Economic Impact Assessment

Kogarah Golf Club Redevelopment – Concept & Early Works SSDA

13-19A Marsh Street, Arncliffe

Submitted to the NSW Department of Planning, Housing and Infrastructure on behalf Stockland Development Pty Limited

SSD-84467726

Prepared by Colliers Urban Planning

14 May 2026 | 2250078

'Gura Bulga'

Liz Belanjee Cameron

'Gura Bulga' – translates to Warm Green Country. Representing New South Wales.

'Dagura Buumarri'

Liz Belanjee Cameron

'Dagura Buumarri' – translates to Cold Brown Country. Representing Victoria.

'Gadalung Djarri'

Liz Belanjee Cameron

'Gadalung Djarri' – translates to Hot Red Country. Representing Queensland.

Colliers Urban Planning acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past and present.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

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Executive Summary

This Economic Impact Assessment has been prepared for Stockland Development Pty Limited ('Stockland' or 'the Applicant) to accompany a State Significant Development Application (SSDA) (SSD-84467726) for a Concept Masterplan and Early Works associated with the Kogarah Golf Club Redevelopment located on land identified as 13-19A Marsh Street, Arncliffe (the Subject Site).

The purpose of this Report is to provide a detailed economic impact assessment of the Proposed Development, including the range of land uses proposed and proposed exceedance to the Height of Buildings development standard. This Report addresses study requirements, reviews employment lands criteria within this area of Sydney and summarises the economic impact and benefit likely to result from the Proposed Development.

The vision for the Kogarah Golf Club Redevelopment is to create a world-class precinct that leverages the Subject Site's strategic location, adjacent to Sydney Airport and strong transport connections, by delivering multi-level logistics development, trade-related enterprise and supporting uses with publicly accessible open space. It seeks to deliver state-of-the-art facilities that will redefine the logistics landscape in Australia, setting new benchmarks for scale, efficiency, sustainability and innovation.

The Concept and Early Works SSDA seeks consent for an overarching Concept Masterplan that establishes maximum building envelopes, Gross Floor Area (GFA), land uses, and other parameters through Urban Design Guidelines and technical reporting. It also seeks consent for the carrying out of Early Works to facilitate the initial site preparation and infrastructure works required to support future development and publicly accessible open space.

The Concept Masterplan is supported by Indicative Reference Schemes that present as 'proof of concepts' within the proposed planning framework. For the purposes of this Report, the Indicative Reference Scheme is assessed as the Proposed Development.

The Indicative Reference Schemes consider different potential development outcomes enabled by the Concept Masterplan to support the delivery of the highest and best use at the time of redevelopment. This includes a Logistics scheme and Alternative Uses scheme, which facilitate the potential for four (4) different primary land use outcomes across the Subject Site. The alternative land use outcomes enabled by the Concept Masterplan include an alternative mixed-use outcome on Block 2 and alternative data centre outcome on Block 3C.

The schemes demonstrate suitable primary land use, built form and public domain outcomes that align with the vision for a world-class precinct that leverages the site's strategic location adjacent to Sydney Airport and strong transport connections.

This Report adopts an industry best practice approach to economic impacts including review of official and industry data sources as required. A summary of Report findings are summarised below.

Key recommendations of this Report are as follows:

- **The Subject Site represents one of the most strategic sites within Greater Sydney to accommodate industrial uses particularly with a focus on distribution and logistics. Importantly, large undeveloped sites, including within inner city areas, are increasingly limited. In addition, the Subject Site is one of a few sites within the Eastern Harbour City that is able to support multi-storey warehousing.**
- **The Proposed Development represents a significant opportunity to deliver a vibrant, connected and design-led development that will support the growth of logistics and warehousing across the city, as well as creating employment opportunities. The proposed scale and mix of uses will be able to enhance the role and function of the local area, including Sydney Airport, through supporting increased air freight anticipated over the next few decades.**
- **A review of the likely economic impacts associated with uses planned as part of the Proposed Development indicate that the proposed uses will not impact on the viability or ongoing operation of any existing or planned centre or project in the market.**
- **Ensuring appropriate flexibility at this highly unique and strategic site will be critical to ensure an optimised overall outcome that will deliver a range of economic benefits at state, regional and local levels.**

- **The proposed height variation to achieve maximum permissible GFA of 340,000m^2 will ensure that the capacity of the strategically significant site is maximised and provides necessary flexibility to meet the operational requirements of future tenants. This additional height will support annual net uplift of +220 direct FTE jobs and generate a net uplift of +$70.0 million in direct value added to the economy each year.**

A review of the economic context indicates the following:

- Greater Sydney's growing population will continue to require employment lands and industrial floorspace to provide a range of goods and services for businesses and households. **Well positioned employment precincts and industrial developments will be critical to ensuring Greater Sydney is able to accommodate future growth**. By 2051 the Eastern Harbour City will continue to have the highest proportion of residents, with 39.3% of Greater Sydney's resident population.
- The Eastern Harbour City will continue to play a key role in accommodating over half of Greater Sydney's workers. As much of the Eastern Harbour City is already developed, many future workers will need to be accommodated in higher density developments within existing employment centres and precincts. **The ability to unlock highly strategic sites will be critical in accommodating Greater Sydney's growing worker population. These sites will likely need to support higher density employment generating uses and will likely need flexibility under planning controls to provide sufficient density, as well as to adapt to economic trends.**

A review of Sydney's employment lands context highlights the following:

- Sydney's employment precincts are diverse, with a clear spatial pattern in the role and function of various precincts across Greater Sydney. Geography and the locational attributes of a precinct play a key role in the specialisation of a precinct. Specialised precincts focused in uses such as logistics and distribution are primarily focused around trade gateways and transport infrastructure.
- A review of the development pipeline highlights that there **is a misalignment between investment and growth within the Eastern Harbour City, with investment in employment lands within the Eastern Harbour City accounting for only 10.7% of investment value across Greater Sydney, despite existing infrastructure and trade gateways within the Eastern Harbour City and with the precinct to projected to accommodate 24.1% of Greater Sydney's resident population growth.** These growth rates are also broadly in line with growth projected across the Central River City and the Western Parkland City which highlights an relative underperformance in industrial investment activity in the Eastern Harbour City.
- **Ultimately, there is a demonstrated need for higher density employment generating uses across the Eastern Harbour City.** Industrial projects in the Eastern Harbour City are typically taller and contain more storeys on average compared to projects across the rest of Greater Sydney. This is supported by scarcity of available land and competition from residential and other industrial projects in other parts of Greater Sydney.
- **Unlocking key sites and ensuring flexibility of design and height will be critical to support higher density employment developments across the Eastern Harbour City. In turn, this will help to rebalance investment in the Eastern Harbour City and support resident, employment and business growth within this part of Sydney.**

A market assessment of the proposed uses at the Subject Site highlights the following:

- Employment lands and industrial uses: **Greater Sydney has a well-documented shortage of employment lands this is particularly pronounced within the Eastern Harbour City and Central River City**. The restricted supply of zoned employment land within Eastern Sydney will continue to drive the need for multi-level warehouse development and an intensification of industrial uses. However, there are very few locations within the Eastern Harbour City that are suitable for multi-storey warehousing or accommodating distribution and logistics uses of scale.
- Ultimately, in order to meet demand for employment lands and industrial uses, **future developments across the Eastern Harbour City will need to be an average of seven storeys, based on a market gap of 550ha anticipated across the Eastern Harbour City by 2051.**
- Alternative uses: The Concept Masterplan seeks consent for different potential primary land use outcomes on Block 2 and 3C to support the delivery of the highest and best use at the time of redevelopment. It includes an alternative mixed-use (i.e. commercial, hotel, serviced apartments) outcome on Block 2 and alternative data centre outcome on Block 3C. This Report demonstrates that there is market potential for these alternative uses.

A review of economic benefits and strategic justification for the Proposed Development is summarised as follows:

- **Activate a highly unique and strategic site**. Only four industrial lots with a size above 10ha are available within the Eastern Harbour City. There are less than 100 industrial lots available across the Eastern Harbour City that exceed 2ha and as such would be suitable for distribution, multi-storey warehousing, logistics, freight and container handling. At 13.3ha of developable area, the Subject Site represents a rare opportunity to deliver significant benefits to Greater Sydney and the NSW economy. As such, **the Subject Site represents one of the most strategic sites within Greater Sydney to accommodate industrial uses, particularly with a focus on distribution and logistics.**
- **Increase economic growth and support employment and economic clusters including Sydney Airport.** The Subject Site is located along the Eastern Economic Corridor which includes Greater Sydney's key trade gateways of Sydney Airport and Port Botany. The Proposed Development represents a significant capital investment of $2.0 billion for state-of-the-art facilities that will redefine the logistics landscape in Australia that is directly adjacent to Sydney Airport.
- **Achieve a higher value and optimised land use outcome.** Higher density industrial developments allow for a greater provision of industrial floorspace, enabling expanded operations and supporting more jobs. In this sense, the employment land is being used more efficiently. The Proposed Development will set new benchmarks for scale, efficiency, sustainability and innovation. It will enhance the overall efficiency and existing freight network's competitive capabilities to support the continued investment and economic growth of the sector. In addition, the Proposed Development will support a more efficient and reliable freight network by delivering a logistics focused precinct with a maximum GFA up to 343,250m^2 to the immediate west of Sydney Airport, enabling increased logistics efficiencies through reduced transportation costs and delivery time.
- **Rebalance industrial Investment within the Eastern Harbour City.** The Proposed Development will assist in rebalancing the current spatial misalignment between industrial investment in the Eastern Harbour City and resident and worker growth. Currently, only 10.7% of investment value across Greater Sydney's employment lands is being directed to employment precincts within the Eastern Harbour City. This is despite existing infrastructure and trade gateways within the Eastern Harbour City and with the city projected to accommodate 24.1% of Greater Sydney's resident population growth by 2051. These growth rates also broadly align with growth projected across the Central River City and the Western Parkland City over the same period.
- Limited investment in employment lands and industrial projects across the Eastern Harbour City is likely being driven by few opportunities for industrial development due to constrained employment land supply, and a lack of adequately sized lots. In this context, unlocking key sites and ensuring flexibility of design and height will be critical to delivering high density employment developments across the Eastern Harbour City. In this context, the Proposed Development is considered appropriate in terms of leveraging a unique and strategic site that will help to rebalance investment back within the Eastern Harbour City.
- Deliver strong economic and community benefits including:
  - Support between 1,750 to 2,890 direct ongoing FTE jobs and between $470 million and $630 million in value-add each year once complete and fully occupied.
  - Serve an identified market need in addressing employment lands demand that can be enhanced through multi-storey warehousing.
  - Deliver additional employment of +230 industrial jobs and additional +$70.0 million of value add under the proposed height variation (Reference Scheme 1) compared to a compliant development.
  - Deliver on the need to accommodate industrial uses in proximity to trade gateways, freight infrastructure and other employment precincts in a highly accessible and strategic location.
  - Address employment land shortage and land scarcity through the delivery of high-density employment generating uses.
  - Support the future expansion of Sydney Airport through the provision of additional distribution, freight and logistics uses. Proposed alternative uses such as commercial office and visitor accommodation would also be highly complementary to the role and function of Sydney Airport.

1.0 Introduction

This Economic Impact Assessment has been prepared for Stockland Development Pty Limited ('Stockland' or 'the Applicant) to accompany a State Significant Development Application (SSDA) (SSD-84467726) for a Concept Masterplan and Early Works associated with the Kogarah Golf Club Redevelopment located on land identified as 13-19A Marsh Street, Arncliffe (the Subject Site).

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This Section of the Report provides information on the aim and objectives, approach and data sources as well as assumptions used in the report. It adopts industry best practice including review of official and industry data sources as required. This Report should be read in conjunction with the Environmental Impact Statement prepared by Colliers Urban Planning and supporting material.

1.1 Purpose of Report

The purpose of this Report is to provide a detailed economic impact assessment of the Proposed Development, including the range of land uses proposed and proposed exceedance to the Height of Buildings development standard. This Report addresses study requirements, reviews employment lands criteria within this area of Sydney and summarises the economic impact and benefit likely to result from the Proposed Development.

The Subject Site is highly strategic and unique with large undeveloped sites, particularly within inner city areas, are increasingly limited. In this context, the Proposed Development represents a significant opportunity to deliver a vibrant, connected and design led development that will support growth of logistics and warehousing as well as creating employment opportunities. In addition, the Proposed Development will be able to enhance the role and function of Sydney Airport and support the increased air freight forecasted to come through Sydney Airport over the next few decades.

1.2 Background

A Planning Proposal (PP-2022-1748) was previously submitted by John Boyd Properties for the Kogarah Golf Club Redevelopment site to amend and integrate planning controls into the *Bayside Local Environmental Plan 2021* (Bayside LEP 2021). It sought to deliver refreshed planning controls that prioritise land uses which support the adjacent Sydney Airport, as one of Australia's most important trade gateways.

The Planning Proposal was granted Gateway Determination on 5 August 2022 and publicly exhibited between 24 April 2023 and 6 June 2023. It was determined to proceed to finalisation in March 2024, with the amendments to the Bayside LEP 2021 gazetted on 9 May 2025.

Following gazettal, John Boyd Properties has entered a Joint Venture (JV) with Stockland for the Kogarah Golf Club Redevelopment. The JV will enable the effective development and future management of the strategically significant site for a world-class focused precinct by combining their expertise.

1.3 Report Structure

This report contains the following sections:

- **Section 1** – Introduction
- **Section 2** – Subject Site Context and Proposed Development
- **Section 3** – Strategic Policy Context
- **Section 4** – Economic Context
- **Section 5** – Sydney's Employment Lands Context
- **Section 6** – Market Assessment
- **Section 7** – Economic Impacts

1.4 Methodology

In the absence of formal guidelines for economic impact assessments, the methodology for this economic assessment has been developed with consideration of socio-economic assessment practices.

Key steps in undertaking the economic assessment have included: analysis of the existing locality and the community, including its economic profile; identification and assessment of potential impacts (both direct and indirect) as a result of the Proposed Development.

The baseline profile for current residents and the economy within the defined Study Area was developed using published data sources, including the Australian Bureau of Statistics (ABS), with this data supplemented by additional information where available.

Economic impacts were then evaluated in terms of direct impacts and indirect impacts. In the case of both direct and indirect effects, the key metric for the analysis is an estimate of jobs and economic output.

1.5 Sources and Assumptions

The following sources have been referenced in this document:

- ABS Census of Population and Housing 2021
- ABS Census of Population and Housing 2016
- ABS Estimated Resident Population 2024
- Transport for NSW Travel Zone Projections 2024
- Cordell Connect
- Employment Lands Development Monitor
- NSW Intermodals (NSW Government)
- PCA Office Market Report, July 2025
- NSW Common Planning Assumptions Workspace Ratios 2023
- Industry benchmarks and averages as references
- Tourism Research Australia 2024

The following assumptions have been used in this document:

- The key findings of the background studies and technical reports are accurate.
- Socio-economic data for each study area accurately reflects the community demographic profile.
- ABS estimated resident population figures provides an accurate estimate of historic population.
- Transport for NSW population projections data provide an accurate outlook for future population growth for each of the study areas.
- Cordell Connect provides an accurate representation of the development pipeline.

2.0 Subject Site Context and Proposed Development

This Section provides a review of the Subject Site, the regional and local context and site attributes as they relate to the proposed development.

2.1 Subject Site

The site is identified as 13-19A Marsh Street, Arncliffe within the Bayside Local Government Area (LGA). It is situated to the immediate west of the Cooks River and Sydney Airport, located approximately 6km west of Port Botany and 10km south of the Sydney Central Business District (CBD). It includes frontages to Marsh Street, providing direct access to the M5 Motorway, Sydney Airport and St Peters Interchange (via the Sydney Gateway).

The site comprises land associated with nine (9) allotments and a total area of approximately 32 hectares. The existing uses include the previous Kogarah Golf Club (vacated in March 2025) accessed via Levey Street and the temporary M6 Stage 1 construction compound accessed directly from Marsh Street.

The development area represents Lot 31 DP1231486 and Lot 100 DP1231954, excluding land subject to future dedication to Bayside Council. It comprises an area of approximately 16.7 hectares and is zoned SP4 Enterprise and C2 Environmental Conservation under the Bayside LEP 2021.

A summary of relevant Subject Site attributes is provided in **Table 1** and **Table 2**. The extent of the site and development area depicted in **Figure 1**.

Table 1 Subject Site Description

Lot / DP	Address	Ownership
Lot 31 DP1231486	19 Marsh Street, Arncliffe	Cook Cove Nominees No 1 Pty Ltd as trustee of Cook Cove Property Trust 1
Lot 100 DP1231954	19A Marsh Street, Arncliffe	Cook Cove Nominees No 2 Pty Ltd as trustee of Cook Cove Property Trust 2
Lot 60 DP1301057	13 Marsh Street, Arncliffe	Bayside Council
Lot 61 DP1301057	19 Marsh Street, Arncliffe	
Lot 62 DP1301057	Marsh Street, Arncliffe	Transport for NSW
Lot 63 DP1301057	Marsh Street, Arncliffe	
Lot 12 DP570900	Marsh Street, Arncliffe	
Lot 102 DP1231954	Marsh Street, Arncliffe	
Lot 103 DP1231954	Marsh Street, Arncliffe	

Table 2 Subject Site Attributes

Measure	Metric
Development Area	• Total Site area: 16.7ha
Zoning:	• SP4: Enterprise • C2: Environmental Conservation • RE1: Public Recreation • SP2: Infrastructure
Existing Uses	• Kogarah Golf Club with a 15-hole golf course and associated building and car park
Subject Site Attributes	• **Low intensity and underutilised** • **Large size** • **Highly unique and strategic given proximity to Sydney Airport and transport connectivity**

Figure 1 Subject Site Aerial

Source: Nearmap, edited by Colliers Urban Planning

2.2 Local Context

The existing surrounding context of the Site is generally described as including the Cooks River and Sydney Airport to the immediate east, M5 Motorway and Barton Park to the south, Arncliffe Motorway Operations Complex (MOC) facility to the immediate west, and primarily low-medium density residential development and Cahill Park bounded by the Princess Highway (A36) to the north-west.

The area surrounding the Subject Site is summarised below.

North	• Directly north of the Subject Site at the northernmost point is the Cooks River, with the Novotel Hotel, medium-high density residential development and Cahill Park. Further north is the Tempe Recreation Reserve and Princess Highway (A36), and Wolli Creek Station and surrounding town centre.
East	• Directly east of the Subject Site is the Cooks River with a channel width of approximately 140m, and the Sydney Airport International Terminal and associated development. Further east is the Domestic Terminal and associated development, as well as suburbs of Mascot and Botany which primarily include low-density residential and business park development
South	• Directly south of the Subject Site is the SWSOOS and M5 Motorway with Barton and Riverine Parks which contain a mixture of local sporting grounds and open space. The Muddy Creek Boating and Amateur Fishing Association and Kyeemagh is also located south of the Site, and contains a cycleway, the State heritage listed Kyeemagh Market Gardens and low-density buildings. Development to the south-west consists of low-density residential dwellings of Banksia and Arncliffe
West	• Directly west of the Subject Site is the Arncliffe MOC facility which commenced operation in July 2020, Marsh Street, M5 Motorway, and Eve Street Wetlands. Further west is primarily low-medium density residential development, the Princess Highway (A36) and Arncliffe station and town centre.

2.3 Regional Context

The Subject Site is located within the suburb of Arncliffe, approximately 1.1km (straight-line distance) from the existing Arncliffe and Wolli Creek train station and 1.8km east of Kogarah train station. It is situated approximately less than 1kmwest of Sydney International Airport and 9.5km southwest of Sydney CBD (see **Figure 2**).

Arncliffe is surrounded by the suburbs of Turrella, Wolli Creek and Tempe to the north, Mascot to the east, Kyeemagh in the south and Banksia and Bardwell Park to the west. The Subject Site is strategically located in proximity to Princess Highway and the M5 Motorway.

Major shopping/town centres are located within a 15minute drive from Subject Site and include IKEA Tempe and Marrickville Metro located north of the Subject Site, which provide a diverse range of services and employment opportunities.

A summary of key features within the surrounding region is summarised below (straight-line distances).

Distance to key Centres	• Sydney CBD (9.5km) • Parramatta CBD (19.7km) • Liverpool (22.2km) • Campbeltown (35.0km) • Sydney Airport (<1km) • Western Sydney Airport (41.4km) • Bankstown Airport (15.7km))
Road Infrastructure	• A36 Princess Highway and M5 Motorway • St Peters Interchange
Rail Infrastructure	• Wolli Creek Station (1.1km) • Arncliffe Station (1.1km) • International Airport (<1km)

	• Sydenham Metro Station (2.6km)
Trade Gateways, Freight Infrastructure and Intermodals	• Port Botany (6.7km) • Cooks River intermodal (1.5km)
Role and Function of Subject Site	• **Highly unique and strategic site that is currently underutilised.** • **Subject Site well positioned as natural extension to Sydney Airport.** • **Proximity to trade gateways (Sydney Airport and Port Botany) and transport infrastructure** • **Proximity to public transport, major motorways.** • **Proximity to amenity, retail and services.**

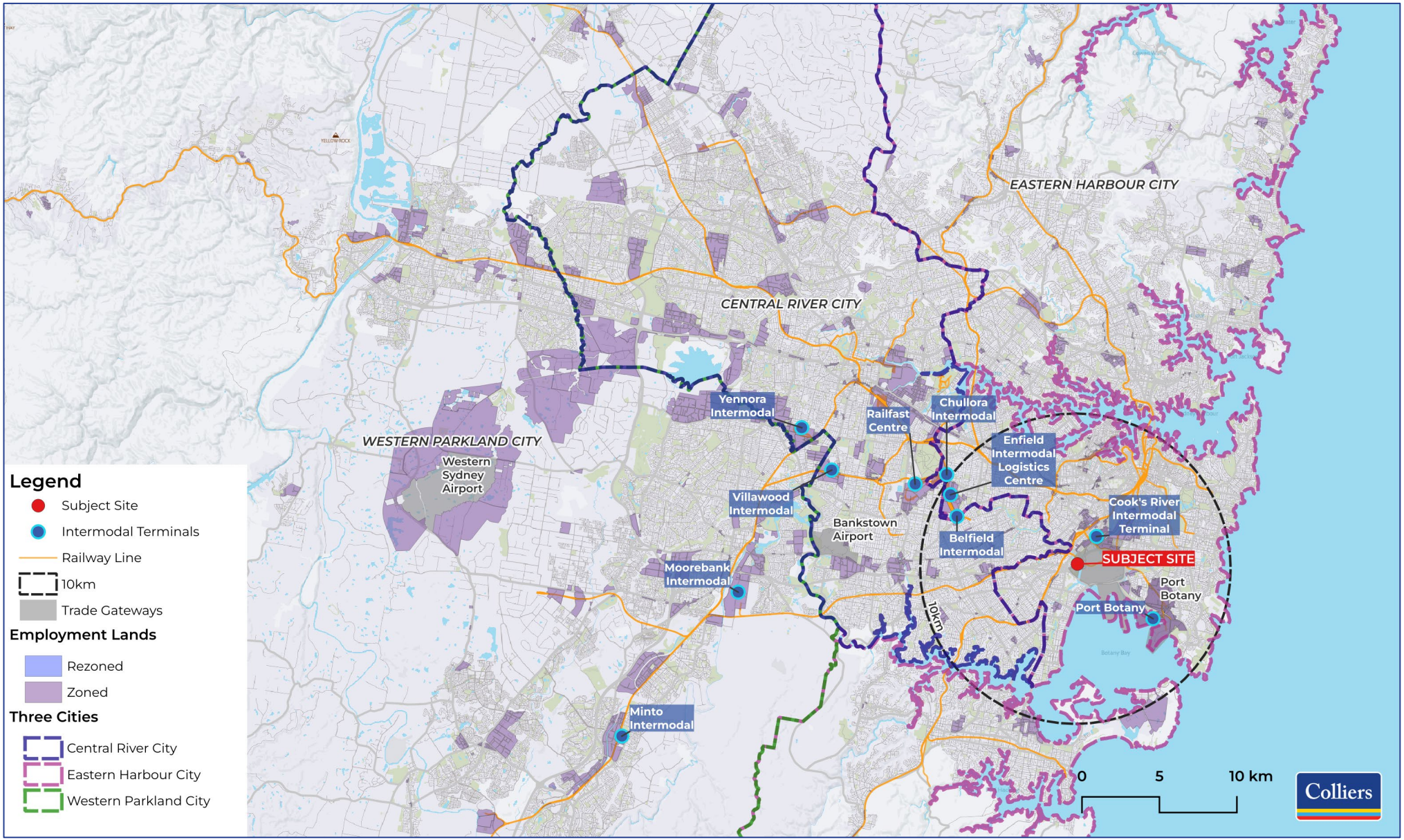

Figure 2 Regional Context Map

Source: QGIS, NSW Intermodals, Employment Lands, Colliers

2.4 Proposed Development

Overview

The vision for the Kogarah Golf Club Redevelopment is to create a world-class precinct that leverages the Subject Site's strategic location adjacent to Sydney Airport and strong transport connections by delivering a multi-level logistics development, trade-related enterprise and supporting uses with publicly accessible open space. It seeks to deliver state-of-the-art facilities that will redefine the logistics landscape in Australia, setting new benchmarks for scale, efficiency, sustainability and innovation.

The Concept & Early Works SSDA seeks consent for the following:

- Concept Masterplan to support the staged delivery of the Kogarah Golf Club Redevelopment, including:
  - Maximum building envelopes, including maximum building heights and minimum building setbacks;
  - Maximum Gross Floor Area (GFA) up to 343,250m^2, comprising:
    - 3,250m^2 of GFA (FSR of 1.25:1) on Lot 31 DP1231486; and
    - 340,000m^2 of GFA on Lot 100 DP1231954.
  - Conceptual primary land uses, including:
    - Block 1 – Mixed-use and advertising structures;
    - Block 2 – Logistics and mixed-use;
    - Block 3A – Logistics;
    - Block 3B – Logistics; and
    - Block 3C – Logistics and data centre.
  - Urban Design Guidelines to guide future development of the built form and public domain; and
  - Strategies and mitigation measures to manage potential environmental impacts.
- Early Works to support the future delivery of built form and publicly accessible open space, including:
  - Site preparation works, comprising:
    - Demolition of existing structures;
    - Clearing of existing vegetation;
    - Remediation works; and
    - Bulk earthworks, including ground improvement and flood mitigation works.
  - Site servicing and infrastructure works, including:
    - Construction of the Flora Street East extension consistent with Item 3 of the executed Voluntary Planning Agreement with Bayside Council;
    - Construction of stormwater infrastructure; and
    - Construction and augmentation of service and utility infrastructure as necessary.

For a detailed description, refer to the Environmental Impact Statement prepared by Colliers Urban Planning.

Indicative Reference Scheme

The Concept Masterplan is supported by Indicative Reference Schemes that present as 'proof of concepts' within the proposed planning framework. The schemes demonstrate suitable primary land use, built form and public domain outcomes that align with the vision for a world-class precinct that leverages the site's strategic location adjacent to Sydney Airport and strong transport connections.

The Indicative Reference Schemes consider different potential development outcomes enabled by the Concept Masterplan to support the delivery of the highest and best use at the time of redevelopment. This includes a Logistics scheme and Alternative Uses scheme, which facilitate the potential for four (4) different primary land use outcomes across the Site. The alternative land use outcomes enabled by the Concept Masterplan include an alternative mixed-use outcome on Block 2 and alternative data centre outcome on Block 3C.

The Indicative Reference Schemes are established in **Figure 3**, with the Logistics scheme and Alternative Uses scheme prepared by Grimshaw depicted in **Figure 4** and **Figure 5**. The development yield associated with each land use outcome under the Indicative Reference Schemes is presented in **Table 3**.

It is noted that the Indicative Reference Schemes are indicative only and the development of future built form and publicly accessible open space will be subject to future Development Applications. The Indicative Reference Schemes demonstrate the ability to support different potential outcomes, consistent with the proposed framework under the Concept Masterplan including Urban Design Guidelines.

Table 3 Land Use Matrix – Indicative Reference Schemes

Primary Land Use	Reference Scheme 1 Logistics	Reference Scheme 2 Logistics + Mixed-use	Reference Scheme 3 Logistics + Data Centre	Reference Scheme 4 Logistics + Mixed-use + Data Centre
Lot 31 DP1231486 (Block 1)				
Hotel	1,670m² (64 keys)			
Commercial	1,260m²			
F&B / Shops / Artisan F&B	320m²			
Total	**3,250m²**			
Lot 100 DP1231954				
Warehouse	336,200m²	293,000m²	276,200m²	231,600m²
F&B / Shops	1,950m²	10,000m²	1,850m²	10,000m²
Hotel	-	20,000m² (300 keys)	-	20,000m² (300 keys)
Commercial	1,850m²	17,000m²	1,850m²	17,000m²
Data Centre	-	-	25,400m² (80 MW)	25,400m² (80 MW)
Total	**340,000m²**	**340,000m²**	**305,300m²**	**304,000m²**

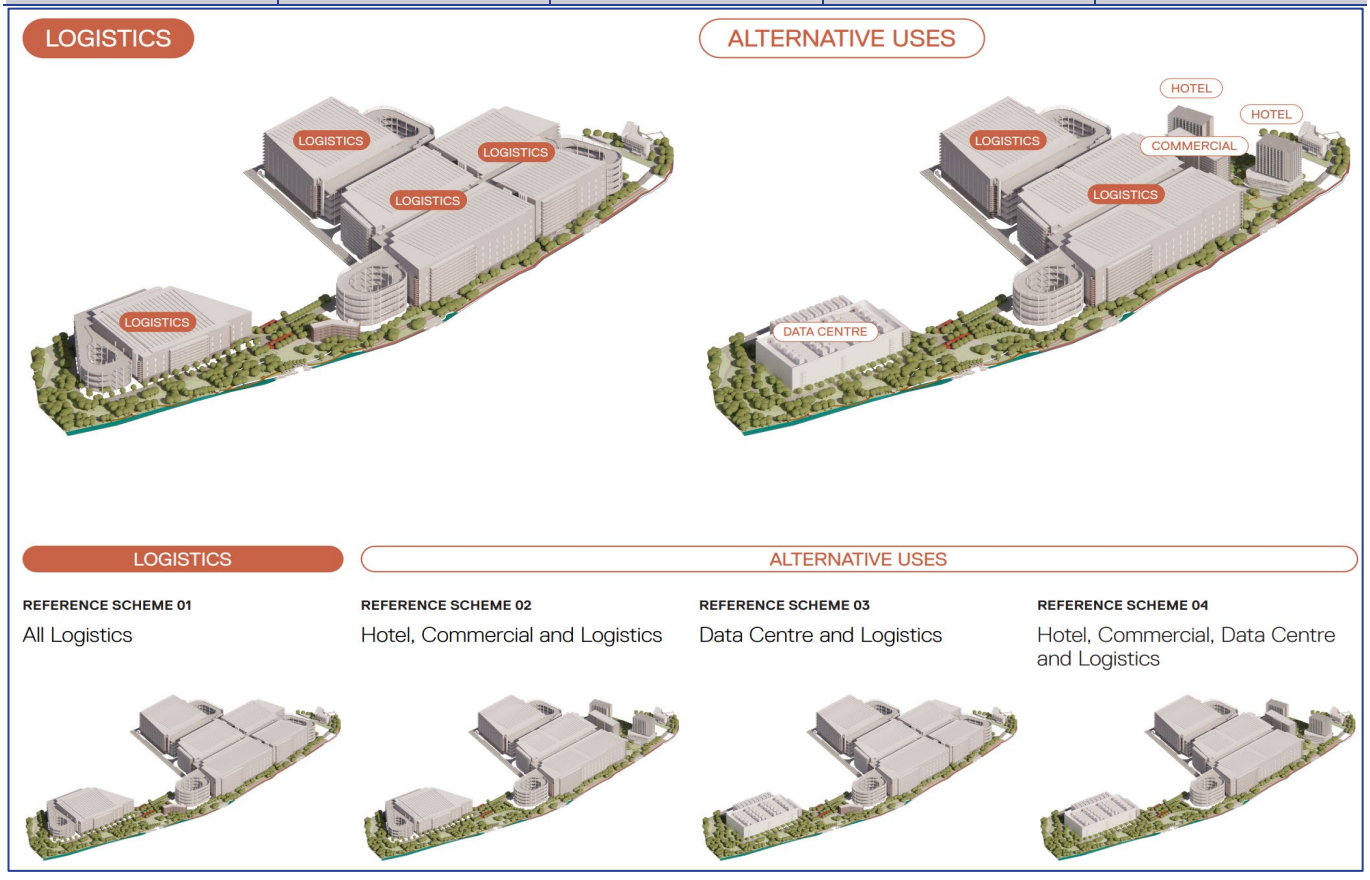

Figure 3 Indicative Reference Schemes

Source: Grimshaw

Figure 4 Indicative Reference Scheme – Logistics Scheme

Source: Grimshaw

Figure 5 Indicative Reference Scheme – Alternative Uses Scheme

Source: Grimshaw

3.0 Strategic Policy Context

This Section provides an overview and summary of the strategic planning policies of relevance to the Subject Site and the Proposed Development. At a high level there are several policies that have been adopted and released that are of relevance to the economic context of the Subject Site, and the future development as a result of this Proposed Development.

3.1 Strategic Policy Review

A summary of key themes and drivers for the proposed development include:

Regional Plans

- Greater Sydney Regional Plan - A Metropolis of Three Cities (Greater Cities Commission, 2018)
- Our Greater Sydney 2056 – Eastern City District Plan
- Draft Sydney Plan (2025)

Industry Specific Policies

- Industrial Lands Policy Review (Greater Cities Commission, 2022)
- State Government Industrial Lands Review
- Industrial Lands Action Plan January 2025
- Sydney Airport Masterplan 2045
- Future Transport Strategy 2056 (March 2018)
- Ports Strategy
- Productivity Commission Paper (Kickstarting the Productivity Conversation)
- NSW Freight and Ports Plan 2018-2023 (expired)
- South East Sydney Transport Strategy
- Draft Statewide Policy for Industrial Lands

Local Plans

- Bayside West Precinct 2036 Plan
- Future Bayside – Local Strategic Planning Statement 2020
- Community Strategic Plan – Bayside Council 2025 – 2035

Policy	Policy Themes and Relevance
Regional Plans	
Greater Sydney Regional Plan - A Metropolis of Three Cities (Greater Cities Commission, 2018)	The Greater Sydney Region Plan (GSRP) provides the 40-year vision for Greater Sydney and sets out a 20-year plan for growth. Importantly, the GSRP supports the 30-minute city aspiration. State government's overarching strategic and spatial plan to guide decision making on land uses planning across metropolitan Sydney to 2056 The Plan separates Sydney into three cities – the Eastern Harbour City, the Central River City, and the Western Parkland City. The former Greater Sydney Commission's (GSC) 30-minute city plan aims to accommodate all key functions and services such as jobs, amenities and transport all within 30 minutes of an individual's home. Retain and manage. "All existing industrial and urban services land should be safeguarded from competing pressures, especially residential and mixed-use zones. This approach retains this land for economic activities required for Greater Sydney's operation, such as urban services. Specifically, these [employment] lands are required for economic and employment purposes." (p. 133) The GSC's principle to retain and manage is underpinned by the following rationale: - **Existing industrial and urban services land should be safeguarded** from competing pressures, especially residential and mixed-use zones.

Policy	Policy Themes and Relevance
	- Specifically, these employment lands are required for economic and employment purposes. Therefore, the **number of jobs should not be the primary objective** – rather a mix of economic outcomes that support the city and population. There will be a need, from time to time, to review the list of appropriate activities within any precinct in consideration of evolving business practices and how they can be supported through permitted uses in local environmental plans. Any review should take into consideration findings of industrial, commercial, and centre strategies for the local government area and/or the district.
Our Greater Sydney 2056 – Eastern City District Plan	Our *Greater Sydney 2056 – Eastern City District Plan* (District Plan) supports the objectives of the Region Plan through detailed actions and priorities specific to each district. The Eastern City District plan developed by the former GSC provides strategy that underpins the Greater Sydney Region Plan and establishes the 20-year vision for the district through 'Planning Priorities' that are linked to the Regional Plan. The Eastern City District broadly aligns to the Eastern Harbour City (that also includes part of the north and south district). The Proposed Development is consistent with the following objectives of the District Plan: • Direction 1 – A city supported by infrastructure: - Planning Priority E1 – Planning for a city supported by infrastructure: The Proposed Development will be supporting the necessary road infrastructure works and upgrades required to support the future access and traffic generation associated with the Proposed Development under the SVPA and LVPA. It will also capitalise on recent major investment in road infrastructure by the State Government, including Sydney Gateway, M8 Motorway, future M6 Motorway, and upgrades to the M4 Motorway and surrounding connections. • Direction 3 – A city for people: - Planning Priority E3 – Providing services and social infrastructure to meet people's changing needs: The Proposed Development will provide for the co-ordinated delivery of infrastructure and services to support the Kogarah Golf Club Redevelopment. This will include the provision of road improvements, new pedestrian/cycle and public recreation infrastructure. • Direction 7 – Jobs and skills for the city: - Planning Priority E9 – Growing International trade gateways: The Site is located to the immediate west of Sydney Airport and will enhance the existing freight network's competitive capabilities and overall efficiency by accommodating potentially novel, future needs of the industry. Sydney Airport projects growth in passenger numbers to 66 million by 2039 (from 44 million in 2019) and increase in freight transport to 1 million tonnes (from 643,000 tonnes in 2019). The Proposed Development will therefore support Sydney Airport in achieving its growth objectives as projected in the Sydney Airport Masterplan, which could be further strengthened by a potential future bridge connection to Sydney Airport across the Cooks River, enabling seamless contemporary freight handling capability. • Direction 8 – A city in its landscape: - Planning Priority E14 – Protecting and improving the health and enjoyment of Sydney Harbour and the District's waterways: The Proposed Development will direct and manage water flows and includes stormwater infrastructure through the future Pemulwuy Park and integrated overland flow reserve, which have been designed as a key piece of water management infrastructure to convey overland flow in larger events whilst improving the utility of public open space recreation assets. Further, the Proposal will include an extension of the Cooks River seawall along the eastern boundary of the Site, supporting improved access and enjoyment of the Cooks River. Planning Priority E18 – Delivering high quality open space: The Proposal includes the delivery of high-quality public open space associated with the LVPA, including a publicly accessible shared pathway and associated hard and soft landscaping along the Cooks River foreshore.
Draft Sydney Plan (2025)	The Draft Sydney Plan (Draft Region Plan), released in December 2025, is to replace the current Region Plan and District Plan to provide a more sustainable and balanced approach to the planning of Sydney. It provides a framework for how state and local governments should leverage planning to respond to challenges and opportunities. The Draft Region Plan outlines 12 key responses, with the following relevant to the Proposed Development: • **Response 4: Grow well-located jobs** – The Proposed Development enables a significant amount of employment floorspace in proximity to large populations and major transport infrastructure in Eastern Sydney, supporting between 1,750 to 2,890 direct ongoing FTE jobs once complete and fully occupied. It is

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	positioned immediately adjacent to Sydney Airport and will specifically encourage jobs that directly benefit, or benefit from, the proximity to Sydney Airport. • **Response 8: Secure an ongoing pipeline of productive industrial lands** – The Proposed Development facilitates the redevelopment of a large underutilised site which has been rezoned to support industrial land uses and is classified as regionally significant land under the Draft Statewide Policy for Industrial Lands. It will support up to 343,250m2 of GFA in proximity to key trade gateways and dense residential populations. Subsequently, it will facilitate highly productive industrial land that increases the efficiency of the logistical supply chain and reduces transport costs for goods for the benefit of Greater Sydney and the NSW econonmy.
Industry Specific Policies	
Industrial Lands Policy Review (Greater Cities Commission, 2022)	The former GSC developed eight 'draft Guiding Principles' to provide guidance to councils on the management of 'retain and manage' industrial areas. Several are applicable and related to the field of property economics, which are mentioned in detail below: - Draft Guiding Principle 1: Securing capacity of industrial and urban services land • There needs to be a diverse range of area to serve various functions within employment lands. This can be achieved through supply and demand analysis in Local Employment Strategies to demonstrate how they will secure and support the needs of the population, local jobs and the functionality of the area long term. - Draft Guiding Principle 4: Boosting economic activity to support current and emerging industries. • Employment lands should be strategically located to bolster industrial activity, where access to labour markets is important. Appropriately located, these lands can support clustering resulting in co-location and agglomeration benefits for industries. - Draft Guiding Principle 6: Providing business certainty. • To give businesses certainty of their ability to capture economic gains from land uses, with the role of industrial areas clearly defined. This ability should be recognised through its inter-dependent spatial relationship with nearby activity centres. - Draft Guiding Principle 8: Consideration of transition to alternative uses Transition to other uses should adopt a strategic plan-led approach with consideration for the long-term impact regarding urban services. This approach must consider the location, context, need and type of industrial and urban services lands across Greater Sydney, City and local area, as well as future demand.
Industrial Lands Action Plan (January 2025)	The Industrial Lands Action Plan (January 2025) aims to secure and expand a long-term supply of well-located, serviced industrial land across New South Wales to support economic growth, job creation, and housing delivery. Its objectives include replacing outdated policies with a statewide framework, classifying industrial lands by significance, and establishing a development program to monitor supply and infrastructure needs. The plan identifies employment lands as critical to supporting industries like manufacturing, logistics, and construction, which together contributed $174 billion to the NSW economy in 2024. It also emphasizes the vital role of logistics in enabling housing supply chains and urban productivity by ensuring access to land for warehousing, distribution, and freight operations.
Draft Sydney Airport Masterplan 2045	The *Draft Sydney Airport Masterplan 2045* sets out the long-term vision for how the airport will grow and evolve over the next 20-years. The airport generates up to $45.5 billion in annual activity and supporting jobs, tourism, and development across NSW and Australia. The development objectives of the Masterplan are to upgrade the airfield to meet the expected growth in passengers, flights and air freight by investing in airfield infrastructure and utilise new technology. Of relevance to the Subject Site and Proposed Development are the below projections and targets: • **Passenger Growth**: Increase annual passenger capacity from 41.4 million (2024) to 72.6 million by 2045; a 75% rise. • **Terminal Integration**: Merge T2 and T3 into a single "super terminal" to streamline domestic, regional, and international operations. • **Freight Expansion**: Double airfreight capacity to 1.4 million tonnes annually. • **infrastructure Upgrades**: Add 12 new international gates, expand baggage systems, and improve airfield efficiency.

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	• **Improved integration with road and rail networks** will further enable seamless multimodal freight movement, strengthening Sydney's position in global trade and logistics. • **Boost tourism by more than doubling international passenger capacity** to 36.4 million annually, enhancing Sydney's global connectivity and appeal. • **Generate additional employment** with over 560,000 jobs by 2045, including 105,000 direct roles at the airport, with positive spillover effects across sectors such as construction, logistics, and services. • **Increase annual economic contributions** to $70.6 billion, reinforcing Sydney Airport's role as a critical driver of regional and national prosperity. ***Given the proximity to Sydney Airport the Sydney Airport Masterplan will have an impact on the Proposed Development at the Subject Site. The Master Plan 2045 is Sydney Airport's long-term strategic blueprint for growth and development over the next 20 years. It is currently in the public consultation phase and is expected to be finalized by June 2026.***
Future Transport Strategy 2056 (March 2018)	The *Future Transport Strategy* sets out a vision, directions and outcomes framework for moving people in NSW and will guide transport investment over the longer term. The strategy emphasises the key role transport has in supporting new economic and social opportunities. The strategy aims to position NSW as a leading freight and logistics hub in the Asia-Pacific region, supporting trade, exports, and regional development. Of relevance to the Subject Site and Proposed Development are the following insights: • **Logistics and freight** are central to the strategy's economic vision, with freight volumes expected to double in Greater Sydney and grow by 25% in regional NSW by 2056. • The strategy promotes multimodal freight corridors, improved last-mile delivery, and integration with ports and airports to streamline supply chains. • Adopting smart logistics technologies, including AI, automation, and real-time data systems, to enhance efficiency and reduce congestion. The Proposed Development is consistent with the Strategy, specifically supporting the following direction: • Strategic Direction E1 – Freight networks and supply chains are efficient and reliable: - E1.1 – Improve freight efficiency, access and reliability on roads; - E1.3 – Optimise the capacity and performance of ports and airports; and - E1.4 – Manage and protect employment lands, key freight and logistics lands and corridors. ***The Proposed Development will support a more efficient and reliable freight network by delivering a logistics focused precinct with a maximum GFA up to 343,250m^2 to the immediate west of Sydney Airport to enable increased logistical efficiencies by reducing transportation costs and delivery times.***
Ports Strategy	• Existing industrial lands immediately adjoining the site to the south and east must be retained to prevent rezoning to incompatible uses
Productivity Commission Paper (Kickstarting the Productivity Conversation)	'Kickstarting the Productivity Conversation' is a discussion paper released by the NSW Productivity Commission in October 2019, which canvasses a range of issues targeted for reform in NSW to lift productivity. One of the key issues identified in the discussion paper is the impact of restrictive zoning on the productivity and adaptability of NSW, which is identified as being an issue that needs to be overcome in order to unlock the potential of employment zones. **This lack of flexibility in the zoning, and the failure of the statutory planning system to keep pace with changes in economic activity is widely recognised as one of the reasons why NSW has lost investment to other states in this sector**.
NSW Freight and Ports Plan 2018-2023 (expired)	The now expired *NSW Freight and Ports Plan 2018-2023* was established to support the continuity and certainty to plan long-term investments and the State's future growth relating to Freight and the growth of Ports across NSW. The Proposal aligns with the following key objectives of the Plan: • Objective 1 **–** Economic Growth: *Providing confidence and certainty that encourages continued investment in the freight industry to support economic growth*; and • Objective 2 – Efficiency, connectivity and access: *Improving the efficiency of existing infrastructure and ensuring greater connectivity and access along key freight routes*. **The Proposal represents a significant capital investment directly adjacent to Sydney Airport for state-of-the-art facilities that will redefine the logistics landscape in Australia, setting new benchmarks for**

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	scale, efficiency, sustainability and innovation. It will enhance the overall efficiency and existing freight network's competitive capabilities to support the continued investment and economic growth of the sector.
South East Sydney Transport Strategy	The *South East Sydney Transport Strategy* provides a framework to guide the transformation of transport across South Sydney into 2056. It seeks to support future growth through investment within the transport network of south-east Sydney to support the redevelopment, the growth of strategic centres and the continued expansion and efficiency of the Sydney Airport and Port Botany. The Proposal will support the Strategy's objectives through the delivery of the associated road infrastructure (subject to separate approval) to facilitate direct access from Marsh Street in accordance with the SVPA and LVPA. The proposed access to Marsh Street will provide direct connectivity to the M5 Motorway to the west. **The Proposal may further contribute to the expansion and efficiency of the Sydney Airport through a direct connection across the Cooks River in the future. It also includes the creation of a new active transport link along the Cooks River foreshore, as well as interconnected pedestrian links, public open space, and supporting land uses**.
Draft Statewide Policy for Industrial Lands (2025)	The *Draft Statewide Policy for Industrial Lands* (Draft Industrial Lands Policy), released in December 2025, was developed to create a more equitable and coordinated approach to planning, managing and protecting industrial lands in NSW. It identifies that industrial lands generate a significant portion of NSW's economic output, but a current shortage of industrial land is increasing operational costs associated with rising rents causing businesses to relocate. These costs are often passed on to the consumer, affecting the price of goods and cost of construction and driving economic inflation. The Draft Industrial Lands Policy introduces a framework for categorisation of industrial lands based on their contribution to economic activity and provides protections for the development and preservation of those lands for industrial purposes. The developable area of the Subject Site is classified as regionally significant industrial land, which is defined as, "*areas of scale that contribute significantly to regional economies and the broader city function or provide infrastructure that supports the region through employment and economic contribution*". The Draft Industrial Lands Policy is underpinned by the following key objectives: • *Secure, intensify and actively manage industrial lands;* • *Support a pipeline of development ready industrial lands to meet future needs;* • *Plan for new industrial lands that are close to transport and freight networks and where land use conflicts can be minimised and mitigated;* • *Respond to the changing needs of industry, including emerging industries and support intensification, diversification, innovation or transition to new employment opportunities;* • *Support other government initiatives and programs relating to industry attraction and investment, an efficient freight network, key supply chains, the transformation to net zero, or minimising environmental and social impacts; and* • *Allow for appropriate alternative uses in industrial lands where they are strategically justified and consistent with predetermined criteria.* The Proposed Development aligns with the Draft Industrial Lands Policy for the following reasons: • It facilitates redevelopment of a large underutilised site which has been rezoned to support industrial land uses; • It is positioned directly adjacent to Sydney Airport and in proximity to Port Botany, representing nationally significant trade gateways; • It is located in proximity to several key regional transport routes, including the M5 Motorway and M8 Motorway (via the Sydney Gateway and St Peters Interchange) connecting to the broader motorway network; • It results in significant economic contributions by supporting the projected growth of air freight processed at Sydney Airport, between 1,750 to 2,890 direct ongoing full-time jobs, and between $470 million and $630 million in direct value-add each year once fully occupied; • It responds to the limited industrial land supply in Eastern Sydney by delivering more intensive and efficient development on a site with demonstrated capacity, subsequently supporting expected

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	population growth in Eastern Sydney and growth of surrounding nationally significant trade gateways; and It will facilitate highly productive industrial land that increases the efficiency of the logistical supply chain and reduces transport costs for goods.
Local Plans	
Bayside West Precinct 2036 Plan	The *Bayside West Precinct 2036 Plan* (Precinct Plan) establishes nine (9) planning principles for Cooks Cove to ensure that future development meets State Government objectives. These principles have been implemented separately as Ministerial 9.1 Directions under the EP&A Act. The Proposal is consistent with the Plan in that it will facilitate delivery of the following associated infrastructure as part of the broader Kogarah Golf Club Redevelopment: • A key portion of the 'Bay to Bay' pedestrian and cycleway link currently missing along the foreshore of the Cooks River as identified as a key targeted addition to the cycle network; • Dedicated overland flow paths, flood storage and detention basins to mitigate future flooding; • Upgrade of key intersections surrounding the Site including the Gertrude Street extension; • New bus stops along Marsh Street to directly serve Cooks Cove along regional bus routes; and Enhanced connectivity and usage of active and public transport through new pedestrian connections to regional reserves and railway stations and bus network enhancements.
Future Bayside – Local Strategic Planning Statement 2020	The *Bayside Local Strategic Planning Statement 2020* (LSPS) establishes the vision for the Bayside LGA, and gives effect to the Region and District Plan discussed above. It identifies Cooks Cove as a 'Trade and Technology' and 'Open Space' area which reflects the Site's former zoning under the Chapter 6 of the Eastern City SEPP. The Proposed Development supports the employment vision and planning priorities for the Bayside LGA established in the LSPS. Specifically, the Proposed Development will support increased freight handling capabilities at Sydney Airport through the development of a logistics focused precinct with a maximum GFA up to 343,250m^2 to the immediate west of Sydney Airport. The Bayside LSPS aims to align land use planning and transport infrastructure to support the growth of Bayside and ensure a more sustainable city and a 30-minute city to connect people with places and employment.
Community Strategic Plan – Bayside Council 2025 – 2035	The Bayside Council CSP has four themes that are a vision for Bayside Council guiding it to meet the challenges and opportunities that affect the community. Theme Four focuses on financial sustainability and support for a dynamic local economy by preserving the regions role as an international transport hub that generates employment and supporting a thriving, engaged community. The strategies by council include *4.1.2 Monitor socio-economic outcomes in employment and work with partners to identify actions Council can support (Partner)* *4.2.5 Preserve industrial lands and employment lands and partner with major employers to support local jobs and businesses (Deliver, Partner)* Bayside LGA is an International Logistics and Transport Hub due to strategic location in proximity to Sydney Airport and Port Botany making it a natural centre for freight, logistics, and international trade. The CSP highlights leveraging this location to attract transport and logistics businesses, reinforcing Bayside's role in global supply chains. The other key aspect is focus on infrastructure investment with continued upgrades to roads, freight corridors, and intermodal facilities are supported to enhance efficiency and competitiveness.

3.2 Suitability of the Proposed Development

Strategic policies and framework identify the essential role that employment lands serve in the functioning of Greater Sydney. These lands provide a critical role in terms of providing essential services (e.g. urban services), and production of goods (e.g. manufacturing), and the distribution of goods to businesses and consumers (distribution and logistics). Strategic policy highlights the following themes:

- Employment lands are needed to support resident and work population growth.
- Employment lands are under pressure from continued encroachment of uses such as residential.
- Strategic policy is seeking to protect and manage employment lands to preserve their critical function.

- Sydney Airport is going to continue to grow and expand and will require additional freight and logistics.

The Proposed Development has the potential to support a number of key strategic objectives:

- Supporting the vision of a 30-minute city.
- Providing additional employment lands in proximity to key trade gateways.
- Creating additional employment opportunities for local workers.
- Reducing the shortages of employment land within a constrained and highly dense area within Greater Sydney.
- Support robust supply chain and freight for NSW's major trade gateways including Sydney Airport and Port Botany.

Overall, the Proposed Development is consistent with the strategic planning framework, seeking to deliver a world-class precinct that leverages the Subject Site's strategic location adjacent to Sydney Airport and strong transport connections by delivering multi-level logistics development, trade-related enterprise and supporting uses with publicly accessible open space.

The proposed height variation does not impact consistency with the strategic planning framework. Instead, it supports compliance with key relevant objectives, including the objective to secure an ongoing pipeline of productive industrial land under Draft Region Plan.

Specifically, it responds to the limited industrial land supply in Eastern Sydney, whereby no or minimal new industrial land is being created, to address the need for additional industrial floorspace to service projected population growth and freight volume growth at Sydney Airport and Port Botany.

4.0 Economic Context

The following Section analyses the local social and economic context of the Proposed Development, including defining a Study Area, assessing the existing demographic characteristics and forecasting future resident and worker levels.

This Section provides a high-level review of the role and function of Sydney's employment lands, the competitive context and development pipeline across Greater Sydney. A summary of site attributes typically required by a tenant is provided.

4.1 Study Area Definition

For the purposes of this analysis, Study Areas have been defined to represent the areas of influence for the proposed development. The adopted Study Areas and the definitions are summarised as follows:

A map showing the defined Study Areas for this assessment is provided in **Figure 6**.

Eastern Harbour City	• Defined as the following Local Government Areas: Bayside, Burwood, Canada Bay, Inner West, Randwick, Strathfield, Woollahra, Waverley, City of Sydney
Central River City	• Defined as the following Local Government Areas: Blacktown, Cumberland, Parramatta, The Hills
Western Parkland City	• Defined as the following Local Government Areas: Blue Mountains, Hawkesbury, Penrith, Camden, Campbelltown, Fairfield, Liverpool, Wollondilly
Benchmark	• **Greater Sydney** - defined using the 2021 Greater Capital City Statistical Area (GCCSA) boundary for the metropolitan region of Sydney

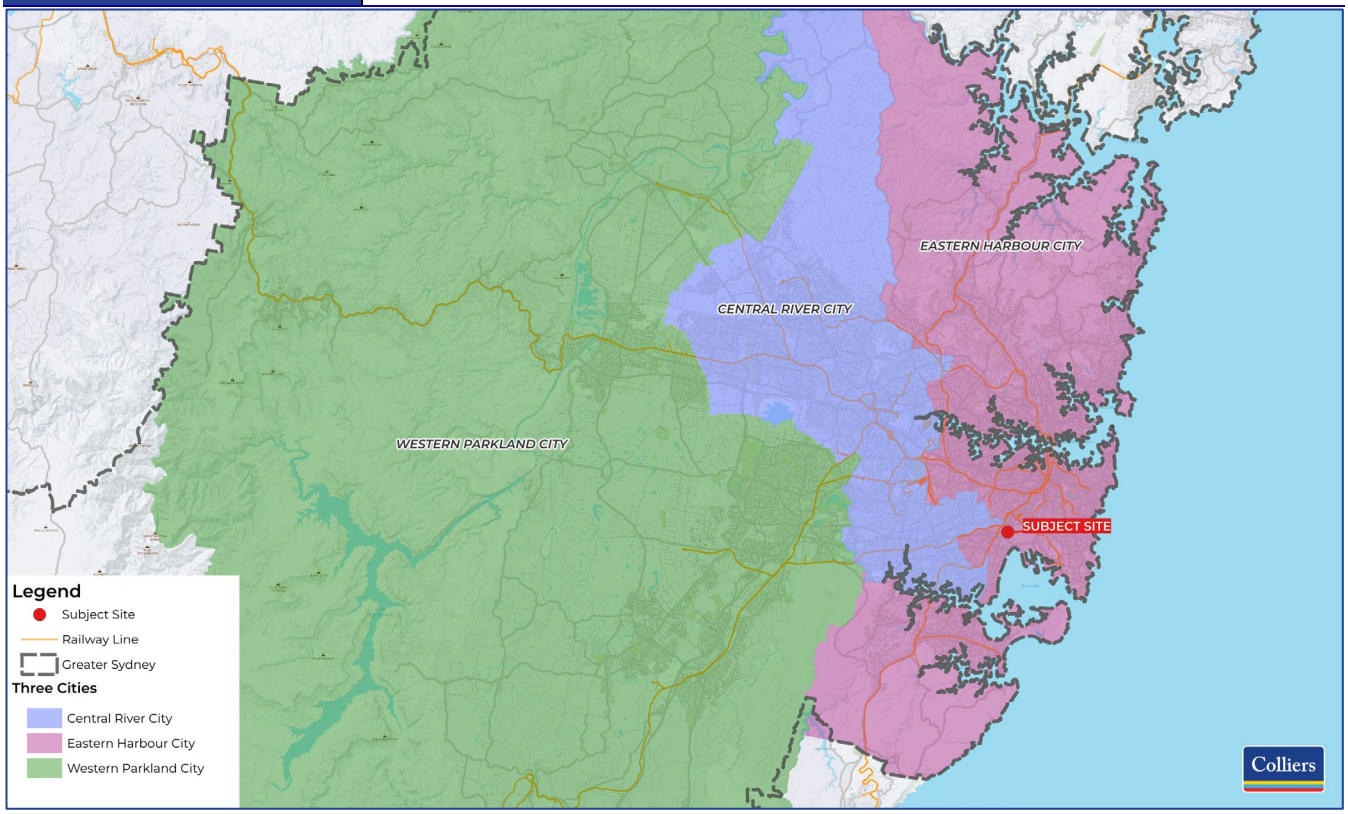

Figure 6 Study Area Map
Source: QGIS; Colliers Urban Planning

4.2 Resident Trends and Projections

The following sub-section provides residential population projections to inform the potential growth drivers for the Proposed Development.

Resident population projections have been prepared using latest official projections from Transport for NSW (TfNSW) and rebased to account for the latest ABS historic population estimates. A detailed summary of population projections is presented in **Table 4**, and the key findings include:

- As at 2025, there was an estimated 5.3 million residents living within Greater Sydney. The vast majority of these residents lived in the Eastern Harbour City which accounted for 42.9% of this residential population. The Central River City had the next higher proportion of residents accounting for 33.3% of the resident population of Greater Sydney.
- Between the period 2011 to 2025, the residential population has increased by some +986,130 residents. The Central River City experienced the highest growth across the three cities accounting for 42.0% of population growth over this period. Both the Eastern Harbour City and Western Parkland City accounted just under 30% of the population growth.
- Greater Sydney is anticipated to grow by an additional +1.6 million residents by 2051. While Central River City will continue to accommodate the largest proportion of this growth, its overall contribution is anticipated to be lower at 37.7%. This is just above the proportion of growth anticipated for the Western Parkland City which is anticipated to account for 35.1% of future resident growth. The Eastern Harbour City is anticipated to account for the remaining 27.2% of growth, slightly below its historic share of 29.0% for the period 2011 and to 2025.

Greater Sydney's population will continue to grow, with the Eastern Harbour City will continue to have the highest proportion of residents with 39.3% of Greater Sydney's resident population.

This growing resident population will continue to require employment lands and industrial floorspace to provide a range of goods and services for businesses and households. Well positioned employment precincts and industrial developments will be critical to ensuring Greater Sydney is able to accommodate future growth.

Table 4 Population Projections – Study Areas, 2011 to 2051

Population (no.)	2011	2021	2025	2051	2011 - 2025	2025 - 2051
Eastern Harbour City	1,975,680	2,138,820	2,261,530	2,684,350	+285,850	+422,820
Central River City	1,344,230	1,613,430	1,758,010	2,343,440	+413,780	+585,430
Western Parkland City	966,390	1,161,050	1,252,890	1,798,460	+286,500	+545,570
Greater Sydney	**4,286,300**	**4,913,300**	**5,272,430**	**6,826,250**	**+986,130**	**+1,553,820**
Average Annual Growth (no.)		**2011 - 2021**	**2021 - 2025**	**2025 - 2051**	**2011 - 2025**	**2025 - 2051**
Eastern Harbour City		+16,310	+30,680	+16,260	+20,420	+16,260
Central River City		+26,920	+36,150	+22,520	+29,560	+22,520
Western Parkland City		+19,470	+22,960	+20,980	+20,460	+20,980
Greater Sydney		**+62,700**	**+89,780**	**+59,760**	**+70,440**	**+59,760**
Average Annual Growth Rate (%)		**2011 - 2021**	**2021 - 2025**	**2025 - 2051**	**2011 - 2025**	**2025 - 2051**
Eastern Harbour City		0.8%	1.4%	0.7%	1.0%	0.7%
Central River City		1.8%	2.2%	1.1%	1.9%	1.1%
Western Parkland City		1.9%	1.9%	1.4%	1.9%	1.4%
Greater Sydney		**1.4%**	**1.8%**	**1.0%**	**1.5%**	**1.0%**

Source: ABS Estimated Resident Population 2025, Transport for NSW Travel Zone Projections 2025

Note: Figures Rounded. Greater Sydney excludes Central Coast Local Government Area.

4.3 Worker Trends and Projections

The following sub-section provides worker population projections including growth by industry breakdown. This helps inform how the Proposed Development will benefit and align with the local and regional workforce.

4.3.1 Broad Industry Classifications

The ABS groups employment into industries using the Australian and New Zealand Standards Industrial Classification (ANZSIC) framework. This framework classifies industries according to their productive activities.

For the purposes of estimating employment projections, these ANZSIC industries are grouped into Broad Industry Categories, as these Broad Industry Categories have similar economic drivers (see **Table 5** for classification). For instance, many industries provide population serving needs, such as household services, and construction services. As population growth increases, so too does the demand for employment within these industries – all else being equal.

For other industry groupings, such as, 'industrial', technological trends are changing the way these businesses operate by utilising more equipment and machinery and less manual labour, these businesses are reducing their overall demand for manual labour as a proportion of output, and as such, jobs growth is expected to be proportionately lower to population growth going forward.

Key drivers and an overview of each category is defined below:

- **Population Serving**: Industries within this category tend to provide services to households and individuals. As population grows, so does employment to respond to increased demand for population services.
- **Knowledge Workers**: For industries within this category a key factor is the ability to attract and retain high skilled workers. As such, locational and regional factors play a key role as well as the areas access to a highly skilled labour market. This industry location tends to be driven by availability of commercial space and demand from both residents and local businesses.
- **Industrial**: Broad industrial trends, such as economic growth, technology, automation and land use capacity are the main economic drivers for this category.
- **Health, Education, and Other**: Often reliant on population growth to drive demand; however, employment in these industries can also be 'lumpy' and is influenced by major projects and large-scale investment in infrastructure (e.g. universities and hospitals). For the purposes of this analysis, the growth outlook is tied to population growth.

Table 5 Broad Industry Classifications

Broad Industry Category	Industry of Employment
Industrial	• Agriculture, Forestry and Fishing • Mining • Manufacturing • Electricity, Gas, Water and Waste Services • Wholesale Trade • Transport, Postal and Warehousing
Population Serving	• Construction • Retail Trade • Accommodation and Food Services • Arts and Recreation Services • Other Services
Knowledge workers	• Information Media and Telecommunications Financial and Insurance Services Professional, Scientific and Technical Services
Traditional Office	• Rental, Hiring and Real Estate Services • Administrative and Support Services • Public Administration and Safety
Education	• Education and Training
Health	• Health Care and Social Assistance

Source: TfNSW

4.3.2 Employment Estimates by Industry

Employment projections have been adopted with consideration to official projections prepared by Transport for NSW, with projections for the Study Areas presented in **Table 6** including the following findings:

- In 2025, there were some 2.9 million workers across Greater Sydney, with 28.3% working in Population Serving industries such as retail trade. This was followed by workers in Knowledge Worker industries (23.2% of workers) and Health and Education (21.6% of workers). There were some 463,180 workers in industrial industries which accounted for 16.2% of workers.
- The vast majority of workers (59.2%) were working in the Eastern Harbour City which contains the many of Greater Sydney's key commercial office, retail and employment centres and precincts. There were an estimated 1.7 million workers in the Eastern Harbour City with 32.8% of workers working in Knowledge Worker industries, followed by Population Serving (25.3%) and Health and Education (19.5%). Workers in Industrial industries accounted for 11.9% of workers.
- By 2051, there is anticipated to be an additional 825,570 workers across Greater Sydney. Most of these additional workers will be working in Population Serving (+233,390 workers), Health and Education (+198,980 workers) and Knowledge Worker (+183,310 workers) industries. The Eastern Harbour City will continue its role as key employment destination accounting for the highest share (37.2%) of additional workers across Greater Sydney. An estimated +142,500 workers are anticipated in Industrial industries with an additional +26,610 Industrial workers in the Eastern Harbour City.

The Eastern Harbour City will continue to play a key role in accommodating over half of Greater Sydney's workers. As much of the Eastern Harbour City is already developed, many of the future workers will need to be accommodated in higher density developments within existing employment centres and precincts. The ability to unlock highly strategic sites and deliver higher intensity employment outcomes will be critical in accommodating Greater Sydney's growing worker population.

Table 6 Employment Projections by Industry, 2021 to 2051

Employment (no.)	2021	2025	2051	2021 - 2025	2025 - 2051
Eastern Harbour City					
Industrial	191,630	201,480	228,090	+9,850	+26,610
Population Serving	409,290	429,840	494,850	+20,550	+65,010
Knowledge workers	492,620	555,740	673,920	+63,120	+118,180
Traditional Office	167,990	179,000	198,810	+11,010	+19,810
Health and Education	292,560	330,350	407,790	+37,790	+77,440
Total	**1,554,090**	**1,696,400**	**2,003,460**	**+142,310**	**+307,060**
Central River City					
Industrial	100,930	106,850	174,540	+5,920	+67,690
Population Serving	150,090	163,290	253,250	+13,200	+89,960
Knowledge workers	25,640	28,910	56,100	+3,270	+27,190
Traditional Office	44,330	47,780	74,680	+3,450	+26,900
Health and Education	100,220	118,220	174,500	+18,000	+56,280
Total	**421,210**	**465,040**	**733,070**	**+43,830**	**+268,030**
Western Parkland City					
Industrial	150,840	154,860	203,050	+4,020	+48,190
Population Serving	204,530	219,580	298,000	+15,050	+78,420
Knowledge workers	69,380	80,270	118,200	+10,890	+37,930
Traditional Office	73,510	79,760	100,460	+6,250	+20,700
Health and Education	146,120	171,250	236,490	+25,130	+65,240
Total	**644,370**	**705,720**	**956,200**	**+61,350**	**+250,480**
Greater Sydney					
Industrial	443,400	463,180	605,680	+19,780	+142,500
Population Serving	763,910	812,710	1,046,100	+48,800	+233,390
Knowledge workers	587,630	664,910	848,220	+77,280	+183,310
Traditional Office	285,830	306,540	373,940	+20,710	+67,400
Health and Education	538,900	619,810	818,790	+80,910	+198,980
Total	**2,619,680**	**2,867,160**	**3,692,730**	**+247,480**	**+825,570**

Source: TfNSW 2024

Note: Figures rounded. Greater Sydney excludes Central Coast Local Government Area.

5.0 Sydney's Employment Lands Context

This Section provides a high-level review of the role and function of Sydney's employment lands, the competitive context and development pipeline across Greater Sydney. A summary of site attributes typically required by a tenant is provided.

5.1 Role and Function of Sydney's Employment Precincts

Reflecting the global nature of Sydney's economy, a range of different industries and businesses exist, which operate at varying locations, sizes and scale, and seek to locate in locations that provide a competitive advantage. Many of these businesses and industries locate across Greater Sydney's employment precincts and business parks.

The role and function of employment precincts varies, just as their size and strategic importance varies, with different geographies serving different role and functions across Sydney.

A key factor driving this difference of uses is the locational requirements, land values, and access to arterial roads and freight terminals, as these are required to distribute goods throughout the city and region. Access to ports and airports to enable regional and international trade is also a critical factor for some industries.

In order to analyse the role and function of employment precincts, employment data has been allocated to Sydney's employment land precincts. Employment data is sourced from the 2024 Transport for NSW at a travel zone (TZ) level. Employment is classified into ANZSIC 'industries' which represent the primary activity undertaken by the worker. The method for allocating workers by industry to employment precincts is detailed below.

Methodology to calculate employment by Broad Industry Sectors

- Travel Zones (TZ) are matched to employment precincts using the intersection function.
- TfNSW employment estimates for each TZ have been applied to employment precincts based on the intersections. *This results in some overestimating and underestimating of workers to precincts depending on how well TZs align to precincts. For example, in some instances, employment precincts that are adjacent to other major centres of employment such as shopping centres.* This overestimation has been reduced by weighting travel zones by the share of area within the employment precinct – i.e. if a TZ is fully within an employment precinct it receives a weighting of 100%. If only half of the area of the TZ is in the employment precinct it has a weighting of 50%.
- To further reduce overestimating workers in employment precincts, weightings have been applied to ANZSIC industries. An assumption is made regarding share of employment of an ANZSIC industry that would typically be accommodated in employment lands. I.e. share of workers in professional services in an employment precinct would be lower on average than a worker in the manufacturing industry. This share is based on industry benchmarks, and desktop review across a number of employment precincts. Sensitivity checks have been undertaken to ensure broad alignment of these weightings.
- Weighted ANZSIC industries are then classified according to the following 'broad industrial sectors':
  - **Producer Sector**. Includes agriculture and mining and other producers of 'primary' goods, and manufacturing and construction and producers of 'secondary' goods. These latter industries typically rely on output from primary producers.
  - **Services Sector**. Includes industries that provide 'business services' such as urban services, utilities, electricity, gas, water and waste services, rental and hiring of equipment and vehicles, professional, and information services, and 'population services' including health and education, consumer and household focused urban services, arts and recreation, and administrative.
  - **Distribution Sector.** Includes wholesale trade and transport and other industries that store and distribute output and inputs of primary producers and secondary producers. These distributional industries are typically 'wholesale' in nature as opposed to consumer-focused retailers.

5.1.1 Broad Industry Sectors by District (2025 to 2051)

A review of the broad industry sectors by districts reveals a significant variation across Greater Sydney's districts (see **Figure 7** and **Figure 8**). Key findings are as follows:

As at 2025 (existing):

- As at 2025, there is an estimated 333,920 workers within Greater Sydney's employment precincts. The largest share of workers are located in the **Central River City** (133,740 workers) and **Eastern Harbour City** (128,610 workers). There are some 69,400 workers in the **Western Parkland City**.
- By broad industry sector, the highest share of workers (39.6%) work in **Producer Sector** with a total of 132,070 workers across Greater Sydney's employment lands. There are some 58,470 workers in the Central City and some 37,100 in the Western Parkland City district.
- The **Services Sector** has the lowest number of workers with 98,260 workers (29.4% of all workers). The Eastern Harbour City had the largest number of workers within this sector at 51,020 workers followed by the Central River City with 18,310 workers.
- There are an estimated 103,590 workers in the **Distribution Sector** with the Eastern Harbour City having the largest number of workers in this sector at 41,090 workers followed by the Central River City with 38,330 workers.

By 2051 (future):

- As at 2051, there is anticipated to be 486,260 workers within Greater Sydney's employment precincts an increase of +152,340 workers over the period 2025 to 2051. The Western Parkland City is expected to accommodate the largest increase in workers with an additional +61,530 workers in employment lands by 2051. An additional +50,350 workers are anticipated for the Central River City, while growth in workers is expected to be lowest for the Eastern Harbour City, with an additional +43,000 workers in employment lands by 2051.
- By total number, the **Central River City** will continue to have the largest number of workers with 183,740 workers by 2051, this is followed by the Eastern Harbour City (171,610 workers). While there will be an anticipated to be 130,910 workers across employment lands in the Western Parkland City.
- By sector, the highest share of workers (36.6%) work in **Producer Sector** with a total of 177,860 workers across Greater Sydney's employment lands. Just under half of these workers in the Producer Sector will be located in employment lands within the Central River City (75,880 workers or 42.7%).

Key trends between 2025 and 2051 are as follows:

- **Precincts are shifting towards the service sector,** with an increase in the overall share of workers in the services sector (+4.3pp) and shift in the share of workers away from producer sector (-3.0pp) and distribution sector (-1.4pp). Precincts within the Eastern Harbour City are anticipated to experience the largest shift towards services sector (+7.6pp of share of workers in the service sector).
- **Higher employment growth in precincts in the Western Parkland City** compared to Eastern Harbour City and Central River City. The overall share of workers in the Western Parkland City is anticipated to increase by +5.4pp, while the share of workers in the Eastern Harbour City and Central River City are anticipated to decline by 3.2pp and -2.2pp. **This highlights that employment opportunities will be relatively lower in the east of Greater Sydney compared to the west.**

As the above demonstrates, there is a noticeable spatial pattern in the role and function of employment precincts across Greater Sydney. This highlights that locational attributes are a key driver in the type of industries and businesses that an employment precinct can attract. For example, trade gateways, freight and transport infrastructure and intermodal terminals are drivers for precincts that specialise in distribution and logistics.

Official employment projections also highlight that the role and function of precincts are changing, particularly within the Eastern Harbour City, with a shift towards these centres accommodating more workers in the services sector. As many employment precincts, particularly around Sydney Airport and Port Botany, play a key role in distribution and logistics, there is a need to ensure that these employment precincts can continue to provide this function.

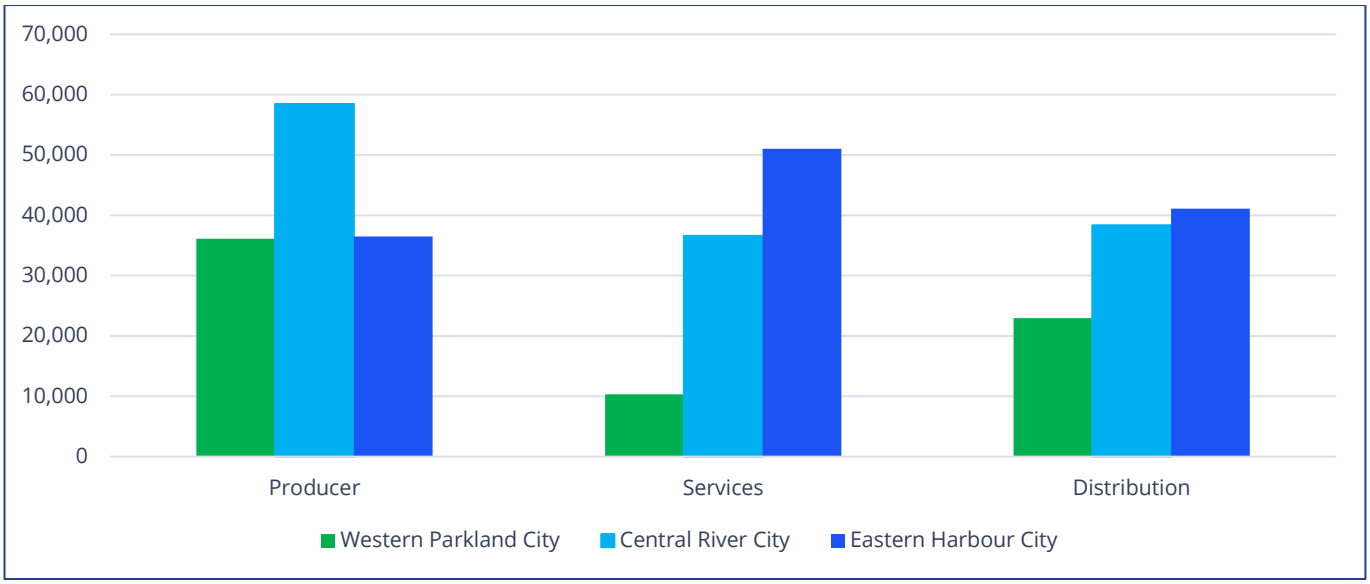

Figure 7 Estimated Workers by Industrial Sector and District, 2025

Source: ABS, TfNSW, 2024; Colliers Urban Planning//Note: figures rounded and represent an estimate of workers.

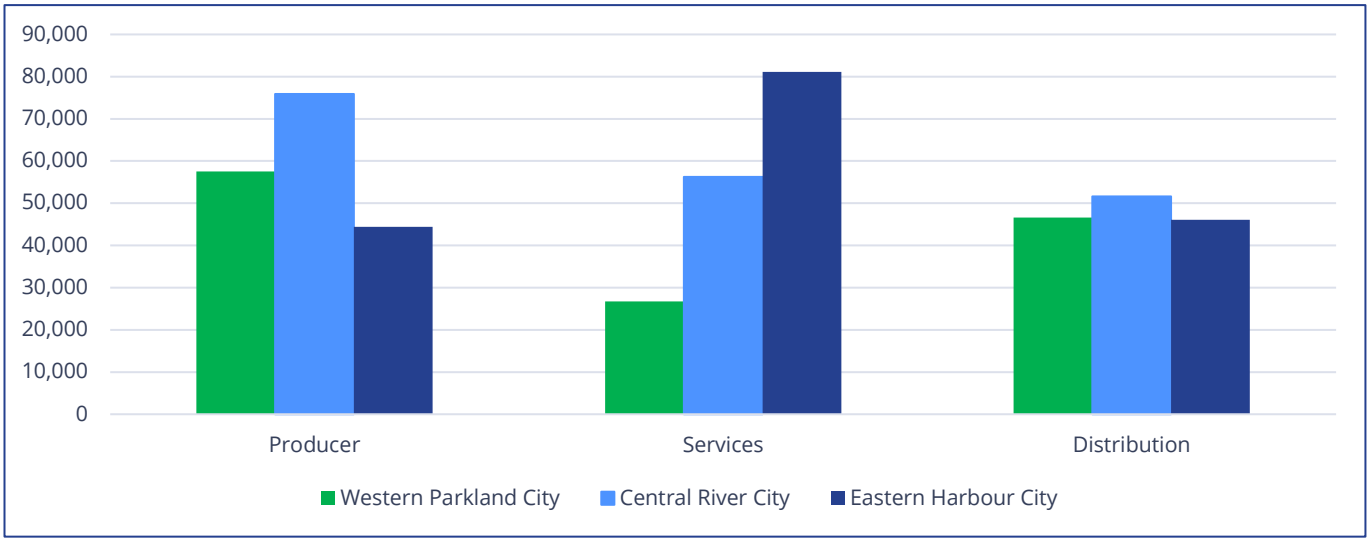

Figure 8 Estimated Workers by Industrial Sector and District, 2025

Source: ABS, TfNSW, 2024; Colliers Urban Planning//Note: figures rounded and represent an estimate of workers

5.1.2 Broad Industry Sectors by Location 2025 and 2051

Workers by broad industry sectors can be presented spatially to better understand the location characteristics of different precincts and whether different types of precincts are likely to locate. **Figure 9** illustrates the different types of precincts across Greater Sydney and their overall employment size (represented by the size of the 'pie') and the precinct's specialisation (represented by the slices of the 'pie'). A breakdown of these differences by Broad Industry Sector based on 2025 estimates of employment is summarised below (see **Figure 9** and **Figure 10**):

Distribution Sector:

- Precincts specialising in the Distribution sector tend to concentrate around **trade gateways, intermodals, major arterial roads, and freight and rail infrastructure**. In these precincts, the Distribution Sector tends to account for more than half of total employment in the precinct.
- There is a sizeable cluster of these precincts in and around Sydney Airport such as at Port Botany and Mascot and around the Western Sydney Employment Lands in both the Western City and Central City Districts. Other key locations include Chullora in the South District which has direct access to Sydney's Sydney Freight Terminal.

Producer Sector:

- Precincts specialising in the Producer sector tend to account for a higher share of total precinct employment in precincts not directly connected to Sydney's main gateways and in less well connected and suburban employment precincts.
- These precincts tend to have greater a variety in size than precincts specialising in the Distribution Sector. Well located and strategically important precincts tend to be larger in terms of workers, while more remote and smaller precincts tend to have fewer workers.
- Key examples of these precincts include Wetherill Park, Greystanes, Seven Hills, Kings Park and Rydalmere in the Central City District; Moorebank, Yarunga/Prestons, Ingleburn and Smeaton Grange in the Western City District; and Milperra, Revesby, and Caringbah/Taren Point in the South District.

Services Sector:

- On average Services tend to locate across all employment areas at a broadly similar share - likely reflecting their function as a supportive role for the precinct's catchment serving both businesses and households.
- A number of key precincts stand out as being more serviced orientated, this includes Artarmon, and Brookvale in the North District, and Castle Hill in the Central City District, as well as Caringbah/Taren Point in the South District. Employment precincts with relatively low levels of employment are often less connected and focused on the local population, where these areas also tend to have greater share of Producer and Consumer services. For example, industrial precincts located along Canterbury Road and precincts such as Hurstville South and Beverly Hills.

Changes by 2051:

- Employment precincts in the Western Parkland City particularly around the Western Sydney Airport are anticipated to grow.
- Many of the key precincts in the Eastern Harbour City focused in the Distribution Sector are anticipated to see a decline in the overall share of employment in the Distribution Sector.

Sydney's employment precinct are highly diverse, with a clear spatial pattern in role and function of precincts across Greater Sydney. Geography and the locational attributes of a precinct play a key role in any specialisation of a precinct. However, even within highly specialised precincts, there is still a degree of diversity in industrial uses (i.e. producer, services, and distribution).

Specialised precincts focused in the Distribution Sector are focused around trade gateways, and transport infrastructure, while the Producer Sector and Services Sector precincts tend to be located in more established precincts, closer to local businesses and residents.

In this context, the Subject Site represents one of the most strategic sites within Greater Sydney to accommodate industrial uses within the Distribution Sector. The Subject Site has the ability to function as natural extension to existing employment precincts including Tempe, Mascot, Banks Meadow and Botany and enhance the overall role and function of Sydney airport and Port Botany.

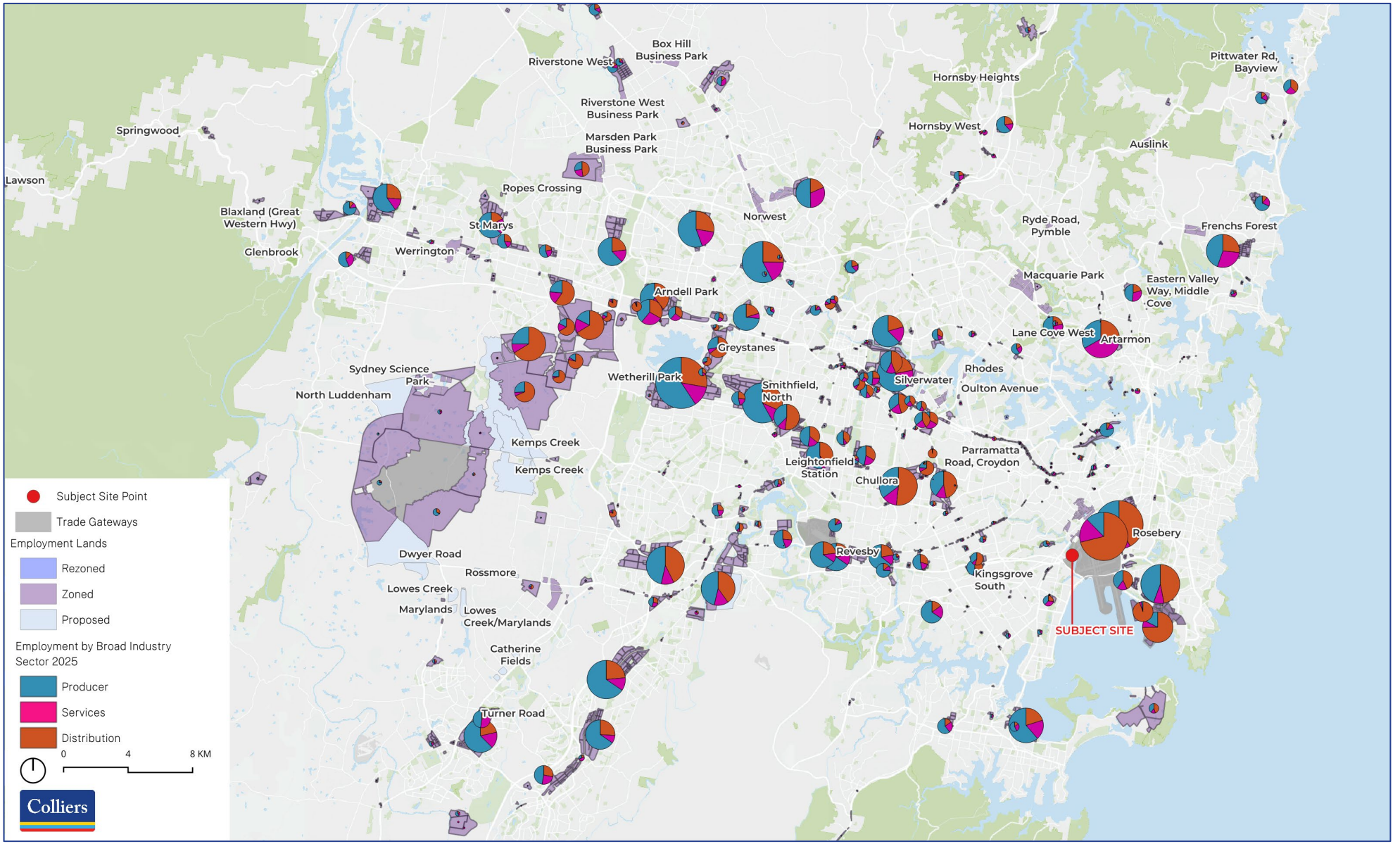

Figure 9 Industry Breakdown within Select Employment Precincts 2025

Source: ABS, 2021; DPHI, 2023; Colliers Urban Planning// Notes: size of employment estimated based on matching travel zones to employment precincts. Estimates may under or overstate employment depending on alignment of employment precinct with travel zone boundaries. Size of 'pie' represents number of workers

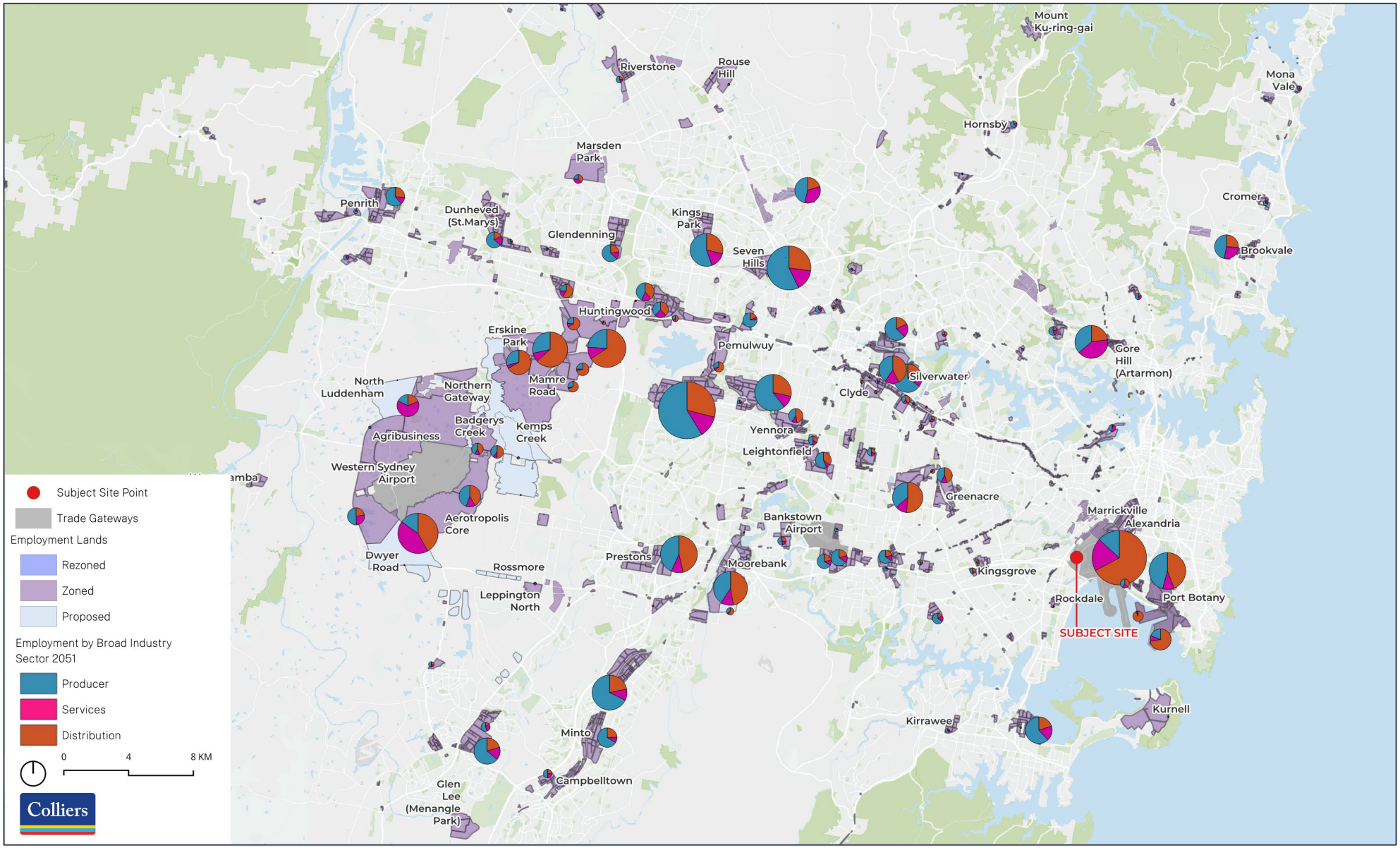

Figure 10 Industry Breakdown within Select Employment Precincts 2051

Source: TfNSW, 2025; DPHI, 2025; Colliers Urban Planning// Notes: size of employment estimated based on matching travel zones to employment precincts. Estimates may under or overstate employment depending on alignment of employment precinct with travel zone boundaries. Size of 'pie' represents number of workers

5.2 Development Pipeline for Industrial Activity

This sub-section provides a high-level review of the types and location of developments within the industrial sector pipeline that are anticipated to be delivered across Greater Sydney's employment precincts.

It should be noted that when estimating the development by type and location, proposed developments have been classified based on primary land uses. In addition, this analysis only considers projects to be delivered in existing employment lands and excludes business parks. (Data sourced from Cordell Connect).

Key findings of the Greater Sydney's industrial development pipeline are as follows (See **Figure 12** to **Figure 14**):

- There is some $23.4 billion worth of investment value within the industrial development pipeline from 2025 across over 201 projects. Most of this pipeline value is concentrated within the period 2028 to 2030.
- Much of the investment value is in '**warehousing**' projects with a value of $11.5 billion accounting for 49.2% of the pipeline. There were around 144 warehousing projects indicating that warehousing projects make up the vast majority of 201 industrial projects. These projects include multi-purpose warehouses, cargo sheds, distribution centres.
- Much of the remaining investment value is in '**data centre**' projects where around $9.2 billion of investment value (39.3% of total investment value) is anticipated to be delivered. This investment value is across 12 projects indicating an average investment value of $765.6 million per project.
- High concentration of projects focused around the Western Sydney Aerotropolis. There is high level of investment activity occurring to the north of Aerotropolis around the Mamre Road Precinct and other precincts within Penrith LGA (see **Figure 14**).
- Much of the investment value was in both the Central River City (45.6%) and Western Parkland City (43.4%), which together accounted for 89.0% of the total investment value with Greater Sydney's employment lands. By contrast the Eastern Harbour City accounted for 10.7% of value (see **Figure 12**).
- Examination of the top 20 projects reveals most of these projects were for data centres (eight projects) and warehouses (eight projects). By district, the majority of these projects were in the Western Parkland City (11 projects) and Central River City (seven projects). There were only two projects in the Eastern Harbour City (see **Table 7**).
- While details on development schemes for all industrial projects are not available, particularly for projects in early stages, examination of the number of storeys for industrial precincts indicates that projects in the Eastern Harbour City typically seek at least one additional storey compared to projects in the Central River City and at least two storeys compared to projects in the Western Parkland City (see **Figure 13**). On average, industrial projects in the Eastern Harbour City sought at least 3.6 storeys compared to 2.8 storeys in the Central River City and 2.1 storeys in the Western Parkland City.

Overall, **Greater Sydney's development pipeline in employment lands is dominated by data centres and warehouse uses.** Data centres tend to be employ few workers, although are highly competitive and able to outcompete other industrial uses. Warehousing uses particularly those uses focused on distribution and logistics typically require **larger lots and need to be accessible to major arterial roads and transport infrastructure and trade gateways**.

Projects in the Eastern Harbour City are typically taller and contain more storeys on average compared to projects across the rest of Greater Sydney. This is driven by scarcity of available land and competition from residential and other industrial projects in other parts of Greater Sydney.

There is a misalignment between investment and growth within the Eastern Harbour City with investment in employment lands within the **Eastern Harbour City accounting for only 10.7% of investment value across Greater Sydney, despite existing infrastructure and trade gateways within the Eastern Harbour City and with the city projected to accommodate 24.1% of Greater Sydney's resident population growth**. These growth rates are also broadly in line with growth projected across the Central River City and the Western Parkland City.

Unlocking key sites and ensuring flexibility of design and height will be critical to delivering higher density employment developments across the Eastern Harbour City. In turn, this will help to rebalance investment back to the Eastern Harbour City and supporting resident, employment and business growth across this part of Sydney. In this context, the Proposed Development is considered appropriate in terms of leveraging a highly unique and strategic site to assist with this rebalancing of investment and growth.

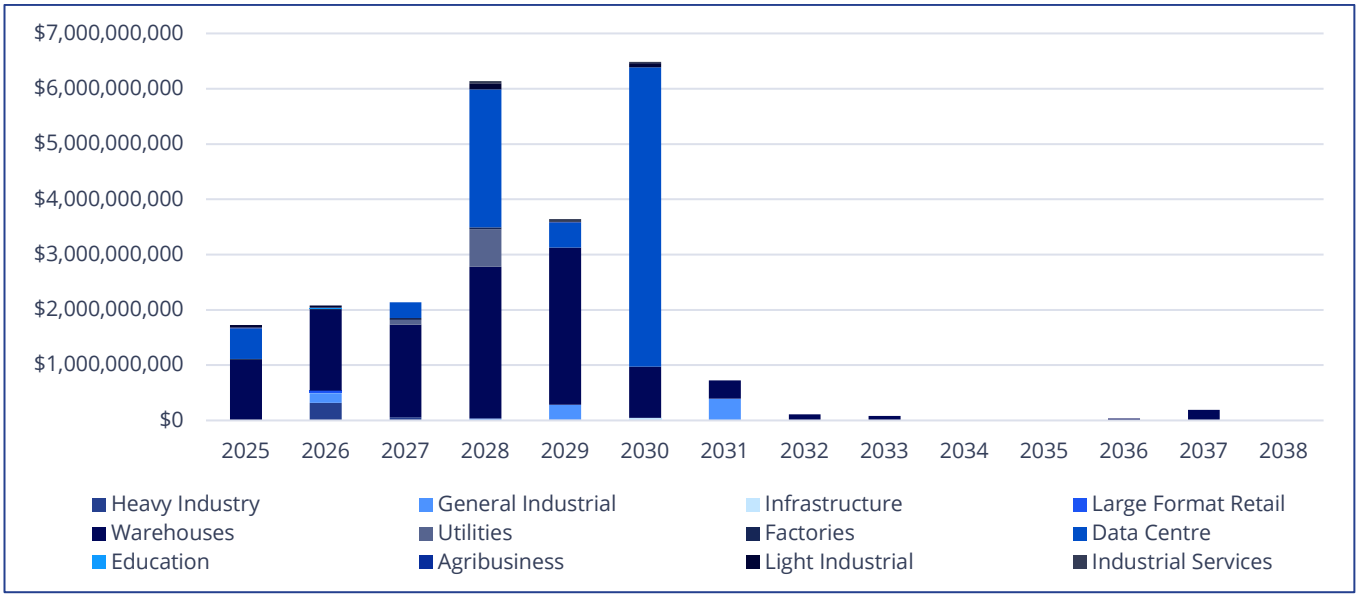

Figure 11 Industrial Development Pipeline within Employment Precincts by Primary Use from 2025, Greater Sydney

Source: CordellConnect; Colliers Urban Planning // Note: includes projects located in existing employment lands.

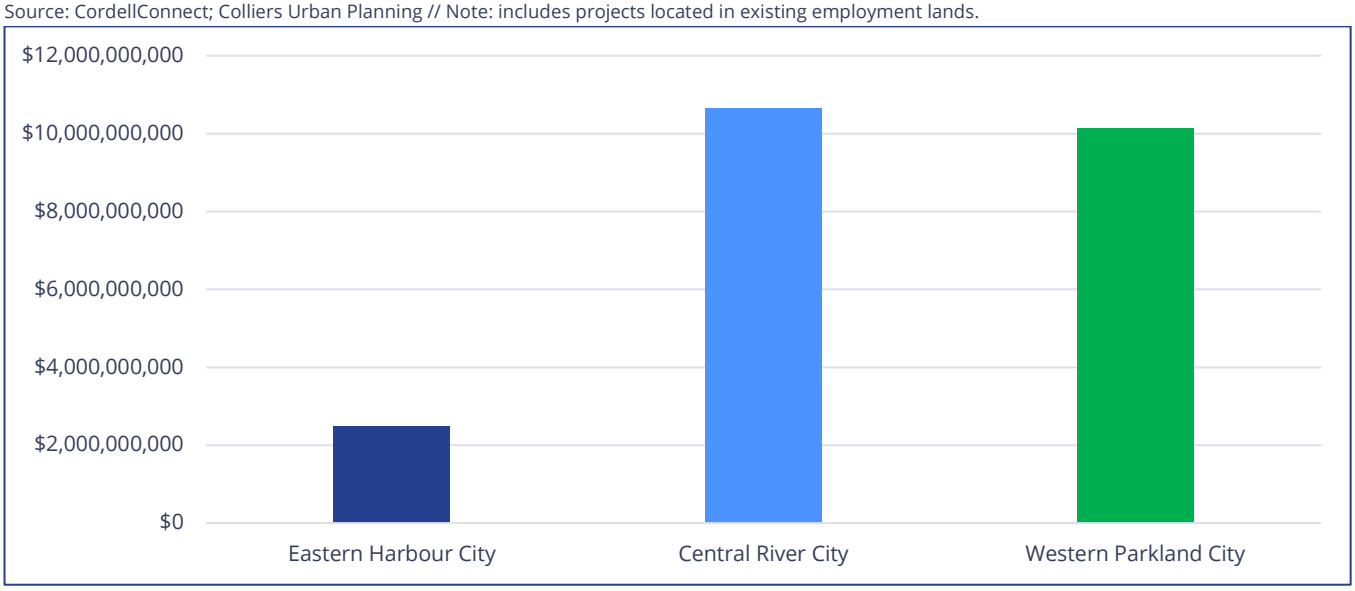

Figure 12 Industrial Development Pipeline within Employment Precincts by City District 2025 to 2038

Source: CordellConnect; Colliers Urban Planning // Note: includes projects located in existing employment lands.

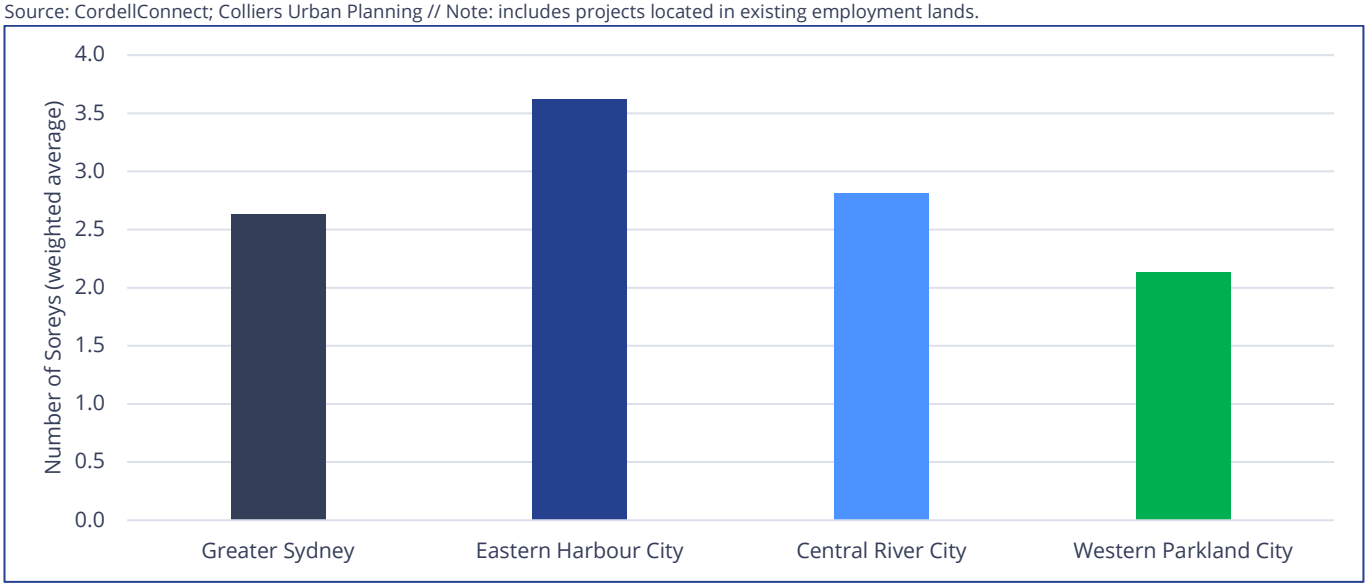

Figure 13 Industrial Development Pipeline within Average Building Storeys, 2025 to 2038

Source: CordellConnect; Colliers Urban Planning // Note: includes projects located in existing employment lands. Greater Sydney excludes Central Coast Local Government Area. Includes only projects with details regarding number of storeys

Table 7 Top 20 Projects by Investment Value within Greater Sydney's Employment Precincts

Rank	Project Title	Type	Location	District	Estimated Value	Estimated Year of Completion
1	Marsden Park Data Centre	Data Centre	Marsden Park	Central River City	$3,113,226,273	2030
2	2 Glendenning Road Data Centre Stages 1-3	Data Centre	Glendenning	Central River City	$2,300,000,000	2030
3	2-8 Lanceley Place Data Centre Artarmon	Data Centre	Artarmon	Eastern Harbour City	$845,852,021	2028
4	Eastern Creek Warehouse & Distribution Centre	Warehouses	Eastern Creek	Central River City	$778,322,582	2029
5	Davis Road Data Centre (Cundall) - Blue Tongue	Data Centre	Wetherill Park	Western Parkland City	$688,000,000	2028
6	Oakdale East Industrial Estate Stage 1	Warehouses	Horsley Park	Western Parkland City	$656,113,802	2029
7	Eastern Creek Energy From Waste Facility	Utilities	Eastern Creek	Central River City	$557,902,000	2028
8	51 Huntingwood Drive Data Centre - Airtrunk Data Centre Syd3	Data Centre	Huntingwood	Central River City	$550,000,000	2025
9	167-201 Aldington Road Industrial Precinct - Edge South & Edge North - Overall Project	Warehouses	Kemps Creek	Western Parkland City	$500,000,000	2030
10	Summit At Kemps Creek Industrial Estate - Concept & Stage 1	Warehouses	Kemps Creek	Western Parkland City	$466,641,812	2029
11	43-61 Turner Road Data Centre	Data Centre	Gregory Hills	Western Parkland City	$450,000,000	2029
12	Augusta Street Warehouse & Distribution Centre - Huntingwood Logistics Estate	Warehouses	Blacktown	Central River City	$446,000,000	2028
13	Western Sydney Airport Business Park	General Industrial	Luddenham	Western Parkland City	$391,628,887	2031
14	Microsoft Data Centre Kemps Creek	Data Centre	Kemps Creek	Western Parkland City	$332,566,520	2028
15	Bluescope Erskine Park Metal Coating Line 7	Heavy Industry	Erskine Park	Western Parkland City	$320,000,000	2026
16	Woolworths Warehouse & Distribution Centre Wetherill Park	Warehouses	Wetherill Park	Western Parkland City	$305,000,000	2027
17	1 &1a Apollo Place & 1 Sirius Road Data Centre	Data Centre	Lane Cove	Eastern Harbour City	$288,398,501	2028
18	Aerotropolis Logistics Estate - Badgerys Creek	General Industrial	Badgerys Creek	Western Parkland City	$270,000,000	2029
19	270 Horsley Road Multi Level Warehouse	Warehouses	Milperra	Central River City	$259,610,000	2028
20	Lineage Logistics Warehouse Aspect Industrial Estate	Warehouses	Kemps Creek	Western Parkland City	$250,000,000	2026

Source: Cordell Connect

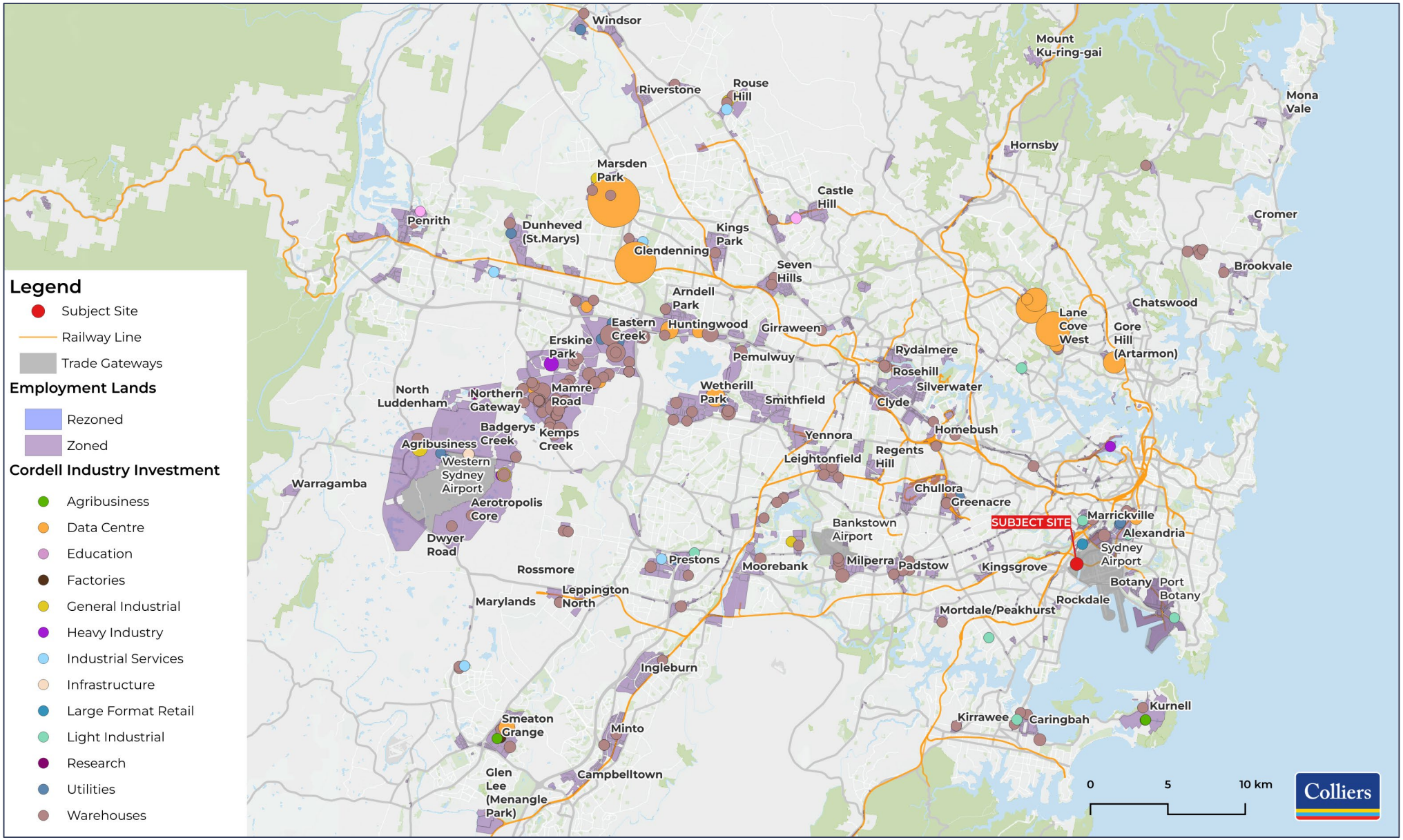

Figure 14 Industrial Development Activity within Sydney's Employment Precincts and Business Parks - 2025

Source: Cordell Connect, Colliers Urban Planning

5.3 Location Attributes for a Successful Employment Precinct

As the above analysis demonstrates that based on market research, there are a range of site and location attributes that a prospective industrial tenant will consider more favourable when deciding where to locate. These site attributes are summarised in **Table 8**. The importance of site attributes will vary depending on the operator and scale of the activity as noted above.

For example, higher order and large-scale industrial uses such as in Producer and Distribution Sectors will typically require positions proximate to major road networks, freight infrastructure and access to trade gateways. Whereas small scale activities will prefer to locate closer to their customer base and will be less constrained by site size and height constraints. In addition, some industries will require extensive industrial floorspace to accommodate machinery and other equipment, and will be more price sensitive in where they choose to locate.

Table 8 Site Attributes for Industrial Uses

Site Attribute	Relevant Sectors (examples)	Description
Rent and land costs	*Producers* *Services* *Distribution*	Many types of industrial businesses require large warehouses and storage sheds to operate effectively. This spatial requirement means that the industry is particularly sensitive to lower rents land costs. As businesses within employment lands are fairly diverse, some businesses will be more sensitive to rent and land cost pressures, particularly if their operating at scale or in highly competitive markets with limited margins.
Access to key workers	*Services*	Businesses need to locate in locations close to where their workers live. The industrial market typically employs a diverse range of workers with a broad range of skills. In this regard, some industrial market operators may seek to locate closer to lower skilled worker markets, whereas high order and advanced manufacturing operators may seek to operate and access high skilled labour markets.
Access to freight infrastructure	*Producer* *Services* *Distribution*	Many industrial uses rely on shipping and transportation of industrial goods such as raw materials, inputs, equipment, machinery and finished goods. Such items are typically bulky and require transportation by freight which can be costly. As such there is a strong location preference to locate in areas with good access to freight infrastructure to cost effectively transport their products.
Access to road infrastructure	*Producer* *Distribution*	Almost all industrial businesses rely on major roads for truck to transport raw materials, equipment, machinery and finished goods.
Close to customer base	*Services* *Distribution*	In line with reduced inventories and supplies, businesses are conducting more orders online, while consumers are ordering more retail goods online. At the same time, they are demanding quicker deliveries, and even same day deliveries. Decentralised distribution networks enable businesses to quickly respond to and deliver these orders to customers. In order to build effective networks, businesses are seeking to locate close to their customer base to ensure quicker deliveries and minimise transport costs.
Existing clusters	*Producers* *Distribution*	Many industrial uses will seek to locate in areas with other similar businesses this is typically because these locations are close to labour markets, businesses can provide inputs and services for other businesses, and these locations are able to operate at scale, helping to make investment in freight and road infrastructure viable. In addition, higher order industrial uses can benefit from knowledge sharing and other agglomeration effects that occur within economic clusters.
Lot size and building height	*Producers* *Distribution*	Some industrial operators require extensive land and space for example container related lands linked to trade gateways. Other employment uses require operating inside large buildings such as warehousing to accommodate large machinery which can take up additional space or height. In this regard, relatively flat and large lots of land are sought after to achieve organisation and operational benefits. A minimise lot size for

Site Attribute	Relevant Sectors (examples)	Description
Operating hours	*Producers* *Services* *Distribution*	Some industrial businesses are required to run machinery or other equipment for a significant amount of time which can impact more sensitive uses such as residential. In this regard these types of businesses will typically seek locations that are less restrictive on their hours of operation to ensure that they can efficiently produce materials and goods.
Separation from sensitive uses	*Producers*	Industrial uses and urban services tend to be higher intensity uses that cause a range of disturbances and impacts to amenity. Sensitive uses such as residential are particularly prone to being impacted by industrial uses. For this reason, land use planning seeks to separate industrial uses from residential. Indeed, an objective of SPREP30 is the separation of employment uses from residential uses where these employment uses can cause a disturbance. .

Source: Market reports; Colliers Urban Planning

5.4 Industrial Market Trends

A range of trends are impacting and transforming employment lands and industrial floorspaces, from the way businesses operate through new technologies, to changing business and consumer preferences. These trends are likely to impact floorspace and location requirements of businesses within the industrial sector.

Key Outcome	Implication	Key Trends Driving Change
Multi-storey warehousing and higher intensive Uses	• Increase heights, floorplates and multiple storeys. • Large lots to accommodating ramps and vehicle movements between different levels.	• *Higher rents and land costs* • *Constrained Employment Lands supply (particularly in Eastern Harbour City)* • *Growing resident population (and density)*
Flexible building design	• Increase heights, floorplates and multiple storeys. • Ability to adapt and accommodate machinery, new technologies, and industrial processes. • Ancillary, alternative and complementary uses (e.g. commercial, retail, health, education, etc.)	• *Reduced worker demand (for some industrial businesses and operations).* • *New technologies: 3D printing, automation, autonomous vehicles, drones* • *Modularity and scalability*
Operations across multiple sites	• Businesses diversifying their operations across multiple sites. • Better position parts of the business close to trade gateways, customers, businesses and workers	• *Just in time delivery* • *Modularity and scalability*
Varying site sizes and locations	• Large to small sites to accommodate range of different industrial operations. • Proximity to customers • Proximity to skilled workers • Proximity to trade gateways and transport infrastructure	• *Well serviced sites; connection to energy network; access to high skilled workers*

5.4.1 New Technologies

New technologies are causing disruptions across a range of industries within the growing digital economy, including artificial intelligence, big data, robotics, autonomation, autonomous vehicles, 3D printing and nanotechnology. These technologies are significantly changing the way people work, and the way goods and services are produced and distributed throughout the economy. Accordingly, the industrial sector is also undergoing an evolution, as businesses look to adopt new technologies in an increasingly competitive and globalised market.

Some of the key technology trends starting to influence the industrial sector include:

Trend	Industrial Sector Impacted (examples)	Description	Implications
E-commerce	*Distribution, Services*	The e-commerce trend is one of the most significant changes to impact the industrial sector in recent years. As the shift to online retailing continues, this is challenging the way traditional supply chain models operate as the focus now shifts from business to business, towards business to consumer. This has implications from a speed and cost point of view, reflecting the fact that the transport cost associated with delivering an item directly to the consumer (known as the 'last-mile' of delivery) is also the most expensive – it is estimated that the last-mile accounts for around a third of the total transport costs. A focus on speed of delivery has also become more important in an e-commerce environment. This has resulted in a range of companies moving towards a 'hub and spoke' supply chain model, whereby a larger fulfilment centre is positioned in the outer metropolitan areas and a range of smaller distribution centres are located in inner city areas to enable quick processing and last-mile delivery to the customer.	*Multiple sites; connection to trade gateways, motorways; sites in proximity to customer base*
Automation	*Distribution, Producer*	Automation is increasingly being investigated and implemented in order to enhance supply chain efficiencies. As automated technology, such as order and sorting machines continue to roll out, this is also changing the labour intensity of traditional industrial jobs and leading to a shift away from traditional, repetitive task-based workers to higher-order knowledge-based workers overseeing the operation of the machinery and equipment within the industrial sector. Furthermore, automation is allowing for higher intensity, and high efficiency production of industrial goods as well as enabling 24/7 operations. This technology helps businesses to quickly respond to industry and consumer demand. Automation is also changing the configuration of industrial premises, with the factory floor being increasingly occupied by machinery and equipment, and offices being filled with white collar workers. As a result, automation is leading to demand for larger and more specialised warehouses, particularly in outer metropolitan locations, where sites are large enough to cater for these requirements. Businesses are continuing to automate production processes and 'routine' tasks previously done by workers and creating opportunities for 'non-routine' work that is harder to automate. This is having significant implications for the composition of the workforce.	*Large floorplates; flexible building design and height, higher skilled workers; increase floorspace ratios per worker*
Big data and data centres	*Distribution, Producer, Services*	Is being used by businesses to optimise their operations and find efficiencies in their production processes. Big data is also enabling companies to better manage and respond to business and consumer demand and anticipate future demand. Overall, big data is leading to greater process control, and quicker response times. This data also needs to be stored somewhere, and a recent sub-sector of industrial zoned land includes Data Centres. Data centres are becoming highly competitive within employment lands typically being able to out compete less efficient and lower order industrial uses for key sites and land.	*Well serviced sites; connection to energy network; access to high skilled workers; reduced worker demand*
3D Printing-	*Producer*	Reduces the need for finished goods and relaxes locational requirements for certain types of industries, as they no longer need to be as close to suppliers. In the future, this will lead to goods and	*Flexible building design (e.g. increased heights; adaptable*

Trend	Industrial Sector Impacted (examples)	Description	Implications
		products being printed on 'as needs' basis. 3D printing will also enable businesses to highly personalise products and allow for a greater level of customisation than previously possible.	*floorplates); scalable production*
Modularity and scalability	*Distribution, producer, Services*	In a rapidly changing environment, businesses are implementing techniques to make their production processes and distribution and logistics networks more responsive to changes in demand. This involves the ability to be able to quickly ramp up production to meet demand spikes while keeping operation and production costs low.	*Flexible building design (e.g. increased heights; adaptable floorplates); scalable production*
Internet of Things	*Distribution, producer, Services*	Is a combination of a range of technologies. In essence, it allows devices and machines to communicate with each other, transferring data and information 'machine to machine', enabling greater monitoring of machines and people, increasing safety, security and efficiency.	
Drones	*Distribution*	Whilst still in its infancy, drones have the potential to completely change and reshape the logistics and distribution market by locating logistic and fulfilment centres in key locations to meet business and consumer needs. Drones will play a critical role in last mile delivery and inventory management.	*Flexible building design (e.g. increased heights; adaptable floorplates); multiple sites; access to trade gateways and transport infrastructure; higher skilled workers*
Autonomous vehicles	*Distribution*	Although projected not to make a material impact for several more years, autonomous vehicles are likely to change the way raw materials, industrial inputs and industrial goods are transported and distributed. They will provide the opportunity for more efficient delivery, and to lower the burden on road networks by operating during off peak times. Physical implications for industrial facilities also need to be considered. Currently several major international companies are experimenting with automated trucks including Tesla, Volvo, Daimler / Mercedes, Uber / Otto and Google's Waymo.	*Flexible building design (e.g. increased heights; adaptable floorplates); multiple sites; access to trade gateways and transport infrastructure; higher skilled workers*

5.4.2 Changing Business and Consumer Preferences

Changing business and consumer preferences are also changing the nature of businesses within the industrial sector. These trends are driven in part by changing consumer trends, as well as businesses adopting 'point of difference' tactics in order to gain a competitive edge through technology solutions. Some of the key trends include:

Trend	Industrial Sector Impacted (examples)	Description	Implications
Population growth	*Distribution, Producer, Services*	Population growth is a key driver of industrial development. With households demanding household goods and construction materials to accommodate growth.	*Increased demand for employment lands, floorspace*
Just in time delivery	*Producers, Distribution*	Businesses are holding reduced inventories and supplies and instead are relying on accessing supplies through their supply chain. This allows businesses to minimise their inventories and thus reduce holding and storage costs. While just in time delivery in itself is not a new trend, the combination of big data and digitisation has enabled businesses to optimise their inventories at levels not previously possible through a better understanding and implementation of their production processes	*Multiple sites close to customer base; sites close to trade gateways and transport infrastructure*
Last mile delivery	*Producers, Distribution*	In line with reduced inventories and supplies, businesses are conducting more orders online, while consumers are ordering more retail goods online. At the same time, consumers are demanding quicker deliveries, and even same day deliveries. Decentralised distribution networks enable businesses to quickly respond to and deliver these orders to customers.	*Multiple sites: sites close to customer base; sites close to trade gateways and transport infrastructure*
Faster time to market	*Producers*	A trend more common in overseas markets is where businesses are demanding shorter times to prototype and production of their designs and products. They are demanding shorter product development cycles, so as to get new designs quickly onto the market. And keep up with and respond to new product trends and innovations.	*Multiple sites: sites close to customer base; sites close to trade gateways and transport infrastructure*
Multi-channel sourcing	*Producers, Services, Distribution*	Businesses and consumers are relying on a greater range of businesses to supply their inventories and products, resulting in a more diverse supply-chain.	*Multiple sites; flexible designs; technology and big data*
Multi-purpose facilities	*Producers*	A rising number of businesses are requiring multi-purpose facilities (commonly referred to as enterprise tenancies) which combine traditional industrial roles, like manufacturing, with knowledge-intensive research and office-based functions. These developments are often located in well-located and high-amenity business parks on employment land close to established residential and commercial zones.	*Flexible building design (e.g. increased heights; adaptable floorplates); multiple sites*
Environment, Social and Governance (ESG)	*Producers, services, distribution*	Institutions and key stakeholders (including customers) are increasingly scrutinising where and how products are sourced. Higher transportation costs and requirements to measure emissions, particularly across supply chains, are increasing demand for well-located assets with high sustainability credentials. Industrial precincts proximate population centres and transport hubs are now viewed as playing an important role in supporting environmental objectives by driving supply chain efficiencies.	*Flexible building design (e.g. increased heights; adaptable floorplates); technology adoption*

6.0 Market Assessment

This Section provides an assessment of the types of uses outlined in the Proposed Development. It considers the demand and supply for these uses, and the implications for the Proposed Development, to assist with evaluating any potential impacts. .

6.1 Employment Lands Market Assessment

This analysis adopts a market review of the Indicative Reference Schemes as presented in **Section 2.4** and considers industrial uses as the primary use across schemes, with other employment generating uses considered to be alternative and complementary uses.

6.1.1 Existing and Future Supply of Employment Lands

A high-level review of the demand and supply of employment lands is considered across Greater Sydney to understand the quantum of employment lands available and the number of years it would take for undeveloped employment lands to be fully developed. This analysis draws on the Department of Plannings Employment Lands Development Monitor.

6.1.1.1 Supply of Employment lands and Undeveloped Lots

The latest Employment Lands Development Monitor (ELDM, 2024) was released in January 2025. The monitor provides the most comprehensive snapshot of employment precinct stock, take up and capacity. In the absence of more timely release the latest available employment lands development monitor has been analysed to understand broad historic trends within employment precincts across Sydney.

Key findings of a review of the ELDM (2024) are as follows (see **Figure 15** and **Figure 16**):

- Employment lands can be classified as either developed lands (occupied) or undeveloped land (vacant).
- As at January 2024, there was 12,860ha of developed land in Greater Sydney, with the majority of this land in either the Western Parkland City (38.2%) and the Central River City (39.8%), while the Eastern Harbour City accounted for 22.0% of the developed land.
- Between January 2022 to January 2024 the amount of developed land increased by around +830ha with the Western City accounting for almost half of this increase (+380ha). Developed land within the Eastern Harbour City increased by 170ha.
- As at January 2024, there was in the order of 7,320ha of undeveloped land across Greater Sydney. The vast majority of this land was located in the Western Parkland City District (5,870ha or 80.2%), and primarily focused around the Western Sydney Airport and the Aerotropolis.
- Between January 2022 to January 2024, the amount of undeveloped land has increased by +11.2ha. Nearly all of this additional undeveloped land is located in the Western City District (+60ha). Prior to January 2022 significant rezonings and land was released around the Western Sydney Airport and Aerotropolis. The amount of undeveloped land declined in the Central River City by -43.6ha and within the Eastern Harbour City by 2.4ha.
- There is an identified 2,750ha of potential future employment land which has been identified in endorsed NSW Government or council documents as future or potential employment lands (subject to further investigation). All of this potential future employment land is located in precincts within the Western Parkland City.
- There are less than 400 lots available for industrial development across the Eastern Harbour City. With less than 100 lots available for development with an area greater than 1ha. There are only four sites that exceed 10ha across the Eastern Harbour City. In this context, the Subject Site at 16.8ha represents one of only a few large sites available for industrial uses (see **Figure 16**)

Overall, Greater Sydney has a well-documented shortage of employment lands that is particularly pronounced within the Eastern Harbour City and Central River City. Importantly, there is no new zoned employment land being created within Eastern Harbour City Sydney. The restricted supply of zoned employment land within Eastern Sydney will drive the need for multi-level warehouse development and intensification of industrial uses.

However, there are very few lots within the Eastern Harbour City that are suitable for multi-storey warehousing or accommodating distribution and logistics uses. As highlighted in the NSW Ports Strategy lots of 2ha are typically required for distribution, freight and container related uses.

In this context, the Proposed Development represents a highly unique opportunity to deliver higher density industry with the Subject Site being one of only a few sites available to provide multi-storey warehousing and accommodate distribution and logistics uses.

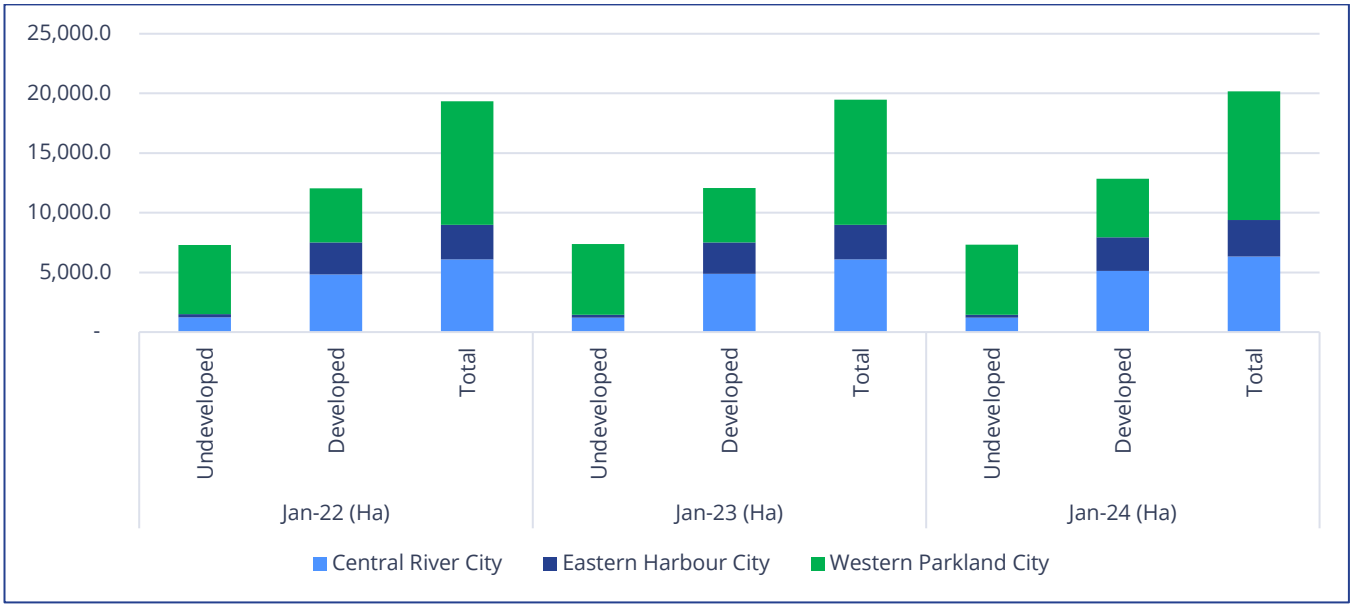

Figure 15 Zoned Land by District (January 2022 to January 2024)

Source: DPHI ELDM 2024; Colliers Urban Planning

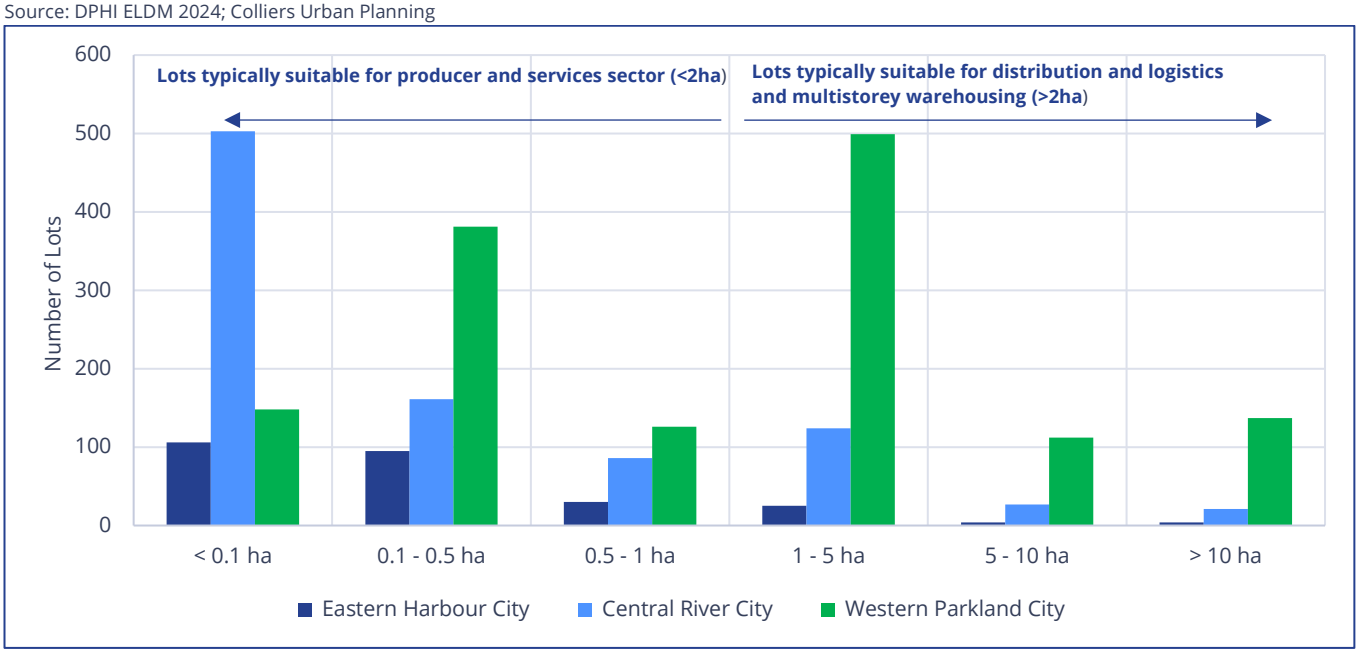

Figure 16 Number of Undeveloped Employment Land Lots by Size and City, January 2024

Source: DPHI ELDM 2024

6.1.2 Projected Implied Demand for Employment Lands

This sub-section estimates implied demand for employment lands to determine future employment land requirements to accommodate anticipated employment and industrial growth within the region.

Methodology for estimate implied demand for industrial floorspace and employment lands:

1. Employment projections presented in **Section 4.4** are adopted as a starting point with demand applied demand for employment lands as per **Section 5.1**.
2. Workspace ratios are applied to employment projections (1) to estimate demand for ***industrial floorspace***. Industry workspace ratios are sourced from the 2023 CPA Workspace Ratios Guidance Note and industry benchmarks.
3. **Market is assumed to be in equilibrium as at 2025**. As existing developed employment lands supply is as at January 2024, 10-year historic take-up rates are applied to these figures to estimate quantum of developed employment land as at 2025. *This is likely a highly conversative assumption and likely overestimates remaining undeveloped employment lands due to 10-year historic take-up rates being lower than take-up rates in recent years.*
4. Conversion of industrial floorspace demand to ***demand for employment lands*** is calculated by assuming the market is in equilibrium by applying (2) to (3). This allows deriving floorspace to employment lands ratio. A different ratio is applied per city to account for varying levels of industrial floorspace to employment intensity – i.e. higher density developments are more likely in the Eastern Harbour City compared to the Western Parkland City.

Key findings are as follows (see **Table 9**):

- In 2025, there was demand for employment lands across Greater Sydney in the order of 13,010ha. The majority of this land was in the Central River City (5,170ha or 39.7%) and Western Parkland City (5,010ha or 38.5%).
- For the period 2025 to 2051, it is anticipated that there will be demand for an additional +7,130ha of employment lands across the Greater Sydney. The vast majority of this additional demand (63.7%) will be generated within the Western Parkland City, with demand for an additional +4,540ha of employment lands. There is demand for an additional +780ha within the Eastern Harbour City accounting for 10.9% of additional demand for employment lands for the period 2025 to 2051.
- By 2051, just under half of demand for employment lands will be generated within the Western Parkland City with demand for 9,550ha of employment lands. This is followed by demand for 6,980ha within the Central River City, and 3,620ha within the Eastern Harbour City.

Overall, implied demand indicates that demand for employment lands is anticipated to be strong and exceed historic levels of take-up. Average annual growth rates are anticipated to exceed historical ten-year average growth rates. Part of this growth will be driven by greater viability for multi-storey and higher intensity industrial developments, particularly within the Eastern Harbour City and Central River City.

Table 9 Implied Demand for Employment Lands, 2025 to 2051

City	2025	2051	Additional Demand by 2051
Western Parkland City	5,010ha	9,550ha	**+4,540ha**
Central River City	5,170ha	6,980ha	**+1,810ha**
Eastern Harbour City	2,840ha	3,620ha	**+780ha**
Greater Sydney	**13,010ha**	**20,150ha**	**+7,130ha**

Source: Colliers Urban Planning

6.1.3 Adequacy of Employment Lands Supply

Based on estimated supply and demand for employment lands as presented above, the adequacy of employment lands is assessed. This analysis presents two potential outcomes for market gap:

1. **Redistribution of demand**: Assume demand can be redistributed to other parts of Greater Sydney when undeveloped employment lands supply is exhausted.
2. **Intensification of development to meet demand**: demand is met through intensification of industrial development such as increasing the number of storeys delivering a multi-storey outcome.

Key findings are as follows (See **Table 10**):

- Both the Eastern Harbour City and the Central River City are anticipated to record an undersupply of employment lands by 2051. Within the Eastern Harbour City there is an estimated 7.8 years of remaining employment lands supply with an estimated market gap of -550ha by 2051. While within the Central River City there is an anticipated 16.6 years of supply with an anticipated shortfall of 660ha of employment lands by 2051.
- Within the Western Parkland City there is anticipated to be sufficient supply of employment lands with an estimated 48.8 years of available employment lands. *However, this assumes that current proposed employment lands and undeveloped employment lands are able to be adequately serviced and brought to market to meet demand.*
- **Outcome 1: Redistribution of demand** - assuming that unmet demand within the Eastern Harbour City and Central River City could be redistributed across Greater Sydney, there is an estimated 36.1 years of employment lands supply.
- **Outcome 2: Intensification of development** - if the intensity of industrial development adjusts to meet demand, future industrial developments across the Eastern Harbour City will require an average of seven storeys, while across the Central River City industrial developments will require an average of 3 storeys. Without achieving these heights, demand will not be able to be met across these cities.

These estimate of the average number of storeys required across both the Eastern Harbour City and Central River City are likely conservative. For example, as noted in **Section 6.1**., industrial lots of scale in the Eastern Harbour City are rare, with less than 100 lots available that are greater than 2ha and therefore likely able to support multi-storey warehousing. Ultimately, only the most well-located and highly strategic sites will be able to achieve additional density or intensification.

In this context, there is a need to identify and secure unique and strategic sites to provide multi-storey opportunities. Planning controls on these sites should be flexible to accommodate additional height and outcomes in the future. The inability to secure and deliver an intensification of development opportunities (including multi-storey warehousing) will likely result in additional costs for residents, workers and businesses across the Eastern Harbour City. As outlined in the *NSW Ports 2063 Our 40-Year Master Plan for Sustainable Growth* (NSW Ports, 2023):

> *"Customer expectations of direct and on-demand deliveries cannot be serviced from industrial lands in Western Sydney alone due to travel distances and road congestion. Industrial lands in the Port Botany precinct and the Inner West are required to service this need for Sydney's eastern suburbs and the central business district".*

In this sense, the Subject Site and Proposed Development represent a rare opportunity to delivery higher density industrial uses in one of the few sites available across the Eastern Harbour City. The proposed modest increase in building height is considered appropriate to allow flexibility for a multi-storey warehouse outcome at a highly strategic and well-connected site.

Note: These figures are theoretical only and for illustrative purposes, given a range of factors that may limit alter development intensity of sites.

Table 10 Adequacy of Employment Lands Supply by 2051

City	Additional Demand for Employment Lands by 2051	Additional Supply by 2051[a]	Years of Supply	Market Gap by 2051	Intensity of Development Required to Meet Demand[b]
Calculation	*(1) Table 9*	*(2) DPHI, ELDM 2024*	*(2) – (1) divided by (2051 – 2025)*	*(2) – (1)*	*(1) divided by (2) divided by 50%*
Western Parkland City	4,540ha	8,530ha	48.8 years	**3,990ha**	***Sufficient supply***
Central River City	1,810ha	1,160ha	16.6 years	**-660ha**	***3 storeys***
Eastern Harbour City	780ha	230ha	7.8 years	**-550ha**	***7 storeys***
Greater Sydney	**7,130ha**	**9,920ha**	**36.1 years**	**2,790ha**	**-**

Source: Colliers Urban Planning
Note: a. Assumes 100% of undeveloped and zoned employment lands is able to be serviced and developed. B. Assumes blanket 50% site coverage ratio across Greater Sydney

6.2 Potential Alternative Uses

As outlined in **Section 2.4**, the Concept Masterplan seeks consent for alternative primary land uses on Block 2 and 3C to support the delivery of the highest and best use outcomes at the time of redevelopment. It includes an alternative mixed-use (i.e. commercial, hotel, serviced apartments) outcome on Block 2 and alternative data centre outcome on Block 3C. If

supported by market demand, these alternative primary uses may be realised in the future, as opposed to the logistics only primary use outcome.

6.2.1 Data Centre

Data centres will provide a critical role in supporting digital infrastructure across a range of services as they are "essential for processing and storing data, which supports cloud computing, essential services such as emergency response, and drives the digital services used daily by Australians".

Data centres are being used by businesses to optimise their operations and find efficiencies in their production processes. Big data is also enabling companies to better manage and respond to business and consumer demand and anticipate future demand. Overall, big data is leading to greater process control, and quicker response times. This data also needs to be stored somewhere, and a recent sub-sector of industrial zoned land includes data centres.

Data centres are becoming highly competitive within employment lands typically being able to out compete less efficient and lower order industrial uses for key sites and land.

Data centres have highly specialised technology, and therefore unlike traditional warehousing and industrial activities, data centres require highly skilled white-collar technicians to manage the ongoing operations of a facility. These skilled jobs will strongly align with policy objectives to deliver more higher order employment opportunities within this region of Sydney.

Furthermore, modern data centres and industrial developments are increasingly efficient, with stricter environmental controls and standards, together with technological advancements in building materials and operations. This is leading to industrial uses and facilities that are better designed, quieter, cleaner and have a reduced impact on the surrounding area. It should be noted that data centres are a broader segment of the industrial and logistics sectors and while they bear many similar characteristics to warehousing spaces, they do require more complex technical specifications and fit-out requirements as previously noted.

6.2.2 Data Centre Long-Term Market Potential

Data centres are an increasingly valuable component within the economy, supporting internet activity and flexible working practices globally by storing critical applications and data. Importantly, the demand for data centres is increasing in response to increased digitisation, IT security as well as cloud services associated with a more flexible and mobile world. The key trends driving demand for data centres include:

- **Business and governments are increasingly outsourcing data storage** – Driven by demand to improve efficiency, meeting changing technology requirements, and to ensure businesses have the ability to increase scale if need. In addition to this, the demand for data storage and security by public sector entities is increasing, where sectors such as government departments and health providers have significant cloud storage requirements and are increasingly concerned about public data security. Notably, Australia has a sovereign data policy, which is noted as a significant demand driver behind the investment of multi-national corporations in data centre infrastructure in Australia (CBRE 2024).
- **Artificial Intelligence and machine learning** – Data centres are critical pieces of infrastructure that are necessary for the use of artificial intelligence (AI). Australia's AI market is forecast to increase significantly by almost 30% by 2030. The response to this will be growth in demand for larger data centres with more specialised equipment as both businesses and individuals take up this new technology.
- **Increased cloud computing** - Cloud computing uptake has continued to accelerate and expand across the economy, with Australian cloud storage services expected to reach $7.7 billion in revenue by FY28/29 (IBIS World – Cloud Storage Services in Australia). This includes an increase in internet connections and traffic by both individuals and businesses. Increasingly, businesses are also outsourcing their cloud computing needs to reduce capital expenditure and utility costs (CBRE 2024).
- **The rise in e-commerce** – In recent years, consumer and business expectations have evolved, resulting from improved technology, particularly in online store platforms. The take up of online shopping in particular has increased demand for online infrastructure, placing pressure on retailers to invest in data storage facilities. Online retail penetration rates in Australia are forecast to increase from 13.9% to 18% by 2025 (Colliers, 2023).
- **Expansion of 5G networks in Australia** – The introduction of new technologies, in particular the role out of the 5G mobile network will need support from an improvement in network infrastructure and data capacity to better improve

connectivity speeds and reduce latency. Research by CBRE estimates that by 2025, some 95% of Australia's population will have access to 5G.

- **Need for hyperscale data centres** – Efficiency, cost saving measures and the surging demand for the ability to store data has meant that there is an increased need for 'hyperscale' data centres. These data centres have a larger critical mass of infrastructure, data storage and capacity, and the demand for this data centre model is growing, particularly in response to generative AI (JLL Global Outlook 2024). Importantly, these larger data centres typically however require more land available, including within brownfield sites (such as the Subject Site).

The implications of the above trends are an increase in demand for space in industrial areas for data centre facilities close to high power outputs. This demand is highly evident in Sydney, which currently supports over 65% of the nation's IT capacity and data centre development pipeline. This growing demand and take up of data centres are reflected by the establishment of key operators such as AirTrunk, Microsoft, DCI, Equinix, and Next DC in precincts including Huntingwood, Mamre Road Precinct, South Sydney, Artarmon and Macquarie Park.

As outlined in **Section 6.1**, the primary location for data centres are within employment lands and business parks across Greater Sydney. As the market assessment for employment lands indicated there is a market gap of some 550ha by 2051 across the Eastern Harbour City.

Overall, data centres are part of an evolving property sector focused around technology and innovation and form an increasing focus for industrial and employment areas, supporting faster connections and growth in higher order jobs such as IT and finance. The increase in data centre operators in the Sydney market is reflective of the current and future demand for data storage and processing facilities, and the strong investment activity occurring in this sector overall.

Importantly, as an alternative use, a data centre at the Subject Site would continue to support growth and improve connectivity for businesses now and in the future within a growing and evolving region of Sydney.

6.2.3 Commercial Office

The indicative reference scheme for Proposed Development includes a provision of commercial office floorspace totalling around 3,110m^2 of floorspace and 18,260m^2 across all reference schemes.

Sydney CBD has a mix of land uses that includes residential and non-residential commercial uses such office, health, education, retail and visitor accommodation. The Sydney CBD forms the major commercial office destination in the metropolitan area, providing over 5.4 million square metres of commercial office floorspace and serves a critical role in Australia's national economy. The role of the metropolitan office markets across Greater Sydney also serves an important local and regional function that complements the higher-order role of the Sydney CBD.

A high-level review of the broader Sydney commercial office market is presented to contrast the overall competitive context for commercial office uses in a non-centre location. This will assist in understanding the relative impact of the project to accommodate residential uses.

The provision of commercial office floorspace across major markets include (See **Figure 17**):

- Sydney CBD – 5,67,410m^2
- Macquarie Park – 945,350m^2
- Parramatta – 940,760m^2
- North Sydney – 912,690m^2
- Crow's Nest/St Leonards – 267,000m^2
- Chatswood – 267,000m^2

(Sourced from the PCA Office Market Report, July 2025)

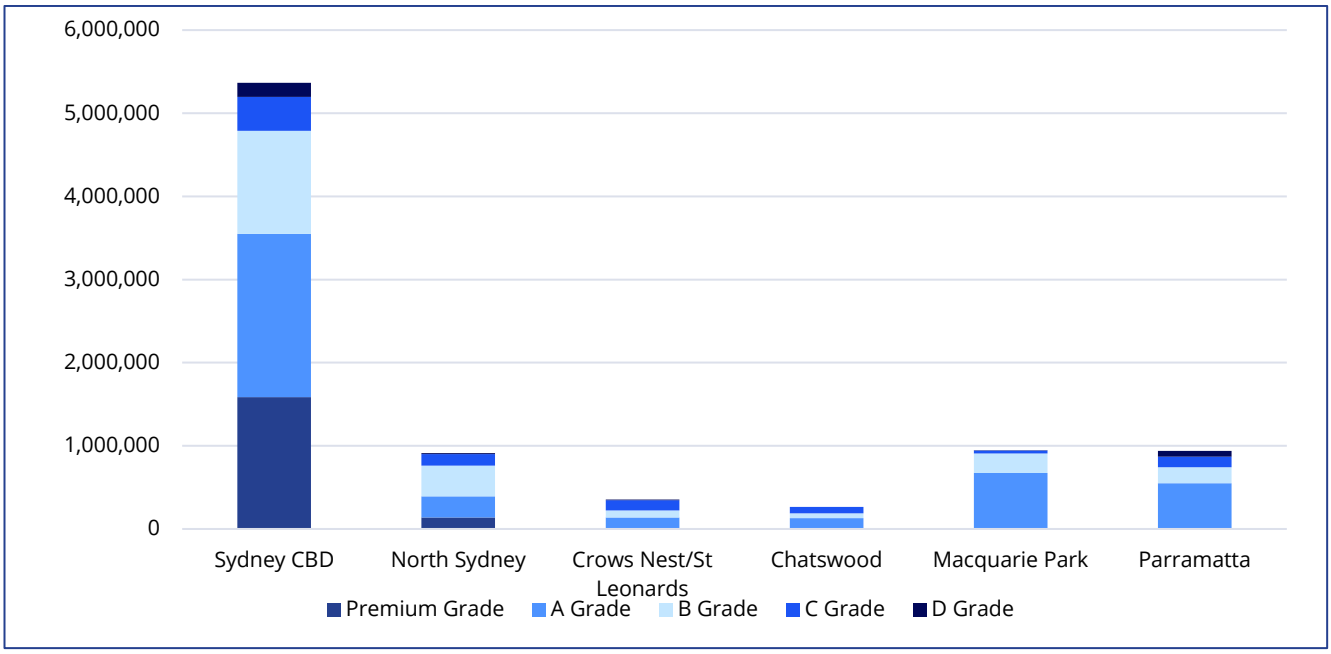

Figure 17 Commercial Office Floor Space – Sydney Markets, July 2025

Source: PCA Office Market Report, July 2025

The floorspace data above shows that Sydney CBD is the largest commercial office market, supporting around 5.4 million square metres of commercial office stock as of July 2025 (PCA). At this size, Sydney CBD is a significant anchor for office floorspace and a cluster of activity much greater than that of other metropolitan markets.

Of significance, outer commercial markets also show high rates of existing vacancy, often attributed to having to compete to attract tenants who may choose to locate in more desirable locations with improved access and able to attract a greater pool of talent such as the Sydney CBD or North Sydney.

Across metropolitan markets in Greater Sydney, there is around 1.49 million square metres of vacant commercial office floorspace, with all major office markets experiencing vacancy rates exceed 20%, with the exception of Sydney CBD which has a vacancy rate of 13.7% (see **Figure 18**).

Vacancy rates are well above the historic levels for major markets across Greater Sydney, which is typically closer to 6-7% on average over the 20 years to January 2020. The vacancy data demonstrates that the commercial office market in Greater Sydney overall is currently underperforming, particularly within other metropolitan centre markets. The performance compared to pre-COVID levels is also outlined to highlight the decline in commercial office conditions in recent years.

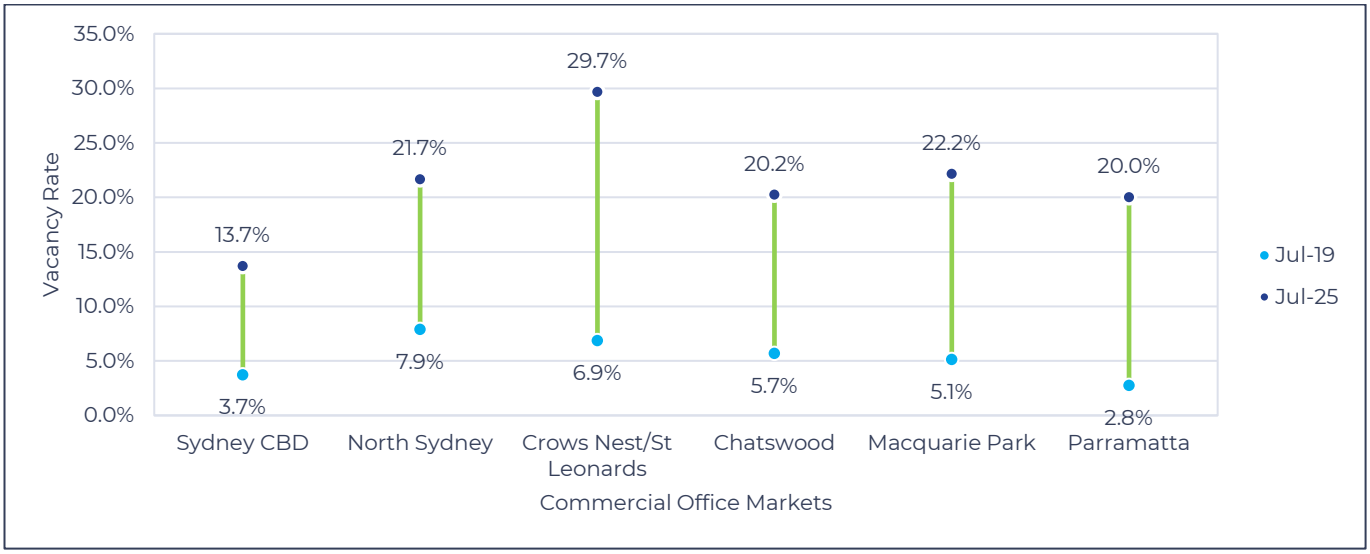

Figure 18 Total Vacancy (Total Vacancy %) – Major Sydney Markets, July 2025

Source: PCA Office Market Report, July 2025

The amount of planned new supply in the metropolitan office markets has been steadily increasing, further adding to high vacancy rates across the market. Currently, there is a significant amount of development activity underway or planned in markets such as the Sydney CBD (over 463,140m^2), North Sydney (126,450m^2) and Parramatta (around 84,360m^2), with the CBD also planned to accommodate significantly more. This information is based on the July 2025 PCA Office Market Report.

In addition to these metropolitan markets, a range of office tenants also seek out spaces in city fringe locations such as Redfern, Pyrmont and Surry Hills. More recently, major development and investment in key areas such as South Eveleigh and Sydney Olympic Park have emphasised the appeal of these types of locations, particularly with companies focused around technology, innovation and creative industries.

As a result, there is over 8.79 million square metres of commercial office floorspace provided at key metropolitan centres throughout Sydney, including over **1.49 million square metres of vacant floorspace**, and a **further 758,110m^2 of additional future supply** that has also been identified. (PCA July 2025).

In this context, only the most unique and strategic sites will be able to accommodate commercial office development outside of the key commercial office centres in the short to medium term. These sites will need to provide a combination of amenity and viability to attract and retain key commercial office tenants and workers with most central, high amenity and accessible sites likely to be viable. Other potential uses will include commercial office development that leverages off other employment generating uses.

In the context of the Subject Site, this would include Sydney Airport, and the delivery of high intensity industrial uses. In this sense, the commercial office uses provide a complementary role to the primary employment generating use.

Commercial Office Long-Term Market Potential

Based on official employment projections, there is implied floorspace demand for some 2.8 million of commercial office floorspace across the Eastern Harbour City by 2051.

As an illustrative example, adopting a workspace ratio of 20.2m^2 per commercial office worker, and applying this ratio future commercial office workers, there is implied floorspace demand in order of 2.8 million square metres by 2051. Taking into account additional supply in the order of 2.2 million square metres across known projects in major commercial office centres implies a market gap of 0.5 million square metres. Highlighting the potential for additional commercial office projects to satisfy this market gap (see **Table 11**).

The most suitable locations for these commercial office buildings will be Sydney's key commercial office centres with most of these centres located in the Eastern Harbour City, including Sydney CBD and North Sydney. Other suitable locations include proximity to train stations, high amenity precincts, and proximity to other employment generating uses as a complementary and secondary role.

Although the short-term to medium term outlook for commercial office is limited, given the role and function of Sydney airport and the suitability of the Subject Site, there is potential for commercial office development associated with these core institutions and functions. Long-term viability of commercial office will depend on ensuring overall site amenity, and viability and the ability to deliver other employment generating uses such as the proposed high density industrial uses.

Table 11 Supportable Commercial Office Floorspace by 2051, Eastern Harbour City

Metric	Eastern Harbour City
Commercial Office Workers by 2051[a]	+137,990
Workspace Ratio[b]	20.2m^2 per commercial office worker
Implied Floorspace Demand	**+2.8 million m^2**
Existing Market Supply and known Projects (key commercial centres)	**2.2 million m^2**
Existing Market Gap	**-0.5 million**

Source: Industry benchmarks and averages; Colliers Urban Planning

Notes: figures rounded.

- a. assuming 100% of additional jobs will be in knowledge worker and traditional office industries will be accommodated in commercial office.
- b. based on industry benchmarks and typical tenant requirements.
- c. based on indicate building heights within fringe office market locations.

6.2.4 Visitor Accommodation

The Proposed Development includes provision for visitor accommodation facilities with a proposed 64 keys hotels and an additional 300 keys hotel under Reference Scheme 2 and 4.

A review of existing visitor accommodation supply shows that there are a significant number of commercial accommodation providers (defined as hotels, motels and serviced apartments) within a broad area encompassing the Subject Site and Sydney Airport. This includes brand such as Novotel, Rydges, Aerotel, Mantra, Rydges, Adina, Ibis, Pullman, Meriton and Stamford Park Royal and Novotel.

Visitor Accommodation Long-Term Market Potential

As highlighted **Table 12**, in 2025 there was a total of almost 7.5 million visitor nights within the local area encompassing the Subject Site, Sydney Airport, Mascot and parts of the Inner west. Around 60% of these nights were spent in commercial accommodation such as a hotel, motel or serviced apartments. Accordingly, there is strong demand for visitor accommodation facilities, particularly as the Sydney Airport and the local continues to grow and evolve.

Applying the Tourism Research Australia NSW Forecast average annual growth rate of 3.0% for visitor nights in the coming years, it is estimated that by 2051 the local area could support in the order of 16.1 million visitor nights, reflecting an increase of +8.7 million nights compared to current levels. This growth rate is considered appropriate in the context of historic growth, which saw an average annual increase in visitor nights during the COVID-19 period of 2009 and 2019 of 14.8% per annum.

Sydney Airport is a key driver for visitor nights within the local area. Airports act as major demand drivers for visitor accommodation because they serve as gateways for both domestic and international travellers. Hotels are an attractive proposition as they help passengers reduces transit time, making nearby particularly with early departures, late arrivals, or layovers. Additionally, airports often host business travellers attending meetings, conferences, or trade events, creating consistent demand for short-stay accommodation. Tourism flows facilitated by airports also boost hotel occupancy in surrounding areas, as visitors seek convenient lodging before exploring the destination.

Other key drivers include:

- Strong population growth in local area and the Eastern Harbour City.
- Growth and increased intensification of uses within the local area including employment and economic activity.
- Expansion of Sydney Airport
- Improved accessibility and connectivity through infrastructure delivery

The projected growth of over +8.7 million visitor nights projected in the local area between 2025 and 2051 will translate to an increased need for visitor accommodation facilities in easily accessible locations, such as the Subject Site. The market need is highlighted in **Table 12**, and is described as follows:

- Assuming the typical provision of 1.5 persons per room, a total of around +5.8 million rooms would be required to service the anticipated increase in visitor nights by 2051. This translates to a requirement of +15,810 rooms per day in the local area.

- As highlighted previously, only a portion of visitor nights are spent in commercial accommodation (10-year average of 60.9%), noting that many visitors will stay with family and friends etc. Taking this into account, **there is an implied need for +9,630 additional commercial visitor accommodation rooms in the Local Area by 2041.**

Overall, the proposed 64 to 300 key visitor accommodation facilities are appropriate from a market potential perspective. The identified market gap along with the Subject Site's strategic attributes, within walking distance to Sydney Airport, and public transport, makes the site suitable for visitor accommodation uses (subject to operator demand).

Table 12 Demand for Visitor Accommodation – 2025 to 2051

Implied Demand for Visitor Accommodation	2024-2051
Projected additional nights	+8,656,400 visitor nights
Additional rooms required (assuming 1.5 persons per room)	+5,770,900 rooms
Additional rooms required per day by 2051	+15,810 rooms
Average nights spent in commercial accommodation	60.9% of visitor nights
Rooms required (adopting share of nights spent in commercial accommodation)	**+9,630 rooms**

Source: Colliers Urban Planning using TRA Data

Note: Figures Rounded

7.0 Economic Impacts

This Section estimates the likely economic contribution associated with the construction and operational phase of the Proposed Development. For the purposes of this assessment the land use mix and floorspace breakdown outlined in the indicative reference scheme has been used to highlight the economic benefit likely to be generated by the project over the long term (including at completion and full occupancy).

Disclaimer: *The economic benefits presented in this report are estimated based on the indicative reference scheme which provides preliminary gross floor space and development cost estimates. The indicative reference scheme is subject to further testing such as commerciality, feasibility and deliverability. As such, figures may be subject to change.*

7.1 Economic Impacts from Proposed Uses

This sub-section examines the potential economic impacts associated with the Proposed Development of the Subject Site to including industrial/employment lands and the following alternative uses: data centres, commercial office, and visitor accommodation. Adopted metrics for these figures are outlined in **Section 2.4**, while market gaps for these uses are estimated in **Section 6.0**. Impacts are assessed in terms of market need and identified market gap and the overall share of the market gap absorbed by the Proposed Development.

Ultimately, an assessment of employment lands highlights that there is a need for more intensive industrial uses at the Subject Site (i.e. multistorey warehousing). Furthermore, the proposed alternative uses would be highly complementary to primarily industrial uses of the Subject Site and ultimately represent a small component of the overall Proposed Development.

As outlined in **Table 13**, proposed uses represents only a small proportion of identified market need across the different uses.

Accordingly, it is likely that the proposed uses would have little to no impact on the surrounding businesses or developments, and will not impact the ongoing operation or viability of any existing or proposed facility once operational, with all projects and precincts positioned to benefit from ongoing market growth overtime.

Table 13 Economic Impacts from Proposed Uses

Measures	Industrial/Employment Lands	Data centre	Commercial Office	Visitor Accommodation
	Primary Use		***Alternative Uses***	
Market Need/Gap by 2051	550ha	550ha	0.5 million m^2	9,630 rooms
Proposed Development	13.3ha (developable area)	13.3ha (developable area)	3,110m^2-18,260m^2	64-364
Implied Market Share	**2.5%**	**2.5%**	**0.6%- 3.4%**	**0.7%- 3.8%**

Source: Colliers Urban Planning; Stockland

7.2 Economic Benefits

This sub-section summarises the economic benefits of the Proposed Development.

7.2.1 Employment Activity

Economic impacts associated with the proposed development have been prepared with input-output modelling undertaken with reference and compliance to best-practice guidelines.

Input-output tables are a 'map' of the economy that track the flow of products, services, and payments through the many industries, households, government organisations and foreign transactions that make up the Australian economy.

Every industry requires inputs from many other industries, plus the inputs of workers and machinery and equipment to produce output. Input-output modelling uses averages derived from the ABS Input Output Tables to estimate the impact

on all industries when one industry expands its production. The modelling used in this report is based on the 2020/21 ABS National Accounts release.

As with all economic models, input-output models include a number of limitations which include the following inherent assumptions: unlimited supplies of all resources including labour and capital, prices remaining constant, technology is fixed in all industries, and import shares are fixed.

Having regard for these limitations, the modelling used for the purposes of this assessment applies the Simple Multiplier effect measure. The Simple Multiplier effects measure estimates the expansion of other industries required to support the initial (direct) increase in the original industry; and does not include the additional impacts of extra wages and employment income being spent across the economy (spill-over effects).

Use of the Simple Multiplier effect measure is in-line with best practice industry standards and reflects a conservative position. Results from the modelling should be interpreted as indicative of the potential impact the project will have on the Australian economy.

The modelling provides estimates of the following economic benefits as a result of the project:

- Construction Employment – direct construction job-years supported by construction of the development and indirect job-years supported across all other industries over the construction period.

  'Job-years' is defined as the number of full-time equivalent (FTE) jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year. Only applies to construction employment.
- Ongoing Employment – direct and indirect FTE jobs supported by the ongoing operation of the project annually.
- Value Added – direct and indirect value added generated during the construction and operational phase of the project.

  Value Added is defined as the wages, salaries and supplements plus gross operating surplus (income earned by businesses) required in producing the extra output (construction investment and operating output/turnover). This represents the standard measure of economic contribution, that is, the increase in economic activity as measured by gross domestic product (GDP).

Estimates of the economic benefits of the proposed development will be realised across the national economy, given the scale and diversity of the New South Wales economy, a large proportion of these benefits will be realised in the local and regional area. The benefits have been prepared for:

- Construction Phase: Economic activity during the construction phase of the project which will be spread across the construction program.
- Operational Phase: Ongoing economic activity once the project is completed.

7.2.1.1 Construction Phase

It is estimated the direct capital investment required to realise the proposed development will be in the order of $2.0 billion. This estimate is based on the preliminary cost report prepared by MBM and relates to direct construction costs only and excludes consultant fees, preliminaries and margins. It is assumed that construction costs will be broadly within this estimate across all Indicate Reference Schemes.

Based on a construction cost of $2.0 billion, the construction phase is expected to directly support employment of 2,590 job-years and deliver a direct value-add to the economy of $420 million (see **Table 14**).

When the multipliers are taken into account, total state-wide economy effects over the construction program are forecast to be employment of 11,150 job-years and a total direct value-add to the economy of $1.3 billion.

Table 14 Construction Phase Economic Benefits ($2024/25)

Metric	Construction Phase (spread over construction period)		
	Direct	Indirect	Total
Employment (job-years)	2,590	8,560	11,150
Value Added ($M)	$420	$1,180	$1,600

Source: Colliers Urban Planning analysis utilising data from ABS, National Accounts 2020/21; ABS, Consumer Price Index
Note: Figures rounded. Job-years: Number of FTE jobs supported over the construction period. i.e. if construction is over 10 years, 100 job-years is equivalent to 10 FTE jobs per year.

7.2.1.2 Operation Phase

Economic impacts associated with the operation of the Subject Site once complete and fully occupied, have been based on supportable employment estimates for the various uses incorporated within the proposed scheme. These estimates have been prepared with reference to relevant industry benchmarks including NSW Common Planning Assumptions 2023, and Colliers research, and include the following:

Table 15 Adopted Workspace Ratios

Use	Workspace Ratio
Hotel/Accommodation	100
Commercial	20
Retail	35
Logistics/warehouse	200
Data Centre	200

Source: NSW Common set of Planning Assumptions

Based on the above, the operational phase is expected to deliver the following benefits (see **Table 16**):

Reference Scheme 1:

- FTE employment of 1,920 direct ongoing jobs, and a direct value-add to the economy of $540 million per annum.
- When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 4,590 jobs supported and a total value-add to the economy of $1.0 billion per annum.

Reference Scheme 2:

- FTE employment of 2,890 direct ongoing jobs, and a direct value-add to the economy of $630 million per annum.
- When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 5,990 jobs supported and a total value-add to the economy of $1.2 billion per annum.

Reference Scheme 3:

- FTE employment of 1,750 direct ongoing jobs, and a direct value-add to the economy of $470 million per annum.
- When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 4,080 jobs supported and a total value-add to the economy of $890 million per annum.

Reference Scheme 4:

- FTE employment of 2,710 direct ongoing jobs, and a direct value-add to the economy of $560 million per annum.
- When the multipliers are taken into account, total ongoing economy-wide effects are estimated at: FTE employment of 5,450 jobs supported and a total value-add to the economy of $1.1 billion per annum.

Table 16 Estimated Ongoing Employment, Full Occupancy

Reference Scheme Metric	Operational Phase (annual)		
Reference Scheme 1 – Logistics	**Direct**	**Indirect**	**Total**
Employment (job-years)	1,920	2,670	4,590
Value Added ($M)	$540.0	$490.0	$1,030.0
Reference Scheme 2 – Logistics + Mixed Use	**Direct**	**Indirect**	**Total**
Employment (job-years)	2,890	3,100	5,990
Value Added ($M)	$630.0	$560.0	$1,190.0
Reference Scheme 3 – Logistics + Data Centre	**Direct**	**Indirect**	**Total**
Employment (job-years)	1,750	2,330	4,080
Value Added ($M)	$470.0	$420.0	$890.0
Reference Scheme 4 – Logistics + Mixed Use + Data Centre	**Direct**	**Indirect**	**Total**
Employment (job-years)	2,710	2,740	5,450
Value Added ($M)	$560.0	$490.0	$1,050.0

Source: Colliers Urban Planning analysis utilising data from ABS, National Accounts 2020/21; ABS, Consumer Price Index 2023/24
Note: Figures rounded

7.2.2 Additional Height Economic Value

The Concept Masterplan seeks to vary the Height of Buildings development standard for Block 2, 3A and 3B from RL 51 to RL 70 (19m increase). The proposed height variation is driven by the following key aspects:

1. Achievement of the maximum permissible GFA of 340,000m^2 on Lot 100 DP1231954, only feasible through 6-storey logistics facilities once necessary loading and service areas are incorporated;
2. Provision of appropriate flexibility for warehouse racking heights, where the Concept Masterplan assumes the realistic worst-case floor-to-floor heights; and
3. Ability to achieve improved built form outcomes on Block 2 under the Alternative Uses scheme by enabling more linear tower forms.

The proposed variation will ensure that the capacity of the strategically significant site is maximised and provides necessary flexibility to meet the operational requirements of future tenants, as well as the ability for improved built form outcomes on Block 2. The extent of the proposed height variation is depicted in **Figure 19** below.

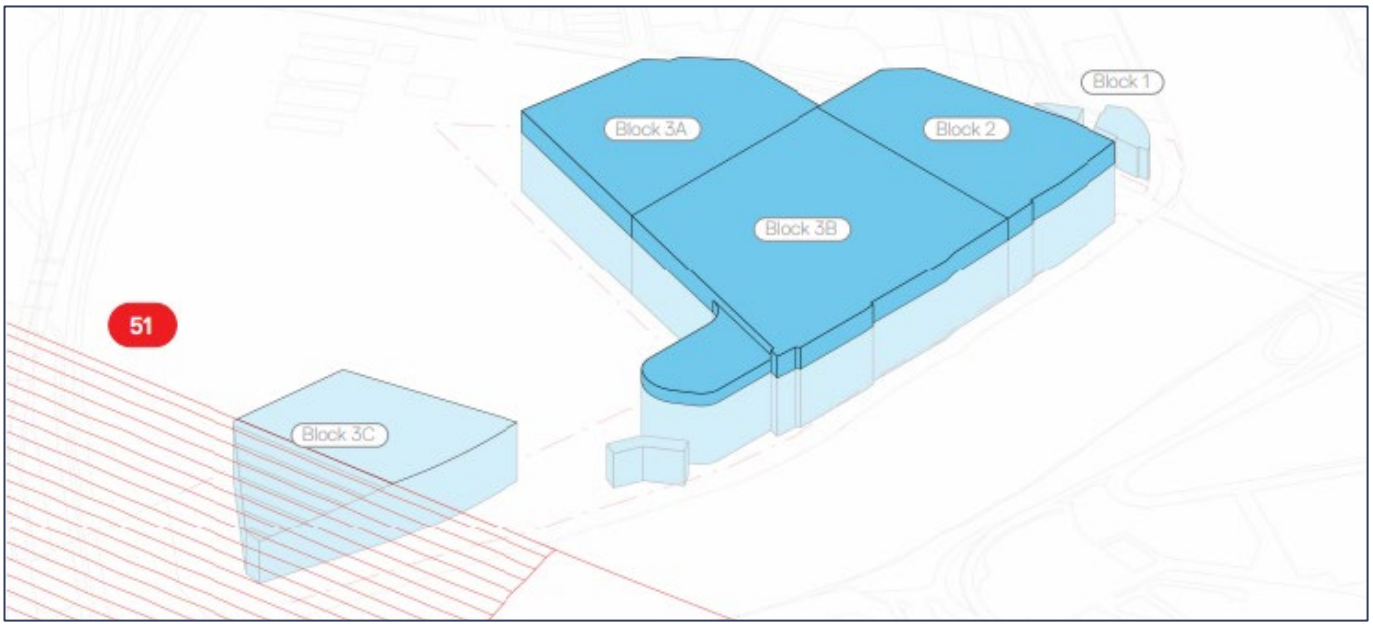

Figure 19 Proposed Height Variation Diagram
Source: Grimshaw

For context, Reference Scheme 1 would be restricted to approximately 295,000m^2 of GFA on Lot 100 DP1231954 if compliance was maintained with the RL 51m AHD height control on Block 2, 3A and 3B. This would represent a shortfall of 45,000m^2 of GFA that has previously been assessed and determined suitable for the Site. This shortfall represents a significant loss in potential economic value through decreased employment output and generation of economic activity on a highly strategic site adjacent to Sydney Airport and key freight transport corridors.

The economic benefits associated with the proposed height variation can be highlighted using the following direct comparison for Reference Scheme 1 (Logistics scheme):

- **LEP Compliant Height (RL 51m AHD)** – 291,200m^2 of Logistics GFA; and
- **Proposed Height Variation (RL 70m AHD)** – 336,200m^2 of Logistics GFA.

A comparison of the economic benefits is presented in **Table 17**, which quantifies the value of the proposed height variation to the NSW economy during operation of the logistics facilities in Reference Scheme 1 (Logistics scheme).

In summary, the proposed height variation will result in the following:

- **Support a net uplift of +220 direct FTE jobs and a further +340 indirect FTE jobs; and**
- **Generate a net uplift of +$70.0 million in direct value added and a further $60.0 million in indirect value added.**

For further discussion on the proposed height exceedance, refer to the Clause 4.6 Variation Request prepared by Colliers Urban Planning.

Table 17 Operational Phase Annual Net Uplift (LEP Compliant Height vs Proposed Height Variation)

Phase	Direct	Indirect	Total
LEP Compliant Height (291,200m^2 of Logistics GFA)			
FTE Employment	1,460	2,190	**3,650**
Value Added ($m)	$440.0	$400.0	**$840.0**
Proposed Height Variation (336,200m^2 of Logistics GFA)			
FTE Employment	1,680	2,530	**4,210**
Value Added ($m)	$510.0	$460.0	**$970.0**
Net Uplift			
FTE Employment	**+220**	**+340**	**+560**
Value Added ($m)	**+$70.0**	**+$60.0**	**+$130.0**

Source: Colliers Urban Planning analysis utilising data from ABS, National Accounts 2020/21 // Note: Figures rounded

7.3 Strategic Justification for the Proposed Development

The opportunity exists through the Proposed Development to activate a highly unique and strategic site to achieve a number of strategic objectives and deliver a range of community benefits as well as position the Subject Site for long-term success. Based on the findings of the Economic Assessment, a summary of the key merits and opportunities from the Proposed Development include:

Activate a highly unique and strategic site

- **Significant scale**: at 13.3ha of developable area with the potential for 340,000m^2 of floorspace.
- **Highly unique:** only four industrial lots are available within the Eastern Harbour City with a size above 10ha. At 13.3ha of developable area, the Subject Site represents a rare opportunity to deliver significant benefits to Greater Sydney and the NSW economy. There are less than 100 industrial lots available across the Eastern Harbour City that exceed 2ha and as such would be suitable for distribution, multi-storey warehousing, logistics, freight and container handling.
- **Highly strategic:** positioned in proximity to nationally significant trade gateways of Sydney Airport and Port Botany, with seamless access to the M5 Motorway and St Peters Interchange (via the Sydney Gateway). In turn supporting state government investment in this infrastructure.

Increase economic growth and support employment and economic clusters including Sydney Airport.

The Subject Site is located along the Eastern Economic Corridor which includes Greater Sydney's key trade gateways of Sydney Airport and Port Botany. The Proposed Development represents a significant capital investment of $2.0 billion for state-of-the-art facilities that will redefine the logistics landscape in Australia that is directly adjacent to Sydney Airport.

Achieve a higher value and efficient land use outcome.

Higher density industrial developments allow for a greater provision of industrial floorspace enabling expanded industrial operations and supporting more industrial jobs. In this sense, the employment land is being used more efficiently. The Proposed Development will set new benchmarks for scale, efficiency, sustainability and innovation. It will enhance the overall efficiency and existing freight network's competitive capabilities to support the continued investment and economic growth of the sector. In addition, the Proposed Development will support a more efficient and reliable freight network by delivering a logistics focused precinct with a maximum GFA up to 343,250m^2 to the immediate west of Sydney Airport enabling increased logistical efficiencies by reducing transportation costs and delivery times.

Rebalance industrial Investment back to the Eastern Harbour City

The Proposed Development will assist in rebalancing the current spatial misalignment between industrial investment in the Eastern Harbour City and resident and worker growth. Currently, only 10.7% of investment value across Greater Sydney's employment lands is being directed to employment precincts within the Eastern Harbour City. This is despite existing infrastructure and trade gateways within the Eastern Harbour City and with the city projected to accommodate 24.1% of Greater Sydney's resident population growth. These growth rates are also broadly in line with growth projected across the Central River City and the Western Parkland City.

Lack of investment in employment lands and industrial projects across the Eastern Harbour City is likely being driven by lack of opportunities for industrial development with constrained employment lands supply, and lack of adequately sized lots. In this context, Unlocking key sites and ensuring flexibility of design and height will be critical to delivering higher density employment developments across the Eastern Harbour City. In this context, the Proposed Development is considered appropriate in terms of leveraging a unique and strategic site that will help to rebalance investment back to the Eastern Harbour City.

Deliver strong economic and community benefits

Economic benefits supported by the Proposed Development

- Supports between 1,750 to 2,890 direct ongoing FTE jobs and between $470 million and $630 million in value-add each year once complete and fully occupied.
- Serves an identified market need in addressing employment lands demand that can only be accommodated through increased intensification of development, including multi-storey warehousing.
- Supports additional employment of +230 industrial jobs and additional +$70.0 million of value add under the proposed height variation (Reference Scheme 1) compared to a compliant development.

Broader community benefits supported by the Proposed Development

- Delivers on the need to accommodate industrial uses in proximity to trade gateways, freight infrastructure and other employment precincts in a highly accessible and strategic location.
- Address employment land shortages and land scarcity by delivering high density employment generating uses.
- Support future expansion of Sydney Airport including distribution, freight and logistics functions. Proposed alternative uses such as commercial office and visitor accommodation would also be highly complementary to the role and function of Sydney Airport (subject to operator interest).
- Provides high density employment generating uses and advanced facilities on a consolidated site, delivering on aspirations of the 30-minute community.

Delivers on Government Vision and Objectives

- Results in a significant **net gain in employment** through a modest relaxation of height controls.
- **Leverages Government investment** in infrastructure including in trade gateways, intermodal, transport and freight infrastructure. The Subject Site is one of a few sites well connected to the St Peters interchange.
- **Aligns with NSW strategic planning objectives** for more employment land around trade gateways and infrastructure, transport within a growing area of Sydney.
- **Supports employment opportunities for local residents** by delivering employment opportunities within a key economic corridor of Sydney.
- **Enhances the role and function of Sydney Airport** as a growing, evolving trade gateway.
- **Stimulates long-term success** of the Subject Site and flow-on benefits from the Proposed Development to the local area through increased profile, exposure, activity and on-site amenities that will help to attract and retain occupiers in the broader area.
- **Activates a unique and strategic site** to deliver industrial uses within an area of Sydney that is facing constrained supply of employment lands.

Other benefits

- Alignment with growing resident and local workforce catchment.
- Catalyst for next generation employment precinct in the Eastern Harbour City.
- Increase the resilience of businesses by allowing a range of uses and built forms. High employment densities, and a range of business, uses and occupations creates an industrial work environment that is more resilient and adaptable to future economic changes and evolving business practices.

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