

ETHOS URBAN

27 April 2020
17717

Georgia Welsh
Project Manager
APP
Level 7, 116 Miller Street
North Sydney NSW 2000

Dear Georgia,

RE: Kellyville and Bella Vista SSDAs

This letter has been prepared to outline Ethos Urban's response to submissions received for the Kellyville and Bella Vista SSDAs Economic Impact Assessment and Benefit Statements.

This letter addresses each item raised in the submissions and should be read in conjunction with the following supporting documents:

- Updated Bella Vista Economic Impact Assessment and Benefit Statement; and
- Updated Kellyville report Economic Impact Assessment and Benefit Statement

1.1 Response to Request for Amendments and Information

A response to each item raised is presented in **Table 1** below.

Table 1 Response to Submissions

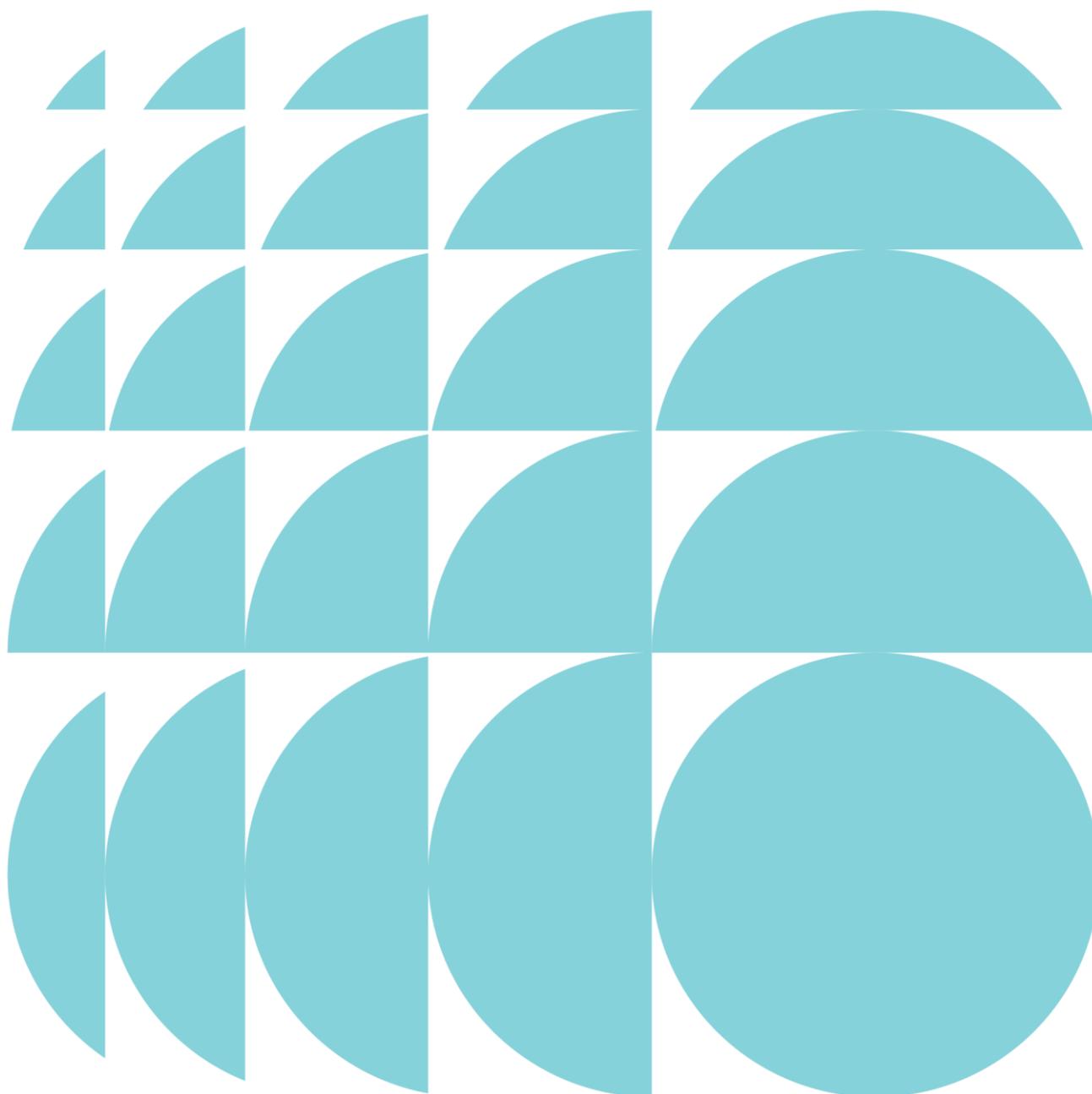
Item and Description	Response
Economic Retail	
<p>A) The Economic Impact Assessment did not consider the Fabcot (Woolworths) owned land that is zoned B2 at the corner of Memorial Ave and Hector Ct which is within the primary catchment and has potential for more than 15,000 sqm GFA.</p> <p>The EIA does not acknowledge Woolworths DA approval for 7,800sqm which post-dates the EIA but pre-dates the exhibition.</p>	<p>The Development Application for the Woolworths at Memorial Avenue, Kellyville, was lodged on 20 December 2016. It was subject to a lengthy assessment process due to numerous issues and challenges, most notably being the negotiations around road closures and land transfers/exchanges between Woolworths to the Hills Shire Council. The development consent was granted on 20 July 2019, after completion of the EIA That accompanied the SSDAs for both Bella Vista and Kellyville.</p> <p>Following review of this submission Ethos Urban has updated the EIA reports for both Kellyville and Bella Vista to factor in the approved supermarket at the corner of Memorial Ave and Hector Ct, Kellyville. It is noted that inclusion of this supermarket does not have a significant affect on the findings of the EIAs, which still conclude that there is sufficient future demand and capacity to support retail within both precincts.</p>
Strategic Planning Policy	
<p>A) The EIA does not consider 'The Hills Shire Council Productivity and Centres Strategy' dated October 19 which acknowledges The Balmoral Rd Release Area centre (Memorial and Hector) as a Village Centre.</p>	<p>Both reports have been updated to consider the Productivity and Centres Strategy that was adopted by the Hills Council in October 2019, being after the original EIA was prepared.</p>

We trust that this information is sufficient to enable a prompt assessment of the proposed developments. Should you have any queries about this matter, please do not hesitate to contact me on (02) 9409 4979 or bcraig@ethosurban.com

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ben Craig', with a horizontal line underneath.

Ben Craig
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1.0 Executive Summary

Ethos Urban has been appointed by Landcom to prepare an economic impact assessment and to quantify economic benefits to accompany the Concept SSD Application for the Kellyville Station Precinct. The Precinct is located immediately adjacent to the new Kellyville Station within The Hills local government area (LGA) approximately 2.5km to the south of the Rouse Hill Town Centre and 13km north of Parramatta CBD.

The land immediately surrounding Kellyville Station Precinct is predominantly occupied by construction activities associated with the development of the Sydney Metro Northwest (SMNW), including site compounds and car parking areas. A commuter car park is situated just to the north of the precinct. Land south of Wuban Avenue to the southern extent of the precinct remain largely undeveloped and in their existing rural state.

The concept SSD Applications will seek concept development approval for medium to high density residential with a retail offering but will not seek development consent for any physical works. All development set out within the concept proposal will be subject to a separate future detailed development application.

Within the concept SSDA the following residential and retail yields are identified (see **Table 1**).

Table 1 Proposed Development Summary, Kellyville Station Precinct

Type	Yield
Residential	1,910 units
Retail	10,736 m ² GFA

Source: Landcom; SJB

This report comprises two parts: **Part A – Economic Impact Assessment** and **Part B – Economic Benefits Statement**.

1.1 Part A: Economic Impact Assessment

The Economic Impact Assessment:

- Provides an overview of the relevant strategic policy and planning documents.
- Examines the demographic profile of the local area and commentary on the likely future demographic profile.
- Analyses the economic impact of retail offerings at the Kellyville Station Precinct and the broader north-west regional economy, and positioning of the proposed project in the context of this within this context.
- Analyses the relevant economic activity generated as a result of the proposed development, including defining geographies of analysis.
- Assesses the economic costs and benefits, framed by the profile of local income and expenditure, and quantification of the overall project effect on short-term construction as well as continuing on-site employment.

This Economic Impact Assessment has found the following:

- New retail floorspace at the Kellyville Station Precinct would be expected to yield \$64.1 million in sales in 2036 (\$2019). Approximately 50% of this turnover would be drawn from sales that would have been achieved at nearby centres if the 7,500m² GLA at Kellyville Station Precinct was not constructed.
- The balance of sales would be drawn from commuters passing on through the new station and small impacts on centres further afield.
- One-off trading impacts of the Kellyville Station Precinct on identified individual centres are forecast to range from -8.0% to -1.7% relative to the estimated sales that would have been achieved without new retail at Kellyville Station Precinct. These impacts will be absorbed relatively easily by competing centres in circumstances of rapid population growth, as will be case in the Kellyville Primary Trade Area.

- While the results of this retail trading impact analysis should be regarded as indicative only, the analysis does indicate that impacts on centres in the hierarchy associated with the development of retail at the Kellyville Station Precinct are within the normal bounds of a competitive retail environment

1.2 Part B: Economic Benefits

Part B of the report covers the economic benefits of the concept SSDA. It provides an assessment of economic benefits, framed by the profile of local income and expenditure, and quantifies the overall project effect on short-term construction and continuing on-site employment.

The Economic Benefit Analysis has identified that the proposed masterplan concept for Kellyville Station Precinct has the potential to deliver a range of economic benefits including but not limited to:

- The alignment of the Kellyville Station Precinct with its vision as set out in several strategic planning policies, including its role as a transit-oriented development.
- An indicative total construction costs benchmark figure of \$770 million would support 3,925 construction jobs in total. This would comprise 1,410 jobs *in the construction industry* and 2,415 jobs *in related (supplier) industries* over the development period.
- Around 290 new retail jobs are expected to be generated at the site. In addition, the residential development in the precinct is expected to support a range of jobs in household services.
- A net increase in expenditure on local retail of \$810,000 per annum is expected to occur as a result of the new development.
- An increase in the availability of goods and services for local residents through the retail offering within the precinct, and new business opportunities.

2.0 Introduction

Ethos Urban has been appointed by Landcom to prepare an economic impact assessment and to quantify economic benefits to accompany the Concept SSD Application for the Kellyville Station Precinct. The Kellyville Station Precinct is located immediately adjacent to the new Kellyville Station within The Hills local government area (LGA) approximately 2.5km to the south of the Rouse Hill Town Centre and 13km north of Parramatta CBD.

The land immediately surrounding Kellyville Precinct Station is predominantly occupied by construction activities associated with the development of the SMNW, including site compounds and car parking areas. A large commuter car park is situated just to the north of the precinct. Land south of Wuban Avenue to the southern extent of the precinct remain largely undeveloped and in their existing rural residential state.

The Concept SSD Applications will seek development consent for medium to high density residential with a retail offering but will not seek development consent for any physical works. All development set out in each concept proposal will be subject to a separate approval pathway.

This report comprises two parts: **Part A – Economic Impact Assessment** and **Part B – Economic Benefits Statement**.

2.1 Background and Site Location

The 36km Sydney Metro North West (SMNW) is Stage 1 of the Sydney Metro and opened in 2019. The line links the North West Priority Growth Area through Macquarie Park to Chatswood and consists of five upgraded stations and eight new metro stations, including a new station located at Kellyville.

Kellyville Station Precinct is located approximately 2.5km to the south of the Rouse Hill Town Centre, with the Parramatta CBD located 13km to the south. The land immediately surrounding Kellyville Station has been predominantly occupied by construction activities associated with the development of the SMNW, including site compounds and car parking areas. Land south of Wuban Avenue to the southern extent of the precinct remains largely undeveloped and rural residential in nature.

Kellyville Station Precinct spans the alignment of the SMNW corridor that consists of an approximate 900m stretch of government owned land, extending from Samantha Riley Drive in the north towards Memorial Avenue in the south, and bound by Old Windsor Road to the west, existing Roads and Maritime Services land to the south and Elizabeth Macarthur Creek to the east

The Kellyville Station Precinct is shown by the unbroken white line in **Figure 1** below.



Figure 1 The Precinct

Source: Ethos Urban / Landcom

2.2 Proposed Development

The concept SSD Application seeks concept development approval for the Kellyville Station Precinct, which comprises medium to high density residential with a new retail offering. The concept SSDA does not seek development consent for any physical works. All development set out within the concept proposal will be subject to a separate future detailed development application.

The concept SSDA identifies the following residential and retail yields which are highlighted in **Table 2**.

Table 2 Proposed Development Summary, Kellyville Station Precinct

Type	Yield
Residential	1,910 units
Retail	10,736 m ² GFA

Source: Landcom; SJB

An outline of the precinct masterplan according to the concept SSDA is shown in **Figure 2**.

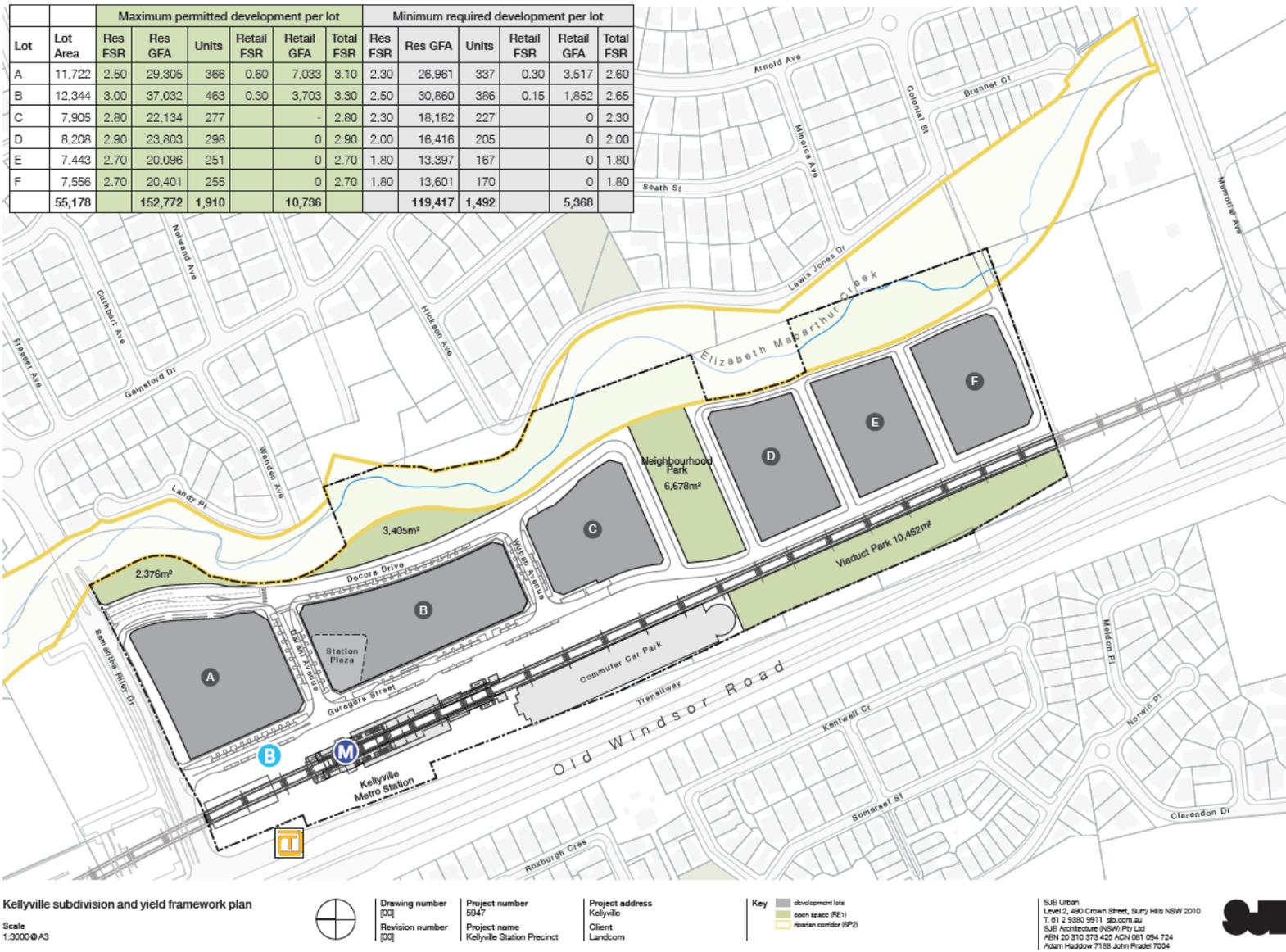


Figure 2 Kellyville Precinct Masterplan

Source: Landcom; SJB

Part A – Economic Impact Assessment

Part A of this report details the findings of the Economic Impact Assessment, produced to accompany the concept SSDA for the Kellyville Station Precinct. It seeks to:

- Provide commentary on and review of strategic policy and planning documents,
- Overview the demographics and commentary on the likely future demographic profile of the area surrounding the precinct,
- Analyse the economic impact of retail offerings at Kellyville Station Precinct and the broader north-west regional economy, and positioning of the proposed project in the context of this balance,
- Analyse the relevant economic activity generated as a result of the proposed development, including definition of appropriate geographies of analysis; and
- Assess the economic costs and benefits, framed by the profile of local income and expenditure, quantification of the overall project effect on short-term construction as well as continuing on-site employment, and interactions with demand for residential development and public domain / associated community infrastructure.

3.0 Strategic Planning and Policy Framework

This section comments on the relevant strategic planning and policy context that has shaped the current vision, principles and objectives for the Kellyville Station Precinct.

3.1 Strategic Transport Framework

3.1.1 NSW Long Term Transport Masterplan

The Future Transport Strategy 2056 is an update to the NSW Government's Long-Term Transport Master Plan. It has been developed in together with the Greater Sydney Commission's Sydney Region Plan, Infrastructure NSW's State Infrastructure Strategy, and the Department of Planning and Environment's regional plans to provide an integrated 40-year vision. This 40-year vision is built on six outcomes:

- **Improved customer focus** – by moving to a customer focused, data enabled and dynamic system, can ensure that customer experiences are seamless, interactive and personalised.
- **Successful places** – by improving access to centres, and focusing on the liveability, amenity and economic success of communities and places.
- **A stronger economy** – improvements in the transport system will help support and power NSW's economy and help connect people to jobs, and goods and services across NSW.
- **Safety and performance** – by ensuring that every customer enjoys safe travel access a high performing, efficient network.
- **Accessible services** – by creating a full accessible network that enables barrier-free travel, ensuring that customer service and information is inclusive.
- **Improved sustainability** – by creating an affordable network that is responsible to change and by supporting more environmentally sustainable travel.

These overarching outcomes, in addition to the goals and objectives of the previous transport strategy have guided the implementation of the recently opened Sydney Metro North West (SMNW), which services the North West Growth Centres and better connects people to jobs, education and other services. Prior to its opening, the local community was primarily dependent on bus services, which frequently experience congestion, particularly as they approach the CBD.

While the addition of the SMNW will relieve pressure on the corridor, it is likely that demand for travel to the North West from other centres will increase with population growth. Ultimately, the SMNW aims to reduce car dependency by embedding an integrated network of public transport services, close to homes, jobs and other services.

3.1.2 Sydney Metro North West

Sydney's rail network connects the suburban homes of the city's skilled workforce with the city's highest value employment land located throughout the Global Economic Corridor. The recently opened SMNW brings high capacity, fast, frequent and reliable public transport to the North West, and includes 36km of new rail line, 8 new stations and 5 upgraded stations, fully automated single deck trains, and a train every four minutes during peak periods.

This piece of transport infrastructure will support future population growth in the area, where it is expected that over the coming decades, an extra 200,000 people will move into Sydney's North West, taking its population above 600,000 residents. SMNW links the North West Priority Growth Area through Macquarie Park to Chatswood. Over the coming years, SMNW will connect with Sydney Metro City and South West to provide direct, metro rail services between the North West, Sydney CBD and Bankstown. Sydney Metro City and Southwest is the second stage of the rail link.

Prior to its opening, the North West did not have a high frequency, reliable public transport system. This was a key contributor to it having the highest rate of car ownership per household in the country, which is an unsustainable urban pattern and has the potential for significant adverse impacts on the North West's environment, quality of life and economy in the future.

3.2 Strategic Planning Framework

A number of strategic and statutory plans and policies have been prepared to inform the future development of the Precinct. These documents together provide a comprehensive framework to guide and regulate the pattern, use and scale of development at Kellyville Station Precinct. There are numerous planning and strategic documents at the regional, sub-regional and local level, all of which have implications on the future direction of Kellyville Station Precinct, or which have been prepared to assist with the future planning and development of the precinct.

3.2.1 The Greater Sydney Region Plan (March 2018)

The Greater Sydney Plan outlines the vision, objectives, strategies and actions for the growth and development of Sydney to 2056. The plan guides infrastructure delivery over the next 40 years and seeks to reposition Sydney as a metropolis of three cities – the western parkland, central river and eastern harbour cities. To support realisation of this vision the GSC have established ten key directions which establish the aspirations for Greater Sydney over the next 40 years. These ten key directions are:

1. A city supported by infrastructure
2. A collaborative city
3. A city for people
4. Housing the city
5. A city of great places
6. A well-connected city
7. Jobs and skills for the city
8. A city in its landscape
9. An efficient city
10. A resilient city

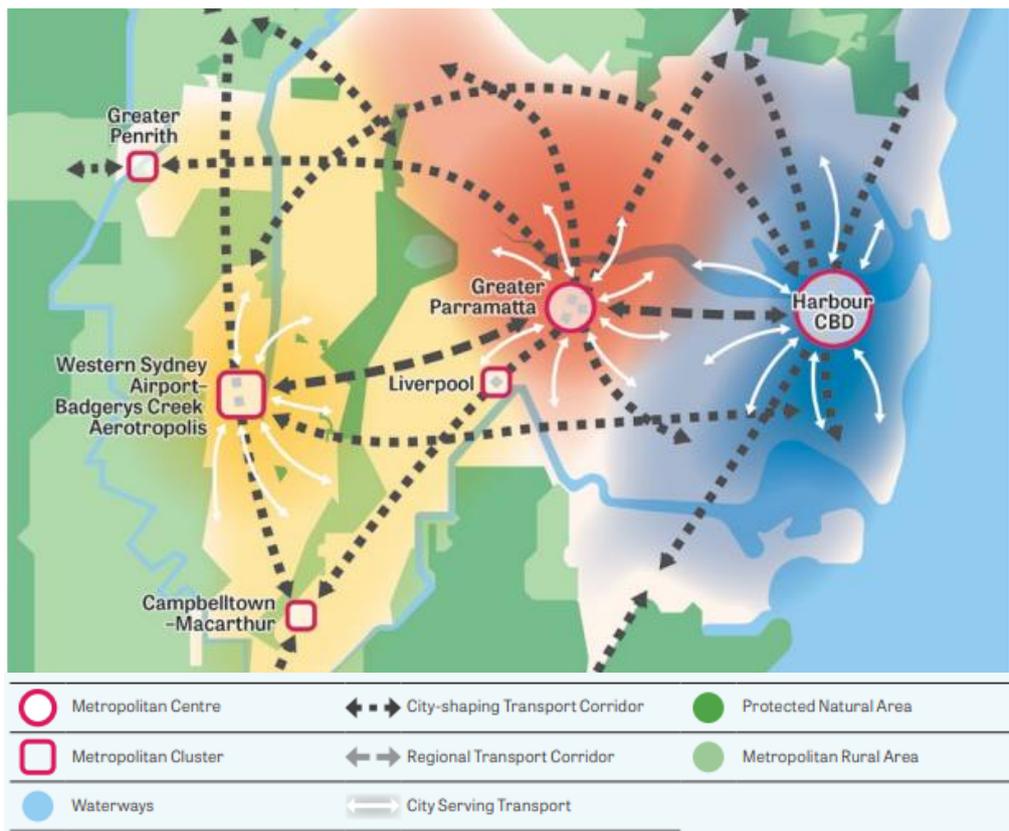


Figure 3 Greater Sydney’s Three City Metropolis

Source: Greater Sydney Commission

Kellyville Station Precinct is identified as a location for Transit Oriented Development under the Greater Sydney Region Plan. The Plan states that of critical importance to delivering on the vision of a Metropolis of Three Cities is “the integration of the mass transit network with the economic corridors, centres, transit-oriented development, urban renewal and health and education precincts.” The Kellyville Precinct is therefore a central feature in the Region Plan’s aspirations for achieving the growth aspirations for Sydney.

3.2.2 Central City District Plan

Transitioning the aspirations of the Greater Sydney Region Plan into actions is achieved via the **Central City District Plan**. Adopted in March 2018, the District Plan sets out the planning priorities and actions for growth and development within the Central City District over the next 20 years. The District Plan fills the gap between the Metropolitan Plan (the Greater Region Plan) and Council’s Local Environmental Plans giving effect to the Directions of the Greater Sydney Region Plan by setting out priorities and actions for the Central City District.

The Central City District is forecast to grow by approximately 550,500 more people by 2036, encompassing 31% of Greater Sydney’s population growth in that period. This growth rate demonstrates a need to plan and meet the demands of a rapidly changing population. The District Plan highlights the following key objectives for the Central City District:

- Infrastructure supporting new developments,
- Working together to grow a Greater Sydney,
- Celebrating diversity and putting people at the heart of planning,
- Giving people housing choices,
- Designing places for people,
- Developing a more accessible and walkable city,
- Creating the conditions for a stronger economy,

- Valuing green spaces and landscape,
- Using resources wisely; and
- Adapting to a changing world.

In addition, the District Plan seeks to encourage and facilitate the growth and development of centres and other renewal areas within the District, including Kellyville. To do this it seeks to ensure that any future renewal and development supports the creation great places that:

- Attracting investment and business activity,
- Promote and support jobs growth,
- Provide a diversity and range of complimentary activities and uses,
- Foster the creation of vibrant and safe places defined by a high-quality public realm; and
- Create conditions for residential development but not at the expense of attracting jobs, retailing and services.

3.2.3 The North West Rail Link Corridor Strategy - 2013

The North West Rail Link Corridor Strategy was prepared to support the commencement of the North West Rail Line extension from Epping Station to Cudgegong Road. The Department of Planning and Environment prepared the Strategy to guide the future development along the rail corridor over the next 20 years. The strategy engaged with the community, landowners, state and local government agencies to assist with the formulation of future visions for precincts surrounding the future stations and establish frameworks for managing future land use change within these precincts.

The vision and objectives for Kellyville under the Strategy include the following:

- The main vision of Kellyville Precinct is to enforce the area as a site of transit-oriented development. This vision will be facilitated by the NWRL station and the growth in residential housing.
- The NWRL station at Kellyville serves to facilitate the area as a major site of residential growth by reinforcing the vision of the site as a location of transit-oriented development.
- The Kellyville Study Area will have an important function in the NWRL corridor as a retail and residential destination station by providing a mix of medium and low-density housing, local shopping centres and neighbourhood shops.

To achieve this vision the Strategy provides a Structure Plan for each station and their surrounds. The Structure Plan for Kellyville proposes two major local centres that aim to meet the growing retail needs as a result of the increasing residential density in the area. This proposal includes a new local shopping centre adjacent to the NWRL and T-Way. Beyond the strategy of retail growth, the Structure Plan also aims to shift the precinct from a low-density area to a medium to high density corridor. Sites of up to 7-12 storeys are being planned nearby to the NWRL station and major bus routes. This strategy will further reinforce Kellyville Station Precinct as a transit-oriented development growth area.

Another major part of the strategy is to provide new linkages to improve connective and permeability between Rouse Hill, Kellyville and Bella Vista/Norwest. This initiative includes the enforcement of new pedestrian and or vehicular links with a strong focus on utilising existing vegetation corridors and parklands to create 'green links. A copy of the Structure Plan is shown in **Figure 4**.

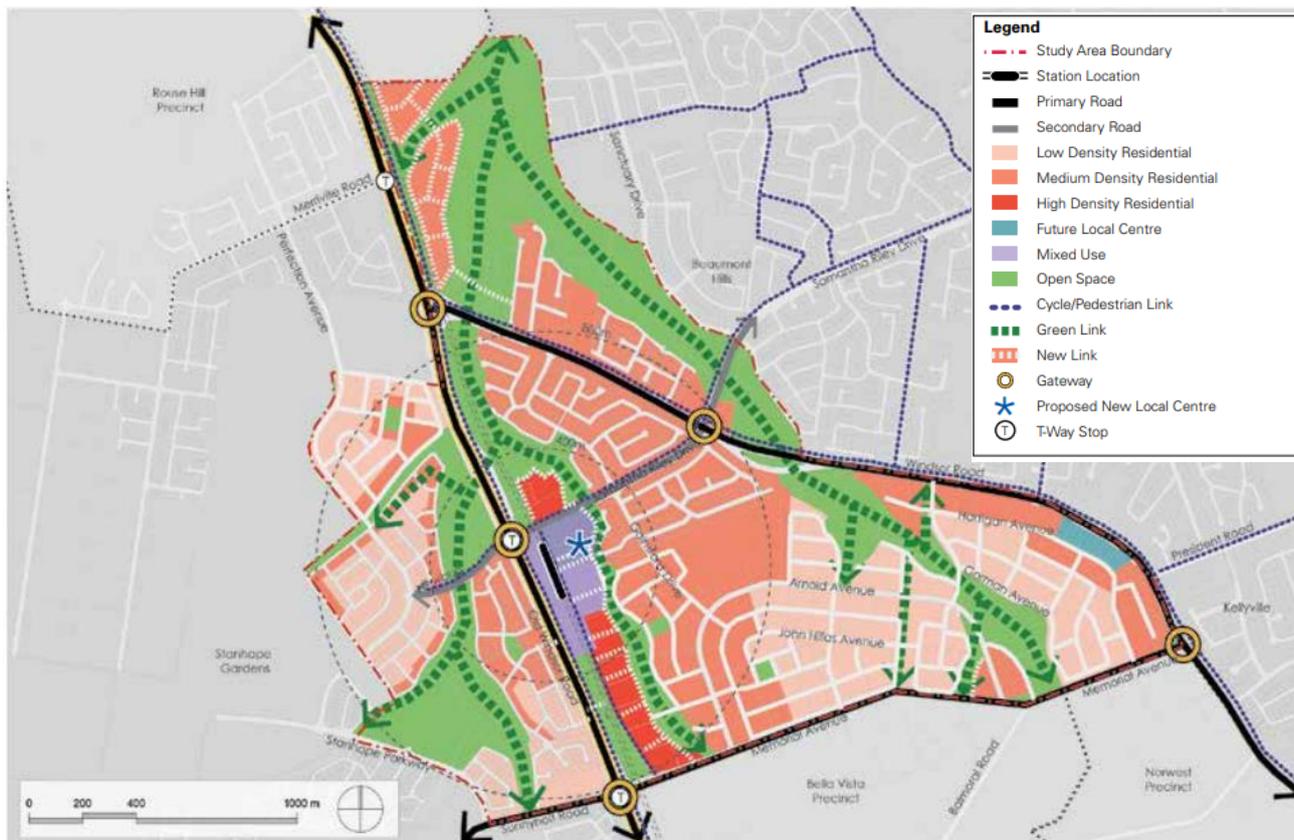


Figure 4 Kellyville Station Structure Plan

Source: Greater Sydney Commission

3.2.4 The Hills Corridor Strategy

The Hills Corridor Strategy was prepared and adopted by the Hills Shire Council on 24 November 2015 in response to the North West Rail Link and Priority Precincts led by the State Government. The Strategy sought to create a vision for the Hills Shire of the future, with a specific focus on how the Council could plan to meet future housing and employment growth expected for the areas around the proposed future metro rail station. The Strategy seeks to establish a centres-based strategic framework that sits between the NSW Government’s NWRL Corridor Strategy and the implementation of the LEP and DCP controls to guide development within The Hills.

The Strategy envisages that Kellyville Station Precinct will function as a transit-oriented precinct driven by housing diversity, retail services and strong connectivity. The precinct will accommodate an additional 2050 jobs with majority of employment opportunities associated to the retail sector. This is based on uptake rates of 80-100% for high density residential housing and mixed-use development. The proposed growth in dwellings could result in an additional 4,473 homes across Kellyville. The Hills District Corridor Strategy defines the Kellyville Precinct vision as a “Commuter station that is supported by local retail and business services and higher density residential living”.

3.2.5 The Kellyville Planning Precinct

Kellyville Planning Precinct covers an area of approximately 437 hectares and includes land within an 800 metre radius, or roughly 10 minutes’ walk, of the new Kellyville Station. This catchment area has also taken into consideration of the surrounding road network, natural features and development pattern of the area.

Kellyville Station Precinct is bounded by Strangers Creek riparian corridor and Windsor Road to the east, Memorial Avenue to the south, Stanhope Parkway, Rothbury Terrace, Salford Street, Tilbury Avenue, Hayle Terrace and

Perfection Avenue to the west, and Sanctuary Drive to the North. It is predominately characterised by low rise residential housing.

The Kellyville Station Planning Precinct Proposal has been informed by the 2013 North West Rail Link Corridor Strategy to guide and plan for the development surrounding the Kellyville Station. A key vision of the Kellyville Planning Precinct is to create a 'vibrant, green and connected community'. This vision involves the provision of high quality and well-located public spaces, improved pedestrian and vehicular connections and increasing housing supply and diversity. The new station at Kellyville is the key development underpinning the principles of transit-oriented development by providing for a new local centre and services close to transport. The proposal includes rezoning for the purposes of:

- A new local centre around the station that provides a range local services and apartments,
- Increasing housing supply, density and providing more housing options,
- New and improved open space with greater access to the creek corridors,
- Providing new community facilities,
- Coordinates the delivery of infrastructure to support growth; and
- Make these centres attractive places to live, work and play.

3.2.6 Productivity and Centres Strategy

The Productivity and centres Strategy (the Strategy) was adopted by the Hills Council in October 2019. It establishes the foundation for strategic planning of employment lands and centres within the Hills Shire and works alongside a number of other strategic plans. Of the five planning priorities identified under the strategy, priorities 1 through to 3 are relevant to the concept SSSA. These priorities are:

1. Planning for sufficient jobs, targeted to suit the skills of the workforce,
2. Building strategic centres,
3. Provide retail services to meet residents' needs,
4. Renew and create great places, and
5. Retain and manage valuable industrial and urban service land.

The strategy identifies the Kellyville Station Precinct and identifies the station as a rail hub and being able to accommodate commercial and retail uses. On the retail front, it identifies the potential for an additional supermarket and speciality retail. The concept SSSA outlined in this report, will enable the precinct to function as a strategic centre. The scale and scope the proposal will enable Council to achieve a number of jobs by leveraging off the new metro station. This metro station connects workers to a range of retail jobs. These retail jobs will be able to service local residents.

3.3 Statutory Planning Framework

The Hills LEP 2013 and the Blacktown LEP 2015 are the two primary Local Environmental Planning Instruments, which set development parameters for the Kellyville Study Area. The Hills LEP applies to land on the eastern side of Old Windsor Road while the Blacktown LEP applies to land on the west of Old Windsor Road. The planning instruments include key development standards such as building height and floor space ratios.

3.3.1 The Hills Local Environmental Plan 2013 and Blacktown LEP 2015

Under the provision of the Hills LEP 2013 and Blacktown LEP 2015, the Kellyville Station Precinct is subject to land use zones including:

- B2 Local Centre: The new local centre at the station will be zoned B2 to permit a broad range of mixed-use developments.
- RE1 Public Recreation: The expansion of the Cattai Creek Sporting Complex
- R1 General Residential: Applies to land located to the south of the proposed B2 Local Centre. This zone permits for all types of residential development including office and business premises allow for the expansion of employment uses if demanded.

- R4 High Density Residential: Permits higher density residential apartments

The proposal includes a range of building heights from low to high density. The maximum building height of 50m within the Precinct is located closest to the station and lower building heights apply to areas adjacent to the creek corridors. A maximum FSR of 4:1 applies to the B2 zone.

The Hills DCP Amendment 2015 – Kellyville Station Precinct

In December 2015, the Department of Planning and Environment published the Kellyville Precinct Recommended Development Control Plan Amendments (The Hills LGA). The amendments proposed changes to development controls in order to meet the vision and goals of Kellyville as a transit-oriented precinct as outlined in the Hills Corridor Strategy. Key elements of the Hills DCP are summarised in **Table 3**.

The amendments focused on opportunities to help increase housing supply and density, improve connectivity and provide jobs associated to retail activities within the station precinct and the creek precinct. The objectives of the amendment are:

- Ensure development occurs in a coordinated manner consistent with the vision and development principles for the precinct.
- To ensure the key elements of the precinct are delivered while providing a degree of flexibility in the final layout and design of the precinct.
- To develop a local activity centre in the area surrounding the Kellyville Station to support the income population focussed around a central mixed-use precinct that is complemented by an integrated network of urban plazas.

Table 3 The Hills DCP key elements

Element	Description
Land Use	<ul style="list-style-type: none"> • A mixed-use local centre forms the heart of the community and serves as a focus for the existing surrounding low-density areas • High density residential neighbourhoods are located around the local centre and, south to Memorial Avenue • A number of medium density residential areas are located further away from the station • Extensive areas of existing low and medium density residential areas further from the station are to be unchanged • A small-scale local centre provides a focal point for eastern parts of the precinct and provides for retail and other uses that support the day to day functioning of the surrounding residential area
Built Form	<ul style="list-style-type: none"> • A mix of built form typologies creates a varied streetscape • Buildings define the public domain and open spaces • Height generally increases from the south towards the station • The predominant building typology is perimeter blocks creating a continuous street wall punctuated by taller buildings of up to 12 storeys in the south, increasing to up to 15 storeys around the station and Samantha Riley Drive • To respond to adjoining existing development, building height in the north of the precinct is up to 4 storeys in height • Should redevelopment west of Old Windsor Road occur, building heights will range from 8 storeys in the south to 15 storeys in the north closest to the station • Building setbacks reinforce the character and identity of each neighbourhood and create a positive relationship with the public domain, including facilitating solar access
Open Space	<ul style="list-style-type: none"> • Open space corridors along Caddies Creek, Elizabeth Macarthur Creek and Strangers Creek incorporate remnant vegetation, provide for visual amenity and provide for controlled public access, mainly in the form of pedestrian and cycle paths that facilitate active recreation • A community park, including a new sporting field, in the Creek Precinct will expand and complement that Caddies Creek sporting complex and cater for active recreation uses for the precinct and broader surrounding residential area

Element	Description
	<ul style="list-style-type: none"> • A network of local neighbourhood parks caters for a range of passive recreation activities, as well as providing facilities such as playgrounds and walking tracks that facilitate casual active recreation • A vibrant, active town square will provide a centrally located focus for the new community, facilitating movement to the from the station and providing a forum for informal community gathering and interaction • A series of small courts will be provided under the rail viaduct to activate this space and provide opportunities for active recreation • Green open spaces along the Elizabeth Macarthur Creek corridor with pedestrian and bicycle paths
Movement Network	<ul style="list-style-type: none"> • An integrated and permeable movement network provides high levels of accessibility to the rail station and facilitates movement of choice. • A clear hierarchy of streets focusses major traffic movements on to main streets, accommodates public transport and reinforces the distinct character of each precinct • A new main access street provides the key movement spine for the precinct, providing a circulation route from Samantha Riley Drive to Memorial Avenue • A station access street will facilitate accessibility to the station and provide a high-quality front address to the local centre • Local streets will provide cross block links between the main north-south streets • Park edge streets will provide a strong delineation between development and open space, and provide for high levels of visual permeability into the open space • An interconnected network of pedestrian and cycle paths provides, safe, direct and enjoyable opportunities for walking and cycling • The pedestrian and cycle path network will connect key destinations such as the station and parks with residential and business areas and will connect with the broader cycling network
Heritage	<ul style="list-style-type: none"> • The White Hart Inn heritage site will be retained and embellished with shelters, signage and public art where appropriate

Blacktown DCP Amendment 2015 – Kellyville Station Precinct

In December 2015, the Department of Planning and Environment published the Kellyville Precinct Recommended Development Control Plan Amendments (The Hills LGA). The amendments proposed changes to development controls in order to meet the vision and goals of Kellyville as a transit-oriented precinct as outlined in the Hills Corridor Strategy. Key elements of the Blacktown DCP amendments are outlined in **Table 4**.

Table 4 Blacktown DCP key elements

Element	Description
Land Use	<ul style="list-style-type: none"> • Renewal of existing housing will facilitate the establishment of a new residential community to complement that on the eastern side of the rail line. • It will primarily include high density housing, with some retail uses at the ground where appropriate.
Built Form	<ul style="list-style-type: none"> • Buildings define the public domain and open spaces. • Building heights will range from 8 storeys in the south to 15 storeys in the north closest to Newbury Avenue. • Building setbacks reinforce the character and identity of the neighbourhood and create a positive relationship with the public domain, including facilitating solar access.
Open Space	<ul style="list-style-type: none"> • Open space corridors incorporate remnant vegetation, provide for visual amenity and provide for controlled public access, mainly in the form of pedestrian and cycle paths that facilitate active recreation
Movement Network	<ul style="list-style-type: none"> • An integrated and permeable movement network provides high levels of accessibility, in particular to the rail station, and facilitates movement choice. • A clear hierarchy of streets focusses major traffic movements on to main streets, accommodates public transport and reinforces the distinct character of each precinct. • An interconnected network of pedestrian and cycle paths provides, safe, direct and enjoyable opportunities for walking and cycling. • The pedestrian and cycle path network will connect key destinations such as the station and parks with residential and business areas and will connect with the broader cycling network.

4.0 Community Profile

The following section analyses the existing demographic profile of the Kellyville Study Area and also comments on the likely future demographic profile of the area.

For the purposes of this analysis, the *Kellyville Study Area* has been defined as the aggregation of multiple statistical areas Level 1 using the 2016 definition of these areas (**Figure 5**). This area has been benchmarked against:

- The Hills Shire Council (Hills Shire) as at 2016, and
- Sydney Greater Capital City Statistical Area (Greater Sydney) as at 2016.

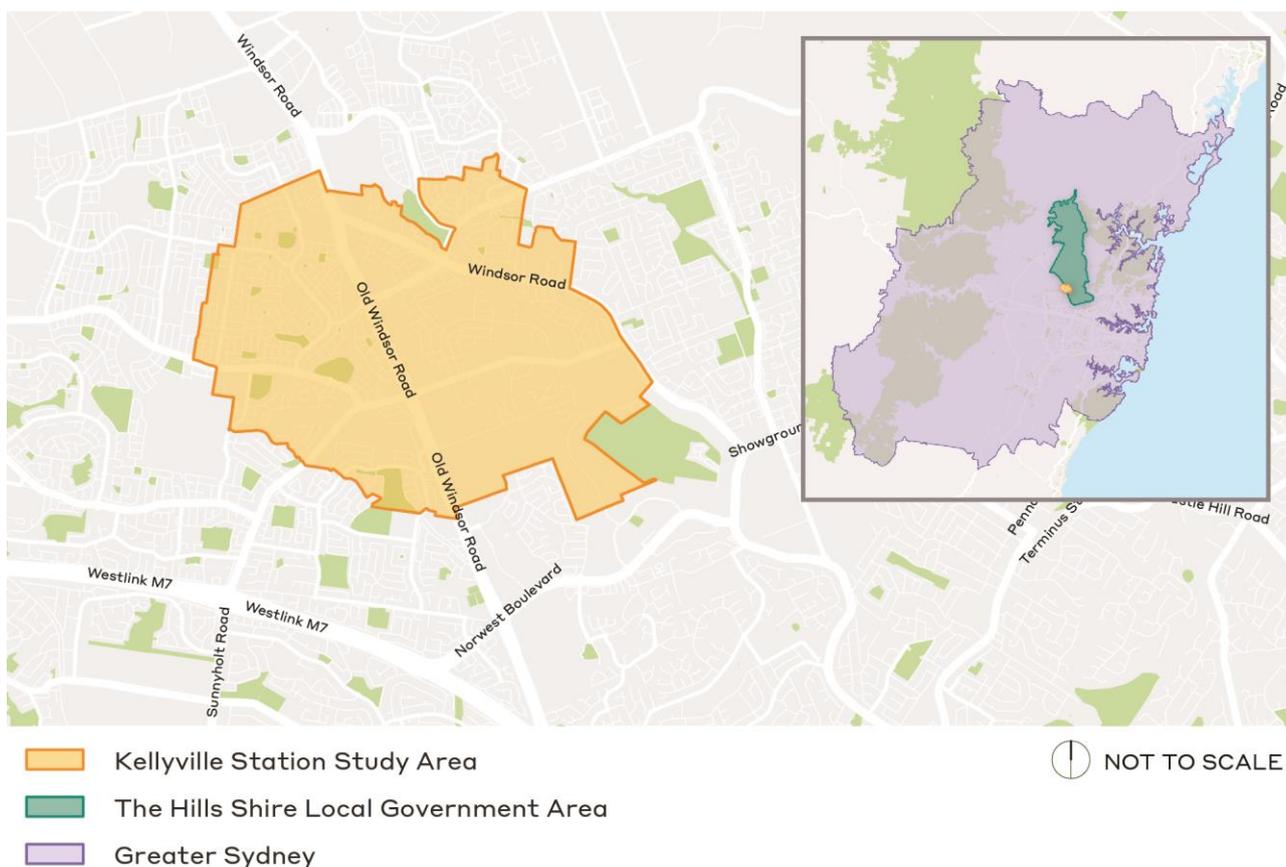


Figure 5 Study Areas

Source: Ethos Urban; Nearmaps.com.au

4.1 Existing Population

Population and age structure

- In 2016, the population of the study area was approximately 25,220.
- The population of the study area was notably younger than that of the Greater Sydney Region with median age of 34 years compared with 36 in Greater Sydney. Around 50.5% of the population in the study area were younger than 35 years old, 41.6% were aged 35 to 64 and 7.9% were aged 65 years and over.
- This age structure demonstrates that a large portion of the population in the study area are of a working age and will benefit from jobs generated from the anticipated growth in employment at the Kellyville Precinct.

Household Composition

- In the study area, 88.6% of households were family households. This proportion was slightly higher than the Hills Shire LGA (87.1%) but significantly higher than that of Greater Sydney, which had a total of 73.7% of households comprising families. Of the total number of family households in the study area, 61.8% of them were households with children. These figures suggest that the study area is a popular region for families.

Dwelling Structure

- Separate houses accounted for 89.2% of the dwelling types in the study area while only 0.9% of dwelling types were apartments. By comparison, 57.2% of dwelling structures in Greater Sydney are separate houses, being significantly lower than the study area. Apartments only accounted for 0.9% of all dwelling types. This was significantly below the proportion of apartments in Greater Sydney at 28.2%.
- The high proportion of separate houses in the study area is expected to decrease and the number of apartments and or townhouses will increase as the area develops more medium to high density housing as part of the concept SSDA.
- The study area has an occupancy rate of 95.1% which is higher in contrast to Greater Sydney (92.3%).

Tenure Type

- In the study area, 78.2% of occupied private dwellings were either owned outright (20.7%) or with a mortgage (57.5%). This share is slightly below the Hills LGA where 78.1% of dwellings were owned outright or with a mortgage but significantly higher than Greater Sydney where only 64.2% of dwellings were owned outright or with a mortgage.
- Approximately 21.2% of dwellings are rented in the study area, comparatively lower than Greater Sydney (35.1%)

Income and Housing Costs

- In 2016, the median household income within the study area was \$125,810, slightly higher than Hills Shire's at \$121,300 and much higher than Greater Sydney's \$92,200.
- In the study area, the median monthly mortgage repayment was \$2,640, higher than Hills Shire's at \$2,270 and Greater Sydney's at \$2,240.
- Median weekly rent was \$600, slightly higher than Hills Shire's at \$570 and Greater Sydney's at \$450.

Occupation and Employment

- Around 78.5% of residents in the study area were employed in white collar occupations. This proportion was broadly comparable to Hills Shire (80.1%) and above the proportion of residents in Greater Sydney in white collar occupations (73.3%). This observation suggests that residents will be well suited to the types of jobs that likely to be available at the site.
- Residents primarily worked in the following key industries: Health Care and Social Assistance (11.3%); Retail Trade (10.5%); Professional, Scientific and Technical Services (9.2%).

Travel to work

- The majority of residents travelled to work via private vehicle (63.1%). This share was higher than Greater Sydney's share of residents commuting via private vehicle (53.9%) but comparable to the share of residents within the Hills Shire (62.5%). It's expected that this share will decrease upon completion and operation of Norwest Metro.

Place of Work

- Around 31.1% of Hills Shire residents also worked within the Hills Shire, 12.4% work in Sydney LGA and 11.7% work in Parramatta LGA. This indicates a relatively high level of job containment within the LGA.

4.2 Forecast Population

While it is difficult to forecast with great accuracy, it is expected that the population of the study area will change in the following ways:

- There will be an increase in the study area's population in line with the completion of new residential development in the precinct.
- The share of detached houses within the study area is expected to decrease as medium and high-density residential development is delivered in the precinct.
- The proportion of family households is expected to decrease as the study area develops to accommodate a more diverse range of household compositions associated with higher density living. Households without children and group households are expected to occupy some of the new medium and high-density housing.
- The proportion of dwellings being rented or owned with a mortgage is also expected to increase.
- The median age is likely to reduce with more younger people living in the new residential apartment developments.

5.0 Retail Trading Impacts

The analysis that follows is on a 'business as usual' basis and does not explicitly consider the economic implications of the COVID-19 pandemic. While it is generally acknowledged there will be significant and widespread disruption to economic activity, the specific impacts of the pandemic on the retail sector generally, and on the Kellyville region, in particular, are unknown at this stage.

The Kellyville Station Precinct is expected to support an estimated 10,050m² GFA (approximately 7,500m² GLA) of retail split across two blocks located adjacent to the Kellyville Metro Station. The main retail area will likely be anchored by a supermarket, and the secondary area will include other retail uses.

This section estimates the trading impacts that new retail associated with the development of the Kellyville will have on existing and proposed retail centres in the vicinity.

5.1 Impact considerations and methodology

Observed shopping patterns – where people choose to spend their retail dollars - result from highly complex interactions between consumers, transport networks, store operators, shopping centres, other sales channels and suppliers of retail goods and services. The retail industry is dynamic and ever changing in response to market circumstances – such as disruption introduced by new entrants (e.g. online competitors) and evolving trends in the supply and composition of physical shopping destinations.

In these circumstances, it is unrealistic to expect that any existing shopping facility will experience no impacts on trading performance when additional new centres are introduced into a local area.

Modelling can only approximate these interactions. In the case of modelling retail trading impacts of a significant change in the retail competitive environment, economists must rely on simplified representations of behavioural shifts. The intent of an impact assessment is to broadly estimate the redistributive effects of a change in supply, rather than to project the precise impacts on individual businesses.

With these caveats in mind, we have broadly assessed the retail trading impacts of new retail floorspace at the Kellyville Station Precinct by:

- a. Defining a trade area for retail in the Kellyville Station Precinct and estimating the retail spending potential of residents in the trade area now and into the future.
- b. Identifying the existing centres and retail areas likely to experience a material sales impact from the Kellyville. While all centres within the trade would be expected to experience a trading impact, a few identified centres are located outside the trade area.
- c. Identifying likely new centres that would also be impacted by the future provision of retail facilities at the Kellyville Station Precinct.

- d. Estimating the retail floorspace and 2019 turnover levels at each impacted centre. In this analysis, floorspace and turnover was divided into Food Retail (take home food), Food Catering (eat in food) and Non-Food categories.
- e. Estimating the trading levels of centres at a future date under a scenario of no retail developments at Kellyville.
- f. Estimating the trading levels of centres at a future date under a scenario whereby the planned retail developments at Kellyville proceed.
- g. Measuring the difference in trading levels between the two scenarios (i.e. the forecast trading impact).

This analysis provides a long-term view about potential trading impacts. While impacts on individual centres are estimated, these individual centre impacts are highly indicative and, as already noted, dependent upon simplified representations of shopping behaviour.

The more important implication of the analysis is whether the proposed retail facilities at Kellyville can be supported by economic demand without significantly impacting, in aggregate, traders and the local retail hierarchy.

5.2 Trade Area Analysis

5.2.1 Trade area definition

A trade area for a supermarket in the Kellyville Station Precinct is shown in **Figure 6**. General factors influencing the definition of the Kellyville Trade Area include:

- The location and relative attractiveness of competing shopping centres/outlets.
- Road, public transport and pedestrian access to the centre.
- Physical barriers impacting access, such as major roads, rail corridors, rivers, farmland etc.
- Journey times and relative ease of access to the centre.
- Exposure to passing traffic, and
- Existing travel patterns, such as travel to work.

The main trade area consists of a primary and three secondary sectors extending to areas in Hills Shire and Blacktown City. The figure also shows the retail competition within and beyond the main trade area.

The trade area sectors are bounded as follows:

- The **Primary** sector has Old Windsor Road as its western boundary, with Windsor Road and Samantha Riley Drive as its northern boundary. The sector extends east to Redden Drive and Acres Road and extends 2-3km south from its northern boundary.
- The **Secondary North** sector is bounded by Commercial Road in the north, Windsor Road in the west, and Withers Road/Smalls Creek in the east.
- The **Secondary East** sector has Samantha Riley Drive as its northern boundary, Cattai Creek as its eastern boundary and Wrights Road as the southern boundary.
- The **Secondary West** sector has Merriville Road as its northern boundary, Conrad Rd as its western boundary, and Glenwood Park Drive/Canyon Drive as its southern boundary.

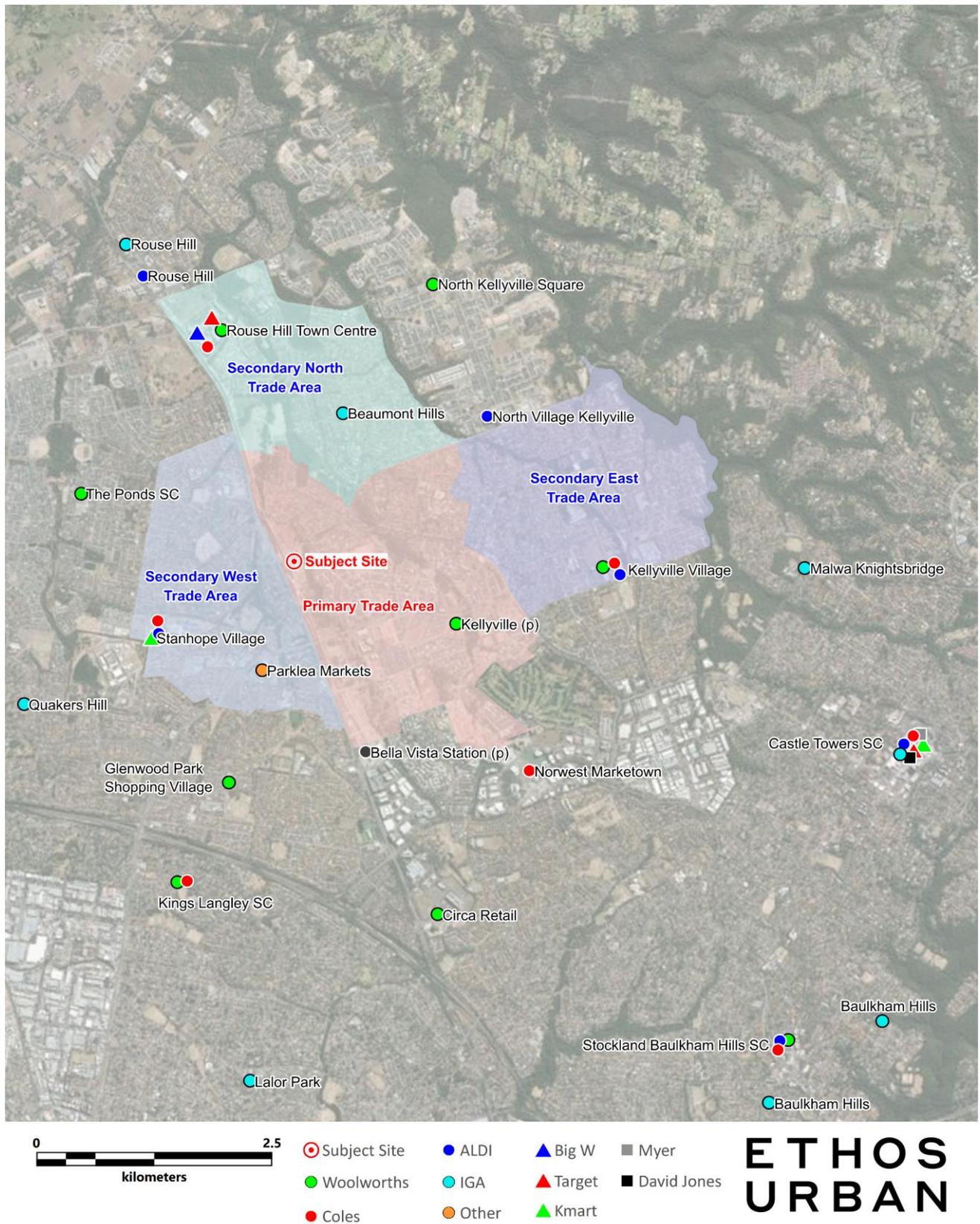


Figure 6 Kellyville Trade Area

Source: Ethos Urban

Of note, as well as spending generated by trade area residents, further sources of business for retail facilities at Kellyville Station Precinct will be commuters passing through the station.

5.2.2 Population

Current and forecast population levels in the Kellyville trade area are shown in **Table 5**.

Table 5 Kellyville Trade Area Population, 2019 to 2036

Trade Area	2019	2021	2026	2031	2036
	Population (No.)				
Primary	12,340	13,880	17,720	20,540	21,060
Secondary East	15,650	16,170	17,170	17,690	18,050
Secondary North	10,930	11,680	13,740	14,730	15,480
Secondary West	14,280	14,710	15,690	16,410	16,910
Main Trade Area	53,200	56,440	64,320	69,370	71,500
	Average Annual Growth (%)				
Primary		+6.1%	+5.0%	+3.0%	+0.5%
Secondary East		+1.6%	+1.2%	+0.6%	+0.4%
Secondary North		+3.4%	+3.3%	+1.4%	+1.0%
Secondary West		+1.5%	+1.3%	+0.9%	+0.6%
Main Trade Area		+3.0%	+2.6%	+1.5%	+0.6%
	Average Annual Growth (No.)				
Primary		+770	+770	+560	+100
Secondary East		+260	+200	+100	+70
Secondary North		+380	+410	+200	+150
Secondary West		+220	+200	+140	+100
Main Trade Area		+1,620	+1,580	+1,010	+430

Source: ABS ERP data; NSW State Government forecasts; Ethos Urban

Currently, the primary sector accommodates some 12,340 residents, with rapid growth in new dwelling construction expected to result in this population increasing to 21,060 persons by 2036.

In the secondary sectors, where there is less developable land available, total growth of approximately +10,000 people over the period 2019 to 2036 is nevertheless expected.

Taking the above into consideration, it is anticipated that by 2036, the main trade area (primary + secondary sectors) will have grown by +18,300 residents and reach a total of 71,500.

5.2.3 Per Capita Spending

Per capita retail spending by residents of the main trade area is shown in **Table 6**. Spending per capita is based on the MDS MarketInfo model, which draws on numerous official sources of economic data to model the spending capacity of an area. The key influence on retail spending is income, while other determining factors include life cycle stages and family structures.

Per capita spending is divided into four categories:

- **Food retail** - mainly comprising groceries and liquor, or broadly, food items found in supermarkets and specialty food retailers such as butchers and fruit and vegetable traders.
- **Food catering** -namely, food and beverages purchased in cafes, restaurants and take-away food shops.
- **Non-Food** - such as clothing and footwear, pharmacy items, books and magazines, as well as numerous other retailers.
- **Services** – including, hairdressers, beauty salons and key-cutting kiosks.

Table 6 Kellyville Trade Area per Capita Spending, 2019

Trade Area	Food, Liquor and Groceries	Food Catering	Non-Food	Services	Total Retail
Per Capita Spending (\$2018)					
Primary Trade Area	\$5,640	\$2,070	\$6,750	\$520	\$14,980
Secondary East	\$5,800	\$2,180	\$7,060	\$560	\$15,600
Secondary North	\$5,370	\$2,080	\$6,890	\$520	\$14,850
Secondary West	\$5,270	\$1,960	\$6,310	\$490	\$14,030
Main Trade Area	\$5,530	\$2,070	\$6,750	\$520	\$14,880
<i>Greater Sydney</i>	<i>\$5,650</i>	<i>\$2,190</i>	<i>\$5,950</i>	<i>\$540</i>	<i>\$14,330</i>
Variation from Greater Sydney average					
Primary Trade Area	-0.2%	-5.5%	+13.4%	-3.7%	+4.5%
Secondary East	+2.7%	-0.5%	+18.7%	+3.7%	+8.9%
Secondary North	-5.0%	-5.0%	+15.8%	-3.7%	+3.6%
Secondary West	-6.7%	-10.5%	+6.1%	-9.3%	-2.1%
Main Trade Area	-2.1%	-5.5%	+13.4%	-3.7%	+3.8%

Source: MarketInfo; Ethos Urban

Kellyville trade area residents had an average retail spending capacity of \$14,880 per person per year in 2019, or 3.8% above the Sydney average. Food spending per capita was slightly below the Sydney average, although spending in the non-food category per person was significantly higher in the Kellyville trade area than in Sydney overall.

5.2.4 Total Spending

The total retail spending capacity of Kellyville trade area residents calculated by multiplying population by per capita spending levels is shown in **Table 7**. In the table, the non-food and services categories have been combined.

Total retail spending by residents of the main trade area is expected to increase from \$791.7 million in 2019 to \$1.26 billion by 2036. These figures are in constant 2019 dollars (i.e. excluding retail inflation) and include GST.

In line with population growth, the most significant increases in retail spending potential are forecast to be in the primary sector, where spending will double from \$184.9 million in 2019 to \$378.2 million by 2036.

Table 7 Kellyville Trade Area Spending, 2019 to 2036 (\$2019)

Trade Area/Spending Category	2019	2021	2026	2030	2036
Primary					
FLG	\$69.7m	\$80.3m	\$104.0m	\$122.3m	\$127.1m
Food Catering	\$25.5m	\$29.5m	\$38.7m	\$45.9m	\$48.3m
Non-Food	\$89.7m	\$106.1m	\$146.3m	\$183.1m	\$202.8m
Total Retail	\$184.9m	\$216.0m	\$288.9m	\$351.3m	\$378.2m
Secondary East					
FLG	\$90.9m	\$95.3m	\$102.5m	\$107.1m	\$110.8m
Food Catering	\$34.1m	\$35.9m	\$39.0m	\$41.2m	\$43.1m
Non-Food	\$119.3m	\$128.3m	\$147.0m	\$163.6m	\$180.2m
Total Retail	\$244.2m	\$259.4m	\$288.6m	\$311.9m	\$334.2m
Secondary North					
FLG	\$58.6m	\$63.2m	\$75.3m	\$81.9m	\$87.3m
Food Catering	\$22.7m	\$24.6m	\$29.6m	\$32.5m	\$35.1m
Non-Food	\$80.9m	\$89.4m	\$113.6m	\$131.5m	\$149.3m
Total Retail	\$162.2m	\$177.1m	\$218.5m	\$245.9m	\$271.7m
Secondary West					
FLG	\$75.3m	\$78.3m	\$84.7m	\$89.9m	\$93.9m
Food Catering	\$28.0m	\$29.3m	\$32.0m	\$34.3m	\$36.3m
Non-Food	\$97.0m	\$103.5m	\$119.2m	\$134.7m	\$150.0m
Total Retail	\$200.3m	\$211.1m	\$236.0m	\$258.9m	\$280.2m
Main Trade Area					
FLG	\$294.5m	\$317.1m	\$366.6m	\$401.2m	\$419.2m
Food Catering	\$110.3m	\$119.2m	\$139.3m	\$154.0m	\$162.7m
Non-Food	\$387.0m	\$427.2m	\$526.1m	\$612.9m	\$682.3m
Total Retail	\$791.7m	\$863.6m	\$1,032.0m	\$1,168.1m	\$1,264.2m

Source: MarketInfo; Ethos Urban

5.3 Centres Likely to be Impacted by Kellyville Station Precinct

The trade area and competition map (**Figure 6**) showed that Kellyville Station Precinct will be part of a network of retail centres within and beyond the main trade area. All the centres within the trade area, as well as one centre on the border of the secondary east sector, are likely to experience some trading impacts from a new retail precinct at Kellyville station.

Centres expected to be impacted by new retail floorspace at Kellyville Station Precinct are shown in **Table 8** according to the extent to which the centre is likely to be affected

The centres expected to be impacted include a proposed Woolworths anchored centre (GFA 7,860m² including non-retail floorspace) on the corner of Memorial Drive and Hector Avenue in Kellyville. The centre was granted 'deferred commencement consent' on 20 July 2019 under conditions of road closures and a land exchange with the Hills Shire Council. For the purposes of this EIA, it is assumed that a 5,200m² GLA centre is operating before 2036.

New retail facilities at Bella Vista Station are also expected to be established before 2036.

The main trade area contains almost 135,000m² GLA, which may be impacted by new Kellyville Station Precinct retail floorspace. This total includes Rouse Hill Town Centre, which accommodates two Discount Department Stores and two full line supermarkets in more than 62,000m² of retail floorspace. The only centre outside the main trade area expected to be impacted to any reasonable degree is the 3,000m² North Village Kellyville.

Table 8 Existing and Proposed Competition

Centre	Location	Distance from Kellyville Station Precinct	GLA	Major Traders
Relevant Centres inside MTA				
Bella Vista Station ¹	Primary	2.0km	10,000m ²	Major supermarket
Woolworths Memorial Drive ¹	Primary	1.8km	5,200m ²	Woolworths
Rouse Hill Town Centre	Sec Nth	2.6km	62,650m ²	Woolworths, Coles, Big W, Target
Beaumont Hills	Sec Nth	1.8km	2,700m ²	IGA
Stanhope Village SC	Sec West	1.5km	16,400m ²	Coles, ALDI
Parklea Markets	Sec West	1.1km	12,000m ²	-
Kellyville Village	Sec East	2.1km	18,000m ²	Woolworths, Coles, ALDI
Allowance for Non-Centre Retail	MTA		8,000m ²	No Supermarkets
Total			134,950m²	
Relevant centres outside MTA				
North Village Kellyville	Beyond	2.6km	3,000m ²	ALDI
Total			3,000m²	
Other Centres with low to very low impacts				
Castle Towers SC (Castle Hill)	Beyond	5.6km	103,460m ²	Coles, ALDI, Myer, David Jones, Kmart, Target
Stockland Baulkham Hills SC	Beyond	5.4km	17,580m ²	Woolworths, Coles, ALDI
Winston Hills Mall	Beyond	5.4km	24,240m ²	Woolworths, Coles, ALDI, Big W
The Ponds SC	Beyond	4.0km	7,480m ²	Woolworths
North Kellyville Square	Beyond	4.8km	6,500m ²	Woolworths
Norwest Marketown	Beyond	3.5km	8,330m ²	Coles
CircaRetail (Norwest)	Sec South	2.1km	5,240m ²	Woolworths
Glenwood Park Shopping Village	Sec West	1.7km	3,190m ²	Woolworths
Kings Langley SC	Beyond	2.6km	9,700m ²	Woolworths, Coles
Total			185,720m²	

1: Proposed centres
Source: Ethos Urban

5.4 Impacted Centre Trading Performance at 2019

The 2019 trading performance of existing centres likely to be impacted by Kellyville Station Precinct is shown in **Table 9**.

Trading levels at 2019 are estimated by assigning retail turnover densities to food retail, food catering and non-food floorspace in each centre. The retail turnover densities and resulting sales, while consistent with industry standards should be regarded as indicative only.

Summarising, **Table 9**:

- The centres within the main trade area are estimated to have generated \$679.4 million in sales in 2019, with Rouse Hill Town Centre achieving sales of \$351.5 million and Kellyville Village expected to achieve \$120.4 million in sales.
- North Kellyville Village, the only centre outside the main trade area likely to be impacted by new retail at Kellyville is estimated to achieve \$27.7 million in sales in 2019.

Table 9 Estimated Trading Performance of Existing Impacted Centres, 2019

Impacted Centre	Food Retail	Food Catering	Non-Food	Total
		<u>GLA (m²)</u>		
Rouse Hill Town Centre	9,000	4,500	49,150	62,650
Beaumont Hills	2,500	100	100	2,700
Stanhope Village SC	3,900	1,800	10,700	16,400
Parklea Markets	1,000	500	10,500	12,000
Kellyville Village	8,200	2,500	7,300	18,000
Allowance for Non-Centre Retail	800	5,500	1,700	8,000
Centres in MTA	25,400	14,900	79,450	119,750
North Village Kellyville	2,600	200	200	3,000
Centres outside MTA	2,600	200	200	3,000
Total	28,000	15,100	79,650	122,750
		<u>Retail Sales Density (sales per m²)</u>		
Rouse Hill Town Centre	\$9,000	\$5,500	\$5,000	\$5,610
Beaumont Hills	\$8,500	\$5,500	\$4,500	\$8,240
Stanhope Village SC	\$10,000	\$5,500	\$5,000	\$6,240
Parklea Markets	\$3,200	\$1,800	\$1,400	\$1,570
Kellyville Village	\$9,000	\$5,500	\$4,500	\$6,690
Allowance for Non-Centre Retail	\$7,000	\$4,500	\$3,500	\$4,540
Centres in MTA	\$8,813	\$5,007	\$4,446	\$5,440
North Village Kellyville	\$9,900	\$5,500	\$4,500	\$9,250
Centres outside MTA	\$9,900	\$5,500	\$4,500	\$9,250
Total	\$8,910	\$5,010	\$4,450	\$5,530
		<u>Total Sales</u>		
Rouse Hill Town Centre	\$81.0m	\$24.8m	\$245.8m	\$351.5m
Beaumont Hills	\$21.3m	\$0.6m	\$0.5m	\$22.3m
Stanhope Village SC	\$39.0m	\$9.9m	\$53.5m	\$102.4m
Parklea Markets	\$3.2m	\$0.9m	\$14.7m	\$18.8m
Kellyville Village	\$73.8m	\$13.8m	\$32.9m	\$120.4m
Allowance for Non-Centre Retail	\$5.6m	\$24.8m	\$6.0m	\$36.3m
Centres in MTA	\$223.9m	\$74.6m	\$353.2m	\$651.7m
North Village Kellyville	\$25.7m	\$1.1m	\$0.9m	\$27.7m
Centres outside MTA	\$25.7m	\$1.1m	\$0.9m	\$27.7m
Total	\$249.6m	\$75.7m	\$354.1m	\$679.4m

Source: Ethos Urban

5.5 Retail at Kellyville Station Precinct

The development of the Kellyville Station Precinct is likely to continue for up to 25 years. As the timing of retail at Kellyville is yet to be determined, we have chosen 2036 as the year when the retail at Kellyville SP should be fully completed and trading successfully.

In **Table 10**, the composition and potential performance of Kellyville at 2036 is shown. A supermarket anchored neighbourhood centre of 5,000m² GLA, plus a smaller centre of 2,500m² GLA would provide 7,500m² of major store, food-catering and non-food specialties. Projected turnover in 2036 totals \$64.1 million, expressed in constant \$2019 and including GST.

Table 10 Composition and Performance of Kellyville Station Precinct Retail, 2036 (\$2019)

Centre	Food Retail	Food Catering	Non-Food	Total
			<u>GLA (m²)</u>	
Main Centre	3,500	850	650	5,000
Other retail	1,200	1,000	300	2,500
Total	4,700	1,850	950	7,500
			<u>Retail Sales Density (sales per m²)</u>	
Main Centre	\$10,000	\$7,500	\$6,500	\$9,120
Other retail	\$8,500	\$6,500	\$6,000	\$7,400
Total	\$9,620	\$6,960	\$6,340	\$8,550
			<u>Total Sales</u>	
Main Centre	\$35.0m	\$6.4m	\$4.2m	\$45.6m
Other retail	\$10.2m	\$6.5m	\$1.8m	\$18.5m
Total	\$45.2m	\$12.9m	\$6.0m	\$64.1m

Source: Ethos Urban

5.6 Centre Trading Performance at 2036 – No Change

The sales of centres at 2036 without any new retail at Kellyville Station Precinct are shown in **Table 11**, and essentially assume that improvements in centre performance (without Kellyville Station Precinct) will be in line with market (main trade area) growth. The sales estimates at each centre in 2036 without new retail at the Bella Vista Station Precinct are indicative only.

Table 11 Estimated Trading Performance of Centres, 2036 (\$2019) – No Change

Impacted Centre	Food Retail	Food Catering	Non-Food	Total
			<u>Total Sales (\$2019)</u>	
Bella Vista Station	\$67.5m	\$16.3m	\$15.2m	\$99.0m
Woolworths Memorial Drive	\$42.0m	\$4.9m	\$3.6m	\$50.5m
Rouse Hill Town Centre	\$115.3m	\$36.5m	\$433.3m	\$585.1m
Beaumont Hills	\$30.2m	\$0.8m	\$0.8m	\$31.9m
Stanhope Village SC	\$55.5m	\$14.6m	\$94.3m	\$164.5m
Parklea Markets	\$4.6m	\$1.3m	\$25.9m	\$31.8m
Kellyville Village	\$105.1m	\$20.3m	\$57.9m	\$183.3m
Allowance for Non-Centre Retail	\$8.0m	\$36.5m	\$10.5m	\$55.0m
Centres in MTA	\$428.1m	\$131.3m	\$641.6m	\$1,201.0m
North Village Kellyville	\$34.8m	\$1.2m	\$0.9m	\$36.9m
Centres outside MTA	\$34.8m	\$1.2m	\$0.9m	\$36.9m
Total	\$463.0m	\$132.5m	\$642.5m	\$1,237.9m

Source: Ethos Urban

Summarising Table 11:

- Centres in the main trade area, including new retail facilities at Bella Vista Station Precinct and Woolworths Memorial Drive are projected to generate \$1.12 billion in sales in 2036 (\$2019, including GST). This total is almost \$560 million (+82%) more than expected sales in 2019.
- Retail shops outside significant enclosed centres (e.g. strip centres) are allowed for in the analysis. These shops would be expected to generate around \$55 million in sales in 2036.
- The 5,200m² GLA Woolworths anchored centre at Memorial Drive is expected to generate more than \$50 million in sales. However, the estimated sales at this new centre is highly uncertain given no detail about the timing of opening, ultimate composition and other factors which will influence performance.
- Rouse Hill Town Centre is expected to continue to trade strongly and generate more than \$570 million in sales.

5.7 Impacted Centre Trading Performance at 2036 – with Kellyville Station Precinct Retail

The final step in assessing trading impacts is to estimate the performance of impacted centres after new Kellyville Station Precinct retail floorspace is trading, then comparing results with the No Change scenario. These calculations are summarised in **Table 12**.

Table 12 Estimated Trading Performance, 2036 (\$2019) - with Kellyville Station Precinct Retail

Impacted Centre	Total Sales in 2019	Total Sales in 2036 (No Change)	Total Sales in 2036 (Kellyville Station Precinct)	Trading Impact	Change on 2019 Sales	
Bella Vista Station	\$0.0m	\$99.0m	\$94.2m	-\$4.8m	-4.8%	n.a.
Woolworths Memorial Drive	\$0.0m	\$50.5m	\$47.9m	-\$2.6m	-5.1%	n.a.
Rouse Hill Town Centre	\$351.5m	\$585.1m	\$575.2m	-\$9.9m	-1.7%	63.6%
Beaumont Hills	\$22.3m	\$31.9m	\$29.7m	-\$2.2m	-6.8%	33.4%
Stanhope Village SC	\$102.4m	\$164.5m	\$159.9m	-\$4.6m	-2.8%	56.2%
Parklea Markets	\$18.8m	\$31.8m	\$30.6m	-\$1.2m	-3.7%	62.8%
Kellyville Village	\$120.4m	\$183.3m	\$179.5m	-\$3.7m	-2.0%	49.1%
Allowance for Non-Centre Retail	\$36.3m	\$55.0m	\$50.6m	-\$4.4m	-8.0%	39.4%
Centres in MTA	\$651.7m	\$1,201.0m	\$1,167.6m	-\$33.3m	-2.8%	79.2%
North Village Kellyville	\$27.7m	\$36.9m	\$35.7m	-\$1.3m	-3.4%	28.6%
Centres outside MTA	\$27.7m	\$36.9m	\$35.7m	-\$1.3m	-3.4%	28.6%
Total	\$679.4m	\$1,237.9m	\$1,203.3m	-\$34.6m	-2.8%	77.1%

Source: Ethos Urban

Stepping through **Table 12**:

- Total 2019 sales in impacted centres are estimated to be \$679.4 million.
- Without any retail floorspace being established at Kellyville, total sales in 2036 on the identified set of impacted centres are projected to be \$1.24 billion.
- With 7,500m² of new retail GLA at Kellyville, total sales in 2036 for the impacted centres would be \$1.20 billion, or \$34.6 million lower.
- This trading impact of -\$34.6 million represents an average impact of -2.8% across all centres identified relative to sales that would have been achieved if no retail facilities at Kellyville Station were established.
- The largest impacts would be expected on:
 - Rouse Hill Town Centre (-\$9.9 million; -1.7%),
 - Bella Vista station (-\$4.8 million; -4.8%),
 - Stanhope Village (-\$4.6 million; -2.8%),
 - Non-centre retail (-\$4.4 million; -8.0%).
- The Woolworths centre at Memorial Drive in Kellyville is expected to be impacted by Kellyville Station by -\$2.6 million or -5.1%.
- However, in all cases, existing centres would experience substantial increases over 2019 sales in the range of +29% and +64%.

The indicative trading impacts shown in **Table 12** are well within the normal bounds of a competitive retail environment. When a strong retail offer, such as the one proposed at Kellyville Station, is introduced into an existing retail network, other centres are inevitably affected as consumer patterns adjust to different circumstances and spending is re-distributed.

Despite the expected strong performance of retail at Kellyville Station, all centres in the vicinity should experience strong sales growth inclusive of any impacts arising from new Kellyville Station shops.

Finally, impacts expected on centres in the vicinity are not sufficient to undermine the role of individual centres in the local retail hierarchy.

5.8 Summary of Retail Trading Impacts

Key Findings – Retail Trading Impacts

- Nearby centres are expected to see a significant increase in sales revenue between now and 2036 as a result of the residential development within the Kellyville Precinct.
- In 2036, new retail floorspace at the Kellyville Station precinct is expected generate \$64.1 million in sales annually.
- Just over 50% of this turnover would be drawn from sales that would have been achieved at nearby centres if the 7,500m² GLA at Kellyville Station was not constructed. The other 50% of sales would be drawn commuters travelling through the new station and small impacts on a wide range of centres further afield.
- Relative impacts of Kellyville on individual centres range from -8.0% to -1.7% compared with estimated sales that would have been achieved without new retail at Kellyville. These impacts are able to be easily absorbed in the context of rapid trade area population growth.
- This analysis of impacts necessarily relies on key assumptions about current and future performance of shopping centres. In addition, impact models substantially simplify complex real-world interactions between consumers and suppliers of retail goods and services. Further, the analysis extends to 2036, or 16 years into the future, where the level of uncertainty about economic circumstances is significant. Accordingly, the results of this retail trading impact analysis should be regarded as indicative only.
- However, the analysis does indicate that impacts on centres in the hierarchy associated with the development of retail at the Kellyville Station Precinct are within the normal bounds of a competitive retail environment.

PART B – Economic Benefit Statement

6.0 Economic Benefits

This section examines the wider economic benefits that will likely be generated by the Kellyville Station Precinct as proposed under the concept SSDA. This analysis excludes transport infrastructure spending.

6.1 Employment Outcomes

Jobs supported by the concept SSDA will accrue through direct and indirect employment generated during the construction phase; and ongoing employment in the retail shops of the concept SSDA.

The analysis assumes the following:

- The entire concept SSDA is assumed to be a single project with a single estimated construction cost. This total construction cost is an indicative cost and has been used for benchmarking purposes only. It does not consider any site-specific costs. Dollar values are in today’s dollars and have not been escalated.
- The total number of construction years is expected to be 25 years. This figure is a total figure that adds the construction time of all projects. In reality, projects will be occurring simultaneously, with most projects commencing and completing within the first five to ten years.

6.1.1 Construction Phase

Direct employment in the *construction industry* is expressed as FTE job years. A ‘job year’ is a full-time job for one year.

Indirect or flow on employment will also be supported in other industries, for example, suppliers of materials and financial and legal services. Employment estimates in the wider economy are derived from ABS national accounts input-output analysis, specifically, employment multipliers.

Direct employment in the construction industry depends on the nature of the building, in particular, the capital intensity of the project. It is estimated 1.96 FTE direct construction industry job years per \$1 million of expenditure (or 1.0 FTE job year per \$510,000) will be generated by the construction activity, based on research and the type of work expected to be undertaken in the construction phase of the site.

In addition, these direct construction industry jobs lead to demand for employment in supplier industries in the wider economy. The ABS construction multiplier is 2.6 - that is, for every single FTE job in the construction industry a further 1.6 FTE jobs are supported elsewhere in the economy.

Direct construction costs are estimated to be \$770 million, which includes all construction related expenses such as allowance for demolitions, and construction of residential and retail premises.

Total construction costs of \$770 million would support 1,510 jobs *in the construction industry* and support a further 2,415 jobs *in related (supplier) industries* over the development period. In total 3,925 FTE jobs would be supported directly or indirectly during the construction of the Kellyville Precinct, as highlighted in the **Table 14**.

Table 13 Estimated Construction Phase Jobs at Kellyville Station Precinct

Job Type	Estimated FTE Jobs
Indirect	1,510 FTE
Direct	2,415 FTE
Total	3,925 FTE

Source: Ethos Urban

It is assumed that construction will take a total of 15 years across all projects. Scaling by the duration of this construction period, the concept SSDA would support an average of 101 direct and 161 indirect FTE jobs for each year of the development phase. It is likely that in the first five to ten years, the actual number for FTE jobs will be

much higher than this average figure, as multiple projects are being constructed simultaneously. Towards the end of the construction period the number of jobs per year is expected to be lower than this average figure, as most of the sites have been fully developed and only a few sites remain under construction.

Local businesses, workers and jobseekers are likely to benefit from increased employment and contract opportunities afforded by the construction phase of the project.

6.1.2 Operations Phase

During the operations phase, it is expected that the concept SSDA would generate a number of retail jobs. It is expected that at conclusion of the project approximately 290 retail jobs will be located on the site based on application of industry benchmarks (see **Table 14**). These jobs will most likely be within the Accommodation and Food Services industry and will be provided on a range of employment types: casual, part-time and full-time. This type of job is highly suitable for the relatively high proportion of younger residents in the area, including people studying and for whom a casual retail position is important in achieving financial stability.

Table 14 Estimated Retail Jobs at Kellyville Station Precinct

Activity	GFA	Provision	Direct Job Ratio ^a	Estimated Jobs ^b
Retail	10,736 m ²	8,590 GLA m ²	1 job per 28 m ²	290

Source: Ethos Urban

Note: a. these job ratios are an average figure for the entire precinct and not for a specific retail space. The actual number of jobs per sqm will depend on the size of the retail premise.

b. assumes an average yearly vacancy rate of 5%.

In total, the concept SSDA is expected to have the potential to accommodate around 290 retail jobs. These figures represent an average and don't necessarily represent the maximum or minimum number of jobs that could be at the site at any given time. In addition, it is expected that a number of additional jobs will be generated as a result of the development in the precinct but are difficult to estimate or quantify. These jobs will be within the household services and primarily service new residents. The types of jobs generated will include cleaning services, food services and other delivery services.

6.1.3 Increased Local Expenditure

The additional workers located within the precinct will also increase retail expenditure available in the local area. This local retail expenditure is expected to be directed toward food-related purchases such as take-away, cafés, restaurant dining and take-home groceries.

If the 290 retail workers spend an average of \$12 per working day on local food and beverages, this would result in a net increase in annual spending on local businesses of \$810,000 per annum.¹ Spread across a number of traders, this spending will support overall trading viability and profitability for businesses in the precinct.

The remainder of workforce expenditure is dedicated to spending on retail goods, such as clothing and accessories, entertainment, leisure activities and personal services. As a result, the trading conditions of retailers near the proposed development will be benefited. The level of spending by workers on these non-food categories is more difficult to specifically forecast. However, local non-food businesses are expected to experience a positive impact on sales associated with exposure to a larger local workforce population.

6.2 Alignment with the Strategic Planning Framework

The Kellyville concept SSDA aims to provide a transit-oriented development with medium to high density residential housing and retail services. As expressed in a number of the strategic planning documents, the concept SSDA will achieve the vision for Kellyville as a connected community.

¹ The \$12 per work day is an average estimate of how much an average worker is likely to spend on an average working day. The actual distribution of daily spending per worker per working day is expected to be quite varied.

Strategic policies including the North West Rail Link Corridor Strategy and The Hills Corridor Strategy identify Kellyville as a location for Transit Oriented Development, aligning with the strategic intent of the concept SSDA to progress Kellyville into a transit-oriented precinct supported by higher density housing and Kellyville Station.

Similarly, under the Hills Corridor Strategy, Kellyville Precinct is expected to be a commuter station supported by local retail and business services and higher density residential living. This expectation includes a variety of housing typologies and retail services with strong connectivity to other centres. The concept SSDA aligns with this vision of creating a high-density environment with strong connectivity to other local centres.

The Kellyville Planning Precinct aligns with the concept SSDA in that the vision and intent behind the plan aims to improve connectivity and permeability between local centres and increase housing supply, reinforcing Kellyville as a transit-oriented precinct.

Improved liveability and connectivity is a key concept of the NSW Long Term Transport Masterplan that facilitates the growth of Kellyville as transit-oriented and high density area by providing services that supports job growth in centres close to where people live and provides ease of movement.

6.3 Other Benefits

Other benefits likely to accrue as a result of the Kellyville Station Precinct concept SSDA include:

- **A more efficient and productive use of land.** The concept SSDA will be able to achieve a relatively high level productive and efficient use of land within the precinct. It will achieve this by increasing the intensity of use residential use within the precinct in contrast to what is currently in the precinct and surrounding the precinct.
- **Reducing car dependence.** The concept SSDA will help reduce car dependence within the area. It will establish land use and urban form patterns that are less reliant on private vehicle use and more reliant on public transport and active modes of travel. This will also have a number of important social benefits by encouraging more activity lifestyles and greater chance for community interactions.
- **Employment opportunities for younger residents.** The retail mix of the concept SSDA will allow for a range of job opportunities for younger residents. It is expected that retail within the precinct will accommodate a mix of small to medium sized businesses, with retail servicing the local population. In this dynamic environment, a range of working conditions, and job types will be provided. This is a suitable outcome for the areas relatively large proportion of younger residents and will enhance opportunities to live-work-play in the Kellyville area.
- **New business opportunities.** The planning proposal is expected to improve the local economy and will provide new opportunities for businesses to locate in the area. It is expected that such businesses will be primarily retail and provide goods and services to the local area.
- **Additional housing stock and housing choice.** The concept SSDA allows for a significant increase in housing stock within the Kellyville Precinct. This new housing stock is necessary to support the Hills Shire's population growth over the next two decades. It will also provide greater housing diversity for a range of household types and will assist the central city district in achieving its housing targets and objectives of increased housing choice within the district.

7.0 Summary of Economic Benefits Statement

This analysis has found that the Kellyville Station Precinct concept SSDA will provide a number of economic benefits through both its construction phase and operation phase. The key findings are as follows:

- The most significant economic benefit of the concept SSDA is the alignment of Kellyville Station Precinct with the vision for the precinct as set out in a number of strategic planning policies. The concept SSDA will help achieve this vision by providing a transit-oriented development, with high density residential with retail offering.
- An indicative total construction costs benchmark figure of \$770 million would support 3,925 jobs in total. This would comprise 1,410 jobs *in the construction industry* and 2,415 jobs *in related (supplier) industries* over the development period.
- Around 290 new retail jobs are expected to be generated at the site. In addition, the residential development in the precinct is expected to support a range of jobs in household services.
- An increase in expenditure on local retail of \$810,000 per annum is expected to occur as a result of the new workers within the precinct.
- An increase in the availability of goods and services for local residents will be achieved through the retail offering within the precinct, which is being generated by the new resident population. And there will be new business opportunities that will arise due to the expected improvement to the local economy.
- The high and medium density residential component of the concept SSDA will provide an opportunity for older residents to locate within the precinct while having access to a range of essential services. This will be suitable for older residents who wishing to maintain independence as they age.