development; and
- To provide an outline of the other economic benefits of development of the Subject Site, including consideration of investment and contribution to the overall net benefit to the local area.

This assessment is one component of a broader planning proposal.

5. DEMOGRAPHIC ANALYSIS

5.1 POPULATION TRENDS AND FORECASTS

The City of Penrith had an estimated resident population totalling 224,483 people at 2023, and experienced population growth of 1.4% per annum between 2018 and 2023; higher than the 1.0% growth experienced across Greater Sydney over this period, as indicated by the FY23 Regional population release from the Australian Bureau of Statistics.

An additional 14,905 people (net) have moved into the City Penrith over the past five years, averaging +2,981 new residents per annum, as shown in the table below.

NSW Department of Planning and Environment population forecasts indicate Penrith's population will increase by approximately 45,100 persons between 2023 and 2038 or an average of +3,000 persons per annum. At a compound annual average growth of 1.2% per annum, this growth rate exceeds expectations for Greater Sydney of 0.9% per annum during this time.

Fig. 7. Population Growth Trends, City of Penrith, 2018-2038

Area	2018	2023	2038	2018-2023		2023-2038	
	No.	No.	No.	Growth (No.)	CAGR	Growth (No.)	CAGR
City of Penrith	209,578	224,483	269,542	14,905	1.4%	45,059	1.2%
Greater Sydney	4,794,427	5,041,275	5,746,449	246,848	1.0%	705,174	0.9%

Source: Population and dwelling projections (NSW Department of Planning and Environment 2022 series), Regional Cities (Australian Bureau of Statistics FY23 series)
CAGR = Compound Annual Growth Rate

5.2 UNEMPLOYMENT

The unemployment rate in Penrith City (3.4%) is lower than the average for the Greater Sydney metropolitan region (3.7%), according to Jobs and Skills Australia, March Quarter 2024.

The number of employed residents in Penrith (approximately 125,500 persons) lifted by approximately 7,660 persons over the past year, and a reduction in the number of unemployed residents (approximately 375 persons) contributed to a tightening of the unemployment rate – currently at a record low. The size of the labour force rose to 129,835 persons in the March Quarter 2024.

In the past year, 2023 to 2024, the unemployment rate in Penrith has continued to fall, decreasing from 3.9% to 3.4% – despite a rise in the unemployment rate in Greater Sydney – and this feature, combined with ongoing population growth in the Local Government Area (LGA), will continue to drive the need for growth in local jobs for local residents. In this context, the further development of the Subject Site would present additional employment opportunities (both construction and ongoing) for current and future resident labour force participants.

Fig. 8. Unemployment Trends, City of Penrith, 2023-2024

Area	Unemployed Persons		Unemployed Rate		Labour Force	
	2023	2024	2023	2024	2023	2024
City of Penrith	4,741	4,365	3.9%	3.4%	122,551	129,835
Greater Sydney	101,528	113,364	3.4%	3.7%	2,973,154	3,065,335

Source: Jobs and Skills Australia, Small Area Labour Markets (March 2024)

The 'crude' participation rate (i.e. the proportion of the total resident population in the labour force) in Penrith City was estimated at 55% for 2023 up from 54% in 2021; this figure was obtained by comparing the Labour Force (122,551 persons) with the overall Population (224,483 persons; refer Figure 7).

An additional 45,100 Penrith residents between 2023 and 2038 would expand the labour force significantly by approximately 24,600 persons (or 19% on 2024 levels) and they will be seeking employment, preferably in proximity to their place of residence. These estimates assume that the Crude Labour Force Participation Rates will remain at the 2023 level of 55%.

5.3 BUSINESS MIX

Construction businesses have the highest representation of all businesses located in the City of Penrith (24.7% or approximately 3,930 businesses), followed by businesses associated with transport, postal and warehousing (11.3% or approximately 1,806 businesses).

These business count numbers, which are sourced from the ABS Business Counts for June 2023 and shown in the table below, highlight the strong blue-collar nature of Penrith businesses. In this regard, the proposed industrial and commercial development project provides new local employment and business opportunities in the short-term (ie, construction phase) and on a permanent basis (ie, during the site's ongoing operational phase).

Fig. 9. Business Structure, City of Penrith, June 2023

Industry	Non employing	1-19 Employees	20+ Employees	Total	Share
Agriculture, Forestry and Fishing	188	72	7	267	1.7%
Mining	11	7	5	23	0.1%
Manufacturing	298	452	50	800	5.0%
Electricity, Gas, Water and Waste Services	32	48	4	84	0.5%
Construction	1,743	2,122	65	3,930	24.7%
Wholesale Trade	224	256	33	513	3.2%
Retail Trade	467	428	30	925	5.8%
Accommodation and Food Services	115	358	44	517	3.2%
Transport, Postal and Warehousing	1,084	704	18	1,806	11.3%
Information Media and Telecommunications	65	44	0	109	0.7%
Financial and Insurance Services	290	185	5	480	3.0%
Rental, Hiring and Real Estate Services	1,409	217	10	1,636	10.3%
Professional, Scientific and Technical Services	742	718	16	1,476	9.3%
Administrative and Support Services	453	321	28	802	5.0%
Public Administration and Safety	31	35	0	66	0.4%
Education and Training	120	117	15	252	1.6%
Health Care and Social Assistance	436	430	39	905	5.7%
Arts and Recreation Services	122	90	9	221	1.4%
Other Services	512	590	3	1,105	6.9%
Currently Unknown	9	3	0	12	0.1%
Total	8,351	7,197	381	15,929	100%

Source: ABS, Business Counts (Cat. 8165.0), June 2023

5.4 LABOUR FORCE MIX

Penrith municipality has a relatively high proportion of resident labour force participants involved in the traditionally blue-collar industries, such as construction and manufacturing.

Around 20% of Penrith City's working residents were employed in these two traditionally blue-collar industry sectors, and this share is considerably higher than the Greater Sydney average (around 14%). Add in wholesale trade (4%) and warehousing (9%) and approximately 34% of Penrith's employed residents hold positions in traditionally blue-collar industry sectors.

This data highlights the importance for the local economy and for local employment of blue-collar industries such as construction, warehousing, and manufacturing, and for the encouragement of activities or projects that support these sectors. In this regard, the proposed industrial and commercial development will provide new employment opportunities during both its development phase – which would be expected to employ many local construction and transport workers (as later indicated) – and on an ongoing basis through the future operation of these facilities.

In terms of jobs, around 98,600 jobs were located in Penrith in 2023, approximately 33% of which are associated with the traditional industrial sectors of Construction (11%), Transport, Postal and Warehousing (9%), Manufacturing (8%) and Wholesale Trade (4%), as shown in the table below.

In summary, approximately 40,800 Penrith residents are employed in these four sectors, though only 32,800 jobs are available in the local area. The overall job provision ratio for Penrith City in FY23 was 0.8, meaning that there were less jobs than resident workers.

To reduce this requirement on Penrith residents to seek work beyond the LGA, an opportunity exists to provide Penrith City with an increase in local blue-collar jobs associated with the construction and ongoing phases of the development project at the Subject Site. Thus, implementation of the concept would be an important project for the local economy and employment base.

Fig. 10. Employment Capacity by Industry, City of Penrith, FY18 and FY23

Industry	2017/18			2022/23		
	Local jobs	Employed residents	Ratio of jobs to residents	Local jobs	Employed residents	Ratio of jobs to residents
Agriculture, Forestry and Fishing	830	791	1.1	928	904	1.0
Mining	318	317	1.0	253	246	1.0
Manufacturing	8,294	10,255	0.8	8,299	10,154	0.8
Electricity, Gas, Water and Waste Services	1,296	1,832	0.7	1,942	2,030	1.0
Construction	12,465	17,454	0.7	11,192	14,842	0.8
Wholesale Trade	2,587	4,476	0.6	4,028	4,950	0.8
Retail Trade	9,363	10,977	0.9	10,043	11,496	0.9
Accommodation and Food Services	5,592	5,614	1.0	6,508	6,058	1.1
Transport, Postal and Warehousing	6,699	9,022	0.7	9,260	10,868	0.9
Information Media and Telecommunications	643	1,428	0.5	925	1,889	0.5
Financial and Insurance Services	1,003	4,112	0.2	1,228	4,203	0.3
Rental, Hiring and Real Estate Services	1,377	1,811	0.8	1,580	1,909	0.8
Professional, Scientific and Technical Services	2,821	4,963	0.6	3,151	5,659	0.6
Administrative and Support Services	2,267	3,566	0.6	3,078	4,299	0.7
Public Administration and Safety	5,302	7,268	0.7	7,029	10,705	0.7
Education and Training	7,979	7,700	1.0	8,279	9,482	0.9
Health Care and Social Assistance	12,151	12,160	1.0	16,480	15,975	1.0
Arts and Recreation Services	1,183	1,470	0.8	1,100	1,179	0.9
Other Services	3,158	4,202	0.8	3,330	4,315	0.8
Total industries	85,330	109,417	0.8	98,635	121,163	0.8

Source: National Institute of Economic and Industry Research

6. INDUSTRIAL STATE OF PLAY

6.1 DEMAND

Occupier demand for industrial property across Sydney slowed in 2023 and has slowed further through H1 2024. Agents reported a wide range of metro-wide gross take-up figures of 630,000 sqm to about 1 million sqm in the year to March 2024. In net absorption terms, we estimate about 620,000 sqm was taken up in CY23, tracking towards a slightly lower 600,000 sqm for FY24. The rate of take-up is still running around the long-run average but is well below the 1.1 million sqm reached in 2021. Agents report that enquiry levels this year are patchy, with activity in some regions stronger than others. However, in terms of actual deals done, the Outer West dominated Q1 2024. Across the regions, a consistent theme is that deals are taking longer to complete as occupiers display hesitation in making decisions against a background of weak economic growth.

Demand is coming from a range of sectors, but logistics operators are the most prominent across the regions. Part of the reason behind the slowdown in net absorption over the last 12 months is that the phase of businesses taking extra space for higher inventory to counter supply chain disruptions has ended. Furthermore, few businesses are looking to take expansion space. The outcome has seen a notable increase in sub-lease vacancy as excess space is released to the market, mostly in the Outer West, but not to a scale to significantly disrupt the market.

Despite the weakening in take-up, rising supply levels are taking time to increase very low vacancy rates which sit around 1.5% at present, limiting choices for those looking to move. Market feedback suggests that demand for space is evident from both owner-occupiers and tenants, but there is a shortage of options to buy across several regions.

Occupier demand for industrial property in Sydney will stagnate over the next 6 to 12 months influenced by economic growth nationally and in New South Wales, both of which are weak as higher interest rates constrain consumer spending.

Besides economic conditions, demand for industrial space will continue to be influenced by the structural shift to servicing e-commerce. However, the rapid growth that was heightened by the pandemic has normalised. Oxford Economics Commercial and Industrial Property team are forecasting robust gains over the next five years of circa 7% p.a. for online retail sales for NSW as the propensity to shop online continues to rise. Food retail spending in New South Wales has displayed much volatility over the last four years, impacted by the pandemic, but remains an important demand driver. Going forward, growth in this sector to more closely mirror population growth. Demand from the manufacturing sector is set to be a bright spot over the next three years, boosted by government support in the shift towards net zero and sovereign manufacturing capability. However, long-term Australia's comparatively high production cost base will dampen growth in manufacturing. Furthermore, industrial property occupiers' propensity to carry additional storage space for higher inventory levels is unwinding. Port Botany's total imports (in TEUs) data showed a strong increase through 2021 (up by 6%) to reflect the stockpiling that occurred. Since then, data showed annual growth was negative to January 2024 before returning to weak growth indicating inventory levels have 'normalised'.

The pattern of the drivers outlined above suggests the take-up of industrial property will be moderate over the short term. Net absorption of 550,000 sqm is forecast for FY25, a level in line with the long-run annual average. Medium to long term, the connection between growth in the economy – as measured by Sydney Final Demand – and demand for industrial property to re-establish itself. During the second half of the decade, net absorption is forecast to rise steadily, reaching approximately 750,000 sqm in 2034. This reflects rising demand to service a larger economy and population.

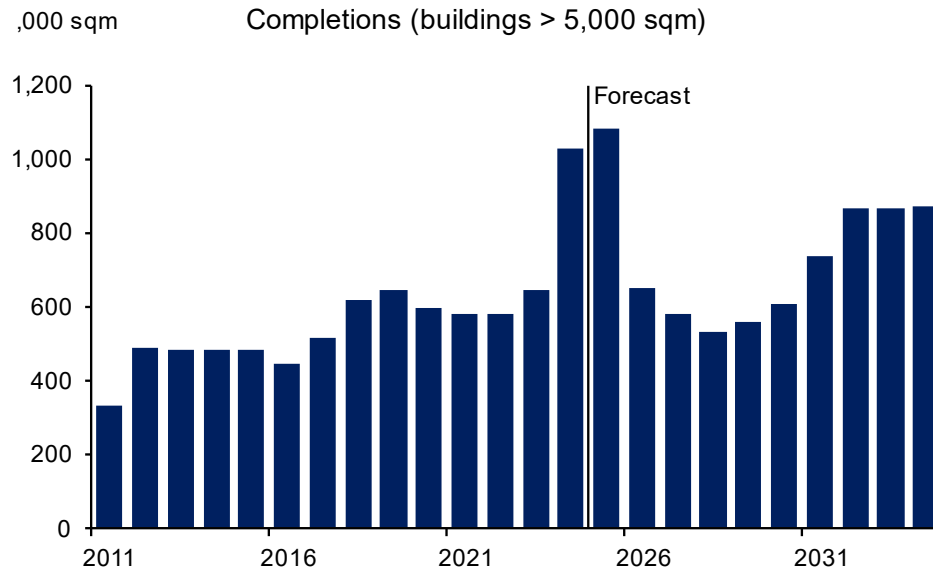
6.2 SUPPLY

New industrial property completions across the Sydney metro area in FY24 were 1.0 million sqm across 44 projects (>5,000 sqm in size), a record high and well above FY23. The Outer West accounts for 80% of completions by volume, followed by the Central West (10%). Up until this year, very low vacancy rates showed most of this space was leased, however, developers are now finding it more challenging to lease uncommitted space leading to an increase in supply being commenced on a speculative basis. The Oxford Economics Commercial and Industrial Property team estimates at least 20% of supply likely commenced on a speculative basis.

Based on projects underway, historically high approvals data and rising vacancy rates supporting rental growth, completions are expected to remain at record highs in FY25 at around 1.1 million sqm. Oxford Economics Commercial and Industrial Property team already know of 43 projects that are proceeding for this volume of space meaning forecasts are skewed to the upside. Around half this space is committed, leaving a notable share uncommitted.

Challenges around land use restrictions in the Mamre Road Precinct from Sydney Water and the lengthy planning process at the Western Sydney Aerotropolis could hamper developers' ability to complete projects after this year. Oxford Economics Commercial and Industrial Property team assume these issues will be resolved allowing for 750,000 sqm to be complete in CY2025 but risks are skewed to the downside. Between FY26 and FY28, industrial property completions are forecast to gradually fall back to around 535,000 sqm p.a. – a level just below the long-run average, crimped by moderating demand and rising vacancies. Over the longer term, an anticipated steady market tightening will underpin a solid supply response.

Fig. 11. Sydney Industrial Floorspace Completions, 2011-2034



Source: Oxford Economics Australia

7. ECONOMIC IMPACT ASSESSMENT

7.1 DEVELOPMENT INVESTMENT

The scenario of an industrial development of 66,756 sqm of warehouse and office space can be expected to generate a number of economic benefits for the locality and for the City of Penrith as a whole, as described in this section. These benefits are likely to be in the form of the creation of new employment opportunities, introducing new opportunities for industrial and commercial development.

Investment in the project overall is estimated to be in the order of approximately \$103.7 million. This includes infrastructure costs associated with readying the property for the development and construction of the two buildings on the site and associated hardstand space and landscaped areas. Associated costs include consultants, contingency and other costs associated with the actual development.

Project cost figures used in this analysis have been adopted based on information provided by the project quantity surveyors, Coutts Cost Consulting, which was calculated on the concept designs of SBA Architects.

7.2 CONSTRUCTION EMPLOYMENT

Construction employment generation involves:

- Direct jobs, which are on-site; and
- Indirect (or flow-on) jobs, which are created elsewhere in the economy through the employment multiplier (e.g. in design, finance, transport, and other sectors) – this multiplier is derived from ABS National Accounts data.

The capital outlay on the new building and construction work associated with the development of the industrial and commercial facilities (as outlined in this report), represents a major project for the Penrith City economy which would generate significant direct and indirect construction-related employment.

7.2.1 Direct Jobs

For the purposes of this economic impact assessment, 1 FTE (Full Time Equivalent) construction job year is provided for every \$474,000 of building construction spending. This is based on Australian Bureau of Statistics (ABS) input-output tables and National Accounts data 2021-22 adjusted to account for inflation to June 2024.

Allowing for the estimated construction costs of \$103.7 million, approximately 219 job years would be directly supported by construction (or 146 FTE jobs each year of the construction over an indicative 18-month construction programme).

In reality a greater number of people will work on the site during the construction period, although noting that many of these jobs will be for only part of the development.

7.2.2 Indirect Jobs

In addition to direct (or site-related) employment, the operation of the employment multiplier – which is derived from ABS Input/Output data – allows the calculation of indirect (or flow-on) jobs created elsewhere in the economy. From the ABS Input Output tables Oxford Economics Australia has estimated the production induced and consumption induced multipliers in the construction industry to be 1.32 and 0.32 respectively.

Using these multipliers Oxford Economics Australia has assessed total indirect job years generated by construction to be 359.

7.3 OPERATIONAL EMPLOYMENT

7.3.1 Direct Jobs

The employment-generating component of the industrial and commercial development – comprising approximately 66,756 sqm of employment floorspace – is indicatively expected to be split as follows:

- Warehouse/logistics of 63,908 sqm;
- Office uses of 1,932 sqm; and
- Dock office uses of 916 sqm.

It is noted that the employment densities for these broad use categories can vary significantly depending on the actual composition of use. For instance, a last mile distribution centre may have an employment density of 1 job per 70 sqm, whereas a truck transport depot may have a density of 1 job per 200 sqm. A composite density of 1 job per 110 sqm for all distribution/logistics uses has therefore been applied on the assumption that it will be largely used for warehousing. Commonly used employment ratios have been applied for office uses (1 job per 20 sqm) and dock office components (1 job per 60 sqm) to the indicative land use mix.

The results show that the Subject Site redevelopment would generate ongoing employment for an estimated 693 persons on the basis of an overall average of 1 job per 96 sqm of floorspace. Many of these jobs would be sourced from the surrounding local area and its nearby suburbs, noting the industry experience that most employees prefer to live locally.

This analysis, based on indicative types of activity and employment density described above, indicates that the proposed redevelopment of the Subject Site to the scheme provided in Figure 5 represents a significant increase in the employment outcomes on the site compared to the current situation (ie, currently vacant and no employment).

In effect, the planning proposal is consistent with the achievement of employment growth for the City of Penrith. Having regard for the Penrith City labour force (ie, 129,835 people of which 4,365 or 3.4% were unemployed, refer Figure 8), the creation of approximately 693 direct jobs represents a significant employment opportunity for the Penrith region.

Fig. 12. Subject Site Employment Generation, Direct Jobs

Land Use	Employment Density	GLA	Units	Jobs
Warehouse	1 job / 110 sqm	63,908 sqm	sqm / worker	581
Office	1 job / 20 sqm	1,932 sqm	sqm / worker	97
Dock Office	1 job / 60 sqm	916 sqm	sqm / worker	15
Total	1 job / 96 sqm	66,756 sqm		693

Source: Oxford Economics Australia

7.3.2 Indirect Jobs

The multiplier effect would lead to indirect (or flow-on) employment, associated with providing inputs into the day-to-day operation of all the employment uses at the site (eg, food and beverage supplies, fuel supplies, laundry, contractors, maintenance and the like) and the expenditure of wages by permanent employees which support a range of businesses in the wider economy.

Oxford Economics Australia estimates from the ABS Input/Output tables a multiplier of 2.10 applies to employment in the "Transport, Postal & Warehousing" industry. That is, for every 10 direct jobs in the overall development a further 11 indirect or flow-on jobs are created.

When the employment multiplier effect is taken into account, the 581 jobs in the warehousing component (ie, 63,908 sqm) would be likely to generate an additional 642 jobs elsewhere in the Australian economy. Likewise, the estimated 112 jobs in the remaining employment uses at the site would generate a further 101 indirect jobs through their respective employment multiplier impacts.

The employment associated with both direct and indirect jobs generated through the permanent ongoing employment at the redeveloped Subject Site will provide new opportunities for those seeking employment in the overall industrial sector and associated industries, including the wide range of supplier industries (from transport and financial services to entertainment, hospitality, and wider afield).

The indirect jobs created by the proposed redevelopment are summarised in Figure 13.

Fig. 13. Subject Site Employment Generation, Indirect Jobs

Land Use	Jobs	Indirect multiplier	Indirect Jobs
Warehouse	581	2.10	642
Office	97	1.86	84
Dock Office	15	2.10	17
Total	693	2.07	743

Source: Oxford Economics Australia; ABS Input/Output tables (ABS Cat. No. 5209)

7.3.3 Local and Indigenous Employment

The employment associated with both direct and indirect jobs generated through the operation of the two warehouses at the Subject Site will provide new opportunities for those seeking employment in

the overall industrial sector and associated industries, including the wide range of supplier industries (from transport and financial services to entertainment, hospitality, and wider afield).

Having regard for the municipal labour force (ie, 129,835 people of which 4,365 or 3.4% were unemployed, according to Jobs and Skills Australia’s March 2024 Small Area Labour Markets publication), the creation of approximately 628 direct jobs represents a significant employment opportunity for the Penrith region.

In 2021, approximately 78,267 jobs were located in the City of Penrith, with 41,727 (or 53%) of these jobs being held by local residents. The application of this share to the 693 direct ongoing jobs identified for the proposed development would result in around 369 jobs filled by local Penrith residents.

Furthermore, it is noted that Aboriginal and/or Torres Strait Islander people made up 5.0% of the City of Penrith population in the 2021 Census. Therefore, the proposed development could potentially facilitate increased Indigenous economic participation, including Indigenous employment in the order of 35 jobs in addition to other supplier-use outcomes.

7.4 EMPLOYMENT SUMMARY

A summary of construction jobs and new ongoing jobs associated with the Subject Site development is shown in Figure 14, including both direct and indirect (or flow-on) jobs. Ongoing jobs at the proposed development would comprise new employment generated at the site having regard for the existing vacant use.

Fig. 14. Nominated Subject Site Development - Employment Summary

Type of Employment	Direct Employment	Indirect Employment	Total Employment
Construction-related employment	219 job years	359 job years	578 job years
Total ongoing employment (ie. operations)	693 jobs	743 jobs	1,436 jobs
Ongoing employment (City of Penrith residents)	369 jobs	n/a	n/a
Ongoing employment (Indigenous residents)	35 jobs	n/a	n/a

Source: Oxford Economics Australia; ABS Input/Output tables (ABS Cat. No. 5209)

7.5 SALARIES

Using ABS wages data, Oxford Economics Australia estimates the total salaries of jobs on site upon completion to be approximately \$63 million (see table below). This represents a total increase compared to what is currently being generated by the vacant site.

Fig. 15. Subject Site Estimated Salaries (\$2024)

Land Use	Jobs	Avg. Annual Wage	Total (\$m)
Warehouse	581	\$90,300	\$52.0
Office	97	\$100,700	\$10.0
Dock Office	15	\$90,300	\$1.0
Total	693	\$90,909	\$63.0

Source: Oxford Economics Australia; ABS (Cat. No. 6302)

7.6 CONTRIBUTION TO GROSS DOMESTIC PRODUCT

Oxford Economics Australia has estimated that the value added from the proposed land uses on the Subject Site would be approximately \$102 million every year. This represents a total increase compared to the present situation at the vacant site.

Fig. 16. Subject Site Estimated Industry Value Added to GDP (\$2024)

Land Use	Jobs	GVA / Worker	Gross Value Added (\$m)
Warehouse	581	\$152,215	\$88.0
Office	97	\$127,185	\$12.0
Dock Office	15	\$152,215	\$2.0
Total	693	\$147,186	\$102.0

Source: Oxford Economics Australia; ABS (Cat. No. 5204)

7.7 BUSINESS ATTRACTION AND RETENTION

Business attraction and retention is critical to ensure that the resident labour force of the City of Penrith has access to a range of quality employment opportunities. The redevelopment of the Subject Site will promote the viability and expansion of existing business in the area, and potentially attract enterprises from other municipalities seeking larger tenancies or access to the locational benefits offered by an airport fringe location.

The range of potential uses for the Subject Site will change over time as the Aerotropolis develops, Western Sydney’s economy and population grows and the volume of passenger and air freight through the airport increases – all of which will increase demand for a range of uses near the Subject Site. The longer-term development of the Sydney Outer Orbital (M9), Western Sydney Freight Line and Western Sydney Intermodal to the north of the Subject Site will also introduce additional demand for logistics facilities.

7.8 OTHER CONSIDERATIONS

The development of the Subject Site would be expected to provide other benefits at the community level, including the following:

- Provision of greater employment self-sufficiency in the Penrith region; and
- Provision of important opportunities for young people to enter the local workforce.

It is acknowledged that construction activities undertaken as part of any development has the potential to detrimentally affect the environment and community health if not managed well. Air emissions, noise, site contamination, stormwater, and waste would need to be managed at the Subject Site in accordance with relevant guidelines in order to prevent impacts on the natural environment and nearby land uses.



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