



# Bonnyrigg Living Communities Project | Economic Impact Assessment

FINAL REPORT

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PREPARED FOR BECTON

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Dated

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# 1

## Executive Summary

### Introduction

MacroPlan Australia has been engaged by Becton to undertake an Economic Impact Assessment of the Bonnyrigg Living Communities Project. The key components assessed in this report include:

- **Project Economic Impact Assessment:** Assessment of the impact on inputs and outputs to the local economy, including total expenditure and employment generated by the project.
- **Retail Sustainability Assessment:** Assessment of retailing opportunities at the Bonnyrigg Living Communities project. This assessment focuses on the potential opportunities at the development site rather than recommend an increase in retail floorspace within the development area.

The site, also known as Bonnyrigg Estate, is in the suburb of Bonnyrigg in Western Sydney, forming part of the Fairfield local government area. It covers a well defined area of 81 hectares bounded by Humphries Road, Cabramatta Road, Elizabeth Drive, Bonnyrigg Avenue and Edensor Road.

The site adjoins Bonnyrigg Plaza, which is a sub-regional shopping centre. The Estate is close to the regional centres of Liverpool (5 km to the south-east), Cabramatta (5 km to the east) and Fairfield (6 km to the north-east).

A 30-year Public Private Partnership with the NSW Government will see the 81-hectare Bonnyrigg site totally redeveloped. The existing estate of approximately 930 dwellings will be collaboratively re-designed as an urban renewal of the estate takes place over the next 14 years. Construction is expected to commence in 2009.

### Economic Impact Assessment

The economic impact analysis is based on the effect the Bonnyrigg Living Communities project has on inputs and outputs to the local and State economy based on a 20 year assessment period. The economic benefits of particular projects assessed in this report include:

- The total expenditure generated by the project.
- The employment outcomes based on the number of jobs supported within the development and identified expenditure impacts.

Total expenditure impact of the Bonnyrigg Living Communities project is estimated at \$902 million (in net present value terms) over a 20 year period from 2008, comprising \$265 million in construction (infrastructure, residential and community), \$122 million in maintenance and \$515 million in resident expenditure.

It is difficult to measure the proportion of the impacts outlined above that will flow to the local area. However, it is expected that the proposed residential component will induce an increase in local income and spend activity. A significant share of retail expenditure is likely to flow to the local area given the location of the project to the Bonnyrigg Plaza and other local retail facilities.

Rates revenue over the 20-year period flowing to the City of Fairfield is expected to be approximately \$4.5 million. Stormwater Levy and Wastewater Management is expected to total \$5.4 million. This revenue injection will equal \$9.9 million in net present value terms.

The boost to rate revenue will provide the City of Fairfield with the opportunity to expand services to the community as the population grows in the future.



Total direct employment generated from construction and development will average 265 per annum during the construction phase. There will also be 111 jobs per annum generated from on-going maintenance and 575 jobs from residential expenditure over the 20 year assessment period.

In addition, 1,196 indirect jobs will be located in and around the Fairfield LGA flowing from expanding activities at the site on an ongoing basis (this includes jobs supported elsewhere in the Fairfield and in NSW from all expenditure).

## Retail Sustainability Assessment

As part of this assessment we have considered the role of the existing Bonnyrigg Plaza sub-regional centre and an opportunity for additional retail floor space at a new neighbourhood centre as part of the Bonnyrigg Living Communities Project. This assessment looks at the potential opportunities rather than recommend an increase in retail floorspace within the development area.

## METHODOLOGY

The report provides a detailed analysis of the retail floor space supply and demand conditions within the Bonnyrigg area drawing upon existing and forecast economic indicators. It reviews the latest population estimates and forecasts of retail expenditure. It also estimates future incomes of residents who may be attracted to the urban renewal development for the purpose of forecasting a retail expenditure pool.

New residents at the redevelopment site will increase the retail expenditure pool in Bonnyrigg and therefore drive demand for additional retail floor space. The volume of additional retail floor space that could be provided at the redevelopment site (e.g. local neighbourhood centre providing weekly shopping needs) is then recommended.

In order to assess the retail development opportunities in Bonnyrigg, MacroPlan has assessed the development potential over the next 20 years. This assessment will allow recommendations about:

- Retail opportunities at the redevelopment
- Sustainable quantum of retail floor space
- Key retail mix options and sizing

## MARKET CONTEXT

Primary competition within the trade area is provided by Bonnyrigg Plaza. Bonnyrigg Plaza is a sub-regional centre providing grocery and other retail for shoppers living within 5 km of the centre. Big W and Woolworths represent the key drawcards. In recent years retail in Bonnyrigg Plaza has been subject to some facade improvements.

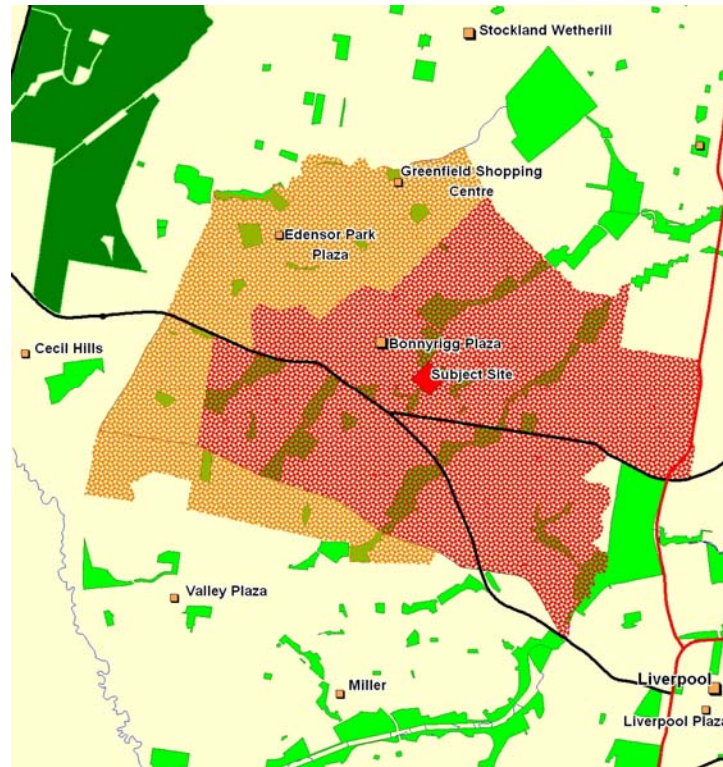
In 2003, the Bonnyrigg Plaza received development approval for an expansion in retail floorspace of around 16,000m<sup>2</sup>. This would increase the total floorspace at Bonnyrigg Plaza to over 36,000m<sup>2</sup>. However, construction has yet to commence and it is unclear at this stage if or when this approval will be acted upon.

Most of the other retail competition is located to the north of the subject site. Other than the Liverpool regional centre there is limited competition to the south of the site, which should allow for increased capture of resident expenditure to the South.

Residents also travel to Parramatta and Liverpool for higher order retailing such as Westfield Parramatta and Westfield Liverpool.

The primary source of demand for retailing at the subject site is the main trade area (MTA). For the purpose of modelling future retail demand, the MTA is made up of a primary trade area (PTA) and a secondary trade area (STA).

It is important to review demand across a wider catchment for both Bonnyrigg Plaza and the Bonnyrigg Living Communities project given the proximity of the project to Bonnyrigg Plaza. Conclusions can then be made on the opportunities for a neighbourhood centre within the Bonnyrigg Living Communities project. The MTA is depicted in the map below.



The neighbourhood centre would draw from within the Primary Trade Area, with most of the demand for the neighbourhood centre generated by the new population at the project.

In 2007, the population in the MTA was estimated at 57,609 persons. With the redevelopment of the subject site and general population growth throughout the MTA, the population is forecast to increase to 62,320 persons by 2027.

Population growth in Fairfield, and therefore the MTA, is projected to be relatively slow over the period 2011 to 2026. It is therefore important to ensure that the timing of retail development relies on balancing the provision of retail critical mass and demand for goods and services with population density and household development rates.

The redevelopment of the subject site however will inject new residents and new retail expenditure into the locality, resulting in new retail opportunities in Bonnyrigg. Further, the redevelopment is also likely to improve the socio-economic performance of the Bonnyrigg suburb. For these reasons, MacroPlan considers that the redevelopment of the subject site is likely to attract residents with a socio-economic profile similar to that of the Fairfield LGA.

## DEVELOPMENT OPPORTUNITY

The total retail expenditure pool generated by residents in the Bonnyrigg MTA is currently estimated to be \$517 million in 2007. The total expenditure pool is forecast to increase to \$567 million by 2012 and further to \$736 million by 2027 (expressed in constant dollars \$2005/06).

Convenience, supermarket and speciality (CSS) expenditure in the MTA was \$410 million in 2007, representing approximately 79% of all retail expenditure in the MTA. This expenditure is forecast to increase to \$444 million by 2012 and further to \$481 million by 2017.



An assessment of overall development potential for all retail within the main trade area is based on an examination of likely market shares, that is, the proportion of sales attributable to either the PTA, STA and beyond the trade area for a sub-regional and neighbourhood catchment.

	PTA	STA
Supermarket	75%	10%
Restaurant and Café	20%	10%
Clothing and Accessories	25%	15%
Furniture and Whitegoods	5%	5%
Electrical	5%	5%
Houseware and Softgoods	5%	5%
Hardware	5%	5%
Sports and Hobbies	15%	10%
Services	15%	10%
Newsagent and Chemist	25%	5%
Bottle-shop	25%	10%

Assuming that the market shares above hold constant for the MTA and acknowledging existing retail floor space in the MTA is primarily supplied at Bonnyrigg Plaza (sub-regional centre with a potential expansion), there is an opportunity for a neighbourhood centre at the subject site. The neighbourhood centre could capture a share of the expenditure pool primarily in the areas of food retailing and meet the local convenience needs of the immediate area.

The retail opportunity identified for the subject site is as follows:

- 2,000m<sup>2</sup> of supermarket retail floor space by 2012, and 3,000m<sup>2</sup> by 2022.
- 1,000m<sup>2</sup> of speciality retail floor space by 2012, and 2,000m<sup>2</sup> by 2022.

The table below outlines the retailing opportunity and potential staging for the Bonnyrigg Living Communities project. Given the proximity of the Bonnyrigg Plaza and approved expansion, there is only an opportunity for a local neighbourhood centre (3,000m<sup>2</sup>-5,000m<sup>2</sup>) to be delivered within the subject site. The local centre could provide a limited mix of retail uses to meet the local convenience needs of residents, and in particular residents of the subject site. This could include a supermarket offer (e.g. 2,000-3,000m<sup>2</sup> supermarket) and a range of speciality shops. This should be viewed as an opportunity at this stage, rather than a recommendation about an increase in retail floorspace. Further analysis is required to confirm this opportunity.

	Stage 1 - 2012	Stage 2 - 2022
Supermarket Opportunity	1 Supermarket 2,000-2,500m <sup>2</sup>	1 Supermarket approx. 3,000m <sup>2</sup> in total
Speciality Opportunity	10-15 specialities approx. 1,000m <sup>2</sup>	15-25 specialities approx 2,000m <sup>2</sup> in total



## 2 Introduction

### 2.1 Scope of this Report

MacroPlan Australia has been engaged by Becton to undertake an Economic Impact Assessment of the Bonnyrigg Living Communities Project. The key components assessed in this report include:

- **Project Economic Impact Assessment:** Assessment of the impact on inputs and outputs to the local economy, including total expenditure and employment generated by the project.
- **Retail Sustainability Assessment:** Assessment of retailing opportunities at the Bonnyrigg Living Communities project. This assessment focuses on the potential opportunities rather than recommend an increase in retail floorspace within the development area.

This report is divided into the following sections:

- Section 3: Development Proposal and Location
- Section 4: Economic Impact Assessment Framework
- Section 5: Economic Impact Assessment Results
- Section 6: Trade Area Analysis
- Section 7: Competitive Framework
- Section 8: Demand Framework
- Section 9: Retail Expenditure Pool
- Section 10: Development Opportunities

### 2.2 Methodology

#### Economic Impact Assessment

The economic impact analysis is based on the effect the Bonnyrigg Living Communities project has on inputs and outputs to the local economy based on a 20 year assessment period. The economic benefits of particular projects assessed in this report include:

- The total expenditure generated by the project.
- The employment outcomes based on the number of jobs supported within the development and identified expenditure impacts.

#### Retail Opportunity Assessment

MacroPlan Australia has undertaken an assessment of opportunities for a retail centre developed as part of the Bonnyrigg Living Communities project. As part of this assessment we have considered the role of the existing Bonnyrigg Plaza sub-regional centre and how additional retail floor space could be allocated to a new neighbourhood centre.

MacroPlan has used a trade area based EIA methodology for the assessment of trade impacts. This includes impacts that are likely to be introduced by the proposed development upon the existing retailing network surrounding the subject site. The methodology used for this assessment is detailed below:





## Defining the Trade Area and Forecasting Growth

A trade area is a geographical area from which a shopping centre will draw the majority of future trade. The delineation of a trade area typically comprises a primary, secondary and in some circumstances tertiary trade area. Trade areas are defined by the following factors which are discrete to each development proposal:

- The proposed development type and merchandise sold
- Site location including access and exposure
- Proximity, role and function of existing competing shopping centres
- Natural and man-made barriers.

Primary research of comparable centres and extensive trade area experience are also used to derive trade areas.

## Defining the Current and Future Expenditure of the Trade Area

Trade area expenditure is tied to the socio-economic circumstances of a given location. Expenditure information is derived from the Household Expenditure Survey (HES) conducted by the ABS and the MarketInfo database. MarketInfo is an independent consultancy used by the majority of retail economists to derive accurate retail expenditure data at a Census Collection District (CCD) level in Australia. MarketInfo has developed a micro-simulation technique that utilises over 40 socio-economic variables in each CCD to produce accurate retail expenditure results.

## 2.3 Information Sources

This report draws on a wide range of information sources. The more important information sources include:

- Census of Population and Housing, Australian Bureau of Statistics (2006)
- NSW/ACT Shopping Centre Directory, Property Council of Australia (2007)
- Household Expenditure Survey, Australian Bureau of Statistics (2003/04)
- Marketinfo, MDS Market Data Systems (2006)
- Census of Retail Activity, Australian Bureau of Statistics (1992, 1998/99)
- Monthly Retail Trade data, Australian Bureau of Statistics
- Consumer Price Index, Australian Bureau of Statistics, and
- ABS Input-Output Multipliers (1996/97)
- Relevant experience associated with other shopping centres throughout NSW and Australia. With particular reference to customer survey information, trade areas, turnover performance and market shares.



## 2.4 Abbreviations

The following abbreviations are used in this report

Australian Bureau of Statistics	ABS
Australian & New Zealand Standard Industrial Classification	ANZSIC
Central Business District	CBD
Consumer Price Index	CPI
Discount Department Store	DDS
Goods and Services Tax	GST
Household Expenditure Survey	HES
Local Government Area	LGA
Market Data Systems	MDS
Statistical Local Area	SLA
Primary Trade Area	PTA
Secondary Trade Area	STA
Main Trade Area	MTA

## 2.5 Report Limitations

This report is prepared on the instructions of the party to whom it is addressed and is thus not suitable for the use other than by that party. As the report involves future forecasts, it can be affected by a number of unforeseen variables. It represents for the party to whom or which it is addressed the best estimates of MacroPlan Australia Pty Ltd, but no assurance can be given by MacroPlan Australia Pty Ltd that the forecasts will be achieved.



## **3 Development Proposal and Location**

### **3.1 Background**

Bonnyrigg Partnerships – a consortium lead by the Becton Property Group – was announced by the NSW Government as the preferred bidder for the Bonnyrigg Living Communities project in southwest Sydney.

A 30-year Public Private Partnership with the NSW Government will see the 81-hectare Bonnyrigg site totally redeveloped. The existing estate of approximately 930 dwellings will be collaboratively re-designed as an urban renewal of the estate takes place over the next 15 years. Construction is expected to commence in 2009.

When complete, the development will comprise new public housing dwellings, new private housing dwellings, parks and recreation spaces, pedestrian and cycle ways and various new community facilities.

### **3.2 Location**

The site, also known as Bonnyrigg Estate, is in the suburb of Bonnyrigg in Western Sydney, forming part of the Fairfield local government area. It covers a well defined area of 81 hectares bounded by Humphries Road, Cabramatta Road, Elizabeth Drive, Bonnyrigg Avenue and Edensor Road.

The site adjoins Bonnyrigg Plaza, which is a sub-regional shopping centre. The Estate is close to the regional centres of Liverpool (5 km to the south-east), Cabramatta (5 km to the east) and Fairfield (6 km to the north-east).

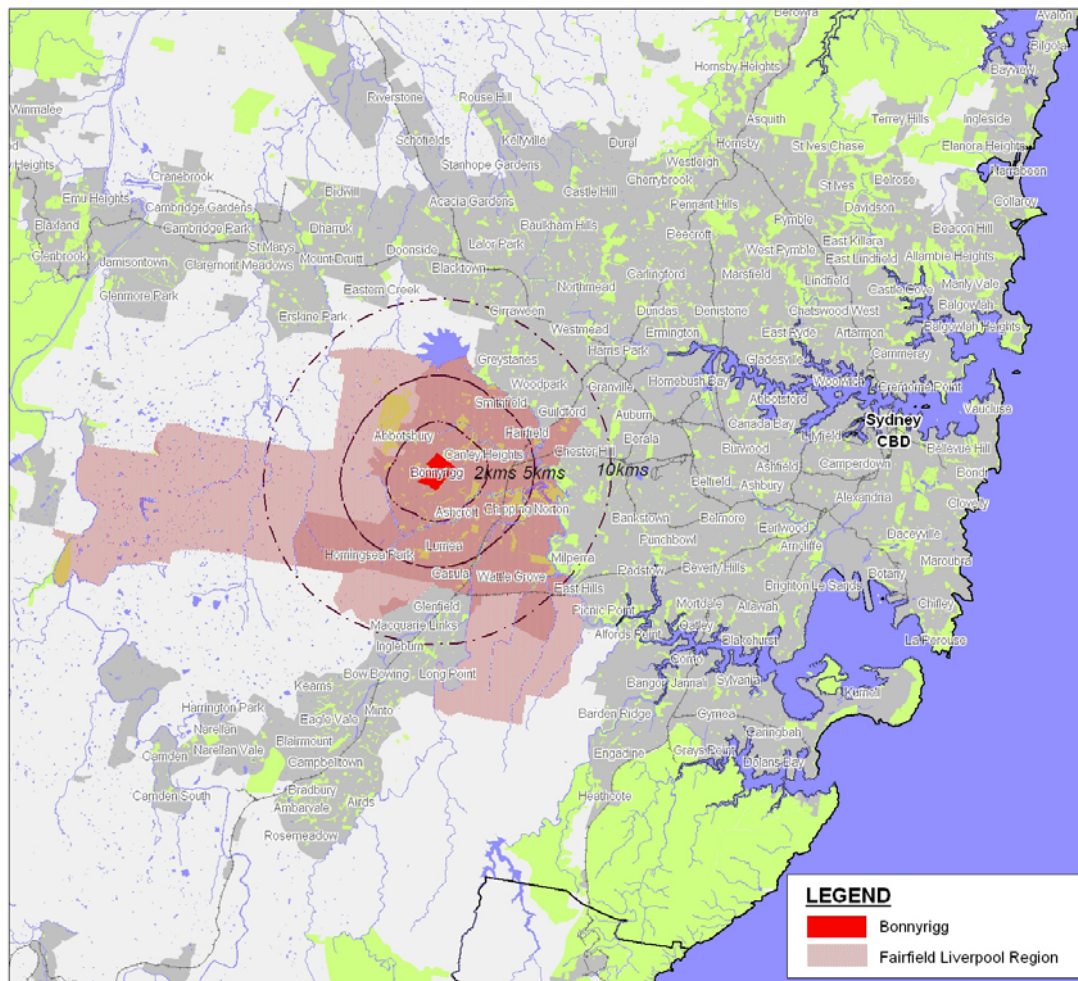
Figure 1. Subject Site



Source: Google Earth (2006). MacroPlan Australia (2006)

The locational setting of the Bonnyrigg site with respect to the wider Sydney metropolitan region is depicted in Figure 2 overleaf.

Figure 2. Locational Setting - Bonnyrigg



Source: MacroPlan Australia (2006)

A T-way stop adjacent to the Estate (Bonnyrigg Avenue) provides an express bus service dedicated to the corridor linking Parramatta - the major business and commercial district in Western Sydney - to Liverpool. There is a bus service through the Estate linking the T-way to Cabramatta railway station and bus interchange.

In addition further access is provided by the Western Sydney Orbital - a major tollway currently under construction - which is 5 km to the west of the Estate via Elizabeth Drive. The light industrial areas around Wetherill Park are 5 km to the north of the Estate. Fairfield City Council is developing a major regional park adjacent to Bonnyrigg Plaza and the T-way to enhance the amenity of the area. This infrastructure will positively influence retailing opportunities at the site.

The key issues in understanding the potential growth and development options for a retail centre include:

- The provision of a an appropriate mix of uses
- The associated influence on the regional retailing hierarchy, and
- The opportunity for interaction for the surrounding community and linkages with residential development.





## 4 Economic Impact Assessment

The economic impact analysis is based on the effect the Bonnyrigg Living Communities project has on inputs and outputs to the local economy based on a 20 year assessment period. The economic benefits of particular projects assessed in this report include:

- The total expenditure generated by the project.
- The employment outcomes based on the number of jobs supported within the development and identified expenditure impacts.

Details of specific assumptions used by MacroPlan in assessing the expenditure and employment generation impacts of developments in each sector are outlined under each development sub-section in this report.

The general approach taken by MacroPlan in assessing the 'economic impact' of a particular development proposal is outlined below.

### 4.1 Evaluation Framework

MacroPlan has used an economic impact approach to this assessment, including separate interpretive analysis of economic, impacts, and drawing on information received through consultation and research. Key outputs from the impact analysis include identification of employment (long term, short term etc), private expenditure levels and revenue.

Whilst this assessment has included the calculation of direct and indirect expenditure flows, the key benefits for the local economy will primarily come from the direct increase in expenditure within the immediate area. The multiplier effect, whilst significant, will primarily tend to benefit the regional and national economy, although undoubtedly some of the multiplier effect will benefit local suppliers across a wide range of industries.

The economic impact assessment differs from a Benefit Cost Analysis framework by analysing the following factors, including:

- employment generation (long term, short term etc);
- private expenditure levels/ leverage; and
- value adding;
- multiplier effects;
- funding capacity;
- integration with existing facilities and services and linkages to other visitor attractions;
- Other relevant factors.

### 4.2 Expenditure Impact Calculation

#### 4.2.1 Construction expenditure

The project is anticipated to take 14 years to complete and will proceed in 18 stages. Construction expenditure has been separated into two broad phases, development expenditure (i.e. construction) and on-going maintenance expenditure.

The construction phase is comprised of:



- Infrastructure construction – e.g. telecommunications, electrical, road works, landscaping
- Residential construction – e.g. apartments, houses, public housing
- Other construction – e.g. Community Centre, Service Centre, Retirement precinct

These expenditure streams (i.e. both development and on-going maintenance) directly support employment in the construction industry. For the purpose of this study, specifically the preparation of the site and construction of facilities, different timeframes have been used depending on the particular development. The assumed construction timeline is highlighted under each sub-section of this report. On-going maintenance expenditure is estimated at 2% of the construction cost per annum.

#### 4.2.2 Residential expenditure

The proposed residential component will attract income and spend activity to the local area. The proposed residential element of Bonnyrigg development is the construction of 2,349 new residential dwellings. Of this, approximately 30% will be retained as public housing. The construction and the subsequent assumed take-up of these new dwellings has been generally staged over a 14 year period.

In order to calculate the total expenditure generation by these residents, a detailed analysis of the ABS Household Expenditure Survey (2003/04) was undertaken in order to calculate average household expenditure levels by the industry in which that expenditure impacts.

The following assumptions have been used to derive an estimate of the additional local spend and resulting employment impact of the proposed increase in residential activity:

Table 1.

	Number of dwellings	Household expenditure	Benchmark
Private housing	1,644	\$853 per week	NSW, third gross income quintile
Public housing	705	\$439 per week	NSW, lowest gross income quintile

Source: ABS Household expenditure survey (2003/04), MacroPlan Australia

These estimates are in line with the socio-economic assessment in section 6.2.

### 4.3 Employment Generation Calculation

The proposed developments will generate significant employment opportunities. Employment opportunities are classified into three categories:

- Direct employment: the initial amount of jobs directly created by the proposed development; and
- Indirect employment: additional jobs indirectly created by the proposed development.
- Long-term supported employment in the retailing developments.



#### 4.3.1 Direct Employment (Initial Effects)

Direct employment in this case refers to the initial amount of employment created directly as a result of the proposed developments expenditure. Every dollar spent in the Australian economy sustains employment directly within the industry that it is spent. For instance, for every \$1 million dollars that is spent in the retail industry, 18 retail industry jobs are created and sustained. The amount of direct employment generated differs between industries, depending upon the levels of output, contribution to the economy and labour intensity. The ABS calculates these initial employment effects for each industry based upon a detailed input-output analysis of the Australian economy.

In order to calculate the amount of direct employment generated by the proposal, ABS industry employment multipliers were applied to the amount of expenditure generated in each industry as a result of construction and resident expenditure.

#### 4.3.2 Indirect Employment (Production and Consumption Induced Effects)

In addition to the direct/ initial employment effects created by the proposed development, flow-on or indirect employment is also created. The flow on amount of long-term employment indirectly created by the proposed development has also been estimated based on ABS multiplier effects calculated by the Australian Bureau of Statistics.

The multiplier effect acknowledges that any particular industry has flow-on impacts on the activities of other industries within the economy, such as the production and supply of inputs and increased consumption generated by new wage and salary earners.

To continue the retail industry example, new jobs in the retail industry require production support from other industries in the form of primary producers, deliveries, wholesalers, accountants and cleaners etc. The new wage earners in the retailing and other supporting industry create further induced employment through their own increased consumption of goods and services. While 18 jobs are directly created in the retail industry for every \$1 million dollars spent in that industry, an additional 16 jobs are indirectly created in other sectors of the economy, 6 based on production support and 10 based on consumption induced effects. The ABS calculates these multiplier effects for each industry of the Australian economy.

In order to calculate the amount of indirect employment generated, the ABS industry employment multipliers were applied to the amount of expenditure generated in each industry.

#### 4.3.3 Long-Term Supported Employment

MacroPlan has calculated the long-term supported employment expected at the development once the construction phase has been completed. The Retail Sustainability Assessment revealed that there is an opportunity for approximately 5,500m<sup>2</sup> of retail floor space. Long-term supported employment has been calculated based on the following industry standards:

- Employment in retailing is calculated on the basis of 1 job per 25 m<sup>2</sup> to 40m<sup>2</sup> of floor space. This will depend on the type of retailing supplied.

### 4.4 Estimating local government revenue impacts

MacroPlan has used the Fairfield Council Rates for 2007/08 outlined in the Fairfield City Council 2007/2008 to 2009/2010 Management Plan to estimate the local government revenue impact. The table below summarises the rates, levies and charges relevant to this assessment.





Table 2. Government Revenue

Ordinary Residential Rate	Rate
Base Amount	\$346.83
Ad Valorem	\$0.200500
Vacant	exempt
Waste Management	Charge
Residential houses	\$290.16
Residential flat buildings	\$290.16
Vacant or other rateable land	\$145.08
Stormwater Levy	Charge
Residential strata	\$12.50
Residential vacant	-
Residential dwellings	\$25.00

Source: Fairfield City Council 2007/2008 to 2009/2010 Management Plan

The following assumptions have been made in order to estimate the local government revenue impact:

- Ordinary Residential Rate revenues are calculated from the point of release of the property and assessed on a cumulative basis as further properties are released. The base amount has been applied to all residential dwellings
- Waste management charges are calculated from the point of release of the property and assessed on a cumulative basis as further properties are released. It has been assumed that all lots are vacant in 2008 and therefore will attract a vacant waste management charge.
- The residential strata stormwater levy is applied to apartments (lifted and plex's) and townhouses. The residential dwelling stormwater levy is applied to all houses.
- A net present valuation on revenues to the City of Fairfield has also been calculated.

## 4.5 Specific Assessment Assumptions

Specific assessment assumptions for this economic impact assessment study are as follows:

- The construction is assumed to commence in 2008 and be completed in 2021 (14 years over 18 stages).
- Residents are assumed to move into the development from 2009.
- The assessment includes maintenance expenditure on properties calculated at 2% per annum based on industry standards
- Construction costs are based on the Becton Cost Plan (current at September 2007). Project construction costs used in this assessment are outlined in the table below.
- Approximately 5,500m<sup>2</sup> of retail floor space (based on the retail sustainability assessment) is likely to be generated by new residents at the subject site. It has been assumed that this level of floor space will be delivered in Bonnyrigg. This will result in the creation of new jobs.



**Table 3. Project Costs**

	PROJECT COST
<b>INFRASTRUCTURE CONSTRUCTION</b>	
PLANNING / APPROVAL	\$4,475,000
TELECOMMUNICATIONS	\$1,642,000
SEWER RETIC	\$2,773,000
ELECTRICAL	\$5,197,000
GAS	\$695,000
STORMWATER / RAINWATER TANKS	\$6,970,000
LANDSCAPING	\$12,210,000
CIVIL DEMO	\$20,967,000
ROADWORKS	\$11,258,000
EXTERNAL SERVICES	\$2,938,000
POTABLE WATER	\$5,944,000
<b>RESIDENTIAL CONSTRUCTION</b>	
PRIVATE (excluding profit margins)	\$218,263,368
PUBLIC (excluding profit margins)	\$109,467,074
<b>OTHER CONSTRUCTION</b>	
COMMUNITY CENTRE	\$3,500,000
BONNYRIGG SERVICE CENTRE AND MULTIPURPOSE ROOM	\$4,030,040
RETIREMENT PRECINCT AND PARTNERSHIP OFFICE	\$1,494,730

Source: Becton



## 5 Economic Impact Assessment Results

### 5.1 Expenditure and Government Revenue Impacts

#### Expenditure

The range of key benefits and economic impacts (including expenditure and employment generation) are discussed in detail below.

#### Expenditure Summary

The Bonnyrigg Living Communities project will induce a range of expenditure impacts around the Fairfield LGA and wider metropolitan Sydney from a variety of sources. The development itself will generate construction expenditure throughout the building stage and subsequent maintenance expenditure during its life (both private and public).

A 20-year analysis of these expenditure impacts is provided below. This analysis is based on the calculation of expenditure based input-output multipliers, with overall actual expenditure flows discounted according to a 6% discount rate at Net Present Value (NPV) of these benefits.

Total project expenditure is expected to be approximately \$902 million in net present value terms over the 20-year period comprising of \$265 million in infrastructure and dwelling construction expenditure, \$122 million in maintenance expenditure and \$515 million in resident expenditure.

**Table 4. Expenditure Impact Net Present Value (\$ million)**

	Nominal	Net Present Value
Infrastructure Construction	\$75	\$50
Residential Construction	\$328	\$208
Other Construction	\$9	\$7
Maintenance	\$248	\$122
<b>TOTAL CONSTRUCTION AND MAINTENANCE</b>	<b>\$660</b>	<b>\$387</b>
Residential Expenditure - Private	\$900	\$413
Residential Expenditure - Public	\$215	\$102
<b>TOTAL RESIDENT EXPENDITURE</b>	<b>\$1,115</b>	<b>\$515</b>
<b>TOTAL</b>	<b>\$1,775</b>	<b>\$902</b>

Source: MacroPlan Australia

It is difficult to measure the proportion of the impacts outlined above that will flow to the local area. However, it is expected that the proposed residential component will induce an increase in local income and spend activity. A significant share of retail expenditure is likely to flow to the local area given the location of the project to the Bonnyrigg Plaza and other local retail facilities.

### 5.2 Council Revenue Impacts

In addition to the expected expenditure generated by the Bonnyrigg Living Communities project, there will also be positive revenue impacts for local government. Expected "actual" revenue will come in the form of property rates and fees and charges.



Rates revenue over the 20-year period flowing to the City of Fairfield is expected to be approximately \$4.5 million (NPV). Stormwater Levy and Wastewater Management is expected to total \$5.4 million. This revenue will inject almost \$10 million in net present value terms.

The boost to rate revenue will provide the City of Fairfield with the opportunity to expand services to the community as the population grows in the future.

**Table 5. Council Revenue Impacts**

	Nominal	Net Present Value
Rates	\$9.7	\$4.5
Wastewater Management Charge	\$10.2	\$5.2
Stormwater Levy	\$0.4	\$0.2
<b>COUNCIL REVENUE</b>	<b>\$20.3</b>	<b>\$9.9</b>

Source: MacroPlan Australia, City of Fairfield

### 5.3 Employment Generation

The Bonnyrigg Living Communities project will generate significant employment opportunities. These employment opportunities have been classified into three categories:

- Direct employment generation: the initial amount of ongoing jobs directly created by the proposed construction/ development phase and other expenditure flows; and
- Indirect employment generation: additional ongoing jobs indirectly created by the proposed development.

A summary of the total employment impact is provided below. Total direct employment generated from the construction and development will average 265 per annum during the construction phase. There will also be 111 jobs per annum generated from on-going maintenance and 575 jobs from residential expenditure.

In addition, 1,196 indirect jobs will be located in and around the Fairfield LGA flowing from expanding activities at the site on an ongoing basis (this includes jobs supported elsewhere in the Fairfield and in NSW from all expenditure).

**Table 6. Employment Impact**

<b>Direct</b>	
Construction Employment (p.a. over 14 years)	265
On-going Maintenance Employment (p.a.)	111
Resident Generated Employment (p.a.)	575
<b>Direct Employment</b>	<b>951</b>
<b>Indirect</b>	
First Round Effect	270
Industrial Support Effect	205
Consumption Induced Effect	721
<b>Indirect Employment</b>	<b>1,196</b>

Source: MacroPlan Australia



## 5.4 Conclusion

The Bonnyrigg Living Communities project represents a significant investment in the local area of Bonnyrigg and the City of Fairfield. The benefits include:

- A major ongoing construction program across a number of different residential and commercial products supporting spending and employment multipliers throughout the region
- The offer of a diverse range of residential dwellings not typically offered in the area
- The provision of local jobs in retailing and commercial activities for local residents encouraging sustainable private commuting behaviour
- Support for the Bonnyrigg Sub-regional centre and regional retail trade growth from the new expenditure of residents

The Bonnyrigg Living Communities project will contribute to the establishment of a sustainable local economy within Bonnyrigg that minimises escape expenditure to other regions of Sydney.

The following sections identify the retailing opportunities for the site by assessing the trade impact that are likely to be introduced by the proposed development upon the existing retailing network surrounding the subject site.



## 6 Retail Trade Area Analysis

### 6.1 Approach

New residents at the redevelopment site will increase the retail expenditure pool in Bonnyrigg and therefore drive demand for additional retail floor space. This additional retail floor space could be provided at the redevelopment site (e.g. local neighbourhood centre providing weekly shopping needs).

This Retail analysis assesses the following:

- Retail opportunities at the redevelopment site
- Sustainable quantum of retail floor space
- Key retail mix options and sizing

This assessment focuses on the potential opportunities rather than recommend an increase in retail floorspace within the development area.

### 6.2 Trade Area

For the purpose of this study, MacroPlan has applied a retail gravity technique to determine the likely trade area for the proposed development, balanced with MacroPlan's professional judgement. Distortions can arise through any number of trade area or shopping centre characteristics including:

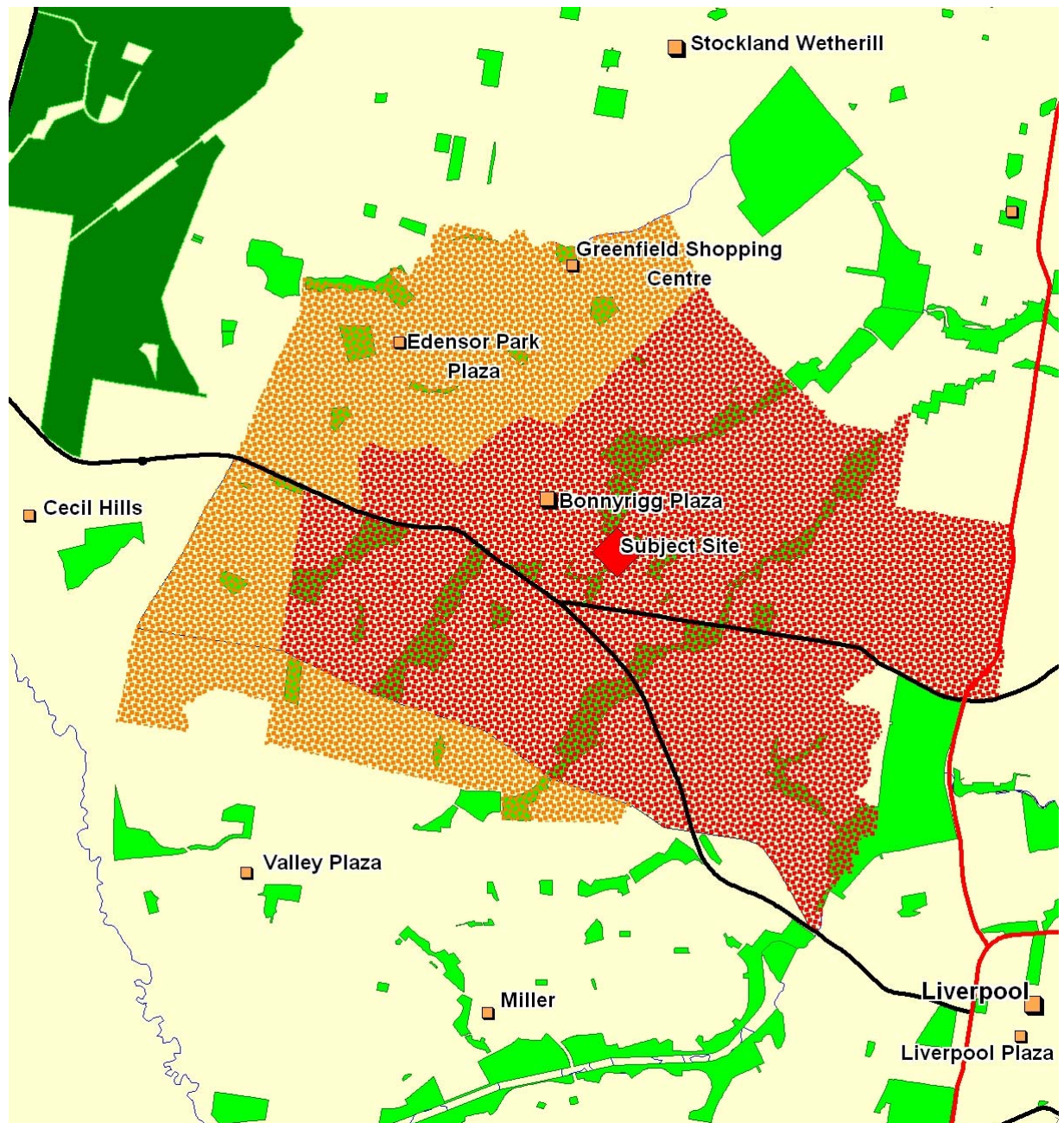
- Potential development type, such as the proposal has the primary function of providing convenience food offer and higher order comparison shopping attracting the wider community and visitors.
- Site location, including the available road network and public transport system. This influences the ease of access and exposure to the development for the wider region. A main street location is likely to attract impulse visitation and destination shopping from vehicular traffic.
- Proximity and pattern of existing and potential competitors. The relative attraction of the centre compared to alternative competing centres is assessed according to the scale, composition, quality, size and diversity of retail services provided in those centres and stores, and
- Physical barriers, such as, lakes, railways and freeways can affect the size and composition of trade catchments.

It is important to review demand across a wider catchment for both Bonnyrigg Plaza and the Bonnyrigg Living Communities project given the proximity of the Bonnyrigg Living Communities project to Bonnyrigg Plaza. Conclusions can then be made on the neighbourhood centre potential for the Bonnyrigg Living Communities project.

On this basis, figure 3 overleaf illustrates the trade area which is considered for the proposed development.



Figure 3. Bonnyrigg Trade Areas



Source: CData (2007), MacroPlan Australia (2007).

The trade area reveals that most of the competition is located to the north of the site, with limited competition to the south east. The Bonnyrigg Living Communities neighbourhood centre would draw from within the Primary Trade Area, with most of the demand for the neighbourhood centre generated by the new population at the project.



## 7 Retail Competitive Framework

This section provides an overview, including role, quantum and major tenants of the existing retailing offer within the region. MacroPlan has referred to the NSW / ACT Shopping Centre Directory – 2006 and the Fairfield City Retail and Commercial Centres Study to assess existing retail floor space supply servicing Bonnyrigg residents.

The NSW / ACT Shopping Centre Directory provides detailed information on regional and local shopping centre floor space (including the type of retailers) but it does not survey retail floor space analogous to the primary shopping centres (i.e. strip shops and speciality stores outside centres).

Bonnyrigg Plaza is a sub-regional or 'community' level centre providing grocery and other retailing for shoppers living within 5 km of the centre. Big W and Woolworths represent the key drawcards.

In recent years retail in Bonnyrigg Plaza has been subject to some facade improvements.

Other retail centres in the local area include Valley Plaza, Edensor Park Plaza, Stocklands at Wetherill Park and Cabramatta town centre.

Residents also travel to Parramatta and Liverpool for higher order retailing facilities such as Westfield. Regional competition is listed below.

**Table 7. Existing Competitive Framework**

Centre Name	Retail Hierarchy	Total Retail Area (m2)	Major Tenant
Westfield Parramatta	Super Regional	118,240	Myer, David Jones, Target, Kmart, Woolworths, Coles
Liverpool	Major Regional	59,940	Woolworths, Coles, Myer, Target
Stockland Wetherill Park	Regional	41,106	Woolworths, Franklins, Big W, Target
Bonnyrigg Plaza	Sub-regional	20,100	Woolworths, Franklins
Edensor Park	Neighbourhood	4,936	Coles
Greenfield Shopping Centre	Neighbourhood	3,732	Franklins
Cecil Hills Marketplace	Neighbourhood	3,900	Woolworths
Valley Plaza	Neighbourhood	9,834	Coles, Woolworths
Miller Centre	Neighbourhood	9,653	Woolworths, Franklins
Liverpool Plaza	Neighbourhood	6,373	Franklins

Source: NSW Shopping Centre Directory 2006, Property Council.

There is also a stand alone Aldi supermarket immediate to the South of the site. In general we expect superior retail catchment penetration in the Bonnyrigg-Liverpool corridor particularly for grocery retailing.

The combined existing supermarket floorspace in the main trade area (e.g. Bonnyrigg Plaza, Edensor Plaza and Greenfield Shopping Centres) totals approximately 10,400m<sup>2</sup>.

### 7.1.1 Other considerations

In 2003, the Bonnyrigg Plaza received development approval for an expansion in retail floorspace of around 16,000m<sup>2</sup>. This would increase the total floorspace at Bonnyrigg Plaza to over 36,000m<sup>2</sup>. However, construction has yet to commence and it is unclear at this stage if or when this approval will be acted upon.





If constructed, this expansion would confirm the Bonnyrigg Plaza's role as a sub-regional centre in the local retail hierarchy.



## 8 Retail Demand Framework

Accurate representation of the demand framework for a particular development is critical in ensuring the future sustainability of both that centre and its competitors. Due to the developing nature of the location, the sources of future retail demand will be derived from two distinct groups:

- Existing residents residing in established residential areas, and
- New and potential residents.

As such, the assessment of growth, spending, retail sustainability, and the implications for the future retailing network for which the proposed centre contributes, has been undertaken in this manner.

### 8.1 Population: Existing and Forecast

All demographic forecasts rely on a variety of historical information. This historical information forms the basis for decisions concerning future events. Forecasting is therefore influenced by a wide range of economic and social trends.

#### 8.1.1 Approach

The trade area population forecasts have involved consideration of the following information sources:

- 2006 ABS Census of Population and Housing
- Lot release schedule (Becton)
- ABS Regional Population Growth, Australia (Cat No. 3218.0)
- NSW Department of Planning

#### Existing Population

The existing population for the trade area has been calculated by collecting usual resident population from the 2006 ABS Census of Population and Housing. The estimate of usual resident (UR) is then adjusted<sup>1</sup> to calculate the estimated resident population (ERP). The estimated MTA population is detailed in the table below.

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<sup>1</sup> ERP and Usual Residents are different measures of population. The Census counted usual resident, that is, whoever was in Australia, wherever they happened to be, on Census Night (8 August 2006) – a frozen snapshot in time. However the estimated resident population figure takes into account the wider picture and moves people back to where they live. For example, Australians temporarily overseas are not counted in the Census, but they are accounted-for in the estimated resident population figures.

**Table 8. Trade Area Estimated Population (June 2006)**

	Jun-06
Primary Trade Area	36,750
Secondary Trade Area	20,816
<b>Main Trade Area</b>	<b>57,566</b>

Source: ABS Census of Population and Housing, ABS Regional Population Growth, MacroPlan Australia

MacroPlan notes that there are 930 existing dwellings and approximately 3,000 residents currently located within the redevelopment site.

### Forecast Population

According to the Bonnyrigg masterplan there will be 2,349 dwellings released at the redevelopment site over a fourteen year period from 2009. This results in a net increase of 1,419 dwellings, with the removal of the existing 930 dwellings. MacroPlan has assumed that these dwellings will be released at 100 (net) per year over the next 14 years.

**Figure 4. Bonnyrigg Living Communities Masterplan**



This information is applied to an estimate of household size to calculate the future additional population at the redevelopment site. According to the ABS Census, average household size for Fairfield was estimated at 3.2 in 2006, down from 3.3 in 2001. It is expected that household size will continue to fall over the study period. For the purpose of this assessment household size has been estimated at 3.0 over the study period.



MacroPlan has supplemented the lot release schedule with the New South Wales Department of Planning Statistical Local Area Population Projections, 2001-2031 (2005 Release). These projections are based on an assessment of recent demographic trends and current settlement patterns, which reflect changes in social policy, social behaviour or economics. For the purpose of this assessment, MacroPlan has applied the Fairfield SLA projection population growth rates to the main trade area population outside the redevelopment site.

Table 3 below shows the projected population growth rates for Fairfield.

**Table 9. Projected population growth, Fairfield (2006-2031)**

	2006	2011	2016	2021	2026	2031
Fairfield SLA	187,153	187,892	187,841	188,452	188,704	188,372
Average Annual Population Growth		0.08%	-0.01%	0.06%	0.03%	-0.04%

Source: NSW Department of Planning

### 8.1.2 Estimates of existing and forecast populations

Based on the approach described above, the current population of the MTA is estimated at 57,636 people in 2007, and is forecast to grow to 62,320 persons by 2027.

**Table 10. Trade Area Population Forecasts**

	2007	2012	2017	2027	Change (2007-2027)	% change (2007-2027)
PTA	36,804	38,097	39,623	41,262	4,568	0.59%
STA	20,833	20,897	20,902	20,975	142	0.03%
MTA	57,636	59,225	61,043	62,320	4,710	0.39%
Annual Average Growth		0.55%	0.61%	0.21%		

Source: MacroPlan Australia

The expenditure pool has therefore been derived subject to these additional residents at the Bonnyrigg redevelopment site and other residents of the PTA and STA.

## 8.2 Socio-Demographic Profile

Table 5 compares the key socio-economic characteristics of the Bonnyrigg Suburb which contains the redevelopment site, to the Fairfield LGA and Metropolitan Sydney. The information presented has been derived from the 2006 ABS Census of Population and Housing.

The key characteristics of the catchment population, reveals the following about the proposed development:

- Levels of wealth are below the regional and Metropolitan Sydney averages, reflected in the low below average individual and household incomes.
- Household sizes are above the Metropolitan Sydney average.
- The profile of residents is dominated by a high representation of one parent families.
- Significant proportion of persons aged 0-24 in comparison to Metropolitan Sydney average.
- Percentage of separate houses is higher than the Metropolitan Sydney average



Table 11. Socio-Economic Characteristics

	Bonnyrigg Suburb	Fairfield LGA	Metropolitan Sydney
<b>Population and Households</b>			
Persons (usual residents)	8,303	179,893	4,119,190
Households (occupied)	2,452	56,130	1,521,465
Household size	3.4	3.2	2.7
<b>Income and Wealth</b>			
Median weekly individual income \$	247	319	518
<i>Variation from Sydney average</i>	-52%	-38%	
Median weekly household income \$	736	873	1,154
<i>Variation from Sydney average</i>	-36%	-24%	
<b>Age Distribution</b>			
0-4 years	6.80%	6.70%	6.60%
5-14 years	16.70%	14.90%	13.00%
15-24 years	17.30%	15.20%	13.80%
25-54 years	41.70%	42.30%	44.10%
55-64 years	9.50%	9.80%	10.20%
65 years and over	7.90%	11.20%	12.30%
Median age of persons	32	34	35
<b>Family Type</b>			
Couple families with children	50.10%	53.80%	49.30%
Couple families without children	18.00%	22.80%	33.20%
One parent families	30.60%	21.40%	15.60%
Other families	1.30%	2.10%	1.90%
<b>Dwelling Type</b>			
Separate house	80.80%	76.40%	61.70%
Semi-detached, row or terrace house, townhouse etc	17.80%	10.60%	11.80%
Flat, unit or apartment	1.10%	12.50%	25.70%
Other dwellings	0.20%	0.40%	0.70%
Not stated	0.0%	0.10%	0.10%

Source: ABS Census (2006).

## 8.3 Conclusion

This assessment shows that population growth in Fairfield is expected to be slow over the period 2011-2026. The redevelopment of the subject site however will inject new retail expenditure into the locality and therefore provide new retail opportunities. Further, the redevelopment is also likely to improve the socio-economic performance of the Bonnyrigg suburb.

The redevelopment will result in a number of economic benefits including:

- **Retail competitive framework:** The subject site offers a national or independent supermarket operator the opportunity to gain greater exposure to the local community, and provide the local community with the benefit of increased competition within the local area.
- **Trade area retention:** The proposed development will reduce current and future levels of escaping expenditure for retail goods and services outside the local area and Fairfield. There may also be flow on benefits to complementary businesses, potentially revitalising the locality.



- Range of retail goods and services: The scale of the development provides an opportunity to provide high level accessibility for daily and weekly food needs for the surrounding community.
- Amenity: The development will provide a general uplift in the amenity of the area.
- Net employment outcome: the development of a small neighbourhood centre at the subject site will provide the opportunity to sustain direct and indirectly employment options for residents, and provide additional short-term employment through the construction phases of the development.

For these reasons, MacroPlan considers that the redevelopment of the subject site is likely to attract residents with a socio-economic profile similar to that of the Fairfield LGA.

Given the projected low population growth rates in Fairfield however, it will be critical to ensure that the timing of development relies on balancing the provision of retail critical mass and demand for goods and services with population density and household development rates.



## 9 Retail Expenditure Pool

In order to estimate the future market potential for any future retail development within the trade area, the total retail expenditure generated by residents needs to be assessed.

The total retail market is based on the definition of shopfront retailing adopted by the ABS for the purpose of collecting retail statistics. For this report the total retail market has been defined as a combination of two major spending categories:

- Supermarket and Grocery Stores (ANZSIC code 5110)
- Convenience, Specialty and Services (other ANZSIC retail codes)

Retail expenditure is derived using MarketInfo 2006, a micro-simulation model developed by MDS Market Data Systems Pty Ltd. This model is based on information from the National ABS Household Expenditure Survey (HES), the Census of Population and Housing as well as other information sources (i.e. ABS National Accounts, Australian Tax Office Statistics, Medicare data etc). The model uses micro-simulation techniques to combine propensity to spend on particular commodities with socio-economic characteristics of individuals, thus deriving spend estimates on a small area basis (i.e. CCD level). Retail expenditure per capita levels with the trade area are presented in Table 6 below.

**Table 12. Retail Expenditure Per Capita (\$2005/06)**

Retail Category	PTA	STA	Sydney
Supermarket	\$3,416	\$3,368	\$4,094
Catering (Restaurant and Café)	\$1,117	\$1,196	\$1,826
Clothing and Accessories	\$820	\$864	\$1,247
Furniture and Whitegoods	\$588	\$651	\$819
Electrical	\$519	\$537	\$710
Houseware and Softgoods	\$201	\$234	\$328
Hardware	\$242	\$296	\$345
Sports and Hobbies	\$211	\$264	\$385
Services	\$255	\$263	\$430
Newsagent and Chemist	\$469	\$461	\$752
Bottle-shop	\$326	\$350	\$575
<b>TOTAL</b>	<b>\$8,163</b>	<b>\$8,483</b>	<b>\$11,511</b>
<b>% Variation from Sydney Average</b>	<b>-29.92%</b>	<b>-26.30%</b>	

Source: Market Data Systems, Marketinfo, MacroPlan

In 2005/06, retail expenditure was \$8,163 per person in the PTA and \$8,483 per person in the STA. This shows that the MTA retail expenditure per person is below the Sydney average of \$11,511 per person. This is in line with the socio-economic characteristics of the MTA assessed in section 5.2.

### 9.1 Real Growth in Retail Expenditure

Retailing within the trade area can be expected to increase in future years as a result of the following factors:

- Real growth in retail expenditure, which indicates increased propensity of retail consumption above inflation
- Household growth, and



- Retail price inflation as measured by the ABS based on a basket of retail goods and services.

A combination of these factors can be expected to result in increases in the retail spending generated by residents from the trade area over the forecast period to 2027. In terms of real growth in retail expenditure, 1.1% pa growth has been forecast for total retail, based upon the historical long term growth rates illustrated in Table 7.

**Table 13. Real Growth in Retail Sales**

	Food Retailing	Clothing and Apparel (DSTM)	Homewares	Bulky Goods (inc Hardware)	TOTAL RETAIL
<b>1984-2002</b>	0.7%	-0.4%	2.4%	4.6%	1.1%

Source: Australian Bureau of Statistics, Retail Trade Australia, 8501.2.

It is important to note that price inflation has been excluded from the analysis of available retail expenditure in order to present future market forecasts in constant 2005/06-dollar terms.

## 9.2 Expenditure Forecasts

Total retail expenditure levels within the trade area in 2007 and future years are assessed by combining the population forecasts presented in the previous section with average per capita expenditure levels allowing for real growth in retail sales. A summary of forecast retail expenditure generated from within the MTA over the next 20 years to 2027 is provided below in Table 8 and 9.





**Table 14. CSS Forecast Retail Expenditure, 2007 – 2027 (\$Million)**

ANNUAL EXPENDITURE POOL	2007	2012	2017	2022	2027
<b>PTA</b>					
Supermarket	134	147	161	177	187
Catering (Restaurant and Café)	44	48	53	58	61
Clothing and Accessories	32	35	39	43	45
Sports and Hobbies	8	9	10	11	12
Services	10	11	12	13	14
Newsagent and Chemist	18	20	22	24	26
Bottle-shop	13	14	15	17	18
<b>CSS TOTAL</b>	<b>260</b>	<b>284</b>	<b>312</b>	<b>343</b>	<b>363</b>
<b>STA</b>					
Supermarket	75	79	84	89	94
Catering (Restaurant and Café)	27	28	30	32	33
Clothing and Accessories	19	20	22	23	24
Sports and Hobbies	6	6	7	7	7
Services	6	6	7	7	7
Newsagent and Chemist	10	11	11	12	13
Bottle-shop	8	8	9	9	10
<b>CSS TOTAL</b>	<b>151</b>	<b>159</b>	<b>168</b>	<b>178</b>	<b>189</b>
<b>MTA</b>					
Supermarket	209	226	245	266	281
Catering (Restaurant and Café)	70	76	82	89	95
Clothing and Accessories	51	56	60	65	69
Sports and Hobbies	14	15	17	18	19
Services	16	17	19	20	21
Newsagent and Chemist	29	31	34	36	39
Bottle-shop	21	22	24	26	28
<b>CSS TOTAL</b>	<b>410</b>	<b>444</b>	<b>481</b>	<b>522</b>	<b>551</b>

Source: MacroPlan Australia (2007)

**Table 15. BGR Forecast Retail Expenditure, 2007 – 2027 (\$Million)**

PTA	2007	2012	2017	2022	2027
Furniture and Whitegoods	25	29	34	40	45
Electrical	22	26	30	35	40
Houseware and Softgoods	9	10	12	14	15
Hardware	10	12	14	16	18
<b>BGR TOTAL</b>	<b>66</b>	<b>77</b>	<b>90</b>	<b>105</b>	<b>118</b>
<b>STA</b>					
Furniture and Whitegoods	16	18	20	22	25
Electrical	13	15	16	19	21
Houseware and Softgoods	6	6	7	8	9
Hardware	7	8	9	10	11
<b>BGR TOTAL</b>	<b>41</b>	<b>47</b>	<b>52</b>	<b>59</b>	<b>67</b>
<b>MTA</b>					
Furniture and Whitegoods	41	47	54	62	70
Electrical	35	40	46	54	61
Houseware and Softgoods	14	16	19	22	24
Hardware	17	20	23	27	30
<b>BGR TOTAL</b>	<b>107</b>	<b>123</b>	<b>142</b>	<b>164</b>	<b>185</b>

Source: MacroPlan Australia (2007)

The total retail expenditure pool generated by residents in Bonnyrigg MTA is currently estimated to be \$517 million in 2007. The total expenditure pool is forecast to increase to \$567 million by 2012 and further to \$736 million by 2027 (expressed in constant dollars \$2005/06).

As illustrated in table 8, CSS expenditure in the MTA was \$410 million in 2007, representing approximately 79% of all retail expenditure in the MTA. This expenditure is forecast to increase to \$444 million by 2012 and further to \$551 million by 2027.

### 9.3 Sustainable Floor space Estimate

The amount of floor space that can be sustained by the identified expenditure sources is directly determined by the turnover per square metre of floor space from retailers.

This measure is difficult to estimate in retail analysis for a given location. The reason for this is the limited information available in relation to retail performance. The most comprehensive survey on turnover by the ABS was undertaken in 1991/92 Retail Census that surveyed all retailers. Given the data is now 14 years out of date, it is very unreliable in determining current day performance. The ABS followed this retail census with a sample survey of a selection of tenants throughout Australia in 1998/99. This survey is more reliable in determining retail performance of current retail tenancies, however it is a national average and not necessarily representative of local circumstances. It is however the best available and is used as a benchmark for all retailers.

Based upon the 1998/99 Retail Industry Survey and inflated to 2005/06 dollars the retail turnover densities used for the purpose of this study are outlined in table 10.



**Table 16. Retail Turnover Densities (RTD), \$2005/06**

Supermarket and Fresh Food	\$9,076
Catering (Restaurant and Café)	\$4,555
Café and Restaurant	\$2,800
Takeaway Food	\$6,311
Clothing & Accessories.	\$4,958
Furniture and Whitegoods	\$3,052
Electrical	\$7,322
Houseware	\$2,500
Hardware	\$1,867
Sports and Entertainment	\$3,778
Services	\$2,900
Personal Goods	\$7,225
Bottleshop	\$12,618

Source: ABS Retail Industry Survey (1998/99), MacroPlan Australia (2006)

Applied to each of the respective retail categories, the resulting floor space demand sustained by the MTA is summarised in Table 11 and 12.

**Table 17. CSS Sustainable Floor space (m2)**

	2007	2012	2017	2022	2027
<b>PTA</b>					
Supermarket	14,781	16,173	17,766	19,528	20,640
Catering (Restaurant and Café)	9,628	10,534	11,572	12,720	13,444
Clothing and Accessories	6,494	7,105	7,806	8,580	9,068
Sports and Hobbies	2,194	2,401	2,637	2,899	3,064
Services	3,459	3,785	4,158	4,570	4,830
Newsagent and Chemist	2,548	2,788	3,063	3,367	3,558
Bottle-shop	1,014	1,110	1,219	1,340	1,416
<b>CSS TOTAL</b>	<b>40,119</b>	<b>43,896</b>	<b>48,221</b>	<b>53,003</b>	<b>56,020</b>
<b>STA</b>					
Supermarket	8,254	8,746	9,239	9,785	10,343
Catering (Restaurant and Café)	5,840	6,188	6,537	6,923	7,318
Clothing and Accessories	3,875	4,106	4,338	4,594	4,856
Sports and Hobbies	1,552	1,645	1,738	1,840	1,945
Services	2,018	2,138	2,259	2,392	2,529
Newsagent and Chemist	1,421	1,505	1,590	1,684	1,780
Bottle-shop	618	655	691	732	774
<b>CSS TOTAL</b>	<b>23,579</b>	<b>24,982</b>	<b>26,392</b>	<b>27,951</b>	<b>29,546</b>
<b>MTA</b>					
Supermarket	23,036	24,918	27,006	29,313	30,983
Catering (Restaurant and Café)	15,468	16,722	18,109	19,643	20,762
Clothing and Accessories	10,369	11,211	12,143	13,174	13,924
Sports and Hobbies	3,747	4,046	4,375	4,739	5,009
Services	5,477	5,923	6,417	6,963	7,359
Newsagent and Chemist	3,969	4,293	4,653	5,051	5,338
Bottle-shop	1,632	1,764	1,910	2,072	2,190
<b>CSS TOTAL</b>	<b>63,698</b>	<b>68,878</b>	<b>74,613</b>	<b>80,955</b>	<b>85,567</b>

Source: MacroPlan Australia

**Table 18. BGR Sustainable Floor space**

PTA	2007	2012	2017	2022	2027
Furniture and Whitegoods	8,165	9,523	11,152	13,066	14,721
Electrical	3,007	3,508	4,107	4,813	5,422
Houseware and Softgoods	3,406	3,972	4,652	5,450	6,140
Hardware	5,488	6,401	7,495	8,782	9,894
<b>BGS TOTAL</b>	<b>20,066</b>	<b>23,404</b>	<b>27,406</b>	<b>32,111</b>	<b>36,178</b>
STA					
Furniture and Whitegoods	5,121	5,783	6,513	7,352	8,285
Electrical	1,762	1,990	2,241	2,530	2,851
Houseware and Softgoods	2,245	2,535	2,855	3,223	3,632
Hardware	3,801	4,293	4,835	5,458	6,150
<b>BGS TOTAL</b>	<b>12,929</b>	<b>14,602</b>	<b>16,444</b>	<b>18,564</b>	<b>20,918</b>
MTA					
Furniture and Whitegoods	13,286	15,306	17,664	20,419	23,006
Electrical	4,770	5,498	6,349	7,343	8,273
Houseware and Softgoods	5,651	6,508	7,507	8,674	9,772
Hardware	9,289	10,694	12,330	14,240	16,045
<b>BGS TOTAL</b>	<b>32,995</b>	<b>38,006</b>	<b>43,850</b>	<b>50,675</b>	<b>57,096</b>

Source: MacroPlan Australia

## 9.4 Development Potential

This assessment of overall development potential for a retailing in the trade area is based on an examination of likely market shares, that is, the proportion of sales attributable to the PTA, STA or areas beyond the trade area. The calculation for estimating the level of retention or thresholds has been adopted based on the following key factors:

- MacroPlan Australia's experience in retail trade area analysis including primary and secondary research sources
- The location of the existing retail hierarchy within and external to the study area
- Industry trends in retailing
- Existing market shares captured by retailers in other similar locations.

The subject site is assumed to generate demand from within the Bonnyrigg Living Communities project (i.e. walkable catchment) reflecting its local role in the retail framework. A small proportion of convenience shopping demand is assumed to be generated from the STA. The average market shares for the MTA (i.e. for a sub-regional and neighbourhood centre) is detailed in Table 13 below. The neighbourhood centre will capture a share of the expenditure pool, primarily in the areas of food retailing. The Bonnyrigg Plaza will continue to draw retail demand for a wider selection of goods, consistent with its role as a Sub-regional centre.



**Table 19. Market Share Profile – Bonnyrigg Plaza and Bonnyrigg Proposed local centre**

	PTA	STA
Supermarket	75%	10%
Restaurant and Café	20%	10%
Clothing and Accessories	25%	15%
Furniture and Whitegoods	5%	5%
Electrical	5%	5%
Houseware and Softgoods	5%	5%
Hardware	5%	5%
Sports and Hobbies	15%	10%
Services	15%	10%
Newsagent and Chemist	25%	5%
Bottle-shop	25%	10%

Source: MacroPlan Australia

Given competition in the locality for supermarkets, market penetration in grocery category is estimated at 75% in the PTA and only 10% in the STA. A significant share of STA supermarket spend will be directed towards Edensor Park Plaza (Coles) and Greenfield Shopping Centre (Franklins).

We however note that to ensure the upper end of the specialty offer is achieved and maintained over time (ie. no deterioration in market penetration/ catchment to competing centres such as Liverpool, Parramatta and ), consideration should be given to directing a proportion of growth in the MTA to the provision of retail floor space towards Bonnyrigg Plaza.

The market shares are applied to the sustainable floor space estimates to estimate the development potential within the trade area for sub-regional and neighbourhood retailing. The outcome of this is illustrated in the table below.



**Table 20. CSS Development Potential (m2) - MTA**

	2007	2012	2017	2022	2027
<b>PTA</b>					
Supermarket	11,086	12,130	13,325	14,646	15,480
Catering (Restaurant and Café')	1,926	2,107	2,314	2,544	2,689
Clothing and Accessories	1,624	1,776	1,951	2,145	2,267
Sports and Hobbies	329	360	396	435	460
Services	519	568	624	686	725
Newsagent and Chemist	637	697	766	842	890
Bottle-shop	254	277	305	335	354
<b>CSS TOTAL</b>	<b>16,374</b>	<b>17,915</b>	<b>19,680</b>	<b>21,632</b>	<b>22,863</b>
<b>STA</b>					
Supermarket	825	875	924	978	1,034
Catering (Restaurant and Café')	584	619	654	692	732
Clothing and Accessories	581	616	651	689	728
Sports and Hobbies	155	164	174	184	195
Services	202	214	226	239	253
Newsagent and Chemist	71	75	80	84	89
Bottle-shop	62	65	69	73	77
<b>CSS TOTAL</b>	<b>2,481</b>	<b>2,628</b>	<b>2,777</b>	<b>2,941</b>	<b>3,108</b>
<b>MTA</b>					
Supermarket	11,911	13,004	14,249	15,625	16,514
Catering (Restaurant and Café')	2,510	2,726	2,968	3,236	3,421
Clothing and Accessories	2,205	2,392	2,602	2,834	2,995
Sports and Hobbies	484	525	569	619	654
Services	721	782	850	925	977
Newsagent and Chemist	708	772	845	926	979
Bottle-shop	315	343	374	408	431
<b>CSS TOTAL</b>	<b>18,854</b>	<b>20,543</b>	<b>22,457</b>	<b>24,573</b>	<b>25,972</b>

Source: MacroPlan Australia



**Table 21. BGR Development Potential (m2) - MTA**

<b>PTA</b>	2007	2012	2017	2022	2027
Furniture and Whitegoods	408	476	558	653	736
Electrical	150	175	205	241	271
Houseware and Softgoods	170	199	233	273	307
Hardware	274	320	375	439	495
<b>BGS TOTAL</b>	<b>1,003</b>	<b>1,170</b>	<b>1,370</b>	<b>1,606</b>	<b>1,809</b>
<b>STA</b>					
Furniture and Whitegoods	256	289	326	368	414
Electrical	88	100	112	127	143
Houseware and Softgoods	112	127	143	161	182
Hardware	190	215	242	273	308
<b>BGS TOTAL</b>	<b>646</b>	<b>730</b>	<b>822</b>	<b>928</b>	<b>1,046</b>
<b>MTA</b>					
Furniture and Whitegoods	664	765	883	1,021	1,150
Electrical	238	275	317	367	414
Houseware and Softgoods	283	325	375	434	489
Hardware	464	535	617	712	802
<b>BGS TOTAL</b>	<b>1,650</b>	<b>1,900</b>	<b>2,192</b>	<b>2,534</b>	<b>2,855</b>

Source: MacroPlan Australia



## 10 Retail Development Opportunities

Based on the results of the previous assessment of development potential and the existing retail supply and hierarchy in the main trade area, MacroPlan has identified potential opportunities at the redevelopment site. This includes the possible sustainable quantum of retail floor space and potential retail tenant options and sizing.

This should be viewed as an opportunity at this stage, rather than a recommendation about an increase in retail floorspace. Further analysis is required to confirm this opportunity.

As mentioned in section 7, a neighbourhood centre within the Bonnyrigg Living Communities project could capture a share of the main trade area expenditure pool (i.e. sub-regional and neighbourhood centre), primarily in the areas of food retailing.

Given the proximity of the Bonnyrigg Plaza and approved expansion, there is only an opportunity for a local neighbourhood centre (3,000m<sup>2</sup>-5,000m<sup>2</sup>) to be delivered within the subject site.

The table below shows the development opportunity and staging for the Bonnyrigg Living Communities project. There is an opportunity for a local neighbourhood centre to be delivered within the subject site. The local centre could provide for a limited mix of retail uses to meet the local convenience needs of residents, and in particular residents of the subject site. This could contain a supermarket offer (e.g. 2,000-3,000m<sup>2</sup> supermarket) and a range of speciality shops.

**Table 22. Development Opportunities**

Stage 1: 2012	Stage 2: 2022
<i>Supermarket Opportunity</i>	
1 Supermarket 2,000-2,500m <sup>2</sup>	1 Supermarket approx. 3,000m <sup>2</sup>
<i>Speciality Opportunity</i>	
10-15 specialities approx. 1,000m <sup>2</sup>	15-25 specialities approx 2,000m <sup>2</sup>
<i>Bulky Goods Opportunity</i>	
Not supported at neighbourhood centre	

Source: MacroPlan Australia