

Sydney Employment Lands Study

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Employment lands study: Draft Report

Prepared for UDIA (NSW)

March 2020



A Geospatial Study about the last 25 year history of job movements in Sydney and the future projection of jobs to 2050



Case study: Segmenting the Parramatta LGA and Camellia Industrial*

LGA annual growth

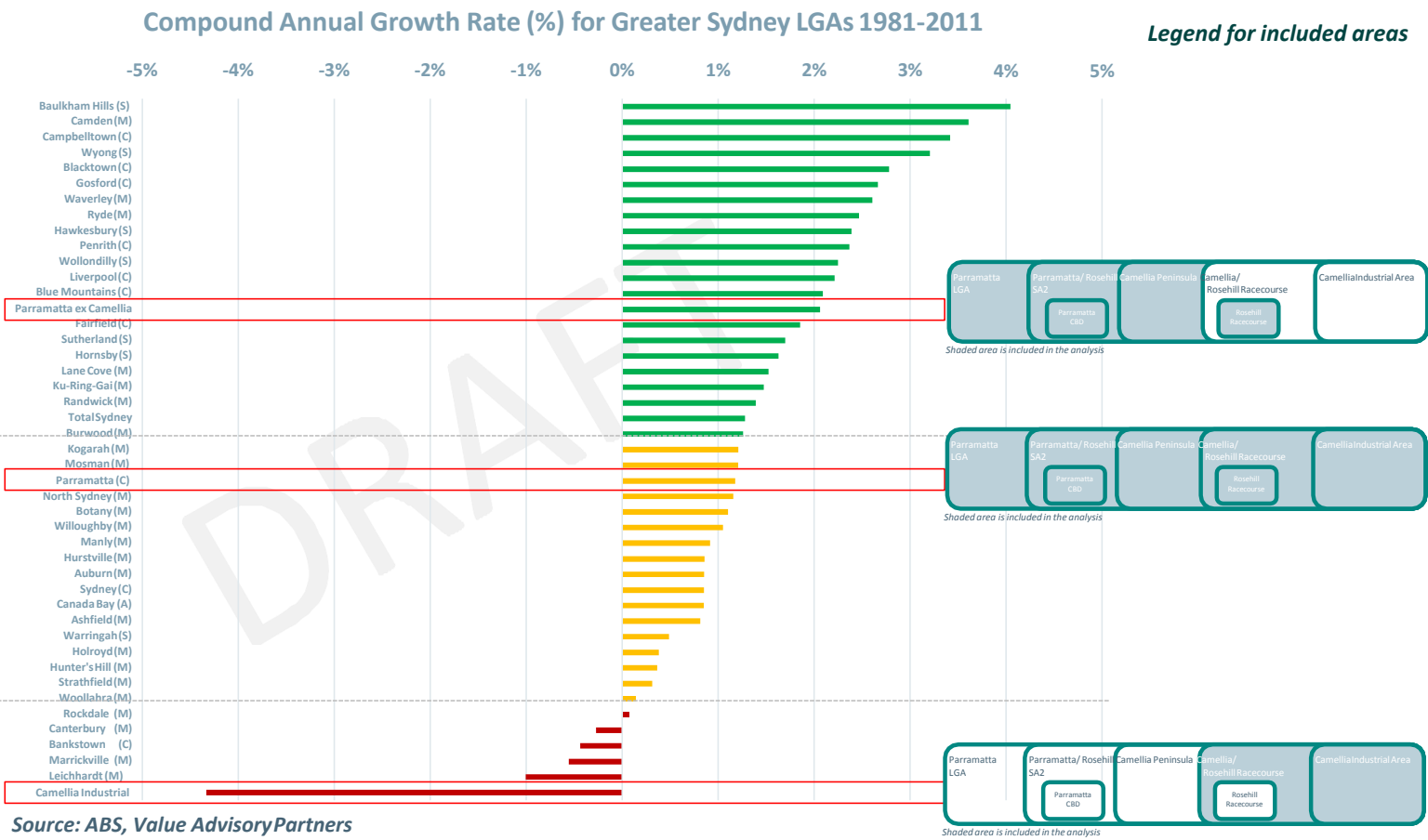
The graph ranks local government areas in Greater Sydney by employment compound annual growth rate (CAGR) over the 1981-2011 period, using ABS data.

We have identified whether the average growth rate is catalytic, facilitated or market driven.

Market is defined as CAGR above 1.1%; Facilitated is CAGR between 0.1 and 1.1%; Catalytic areas as CAGR of 0.1%<.

For the purpose of this analysis we have both a Parramatta LGA as a whole and Parramatta without Camellia. The impact of having Camellia as part of Parramatta is to depress its overall growth rate. Parramatta without Camellia would have a CAGR rate of nearly one per cent higher.

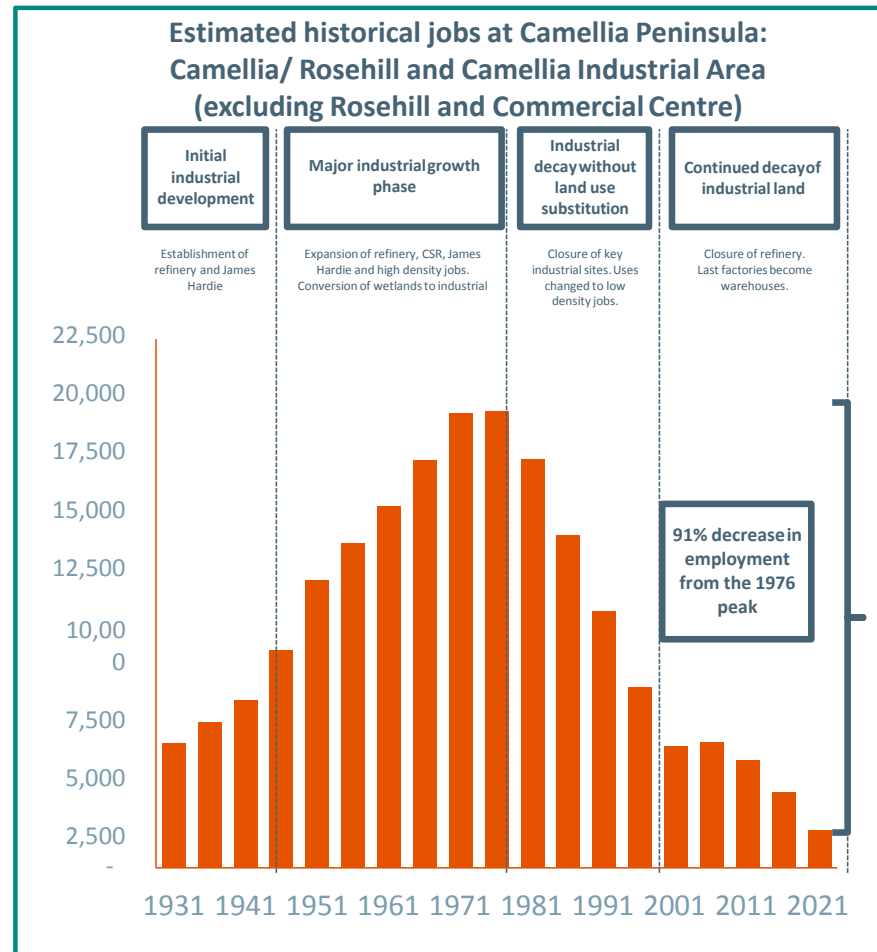
Camellia on its own would have the weakest employment performance of all at -4.3% CAGR, which is a significant market failure.



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- A detailed analysis of the growth and decline of employment in Camellia over the last 90 years shows a significant market failure.
- The 92 percent decline in jobs on the peninsula from its peak in 1976, to only 1,600 jobs today, is supported by aerial photographs of industrial and commercial buildings, detailed historical records of employers, and traffic movements (including heavy vehicles) from 1931 to today.
- Detailed analyses of industrial areas are required at a level much more targeted than what is provided by the ABS. This will provide the type of detailed, bottom up analysis required to ascertain areas of market failure.



Source: Value Advisory Partners analysis, ABS, National Economics

Impact of decline output and employment on buildings

Growing amounts of vacant and abandoned properties threaten neighbourhood stability.

Vacated commercial and industrial are underutilised (i.e. used for self storage which decreases jobs/ha)

The Camellia Peninsula (excluding Rosehill racecourse) is an example of abandonment and underutilisation in Sydney.

Legend for included areas



Taking a long run historical perspective provides a level of data analysis that is omitted in a top down approach.

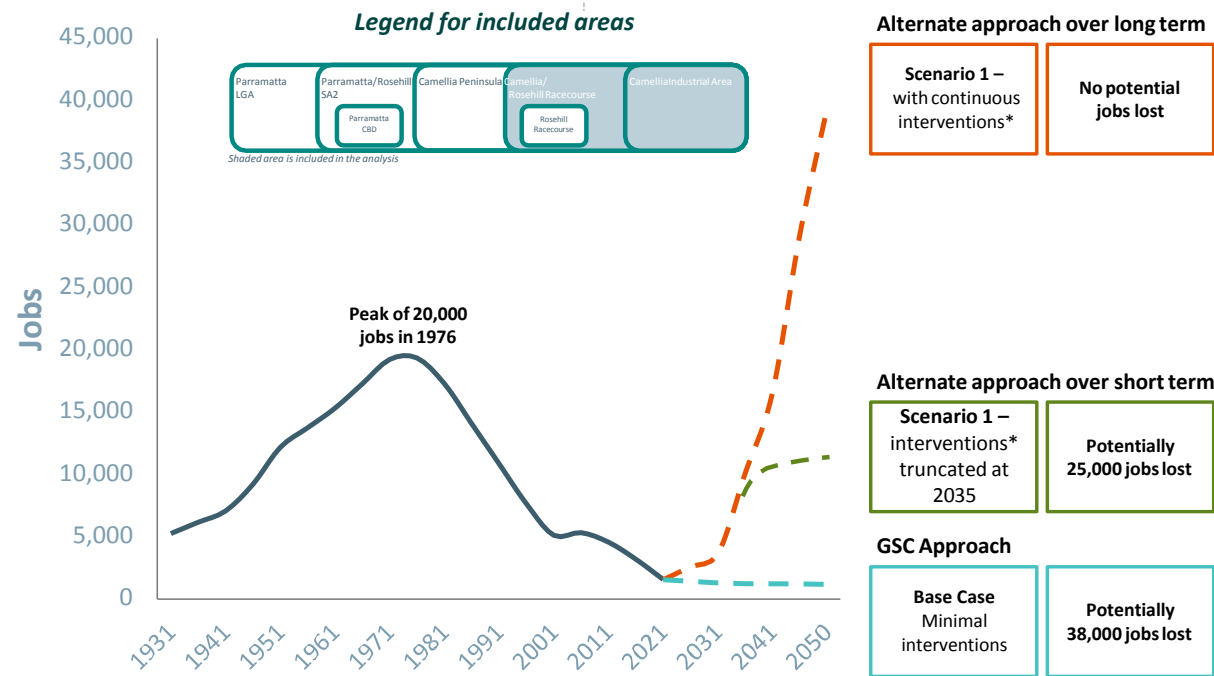
A continuous programme of interventions is needed

Case study: Segmenting the Parramatta LGA and Camellia Industrial

Comparison of employment outcomes between GSC approach and alternate approach

This chart compares the projected outcomes of an alternative approach (as per Scenario 1) with that of the GSC. The results indicate that:

- Applying the GSC approach would result in the lost opportunity of up to 29,000 jobs that could otherwise be created in the Camellia peninsula to 2050.
- Applying the Alternate approach, but truncating the programme of interventions at 2035, would break the cycle of growth and result in lost opportunity of up to 25,000 jobs.
- The employment outcomes from the Alternate approach assumes continuous interventions (market or government) through a range of actions that curates the change.



Source: Value Advisory Partners historical analysis and forecasts of ABS data

* Using the Employment Lands Transformation Model to develop recommended interventions

Without continuous interventions and strategies aligned to market conditions the Camellia Peninsula has entered into an extended period of decay.

Note: The Scenario analysis presents the results of what could happen if change is initiated in the investigations areas compared to the anticipated growth in the employment lands for those precincts between 2020 and 2050 in the base case (see Section 6). It is not a forecast of what will happen, rather one of what could happen, given the particular changes and interventions identified for each of the employment in the investigation areas.

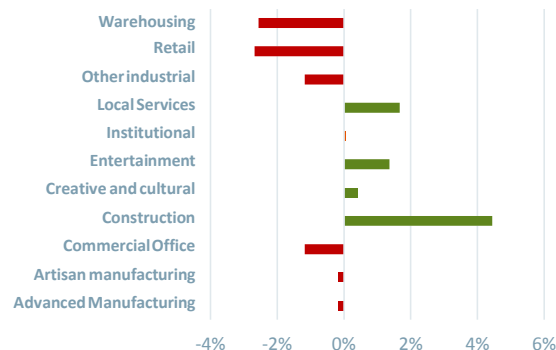
6.4 Parramatta SA2 (incl. Camellia/ Rosehill and Camellia Industrial Area)

– Base Case - Job outcomes and Employment projections to 2050

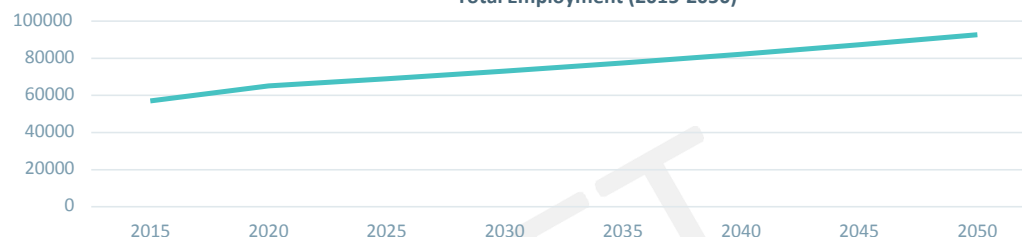
Parramatta SA2 (incl. Camellia/ Rosehill and Camellia Industrial Area) – Job Change by Industry Group (2015-2050)



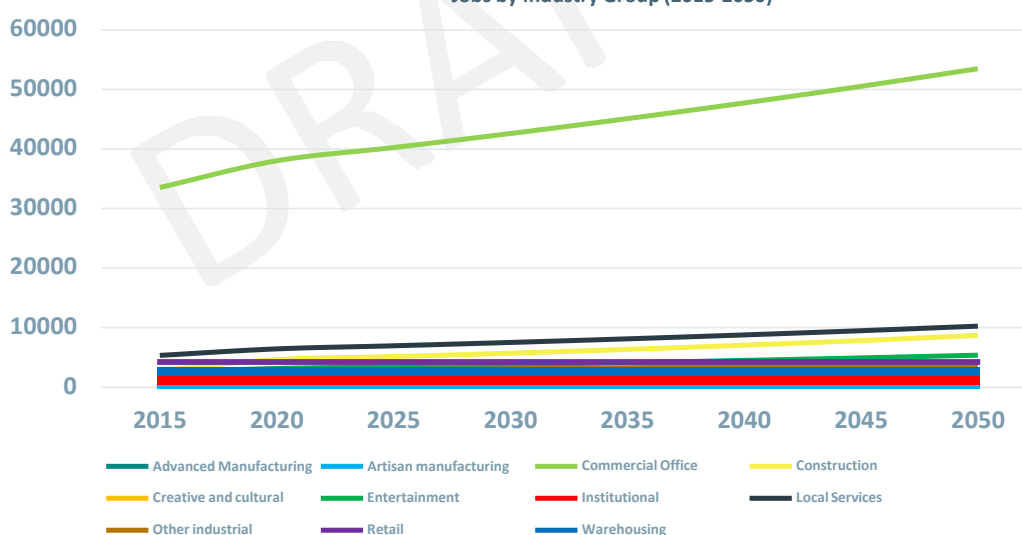
Parramatta SA2 (incl. Camellia/ Rosehill and Camellia Industrial Area) – change in proportion of total employment by industry (2015-2050)



Parramatta SA2 (incl. Camellia/ Rosehill and Camellia Industrial Area) – Total Employment (2015-2050)



Parramatta SA2 (incl. Camellia/ Rosehill and Camellia Industrial Area) – Jobs by Industry Group (2015-2050)

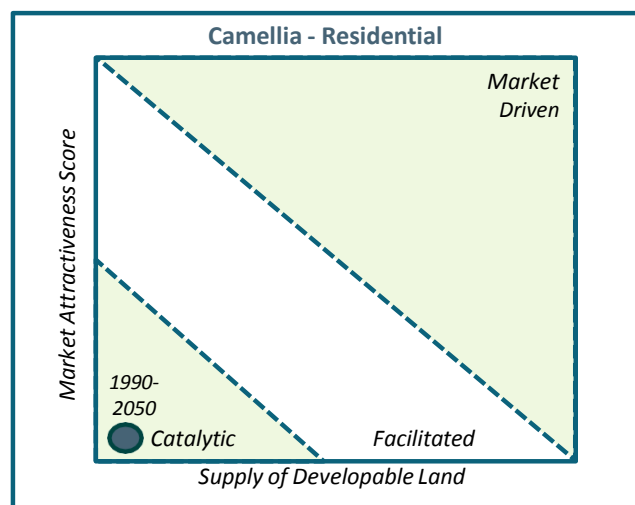


- While the Parramatta – Camellia precinct is projected to continue to increase in employment to 2050, nearly all that employment growth is expected to occur outside the Camellia peninsula. Industries of employment associated with Camellia – warehousing (and transport) and manufacturing – would continue to decline both numerically and as a proportion of total employment within the SA2.
- This is best illustrated by the the adjacent chart showing projected growth by industry of employment. The main growth would occur in commercial office employment which would occur in the Parramatta CBD, along with the increase in local services employment.
- The growth in construction employment would support the growth of GFA in the CBD.

6.4 Base Case Camellia Industrial Precinct - Market Attractiveness Assessment

Residential Market Attractiveness – past and projected (1990 to 2050)

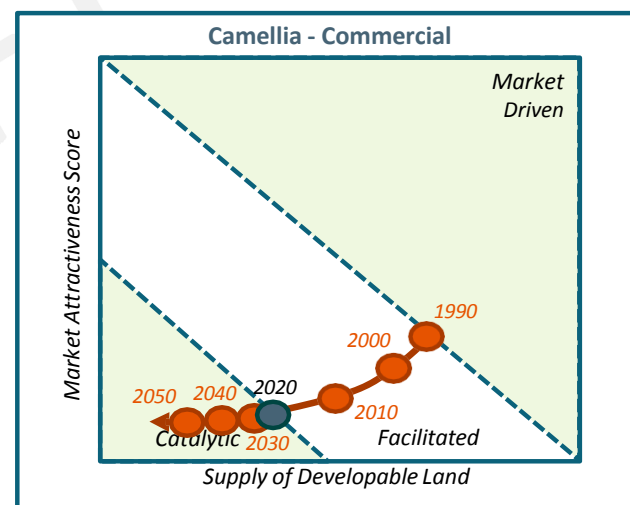
The market attractiveness of Camellia Industrial Precinct for residential has remained static and very low for the whole period since 1990, and without catalytic government intervention this situation would remain unchanged between now and 2050.



● Current Market Attractiveness

Commercial Market Attractiveness – past and projected (1990 to 2050)

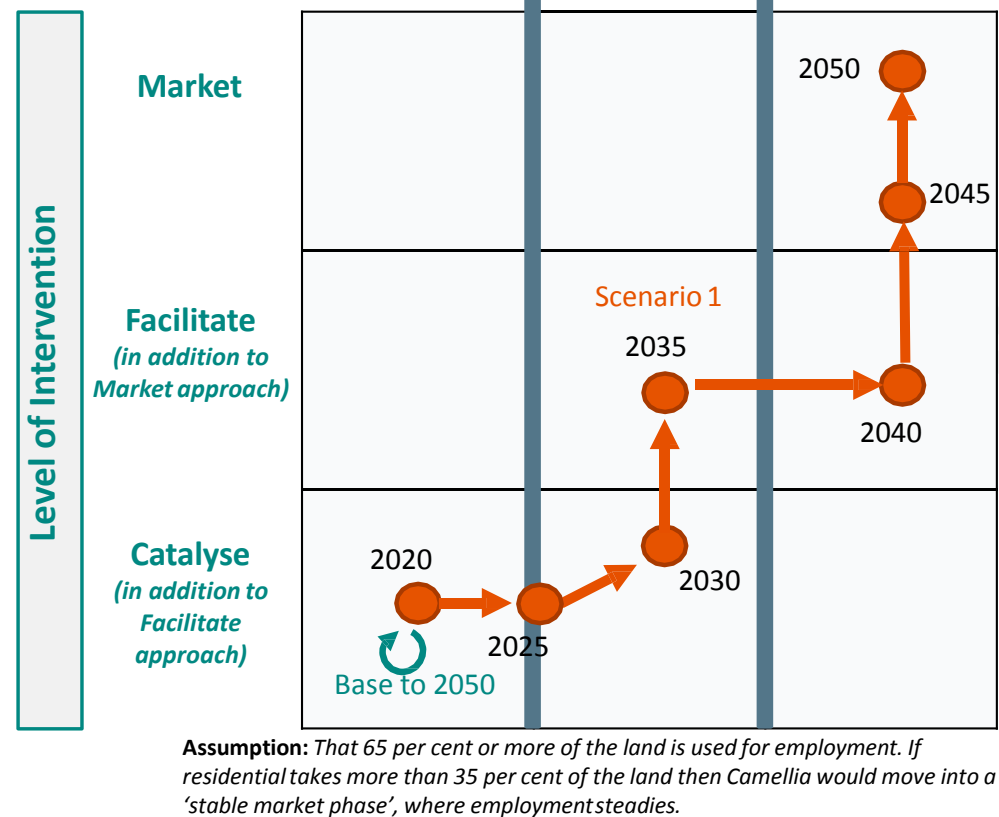
The market attractiveness of Camellia for commercial has been in decline for the period since 1990 and this is forecast to continue without facilitated intervention by government. If left unattended the attractiveness of the area would decline further to a point which required catalytic interventions.



● Current Market Attractiveness

6.4 Actions to achieve employment outcomes – Camellia/ Rosehill ex racecourse and Camellia Industrial Precinct - Scenario 1

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To achieve market driven growth to 2050, the Camellia/ Rosehill area and Camellia Industrial Precinct would require interventions over time:

Year	Recommended interventions	Outcome
2020	Ascertain investment to recalibrate to market requirement Planning changes to reduce constraints and place based enhancements Funding - Multi Source and Land Use Change	Repurpose land and drive development
2025	Ascertain investment to recalibrate to market requirement Planning changes to reduce constraints and place based enhancements Funding - Multi Source and Land Use Change	Repurpose land and drive development
2030	Monitor delivery and maintain market appeal Place based enhancements Funding - Multi Source	Continually driving development
2035	Monitor delivery and maintain market appeal Place based enhancements	Improving market attractiveness
2040	Review to ensure all stakeholder needs are met Strategic policy review for aligned objectives	Moderate market growth
2045	Review to ensure all stakeholder needs are met	Market driven growth

6.4 Parramatta SA2 (incl. Camellia/ Rosehill and Camellia Industrial Area) – Scenario 1 - projections 2020 to 2050

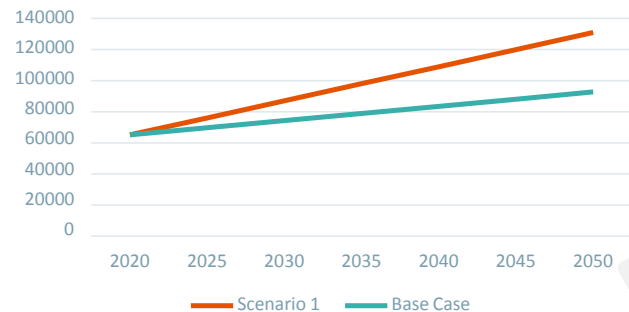
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Role for Camellia as an employment centre under Scenario 1

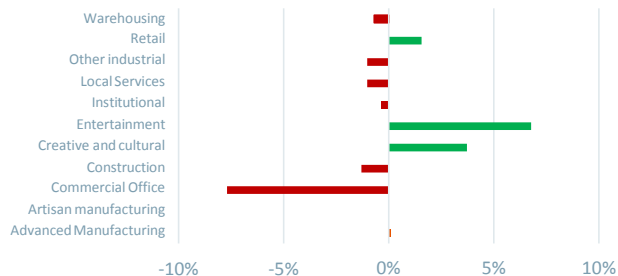
Under this scenario, the Camellia employment lands north and immediately east of the Rosehill Racecourse would be rezoned. This would broaden its economic base and transition into a more mixed use employment and residential area, with a high density core of commercial office and other employment in Camellia acting as a secondary office location to the Parramatta CBD.

There would be minimal dislocation to industrial employment.

Camellia/Parramatta – Total Jobs - Base Case vs Scenario 1 (2020-2050)



Change in Job Proportion - Base Case vs Scenario 1 (2020-2050)

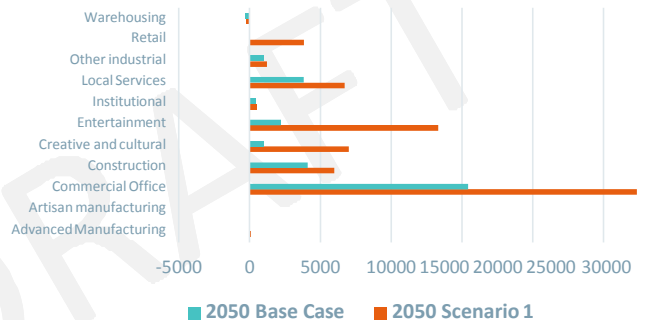


Specific Interventions required for Scenario 1 to occur

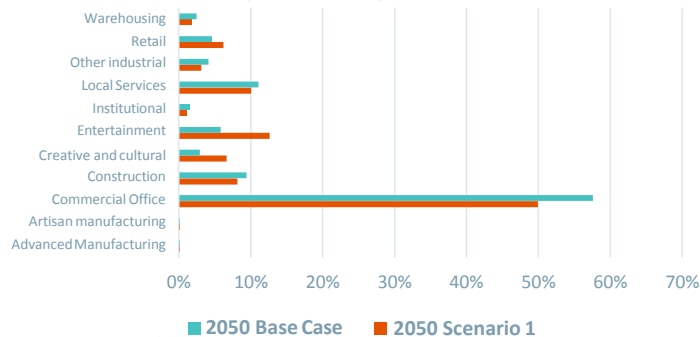
To achieve this the current Camellia industrial area requires a higher level of catalytic interventions and strategies before the market would drive outcomes to realise the projected commercial, entertainment, local services and retail development and growth. In particular it assumes the delivery of:

- Mass public transit by way of a light rail and road bridge connections
- Placemaking enhancements by developers and governments to improve the public realm and pedestrian environment.

Change in Industry (2020-2050)



Industry Job Percentage of Market



- In Parramatta (Camillia/Rosehill) a large increase total jobs in 2050 is projected: increasing from around 65,000 in the Base Case to 131,000 in Scenario 1.
- The project case would result in an increase in total employment of 41 per cent over the base case.
- In scenario 1, the Commercial Office industry of employment would lead the growth with around 27,300 jobs, 11,900 more than the base case. Entertainment employment would follow next with 13,300 jobs, 11,100 above the Base Case. Retail, creative and cultural, local services and construction employment would also increase.
- Notably there would be no net loss of industrial employment when comparing the scenario 1 with the Base Case.
- Change in job mix: In contrast to other areas commercial office would decrease from 58 per cent to 50 per cent of total employment, while entertainment increases from 6 to 13 percent; the share of Industrial type employment would fall by six per cent by 2050.