



EMPLOYMENT AND PRODUCTIVITY STUDY

FINAL
AUGUST 2019

Prepared for
City of Canada Bay

Independent
insight.



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EXECUTIVE SUMMARY

Policy review

A review of policy and strategy documents produced by both state and local government was conducted to contextually inform the study. The following pertinent considerations were identified:

- Strategy commitments for Rhodes East and Parramatta Road have identified that almost all of Canada Bay's remaining industrial lands, including the two largest remaining precincts. This will displace businesses which provide support services for the population in the surrounding area.
- Rhodes is identified as a key centre for growth and the projections and targets produced by the NSW Government show strong employment growth within the centre. A weakening of demand within the centre since the 2016 Census may impede the ability to achieve the anticipated levels of employment growth.
- A strong emphasis is placed within various strategies on creating an accessible, 30-minute city. This highlights the need to improve accessibility to centres through improving connectivity at a local level.

Socio-economic profile

The review of socio-economic data for Canada Bay has identified the following key findings:

- Canada Bay had a compounded five-year growth rate of 15.7% between 2006 and 2016, compared with a rate of 8.5% across Greater Sydney. This has been driven by high-density residential intensification around Rhodes and Strathfield.
- Canada Bay has a highly skilled resident population, with majority of residents working outside of Canada Bay, owing to the area's good connectivity and the relatively small pool of knowledge intensive jobs in Canada Bay's one strategic centre (Rhodes).
- Healthcare and Social Assistance is Canada Bay's largest industry of employment, driven by both Concord Hospital and a strong healthcare offering in local centres.

Stakeholder engagement

SGS conducted a consultation process with a number of stakeholders within the LGA. Key themes which emerged from the process are presented below.

The changing face of Rhodes

- Commercial office space in Rhodes currently faces several long-term vacancies.
- The demand profile for floorspace in Rhodes is changing, moving away from letting whole buildings or floors towards smaller tenancies.
- The future role of the HP site is uncertain, with the outcome of its redevelopment having the potential to influence the future direction of the centre's commercial role.
- The proposal to deliver an additional 40,000sqm of floorspace in Rhodes East has the potential to oversupply the local office market.

Accessibility

- A lack of direct public transport connections to Rhodes is viewed as a hinderance.
- Limited parking in Rhodes was noted as a concern to stakeholders operating in the area.
- A relative lack of accessibility (when compared to other competing centres) and perceptions of lower amenity has driven tenants to relocate away from Rhodes.

- Limited parking availability in Canada Bay's other centres was identified as constraining retail activity, with shoppers able to travel to other locations which have more convenient parking options.
- Traffic along major arterial roads was also considered a hinderance to businesses in centres.
- The changing nature of work has the potential to increase the number of individuals who work locally in flexible office spaces or work remotely from home.

Health precinct/Concord hospital

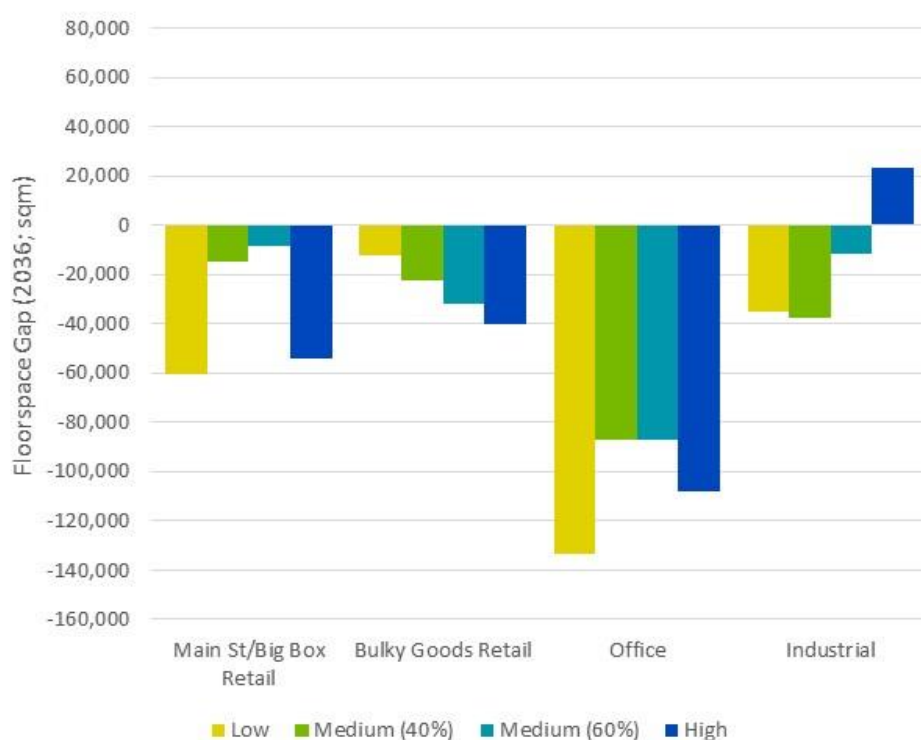
- A lack of both parking and public transport access poses difficulty for workers at the hospital, particularly for key workers travelling from further afield and those who work shifts outside of regular hours.
- The hospital lacks an established and operational connection to the rest of Rhodes as a centre.
- The limited housing options nearby can pose issues for students and junior staff.
- A lack of retail and food options in close proximity to the site creates a sub-optimal outcome for hospital staff, particularly given time constraints on breaks.

Supply-demand analysis

Employment within Canada Bay is forecast to grow by an additional 17,730 jobs between 2016 and 2036, which will drive demand for employment floorspace within the area. SGS has conducted an analysis of the supply of, demand for, and capacity to deliver additional employment floor space within Canada Bay's centres. This analysis results in the identification of a floor space 'gap', which identifies whether there is sufficient capacity under the current planning controls to accommodate future demand for both retail and non-retail uses.

Figure 1 below shows the forecast gap in 2036 across four different capacity scenarios, ranging from a low development scenario through to a high (theoretical maximum) development scenario.

FIGURE 1: PROJECTED FLOORSPEACE GAP IN 2036 BY CAPACITY SCENARIO



Source: SGS Economics and Planning, 2019

- Notable floorspace gaps have been identified through to 2036 across many typologies, capacity scenarios, and precincts. This indicates a need to accommodate additional employment floorspace under the base case forecast and distributions.
- Whilst there are gaps forecast for both office and industrial floorspace, the trend growth in employment (and therefore demand) across both of these industries may not be achieved, given recent observed market trends.
- Capacity analysis indicates that growth in main street/big box retail floorspace can meet demand through to 2026 under all growth scenarios, however a gap is identified by 2036.
- Surplus capacity in main street/big box retail floor space within the Parramatta Road precinct can be better utilised to prevent a gap in bulky goods retail within the precinct, provided that development in the area accommodates such uses in the ground floor of development along the corridor.

Competitive offer analysis

A competitive offer analysis was conducted to assess Canada Bay's key centres against others in the Metropolitan Sydney market that are likely to compete for future jobs, with a focus on footloose commercial office jobs.

The analysis showed the following key findings:

- The major centres are most likely to attract office growth.
- Parramatta and Sydney Olympic Park share similar traits.
- Canada Bay's centres are less competitive compared with the more established centres profiled in the analysis.
- The introduction of a Metro may come at the expense of Rhodes' competitiveness.

Recommendations

Based on the detailed investigation conducted in this study, the following recommendations have been made for Canada Bay:

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
ISSUE:	METROPOLITAN OFFICE MARKET IMPACTING ON RHODES' COMMERCIAL ROLE			
Priority 1	Continue to support the role of Rhodes as a commercial centre			
Action 1a	Continue to work with Rhodes Corporate Park and Ryder Boulevard owners to support tenancy attraction strategies aimed at corporate market			
Action 1b	Improve pedestrian connection from Rhodes Corporate Park to future Rhodes East retail through HP site			
Priority 2	Monitor the local office market			
Action 2a	Undertake annual monitoring of vacancies and rents of Rhodes and competing centres			
Priority 3	Manage the delivery of new commercial floorspace			
Action 3a	Consider the delivery of new commercial floorspace over the long term, based on the outcomes of Actions 2a, in a coordinated way, considering both the HP site and/or the proposed DPE commercial development as the providers of this floorspace			
Action 3b	Require no net loss of commercial floorspace on the HP site as part of any redevelopment, with commercial floorspace separated from any other potential future uses to ensure flexibility in precinct growth			
Action 3c	Cluster any future commercial floorspace together to present a clear commercial core adjacent Rhodes Station			
ISSUE:	RHODES'S RESIDENT POPULATION IS GROWING			
Priority 4	Concentrate growth of Rhodes as a destination for high quality retail and entertainment			
Action 4a	Allow for approximately 80,000sqm of total retail floorspace in Rhodes by 2036			
Action 4b	Concentrate dining and other uses that contribute to public realm activation at street level rather than in enclosed shopping centres			
ISSUE:	LACK OF INTEGRATION BETWEEN CONCORD HOSPITAL AND RHODES			
Priority 5	Support long term expansion of hospital-related growth along or adjacent to Fremont Street			
Action 5a	Work with Sydney Local Health District to ensure any future development of the at-grade Hospital Road carpark contributes to an incremental link towards Rhodes Station, possibly centred on the Kokoda Track Memorial Walkway			
Action 5b	Ensure any redevelopment of the site facilitates improved east-west access through to and across Concord Road towards Concord Hospital			
Priority 6	Support Concord Hospital's retail provision			
Action 6a	Work with Sydney Local Health District to provide a range of food and convenience retail options as part of future hospital masterplanning to ensure hospital staff, patients and visitors have access to appropriate services			
Priority 7	Support existing local retail			
Action 7a	Do not permit any future private hospital or health service-related development along Hospital Road to provide any retail floorspace in any future development			
Priority 8	Transport linkages to north Strathfield			
Action 8a	Explore local shuttle link between future North Strathfield Metro Station and Concord road, via surrounding local centres			
ISSUE:	SIGNIFICANT LOSS OF INDUSTRIAL LAND			

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
Priority 9	Incorporate displaced industries in the B6 and IN1 zones within future mixed use and enterprise precincts along Parramatta Road as part of the PRCUTS			
Action 9a	Actively manage the inclusion of all types of permitted uses in the potential B4 (Mixed Use) and B6 (Enterprise Corridor) zones proposed in the PRCUTS			
Action 9b	On lots fronting Parramatta Road in the Burwood-Concord and Kings Bay Precincts identified in the PRCUTS, require ground floor lots greater than 200 metres from existing or proposed centres to: <ul style="list-style-type: none"> ▪ Include a rear lane running through proposed blocks ▪ Require ground floor uses fronting Parramatta Road to have double-height ceilings ▪ Have rear-lane low-bay access to facilitate small truck access and customer parking 			
ISSUE:	THE NEED TO CREATE A TRUE CENTRE IN KINGS BAY			
Priority 10	Structure the future centre around an active, human-scaled Spencer Street			
Action 10a	Require fine-grained retail frontages along Spencer Street to create an active main street			
Action 10b	Set back wide frontages of larger format retail (including supermarkets) along Spencer Street behind smaller retail units			
Action 10c	Concentrate large bulky retail along Parramatta Road (including uses such as car show rooms)			
ISSUE:	DEVELOP A DISTINCT ROLE AND FUNCTION			
Priority 11	Take advantage of the Bakehouse Quarter's unique urban character to develop a clear commercial, retail and entertainment identity			
Action 11a	Support the re-development of the existing carpark in the former bakery building to provide a mix of retail and commercial floorspace, in keeping with the appropriate heritage controls and urban character			
Action 11b	Encourage the provision of flexible commercial floorspace in any change of use in the old Bakery to encourage a range of business uses and enable the precinct to attract a diversity of non-office related businesses			
Action 11c	Consider opportunities for at-grade car park on the corner of Allen and George Streets to accommodate future ground floor retail			
ISSUE:	LACK OF CENTRE IN DRUMMOYNE			
Priority 12	Create a town centre in Drummoyne, with a focus on Formosa Street			
Action 12a	Create a pedestrian-focused retail strip in Drummoyne focused on Formosa Street to provide the Drummoyne area with an active and accessible centre, concentrating along a pedestrian-priority strip and providing a mix of active retail frontages and public open space, while retaining access through to Victoria Road			
Action 12b	Support the addition of approximately 1,500sqm of supermarket floorspace by 2036			
ISSUE:	SUPPORT BIRKENHEAD POINT'S ROLE AS A METROPOLITAN SHOPPING DESTINATION			
Priority 13	Support Birkenhead Point's future retail growth			
Action 13a	Allow Birkenhead Point to continue to grow its retail offer, particularly with a focus on fashion and experiential retail, but do not permit additional supermarket floorspace			
ISSUE:	MAINTAINING AN ACTIVE AND CONNECTED CENTRE			
Priority 14	Concentrate future centre growth on perpendicular streets, rather than extending the length of the retail strip on Great North Road			

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
Action 14a	Maintain a commercial and retail centre of gravity in Five Dock between First Avenue and Barnstaple Road, with expansion of the B4 zone east-west on Barnstaple Road and Henry Street			
ISSUE:	NEED TO ACCOMMODATE FUTURE RETAIL AND LOCAL EMPLOYMENT			
Priority 15	Provide appropriate commercial floorspace in the centre core			
Action 15a	Provide for approximately 2,000sqm of supermarket floorspace by 2036, concentrated in the southern part of the Five Dock Centre, within the core proposed in Action 14a.			
Action 15b	Require any major residential redevelopment within 200 metres of a future metro station AND within the current B4 zone to include two storeys of commercial floorspace above ground floor retail			
ISSUE:	RETAIN AND STRENGTHEN WELL PERFORMING LOCAL CENTRES			
Priority 16	Continue to support Concord's role as a high quality eat street destination			
Action 16a	Concentrate any future retail development on streets perpendicular to Majors Bay Road centre			
Action 16b	Limit or restrict length of Majors Bay Road centre, rather than extend retail strip north or south			
Action 16c	Require any high-density residential redevelopment along Wellbank Street east from Majors Bay Road to Bent Street to include ground floor retail, by expanding the B4 Mixed use zone to link to the Canada Bay Museum			
Action 16d	Ensure future residential development along Bent Street does not impact on the rear lane access to shops from Majors Lane			
Action 16e	Consider development potential of current Concord Commercial Centre to continue fine-grained active frontage along Majors Bay road, with commercial floorspace replaced above, potentially as part of Mixed Use (B4) development that includes residential			
Action 16f	Require any future development of at-grade carpark on corner of Majors Bay Road and Brewer Street to provide ground floor retail floorspace to create a clear 'gateway' to concord centre			
Action 16g	Manage conflicts between future shop-top residential and ground floor active uses			
ISSUE:	IMPROVE FUNCTION OF UNDER-PERFORMING CENTRES			
Priority 17	Improve connectivity between centres on train line and Concord Road			
Action 17a	Incrementally increase retail floorspace along streets connecting Concord West station to Concord Road, as part of future residential development			
Action 17b	Incrementally increase retail floorspace along streets connecting North Strathfield station to Concord Road, as part of future residential development			
Action 17c	Require any future private hospital or health service-related development along Hospital Road to contribute to improvements to the nearby Concord West centre either through a Voluntary Planning Agreement or through Section 7.11 Development Contributions requirement			
ISSUE:	SIGNIFICANT LOSS OF INDUSTRIAL LAND			
Priority 18	Retain any industrially-zoned land outside of pre-existing planning commitments to re-zone (in Rhodes East and along Parramatta Road)			
Action 18a	Retain Bushells site on Burwood Road			
ISSUE:	LAND USE CONFLICT BETWEEN HEAVY VEHICLES AND NOISE SENSITIVE USES			
Priority 19	Protect the viability of industrial areas and delivery routes for commercial centres			

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
Action 19a	Strengthen DCP requirements on noise mitigation for new developments adjacent to heavy vehicle routes			
Action 19b	Structure new release areas such that truck access can be provided away from residential uses			

1. INTRODUCTION

SGS Economics and Planning have been engaged by the City of Canada Bay to undertake an employment and productivity study as part of the development of an evidence base for their Local Strategic Planning Statement process. The brief commissioning this study identified the following key objectives for the Employment and Productivity report:

- Understand the nature and scale of employment and economic activity that currently exists in the LGA and its relationship to the economy in Eastern City District and Greater Sydney;
- Identify strengths and weaknesses, constraints and current and potential future opportunities for growth in the local economy;
- Identify interventions that Council can make to implement priorities and actions in the Eastern City District Plan.

This report provides analysis and recommendations to Canada Bay on the future of their centres and local economy. SGS has undertaken this analysis in the following way:

- **Chapter Two – Policy review:** a distillation of key policy directions and objectives influencing Canada Bays local economy and centres
- **Chapter Three – Socio-economic profile:** An analysis of the population and employment profile of the LGA.
- **Chapter Four – Stakeholder Engagement:** Reporting on the input from a wide range of business sector stakeholders in the LGA.
- **Chapter Five - Supply & Demand Analysis:** Identifying current supply and future demand for retail, commercial and industrial land uses across the LGA
- **Chapter Six – Competitive offer:** an analysis of the competitive commercial landscape for strategic commercial jobs in proximity to Canada Bay to assess Canada' Bay's relative suitability.
- **Chapter Seven – Insights and Recommendations:** A distillation of the findings of the report and the provision of recommendations.

The report is supported by several technical appendices.

2. POLICY REVIEW

SGS has undertaken an analysis of relevant strategic documents and policy material, extracting key information pertinent to the preparation of the Local Employment and Productivity Strategy (LEPS). This chapter contains an overview of the key points of this analysis, with the full detail being available in Appendix to Policy Review

2.1 Policy and strategy documents reviewed

A range of State and Local Government documents have been reviewed as part of this analysis. This section lists the documents and provides a brief overview of their content. A full summary of each item is contained in Chapter 8: Appendix to Policy Review, beginning on page 85.

State government

Greater Sydney Region Plan: A Metropolis of Three Cities (2018)

This document functions as the current metropolitan strategic plan for Sydney and has been prepared by the Greater Sydney Commission. The GSRP sets out a vision for Sydney and will be progressed via a series of objectives centred on infrastructure and collaboration, liveability, productivity, and sustainability.

Please see page 85 for further detail.

Eastern City District Plan (2018)

The Eastern City District Plan (ECDP) is a 20-year strategy, linked to the GSRP, that aims to manage growth in the District. The ESDP informs local level strategic planning, assessment of planning proposals and gives effect to the GSRP by serving as a link between the metropolitan strategy and Council's plans or actions.

Please see page 87 for further detail.

A Metropolis that Works, GSC Thought Leadership Series (2018)

This paper provides further depth to the objectives of the GSRP and EDCP on management of industrial lands. The paper highlights a nuanced approach is needed for the evolving uses of these spaces – how to support the emergence of organic creative enterprises and local networks and avoiding the risks of 'creative led' gentrification. This approach is underpinned by a 'no regrets' approach to decision making regarding industrial and urban services land.

Please see page 88 for further detail.

Our Greater Sydney 2056 Eastern City District Plan (2018)

This plan is a 20-year strategy to manage growth to achieve a 40-year vision set for Greater Sydney. It was produced by the Greater Sydney Commission providing priorities and actions for the Eastern City District.

Productivity Profile: Greater Sydney (2017)

The Productivity Profile provides an indication of Greater Sydney's economy to inform the planning of individual districts. The document was produced by the Greater Sydney Commission in January of 2017.

Please see page 88 for further detail.

Rhodes East Priority Investigation Area Planning Report (2017)

This planning report was released in 2017 by the Department of Planning and Environment in collaboration with City of Canada Bay Council. It outlines the re-zoning proposal for the area identified in the draft Precinct Plan for the Rhodes East Priority Investigation Area. It notes that over 3,500 dwellings are proposed for the area, along with retail and commercial space.

Please see page 89 for further detail.

Rhodes Revised Draft Precinct Plan (2018)

This revision of the Rhodes East Priority Investigation Area Planning Report (above) was released by the Department of Planning and Environment. The revised plan expands the precinct boundary to include the west as an opportunity to integrate key undeveloped land.

Importantly, the revised plan incorporates the provision of 40,000sqm of commercial floor space, a mixed-use precinct to the western side of Rhodes station, and identifies that the Leeds St industrial precinct will be rezoned.

Please see page 89 for further detail.

Parramatta Road Corridor Urban Transformation Strategy (2017)

The Strategy was released in 2016 articulating the State's 30-year plan for the Parramatta Road Corridor. Prepared by the UrbanGrowth NSW, the strategy seeks to inform both State and local government in land use planning and decision making. Ultimately the corridor is expected to accommodate 50,000 new jobs & 56,000 new people.

A number of supporting studies and plans accompany this document, including an Implementation Plan (2016), Planning and Design Implementation Guide (2016), and an Economic Analysis Report (2016).

Please see page 90 for further detail.

Strategic Centres: Enabling Economic Growth and Productivity (2016)

This document was prepared in 2015 for the NSW Department of Planning and Environment and is primarily for planning at a district level. It analyses strategic centres and LGAs across Greater Sydney identifying key barriers and opportunities for employment and productivity.

Please see page 91 for further detail.

Building Momentum: State Infrastructure Strategy (2018)

The Building Momentum Strategy sets out a 20-year State strategy surrounding key infrastructure sectors of transport, energy, water, health, education, justice, social housing, culture, sport and tourism out to 2031.

Please see page 91 for further detail.

Employment Centres Analysis (2016)

This report was prepared on behalf of the Department of Planning and Environment to inform Sydney's subregional planning. The document presents findings of an analysis of housing markets, macroeconomic factors influencing employment trends, feasibility of development, the operation of transport and barriers to development of commercial buildings in strategic centres.

Please see page 92 for further detail.

Local government

Council Snapshot: Canada Bay Council (2018)

This document was prepared by the Greater Sydney Commission in 2018. It summarises the Eastern City District Plan with all relevant material for Canada Bay Council in terms of infrastructure & collaboration, implementation, liveability, productivity and sustainability.

Please see page 92 for further detail.

Your Future 2030 Community Strategic Plan (2018)

Your Future 2030 articulates community priorities for the municipality. Adopted in 2018, the plan establishes five key vision areas reflecting aspirations for City of Canada Bay. It is designed to inform all future strategies. Community Engagement Report (2017) associated with the Community Strategic Plan was also reviewed.

Please see page 93 for further detail.

Canada Bay DCP (2017)

Two parts of the DCP were reviewed for this study. Firstly, Part F: Mixed use areas and Neighbourhood centres, which sets out controls for development within mixed use areas and neighbourhood centres. A general set of controls are established for all commercial developments as well as specific controls for certain commercial precincts. Part G: Industrial development was also reviewed, which sets out controls for industrial development.

Please see page 93 for further detail.

Local Planning Strategy (2010)

The Canada Bay Local Planning Strategy was adopted in 2010. Prepared by Council, the document guides long term development and decision making in terms of future land use planning for the municipality out to 2031.

Please see page 94 for further detail.

Concord West Master Plan (2014) and supporting Socio-Economic Study (2013)

The Master Plan was prepared on behalf of Council in 2014. It applies to the land West of the Northern Rail Line at Concord West and creates planning controls guiding future development of the site. The supplementary study analyses the potential socio-economic impacts of transforming Concord West from a predominantly industrial area to three scenarios; No Change, Business Park or Mixed Use.

Please see page 94 for further detail.

Investment Profile (2013)

This document was produced by City of Canada Bay identifying key economic opportunities within the municipalities to attract investment.

Please see page 94 for further detail.

Industrial Precinct Review (2015)

Prepared for the NSW Department of Planning and Environment in 2015, the Industrial Precinct Review was developed to inform the preparation of Sydney's subregional strategies.

Please see page 95 for further detail.

Canada Bay Housing and Employment Study (2008)

This study was conducted in 2008 on behalf of City of Canada Bay, to inform the preparation of the LEP ensuring adequate consideration of the Metropolitan Strategy were incorporated regarding housing choice, housing intensification and achieving employment targets. It analysed a base case scenario of Business as usual, along with a LEP 2008 plus additional growth in centres scenario and an additional growth in centres and reduce potential under LEP 2008.

Please see page 95 for further detail.

City of Canada Bay Local Environmental Plan (2013)

This document provides a framework to guide future development within Canada Bay. Gazetted in 2013, it sets out land use control with a series of maps and ordinance.

Please see page 96 for further detail.

Drummoyne Village DCP (2007)

The DCP for Drummoyne Village has been developed for City of Canada Bay to ensure future development promotes the creation of a viable village centre.

Please see page 96 for further detail.

Rhodes West DCP (2015)

This DCP has been prepared for City of Canada Bay in 2015 to set out development objectives and controls for the Rhodes West area in support of the LEP.

Please see page 96 for further detail.

Strathfield Triangle DCP (2013)

The Strathfield Triangle DCP was prepared for the City of Canada Bay which establishes design criteria, objectives and controls to guide future development of the 5.5-hectare site.

Please see page 96 for further detail.

Breakfast Point Master Plan (2002)

The Plan was prepared for City of Canada Bay as an urban renewal area on the Mortlake Peninsula. It provides a long-term framework to guide the development of Breakfast Point.

Please see page 97 for further detail.

2.2 Summary of findings

Across local, subregional, metropolitan and State documents, emerging themes and priorities have surfaced in relation to the local employment and productivity of City of Canada Bay. These are identified as follows:

- **Access to Parramatta CBD, Sydney CBD and Sydney Olympic Park.** Documents across government articulate the need for well serviced public transport and road access to major employment centres to enhance productivity and workforce mobility. This is a challenge and opportunity in terms of local employment attractiveness.
- **Supporting employment growth in population serving industries.** Residential growth has driven a demand for population serving industries. This trend is broadly experienced on a metropolitan level as well as locally within Canada Bay itself. This includes retail, health, accommodation, construction and education services.
- **Industrial land to be managed and retained.** Various documents discuss the industrial land uses at Canada Bay, particularly those at Rhodes (Leeds Street) and along Parramatta Road. Plans identify structural changes rendering the remnant industrial sites vulnerable to relocation outside of the municipality. Strategic direction includes both the support of this transition, as well as the retention of industrial land to support local businesses.
- **30-minute city principles.** Across government, priorities and actions aim to achieve a level of integration between land use and transport infrastructure. This seeks to connect residents with employment lands and services. This creates opportunities for agglomeration and enhancing productivity, liveability and accessibility.
- **Flexible use of employment lands.** Policy material emphasises the need for planning controls that are adaptive and flexible for new business models (particularly in commercial and business zones) and to increase densities to support multiple uses (co-locating). Other documents propose additional Mixed-Use zoned lands at key locations such as the precincts within the Parramatta Road Urban Transformation Area and Rhodes Priority Investigation Area.
- **Accessibility within centres.** Improvements to cycling network and walkability across the municipality are identified. This is prioritised to enhance local amenity, creating an attractive municipality to work and live and to improve local accessibility to jobs and services.
- **Targeted employment intensification and growth.** Plans state local employment growth within Canada Bay will be concentrated within centres. Primary focus of employment growth and change is in Rhodes, with further growth to be accommodated in Homebush, Kings bay and Burwood-Concord precincts.

3. SOCIO-ECONOMIC PROFILE

This chapter provides an overview of relevant socio-economic census data and identifies key insights that will inform the development of the employment and productivity strategy. It compares Canada Bay with the Eastern City District and Greater Sydney.

Section 3.1 profiles the residents and resident workforce of the Canada Bay LGA across a number of social and economic indicators, with section 3.2 profiles characteristics of people who work within the Canada Bay LGA. Section 3.3 provides an overview of employment precincts within the LGA and their role and function.

3.1 Resident population

Population

The population indicator reports the total number of people living in the LGA. While not strictly an economic indicator, population is an important consideration in the development of an economic strategy as population growth is closely tied to the need for future population serving jobs such as retail, health and education. Canada Bay has:

- A growth of 22,269 residents (Compounded 5-year growth rate of 15.70% – i.e. additional 15.70% each 5 years between 2006 and 2016)
- A higher growth rate than Eastern City District (10%) and Greater Sydney (8.5%)
- Population density is also increasing – by an additional 16% from 2011 to 2016
- A current density of 4,440 people per km² (higher than Eastern City District and Greater Sydney average of 723)

TABLE 1: POPULATION GROWTH – CANADA BAY, EASTERN CITY DISTRICT & GREATER SYDNEY (2006-2016)

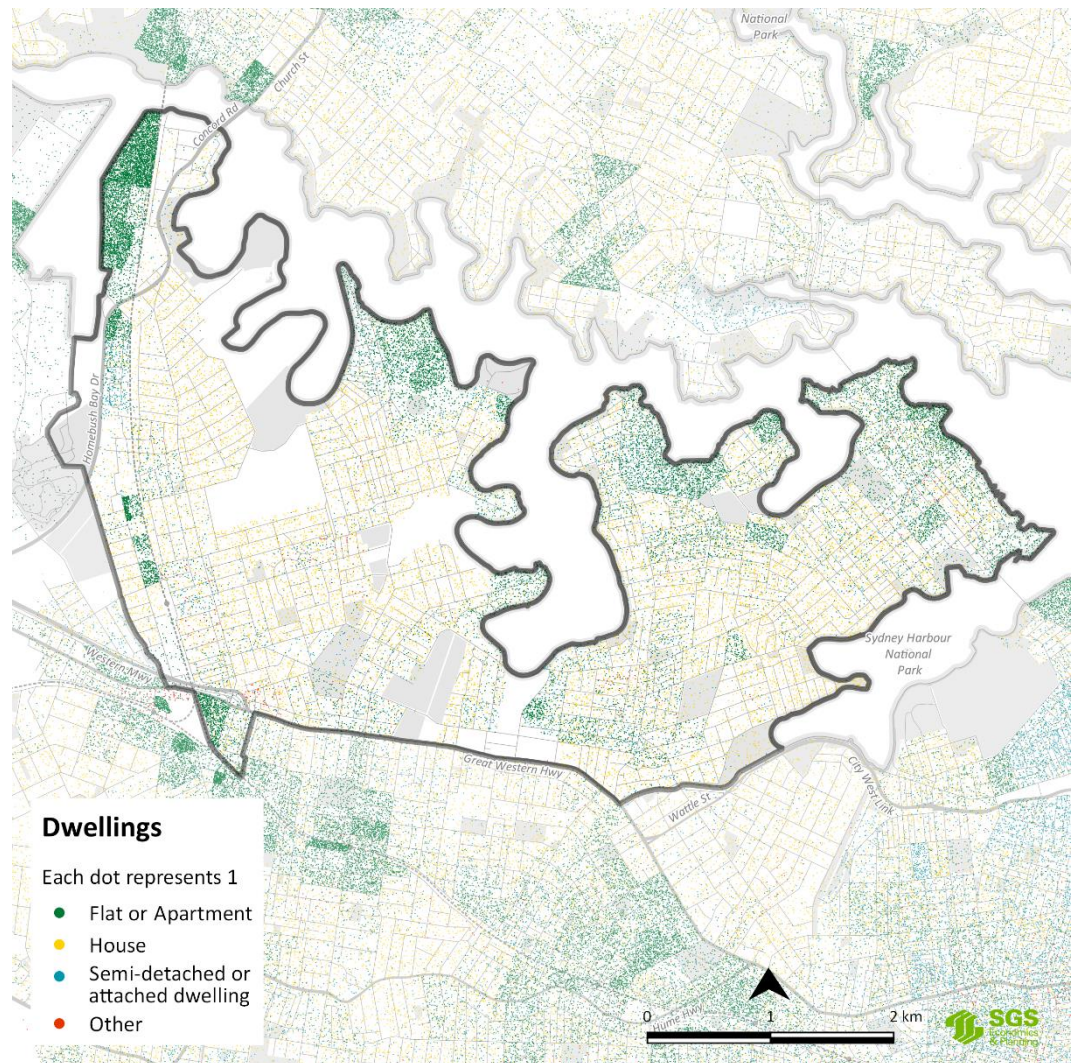
Geography	2006	2011	2016	Growth	CAGR (%)
Greater Sydney	3,821,233	4,079,432	4,496,184	674,951	8.47%
Eastern City District	804,360	864,114	973,315	168,955	10.00%
Canada Bay	65,746	75,762	88,015	22,269	15.70%

Source: Australian Bureau of Statistics (ABS) Census TableBuilder, 2006, 2011, 2016

Canada Bay's population distribution is clearly demarcated. The LGA comprises areas of low density, detached housing stock at its core, with areas of significant density in various locations, predominantly on the harbour foreshore and along rail lines. There is also a cluster surrounding Five Dock, representing a concentration of three-storey walk-ups.

Population density is an important driver of certain types of employment floorspace. Retail and other population-serving industries (such as solicitors, physiotherapists, etc.) that often locate in local and neighbourhood centres benefit from being in close proximity to their customers.

FIGURE 2: CANADA BAY'S POPULATION DENSITY, AS EXPRESSED IN HOUSING DENSITY (2016)



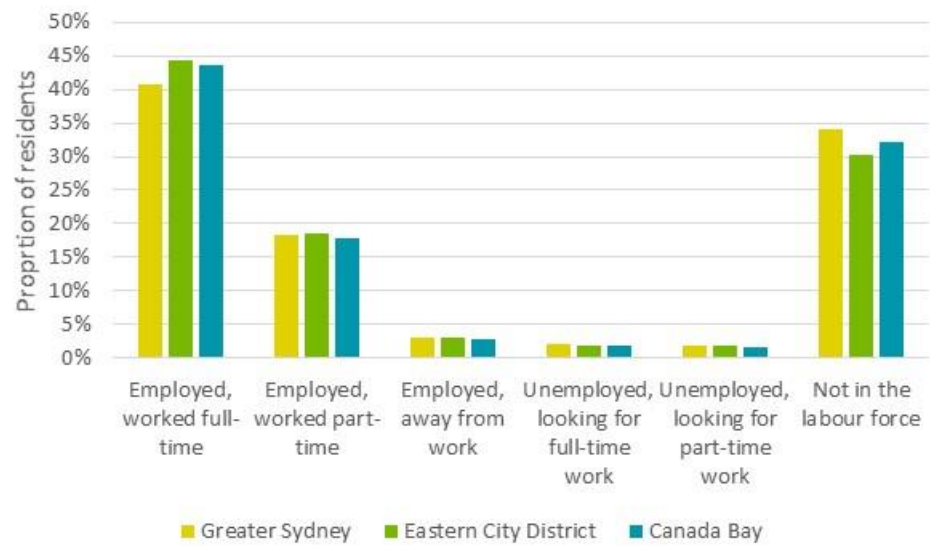
Source: SGS Economics and Planning 2019

Labour Force Status

The labour force status indicator reports the employment profile of Canada Bay's resident population. Canada Bay has:

- Similar proportions to Greater Sydney and Eastern City District. 43.6% employed full-time, 18% part-time, combined total of 3.4% unemployed
- A significant decline of people not working full-time (-3.2% decrease 2011-2016), however remains above Greater Sydney average
- A growth in proportion of Part-time workers

FIGURE 3: OVERALL LABOUR FORCE STRUCTURE (2016)



Source: ABS, 2016

FIGURE 4: OVERALL CHANGE IN LABOUR FORCE STRUCTURE (2006-2016)



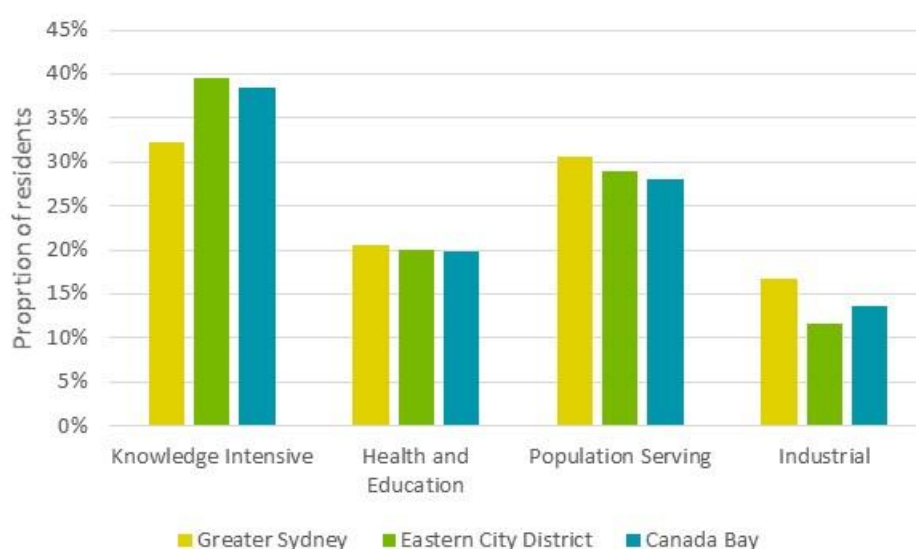
Source: ABS, 2006, 2011, 2016

Industry of employment (PoUR)

The industry of employment (place of usual residence) indicator reports the industries that residents work in. Industries have been aggregated to four Broad industry Categories (BICs), as defined by the Greater Sydney Commission. The BICs are an aggregation of the various 1-digit ANZSIC categories that define industries within the economy. Canada Bay has:

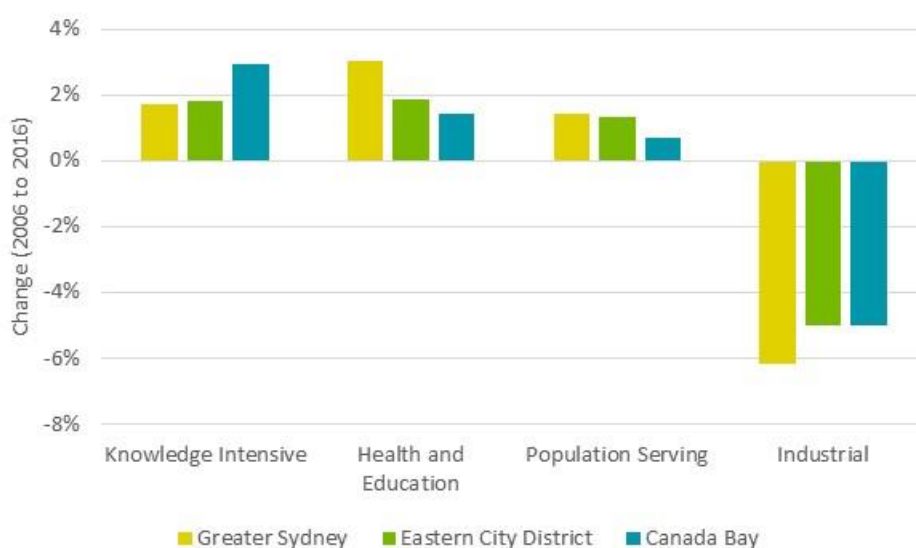
- A majority of local residents working knowledge-intensive jobs, followed by population-serving jobs. This growth in knowledge intensive jobs is well above the growth observed in Greater Sydney. This possibly reflects the increased demand for well-located detached housing close to major centres of employment, which may result in increased property prices and a changing the profile of residents who can afford to live in the LGA.
- A decline in the proportion of industrial jobs undertaken by local residents, reflecting a broader trend observed throughout Greater Sydney as the metropolitan and national economy continues to transition away from manufacturing and towards services.

FIGURE 5: OVERALL INDUSTRY OF EMPLOYMENT STRUCTURE (2016)



Source: ABS, 2016

FIGURE 6: OVERALL CHANGE IN INDUSTRY OF EMPLOYMENT STRUCTURE (2006-2016)



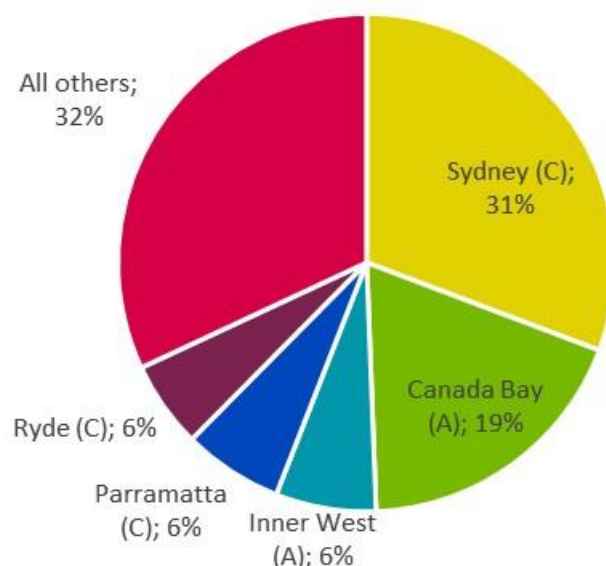
Source: ABS, 2006, 2011, 2016

Place of work and employment self-containment (PoUR)

Employment self-containment indicates the share of employed residents who work locally. Self-containment seeks to illustrate the capacity of local residents to find work locally without having to travel outside of their home region for work. Self-containment is generally higher in rural and regional areas with confined local economies that make inter-regional work commutes less practical, whilst in the metropolitan area (in Australia) self-containment is usually lower due to that jobs are more likely to agglomerate in the CBD and suburban employment precincts. Canada Bay has:

- A self-containment rate of 19%, meaning nearly one-fifth of employed residents also work in Canada Bay (ranked 29th out of 34 LGAs in the Sydney Region).
- As a result of its high accessibility to the Sydney CBD, 31% of the LGA's resident workforce travel to the Sydney LGA for work.

FIGURE 7: PLACE OF WORK (LGA) FOR CANADA BAY RESIDENTS, 2016



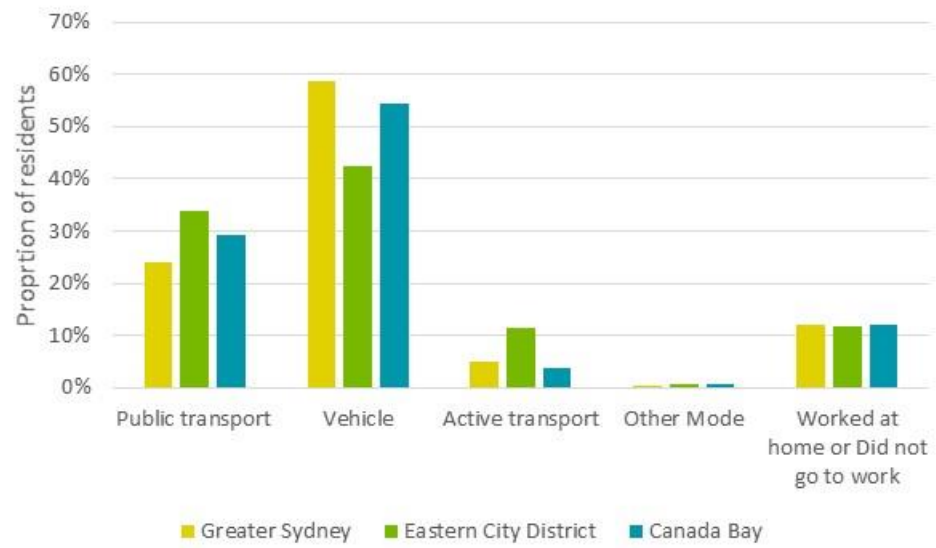
Source: ABS, 2016

Method of Travel to Work (PoUR)

The method of travel to work (Place of Usual Residence) indicator reports how residents access their jobs. Canada Bay has:

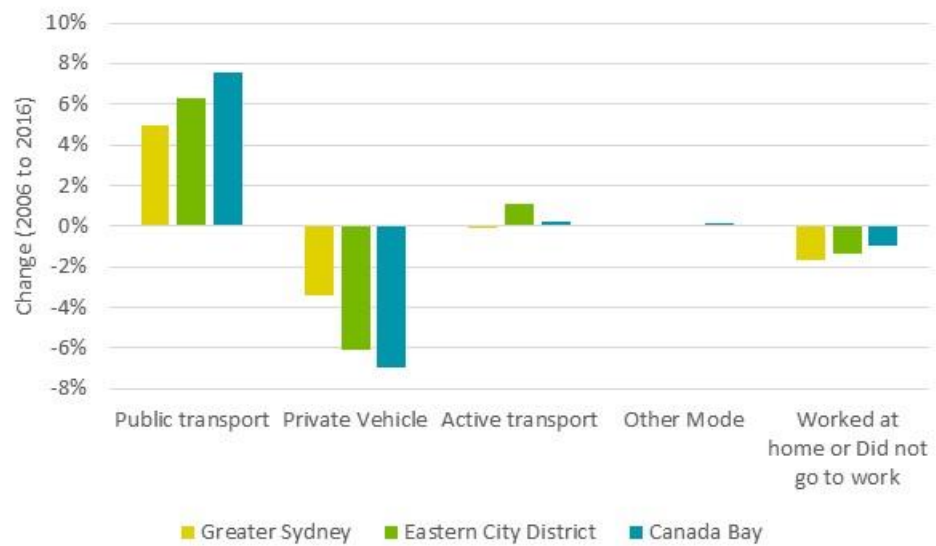
- A clear majority of employed residents using private vehicles to get to work (54%), with public transport use being the second largest group, with 29% of employed residents.
- An increase in proportion of people using public transport (+7.5% from 2006-2016), above Greater Sydney average of 5%. Given the proximity of many areas in Canada Bay to rail lines or major arterial routes, this relative dominance of private vehicle travel is surprising.

FIGURE 8: OVERALL METHOD OF TRAVEL TO WORK STRUCTURE (2016)



Source: ABS, 2016

FIGURE 9: OVERALL CHANGE IN METHOD OF TRAVEL TO WORK STRUCTURE (2006-2016)



Source: ABS, 2006, 2011, 2016

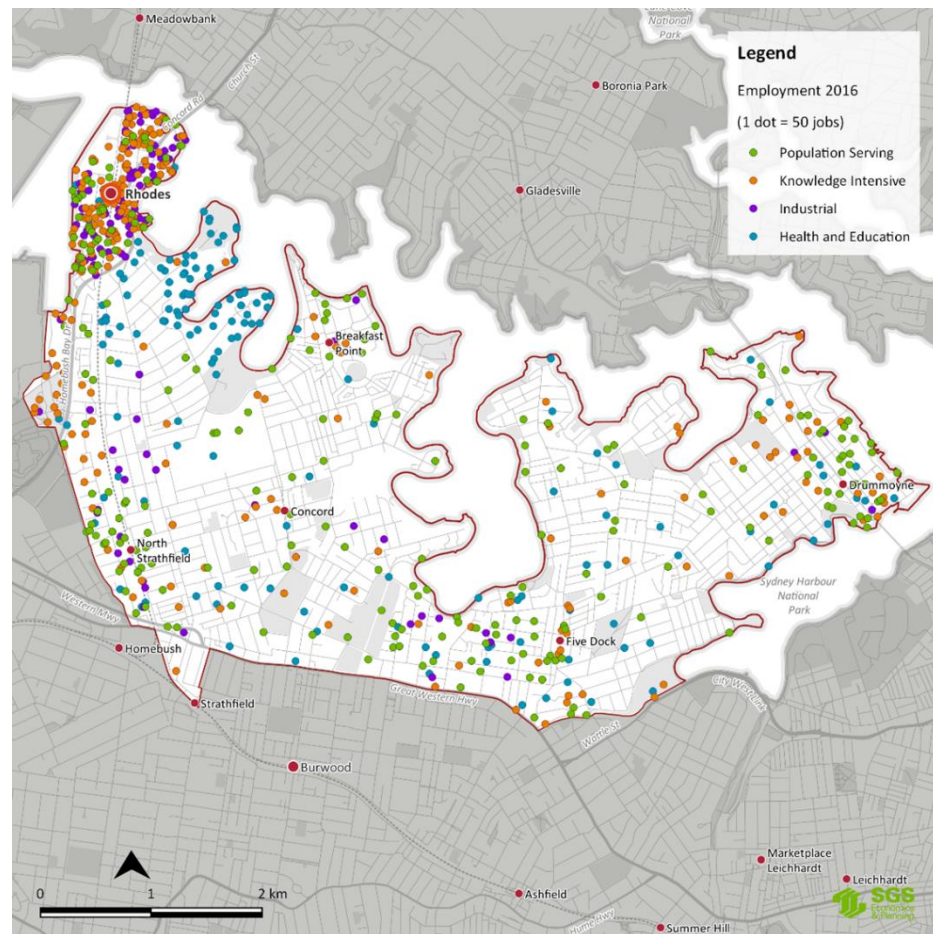
3.2 Economic profile

This section profiles employment within the Canada Bay LGA and examines its associated characteristics.

Employment location

Canada Bay's employment is heavily concentrated around several key centres, and particularly Rhodes, as shown in Figure 10 below. Rhodes accommodates approximately 10,500 jobs, with the adjacent Concord Hospital precinct supporting a further 2,800. Combined, these account for approximately one-third of Canada Bay's employment.

FIGURE 10: EMPLOYMENT BY BROAD INDUSTRY CATEGORY (2016)



Source: SGS Economics and Planning 2019

The Greater Sydney Commission identifies Rhodes as a Health and Education Precinct, as incorporating both the centre around Rhodes Station and the Concord Hospital precinct, however there is a physical disconnect between the cluster of employment in Rhodes and the healthcare employment at Concord Hospital.

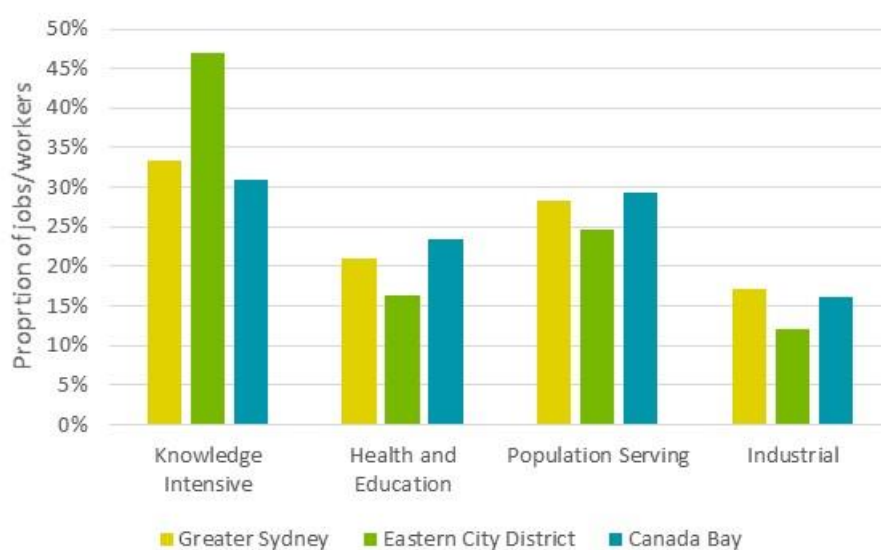
There are other (albeit less pronounced) clusters of employment in North Strathfield (around the Bakehouse Quarter), Five Dock and adjacent industrial lands and in Drummoyne and Birkenhead Point. These centres display a markedly different industry profile to Rhodes, being heavily focussed on population-serving industries such as retail trade. This is reflective of the centre size and function of most of Canada Bay's local and neighbourhood centres.

Industry of Employment (POW)

The industry of employment (place of work) indicator reports on the profile of jobs that are located in the LGA. Industries have been aggregated to four Broad industry Categories (BICs), as defined by the Greater Sydney Commission. The BICs are an aggregation of the various 1-digit ANZSIC categories used by the ABS to classify industry of employment. Canada Bay has:

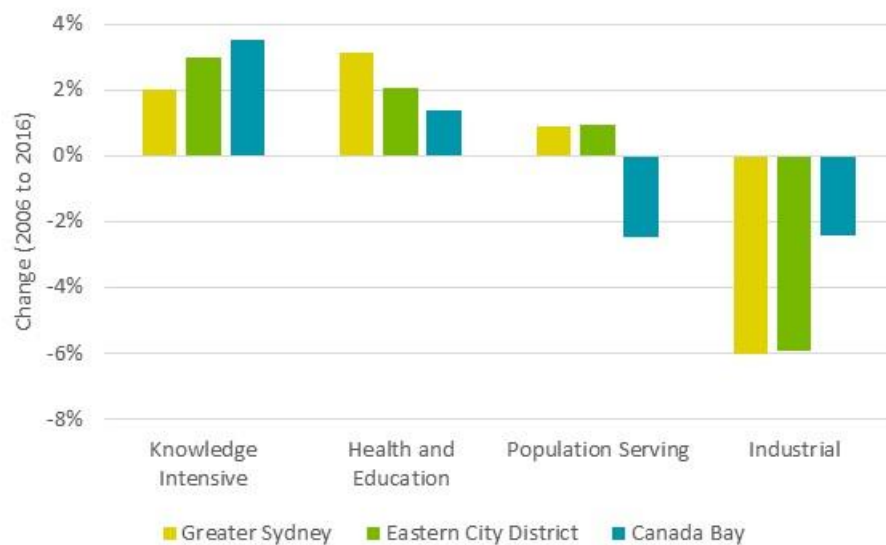
- Knowledge-intensive jobs as the highest proportion of employment in Canada Bay. It has also experienced the largest increase (3%) as a proportion of total jobs in Canada Bay (2011-2016).
- Knowledge-intensive is closely followed by population serving jobs, however, with a slight decline in the proportion that they account for in the LGA.
- A similar proportion of industrial jobs to Greater Sydney, however its decline as a proportion of jobs in the LGA has not been as pronounced as that which was observed in the benchmark areas.
- Health and Education makes up 23% of the jobs in the LGA, higher than the Eastern City District and Greater Sydney average.
- Employment in the health and education BIC has also experienced the second largest increase as a proportion of jobs in the LGA (1.4% increase).
- A slightly lower proportion of knowledge intensive employment in comparison to Greater Sydney.
- A growing knowledge intensive and health-care related profile over the past ten years. Workers in Professional, Scientific and Technical Services comprise approximately 13% of the workforce. Health care and social assistance also makes up a large proportion of local employment (16%).

FIGURE 11: OVERALL INDUSTRY OF EMPLOYMENT STRUCTURE (2016)



Source: ABS, 2016

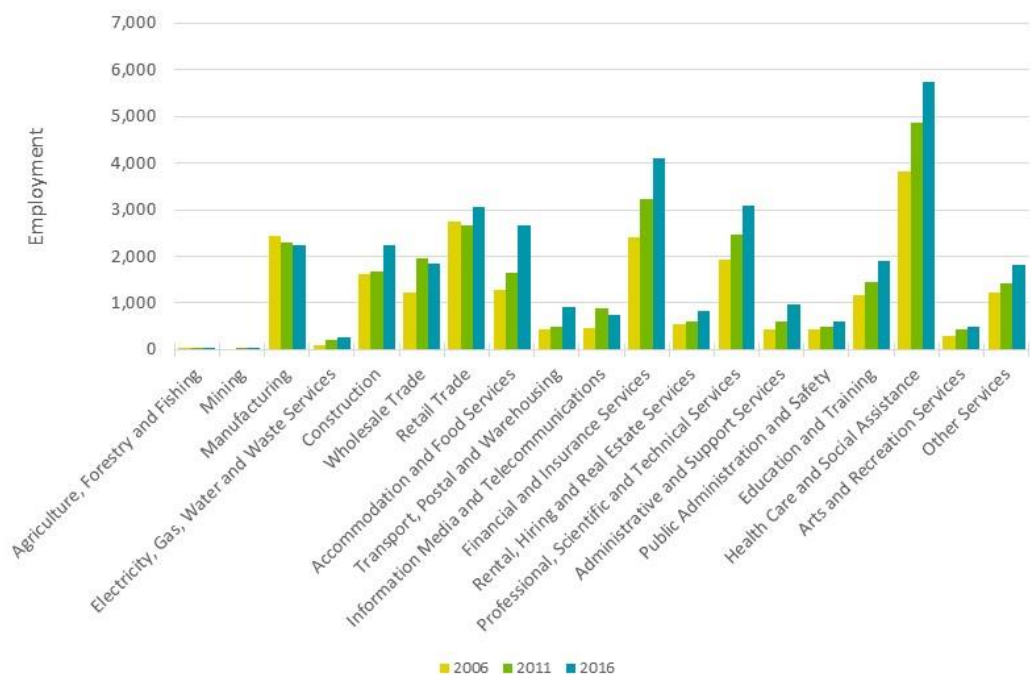
FIGURE 12: OVERALL CHANGE IN INDUSTRY OF EMPLOYMENT STRUCTURE (2006-2016)



Source: ABS, 2006, 2011, 2016

Figure 13 profiles Canada Bay's employment profile by ANZSIC category (industry classification) over the past three census periods.

FIGURE 13: CANADA BAY'S INDUSTRY BREAKDOWN, 2006 - 2016



Source: SGS Economics and Planning, 2019 using ABS, 2016

Growth has been observed in industries associated with some of Canada Bay's major employment centres. Health-related jobs have grown significantly, and while a substantial proportion are located at Concord Hospital, there is a range of employment in this industry dispersed throughout the LGA.

Employment within the Financial and Insurance Services industry displayed an extremely high growth rate in the 10 years to 2016, largely concentrated in the Rhodes Corporate Park with

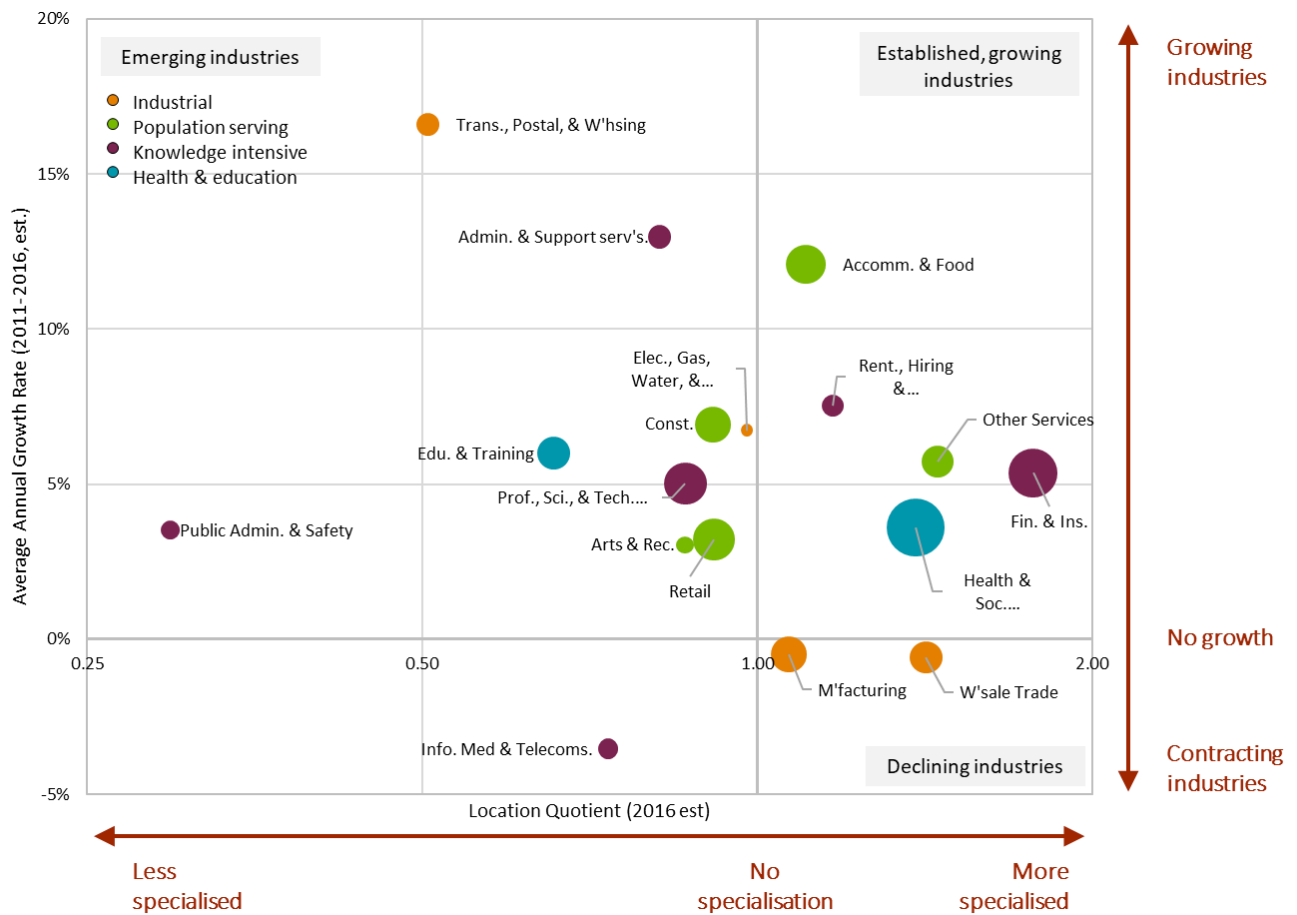
tenants such as NAB taking significant floorspace in the precinct, and in Concord West, where Westpac currently occupies a large office adjacent to the railway station.

Industry specialisation

Location quotient analysis is a measure of relative industry specialisation of a local economy compared with a larger area. In this case, this measures the Canada Bay industry profile against Greater Sydney, to ascertain the relative specialisation of each industry. The location quotient score directly compares the proportional size of the industry in Canada Bay to Greater Sydney. For example, an LQ of 2 means that Canada Bay is twice as specialised as Greater Sydney, or an LQ of 0.5 meaning that it is half as specialised. This is shown below in Figure 14 (some outlying industries have been excluded).

Of most importance are the two right hand quadrants. The top right quadrant shows industries that are both specialised and growing while the bottom shows specialised industries that are contracting.

FIGURE 14: CANADA BAY LOCATION QUOTIENT ANALYSIS, 2011-2016)



Source: ABS, 2011,2016

The location quotient analysis highlights several interesting observations. As expected, the established and growing industries align with the major employment drivers in the LGA – Rhodes Corporate Park's established commercial presence and Concord Hospital driving health-related jobs. The accommodation and food services industry is also both growing and relatively specialised, owing to population growth in the area and the population serving role of many of Canada Bay's employment precincts.

There is also a contraction in industries traditionally associated with industrial precincts. Both Manufacturing and Wholesale trade are displaying low levels of year on year contraction. This aligns with the relatively decline in manufacturing in the overall economy and the gradual

rezoning of industrial precincts in the LGA, particularly around Rhodes and along the train line.

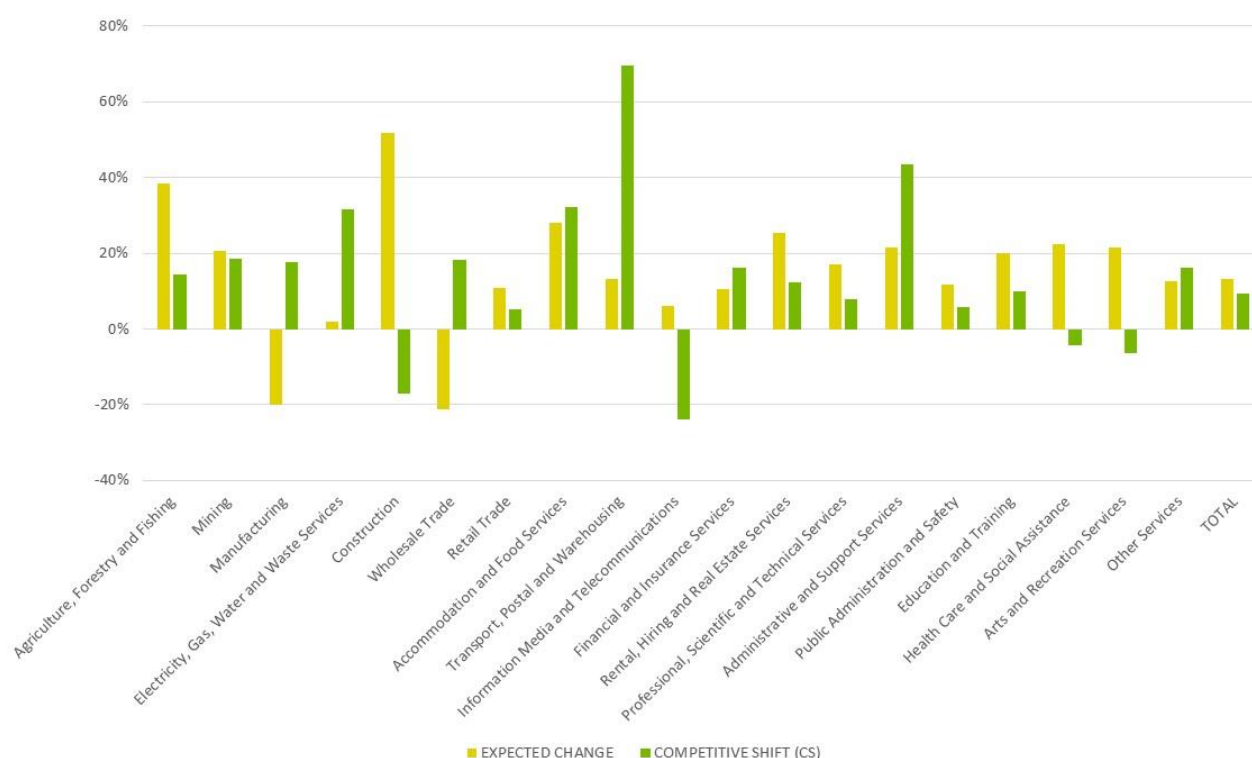
Local competitiveness

Shift-share analysis paints a picture of how well the region's current industries are performing by systematically examining the regional, local, and industrial components of employment change. It provides a dynamic account of total regional employment growth that is attributable to growth of the national economy, a mix of faster or slower than average growing industries, and the competitive nature of the local industries. This analysis identifies those industries that benefit from local competitive advantages and those that suffer from local growth impediments.

A shift-share analysis comparing Canada Bay against Greater Sydney determines the extent to which job growth can be attributed to unique local factors and how much is due to regional trends (see Figure 15).

The shift-share analysis compares the expected change of growth in an industry at the Greater Sydney level with industry change at Canada Bay. This is referred to as a 'Competitive Shift' and explains how much of the change in each industry is due to some unique competitive advantage that the study area possesses, because the growth cannot be explained by broader trends in that industry or the economy as whole. It is the total industry growth in Canada Bay minus the expected change in that industry using Greater Sydney's benchmark rates.

FIGURE 15: CANADA BAY SHIFT SHARE (2011-16, BENCHMARKED AGAINST GREATER SYDNEY)



SGS Economics and Planning 2018; data from the 2016 and 2011 Census via ABS TableBuilder

Overall, the competitive shift analysis presents a positive picture for Canada Bay, having displayed a positive competitive shift in the majority of industries in the five years to 2016. Notable exceptions to this are observed in healthcare and social assistance, which has grown at a slightly lower rate than Greater Sydney, and in information media and

telecommunications, which has declined in absolute terms while Greater Sydney displayed low levels of growth.

As key industries of employment for the LGA, professional and financial services have grown at notably faster rates than Greater Sydney. Whilst accommodation and food services across Greater Sydney grew by 28% in the five years to 2016, employment in this industry (the 5th largest industry of employment in the LGA) grew by an additional 32% above this benchmark.

The shift share analysis has identified that while employment within the manufacturing and wholesale trade industries declined by around 20% over this five-year period, they declined by only 2%-3%, showing a positive competitive shift above.

Home-based businesses

A review of the Australian Business Register has allowed for an analysis of businesses who have their registered address located outside of Canada Bay's employment centres. While care has been taken in cleaning the data to make it usable, there are a number of limitations associated with its use, including:

- The total number of businesses listed may not be representative of the number of businesses which operate in the area, as the registered address of the business may differ from the area it operates.
- A substantial number of listed businesses have been removed from the analysis, in order to exclude entities such as trusts, self-managed superannuation funds, or investment vehicles. This may result in the underreporting of some financial industries.

The top 20 industries for businesses registered as being outside of employment centres in the LGA (in R1, R2, R3 or R4 zones) are shown in Table 2 below. The top 20 listed herein represents approximately 64% of the total amount of businesses outside of centres and employment precincts.

Of the industries contained in this list, three key groups are identified. While the precise proportional split of these groups cannot be identified from the data, the implications of their demand for floor space can be discussed qualitatively.

- Individuals who would operate their business either from their home (e.g. lawyers and accountants, computer programmers, or allied healthcare practitioners who use their place of residence as a business or office address).
- Businesses which list their residential address as their place of business but operate in a myriad of other locations as required (e.g. the various trades within the Building Completion Services classification, or cleaners and gardeners).
- Businesses which operate within business premises, but which are located outside of employment centres and precincts (e.g. cafés, medical and allied health practitioners).

The businesses reflected in these groups are, for the most part, unlikely to generate demand for additional employment floor space in centres. A certain proportion of home-based businesses can be expected to expand to the point where they would be seeking formalised floor space, however this proportion is anticipated to be small. Of the three groups listed above, this is most likely to occur within the first group.

Businesses which do expand beyond the constraints of a home-based business are anticipated to locate within commercial centres of the LGA for population serving industries or, for other industries, within co-working spaces or small office suites, although it is by no means guaranteed that they will remain within the Canada Bay LGA.

TABLE 2: TOP 20 INDUSTRIES IDENTIFIED AS OUT OF CENTRE/HOME-BASED BUSINESSES

Industry	Total count	Partnerships/ Sole traders	Private companies
Architectural, Engineering and Technical Services	997	733	264
Computer System Design and Related Services	836	500	336
Building Completion Services	827	600	227
Building Cleaning, Pest Control and Gardening Services	817	695	122
Real Estate Services	685	466	219
Legal and Accounting Services	642	522	120
Other Administrative Services	551	462	89
Allied Health Services	540	444	96
Cafes, Restaurants and Takeaway Food Services	533	214	319
Building Installation Services	493	311	182
Postal and Courier Pick-up and Delivery Services	463	405	58
Medical Services	458	366	92
Residential Building Construction	452	181	271
Other Personal Services	407	372	35
Other Construction Services	368	322	46
Adult, Community and Other Education	347	322	25
Creative and Performing Arts Activities	323	312	11
Non-Store Retailing	314	252	62
Road Passenger Transport	304	287	17
Other Transport Support Services	286	279	7
<i>Other industries</i>	<i>6,006</i>	<i>3,929</i>	<i>2,077</i>

Source: SGS Economics and Planning 2019; Australian Business Register, 2019

Occupation (POW)

The Occupation (Place of Work) indicator reports the roles of people working within the LGA. Canada Bay has:

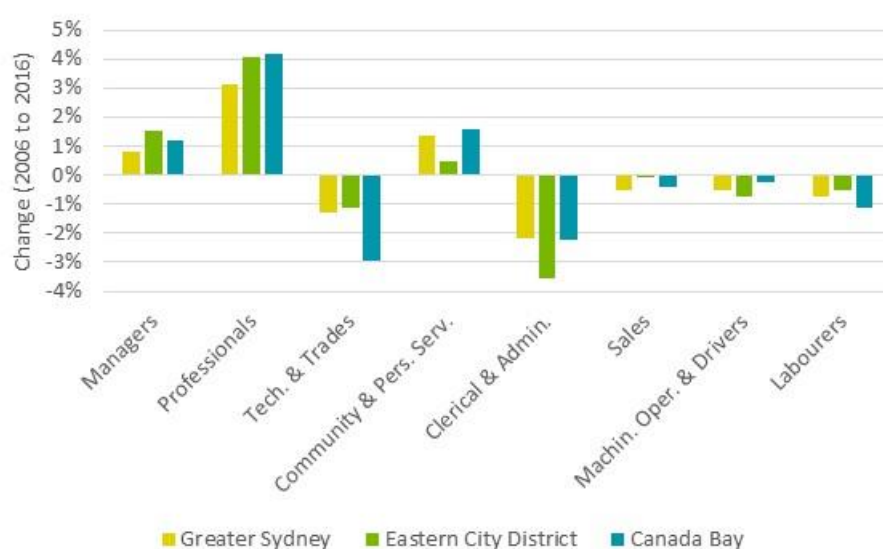
- Most people working in Canada Bay employed as Professionals, Clerical and Administrative Workers, and Managers
- A significant increase in the proportion of Professionals, followed by increases in the proportion of Managers and Community and Personal Service Workers
- A decreasing proportion of people employed as Clerical and Administrative Workers and Technicians and Trades Workers

FIGURE 16: OVERALL OCCUPATION STRUCTURE (2016)



Source: ABS, 2016

FIGURE 17: OVERALL CHANGE IN OCCUPATION STRUCTURE (2006-2016)



Source: ABS, 2006, 2011, 2016

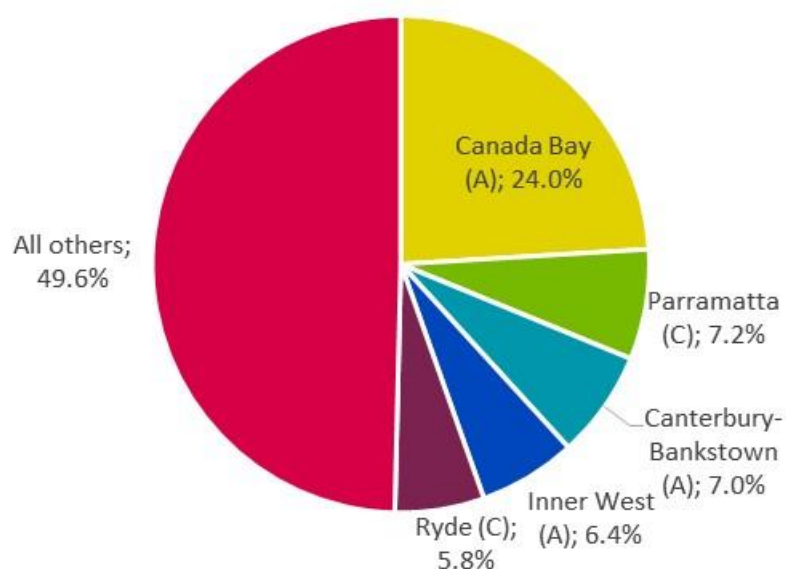
Place of work and employment self-sufficiency (PoW)

Employment self-sufficiency is concerned with the extent to which a region is able to source employees from among the resident workforce. This form of analysis can help to build an understanding of the alignment between local employment and resident skillsets, with employers in regions with high employment self-sufficiency more likely to be able to find employees locally. On the other hand, low employment self-sufficiency within an industry or set of industries may indicate a mismatch between the required skills of local industries and the actual skillsets of the local workforce. Canada Bay has:

- A self-sufficiency rate of 24%, meaning nearly a quarter of local workers also live in Canada Bay (ranked 24th out of 34 LGAs in the Sydney Region).
- Half of its workers travelling from the top 5 LGAs by place of residence (including Canada Bay itself). This reflects its accessibility to surrounding LGAs and residential areas.

- Of note, however, is the comparatively lower job self-sufficiency observed in Healthcare and Social Assistance (20%). Health-related jobs such as nurses and support staff are often considered as 'Key workers' who should be able to locate as close to places of work as possible.

FIGURE 18: PLACE OF WORK (LGA) FOR CANADA BAY RESIDENTS, 2016



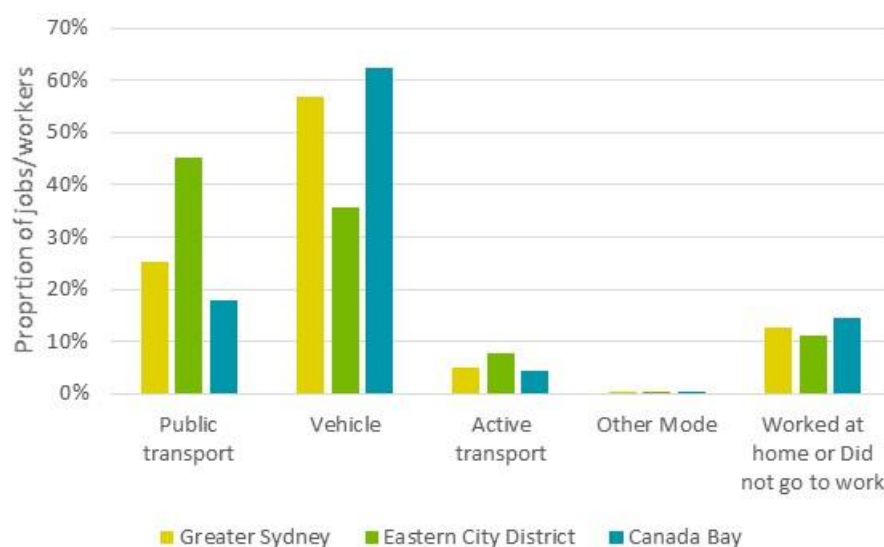
Source: ABS, 2016

Method of Travel to Work (POW)

The method of travel to work (Place of Work) indicator reports how those who work within the LGA travel to work. Canada Bay has:

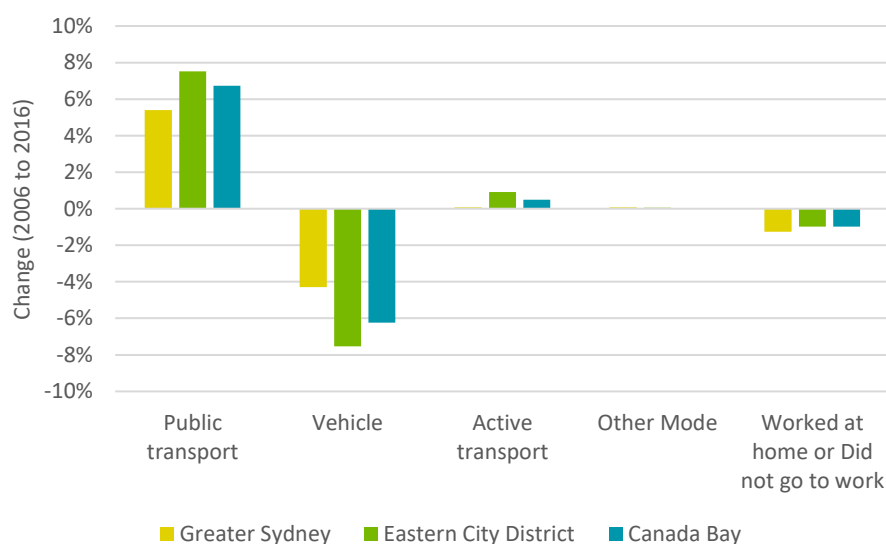
- A high proportion of people using private vehicles in commuting to Canada Bay (62%); however, the proportion of workers travelling via private vehicle has declined from 2006-2016 (6.2% decrease)
- 18% of people working in Canada Bay travelling to work by public transport.
- A significant increase in proportion of commuters using public transport (6.7%), higher than Greater Sydney average (5.4%).

FIGURE 19: OVERALL METHOD OF TRAVEL TO WORK STRUCTURE (2016)



Source: ABS, 2016

FIGURE 20: OVERALL CHANGE IN METHOD OF TRAVEL TO WORK STRUCTURE (2006-2016)



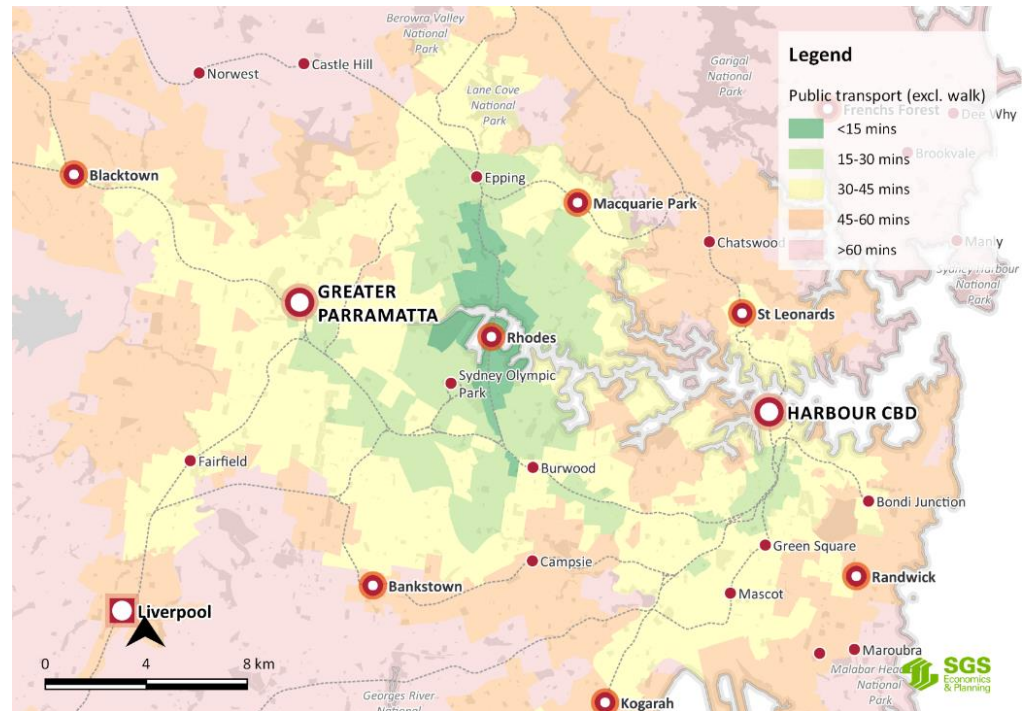
Source: ABS, 2006, 2011, 2016

Labour market accessibility

Labour market accessibility refers to how many people in the workforce are able to access a particular place within a certain time period. This is measured by both access via public transport and private vehicle, to identify relative strengths or deficiencies in the transport network to accessing employment.

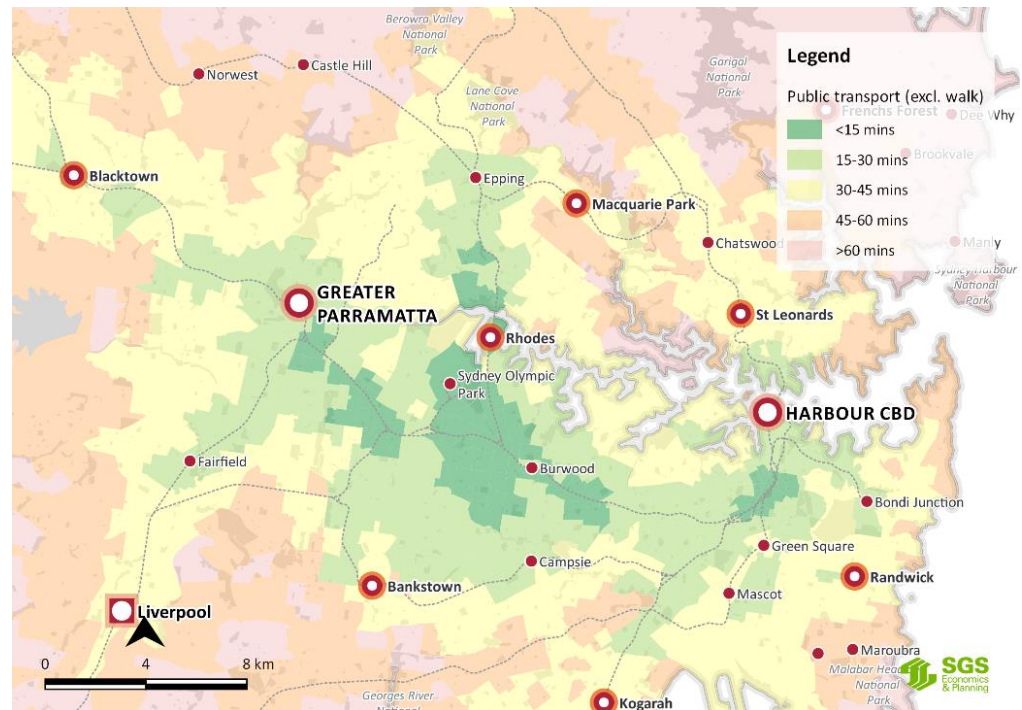
In keeping with the GSC's focus on the 30-minute city, this has been mapped in Figure 21 and Figure 22, centred on two rail-oriented centres – Rhodes and Strathfield. What this clearly shows is the relative lack of reach Rhodes Station has compared with Strathfield on the Western Line.

FIGURE 21: PUBLIC TRANSPORT TRAVEL TIME CATCHMENTS – RHODES STATION



Source: SGS Economics and Planning, 2019

FIGURE 22: PUBLIC TRANSPORT TRAVEL TIME CATCHMENTS – STRATHFIELD STATION

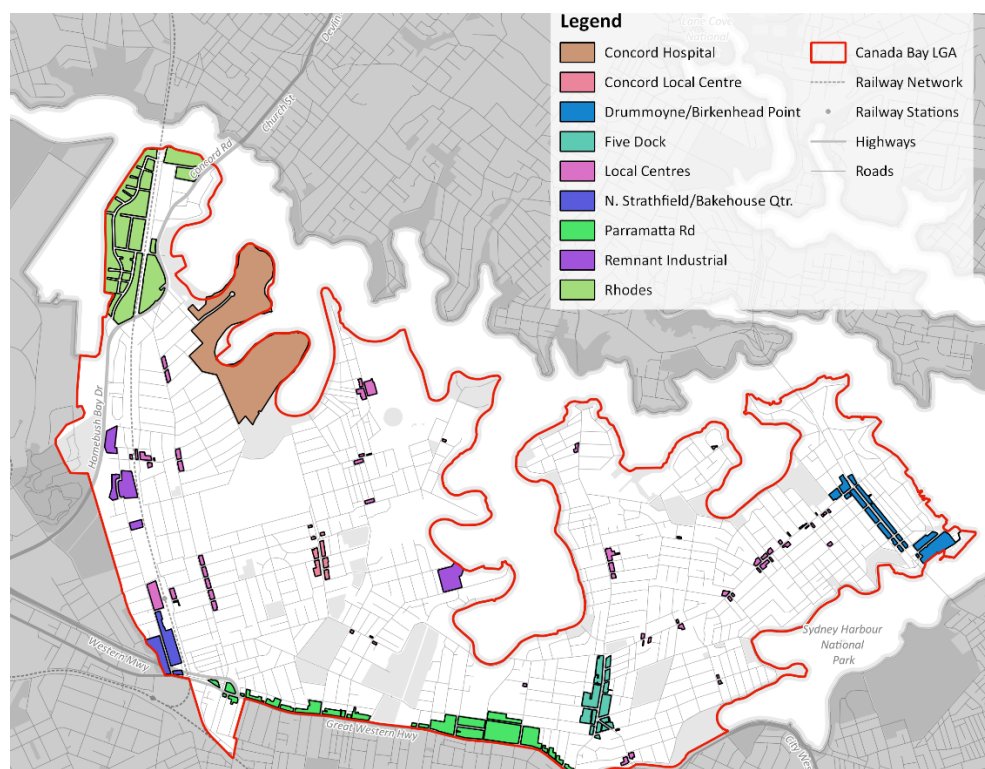


Source: SGS Economics and Planning, 2019

3.3 Canada Bay's centres and precincts

Canada Bay has a diversity of centres that cover the spectrum of Greater Sydney's centre typologies. This study defines the centres and precincts based on their role and function. These are identified in Figure 23 below. Some of the centres are very small in their scale and catchment. These have been collectively identified as Local Centres.

FIGURE 23: CANADA BAYS'S EMPLOYMENT PRECINCTS



Source: SGS Economics and Planning, 2019

Strategic centres

Rhodes

Designated as a Health and Education Precinct by virtue of its proximity to Concord Hospital, Rhodes has developed as a corporate business park centred on Rhodes Train Station, since the peninsula's transition away from heavy industry.

Today, Rhodes is a mix of commercial offices, as well as destination retail (driven by IKEA) and a local population-serving centre with a maturing dining and retail offer. Rhodes Waterside shopping centre provides a range of local retail needs for the large (and increasing) residential population.

Rhodes' transport accessibility, large lot sizes, established employment cluster and industrially-zoned land has been a continuing driver for residential intensification. The current Rhodes East plan envisages the precinct accommodating another 4,200 new dwellings and 40,000sqm of commercial floorspace over the coming years, although the residential character of these areas may result in a slower pace of growth than previously observed.

Local Centres

Bakehouse Quarter (North Strathfield)

A former industrial precinct, the Bakehouse Quarter in North Strathfield is a well-scaled centre that has retained elements of its former industrial built form while transitioning to a mixed-industry precinct that accommodates a range of food and entertainment uses as well as commercial development to support local and small businesses.

It is well located directly south of North Strathfield Station, which is identified as a future station location for the Sydney Metro West project. The Bakehouse Quarter provides local retail in the form of an IGA for the recent development in the Strathfield Triangle to the south of the precinct.

Concord

Concord's largest local centre, the vibrant retail and dining precinct on Majors Bay Road is a highly utilised and well-designed local centre. It is dominated by food and beverage and small-scale retail, as well as accommodating a supermarket and range of local services such as solicitors and local financial advisors. This small commercial footprint is accommodated in a mix of retail space, shop-top offices and a small local business centre in the precinct's northern end.

Five Dock

Five Dock is a long-established local centre of significant scale. Straddling Great North Road, Five Dock provides an almost 700-metre-long main street of predominately small-scale local serving retail, food and businesses. Five Dock accommodates a full line Coles and is one of Canada Bay's most significant retail centres. The centre also serves a civic role, with a local library in the centre. The built form of the older building stock accommodates a mix of ground floor retail with shop top commercial and residential uses.

Five Dock is also identified as a future location for a Sydney Metro West station. This will have a significant impact on the role and function of the centre in the future.

Drummoyne

Drummoyne is the largest of the local centres in the LGA's east. Predominantly concentrated along Victoria Road, it is a mix of ground floor retail and local businesses, along with some newer retail on the ground floor of recent residential development. The strip along Victoria Road is characterised by a low urban quality due to its position on one of Sydney's busiest roads, resulting in a high number of vacancies.

At the intersection of Victoria Road and Lyons Road, a cluster of shops, a small IGA and some civic uses (including the Council chambers) are present, but do not appear to contribute to creating a clearly defined centre. In both directions along Victoria Road, the centre gradually peters out, without clearly defined gateways to landmarks to indicate the centre's presence.

Breakfast Point

Breakfast Point is a New Urbanist-styled residential development characterised by a mix of medium and high-density residential development. This development is centred around a local set of shops that provide an IGA as well as other local services such as hairdressers. It also has a well patronised dining quarter.

Other centres and precincts

Parramatta Road

The Parramatta Road precinct is a collection of functioning employment zones that line this busy arterial road. It is characterised by a broad mix of uses, including car showrooms and repairs, retail, bulky goods uses, general industrial functions and even residential development. This is reflective of its zoning, being a mix of B6 – Enterprise Corridor and IN1 – General Industrial.

Away from Parramatta Road, around Spencer Street, is one of the few remaining industrial precincts in the LGA. This provides a range of local industrial services, in particular car repairs, wholesale trade uses and even a brewery.

Birkenhead Point

Birkenhead Point has established itself as a retail destination for both the District and Greater Sydney, specialising in factory outlet retailing. Set in a former industrial warehouse, the centre has expanded over thirty years and is defined by being an experiential retail precinct – a place to spend a day shopping and eating.

The centre also has major supermarkets, with Coles and Aldi both in the centre. As a result, the centre is a major local shopping centre for residents of Canada Bay as well as neighbouring Balmain.

Topographic constraints and its waterside presence, coupled with its surrounding residential zoning, present a limit to expansion aside from vertically.

Neighbourhood centres

Many of Canada Bay's other centres comprise of a small set of local shops, mostly to serve local needs through cafes, convenience stores, pubs and local services such as newsagents. These centres are distributed throughout the LGA. These centres include:

- Abbotsford
- Abbotsford North
- Cabarita
- Chiswick
- Concord West
- North Strathfield
- Rodd Point
- Russell Lea

3.4 Summary of findings

- **Canada's Bay employment is precinct focused.** Rhodes, North Strathfield, Concord, Five Dock and Drummoyne hold the vast majority of jobs in the Canada Bay LGA, despite only two of those precincts being serviced by a train station. This may suggest that the areas in between the centres lack the necessary services to attract a strong presence of employment.
- **Certain precincts or centres have specialisations.** Rhodes, Concord Hospital and Birkenhead Point are clearly defined precincts with clear specialisations. Rhodes accommodates the clear majority of Canada Bay's office market while the adjacent Concord Hospital accommodates a significant cluster of health-related jobs. Birkenhead Point has a concentration of retail, but unlike other local retail centres. Birkenhead Point has established itself as a District (if not Metropolitan) level destination, focussing on factory outlets and experiential shopping.
- **Rhodes has clear industry segregation.** Rhodes is classified as a Health and Education by the Greater Sydney Commission. This designation includes Concord Hospital within its catchment. While the precinct does have the mix of knowledge intensive and health jobs that often characterise a Health and Education Precinct, there is a clear spatial delineation between the location of health-related jobs and those in the knowledge sector. This indicates a limited cross-over of the two industry clusters.
- **Many of Canada Bay's other centres are population serving.** With a mix of local and neighbourhood centres, these centres predominantly play a local population-serving role, with local retail, food and dining and local services uses such as solicitors and vets. Some centres such as Five Dock and Concord have established themselves as vibrant and identifiable centres.
- **The workforce is becoming increasingly professional.** Knowledge-intensive and health and education-related jobs employ 59% of Canada Bay's residents. Furthermore, the largest occupation of workers in Canada Bay are employed as Professionals (having seen a 4.6% increase since 2006).

- **Public transport has greater potential.** While public transport use has risen significantly as a proportion of travel methods used to access Canada Bay's jobs, the use of private vehicles is still much higher than public transport (63% compared to 18%).
- **Stations on the Northern Line have lower accessibility than those on the Main Western Railway.** Access to stations along the Western Line (for instance, Strathfield) is significantly higher than in Canada Bay's own stations along the Northern Line. This impacts how many people can easily access major employment centres such as Rhodes and is likely to be a consideration for businesses looking to locate in the region.
- **The industrial role of the LGA is transitioning.** There has been a shift in the makeup of Canada Bay's employment. Both knowledge intensive and health jobs have proportionally increased, at the expense of industrial and population serving. This is driven in part by the continued growth of the Rhodes and Concord Hospital, but also reflects a reduction in land available for industrial jobs, with industrially-zoned land gradually rezoned and these industries in relative decline overall.
- **Concord Hospital is and will continue to be a driver of employment.** However, health-related jobs already have a lower self-sufficiency rate than the LGA, meaning less people who work in the industry live in the LGA when compared to all industries. If this disparity increases, this may make the servicing of hospital jobs increasingly difficult and flags the importance of an allowance for sufficient affordable and affordable rent properties in major residential growth areas.

4. STAKEHOLDER ENGAGEMENT

SGS has held discussions with relevant stakeholders to seek their insights into current issues and future potential of the local Canada Bay economy. These insights will shape the direction of the employment and productivity strategy actions and recommendations. This chapter identifies the key points from these engagements and what it means for the future of Canada Bay's centres and precincts.

4.1 Introduction

This engagement sought to understand the range of issues and opportunities identified by different stakeholders involved in the local Canada Bay economy. This engagement process complemented the previous policy review process and referenced the policy implications identified through that process where appropriate to better understand what is happening on the ground in Canada Bay's various centres. The findings from the stakeholder engagement process have informed the emerging directions of the Employment and Productivity Study.

Methodology

Between December 2018 and January 2019, SGS engaged several key stakeholders within the Canada Bay business and centre community. The stakeholders were identified in the initial phase of the study in discussion with Council. SGS engaged the stakeholders through a series of targeted questions asked to targeted contacts through phone interviews.

Stakeholders were characterised into four categories:

- Business groups;
- Local businesses;
- Place or facility managers; and,
- Government agencies

To date, the engagement has focused on the top three of these categories due to their ability to provide locally specific insights. Government agency positions have at this time been focused on public policy positions identified in various strategies including The Greater Sydney Commission's Metropolis of Three Cities and Eastern City District Plan and the Department of Planning and Environment's Rhodes Revised Draft Precinct Plan.

It is intended that consultation with these key government agencies will follow the development of preliminary strategies.

As part of the engagement process SGS held discussions with:

- Drummoyne Business Chapter;
- Rhodes Waterside Shopping Centre;
- WOTSO;
- Knight Frank;
- Rhodes Corporate Park;
- Concord Hospital;
- Bakehouse Quarter (very brief);

Contact was also sought with the following stakeholders, however SGS was unable to engage with them:

- Five Dock Chamber of Commerce;

- North Strathfield Village Chamber;
- Birkenhead Point.

This report provides both a summary of the key themes that emerged from the engagement process as well as notes taken from each discussion as an Appendix.

Questions

Each group have a slightly different focus or interest in the LGA. As such, a different set of questions was asked for each. The questions asked were:

Business Groups Questions

- What type of businesses do you represent?
- What is the role of your local centre?
- What are the trends in business demand you have witnessed in your areas? (business moving in or out? / change in demand for type of property/floorspace?)
- What has that meant for the type of facilities, infrastructure or amenities that the businesses require?
- What are the barriers you or your businesses face in realising this?
- What challenges or threats do your businesses or areas face and why?
- What opportunities do you see for your local businesses and centres? (specialisation/amenity, anchor retail)
- What are the current market conditions you are observing?
- What impact do you think that the development along Parramatta Road and in Burwood, Strathfield and Homebush will have on your area?
- What would you want an employment centres strategy to address for your centre?
- Are you happy for us to contact you again as we develop our strategy in partnership with Canada Bay?

Business Questions

- What type of businesses are you?
- Where do you operate?
- What is your customer profile? Is it local, Metropolitan, National or international?
- Why have you chosen to locate where you have?
- What challenges or threats do your businesses or areas face and why?
- What opportunities do you see for your business in Canada Bay?
- What are the current market conditions you are observing?
- What impact do you think that the development along Parramatta Road and in Burwood, Strathfield and Homebush will have on your business?
- What would you want an employment centres strategy to address for your Business?
- Are you happy for us to contact you again as we develop our strategy in partnership with Canada Bay?

Place Management Questions

- What type of businesses do you represent?
- What is the role or specialisation of your centre?
- What are the trends in business demand you have witnessed in your areas?
- What has that meant for the type of facilities, infrastructure or amenities that the businesses require?
- What are the barriers you or your businesses face in realising this?
- What challenges or threats do your businesses or areas face and why?
- What opportunities do you see for your local businesses and centres?
- What are the current market conditions you are observing?
- What impact do you think that the development along Parramatta Road and in Burwood, Strathfield and Homebush will have on your area?
- What would you want an employment centres strategy to address for your centre?

- Are you happy for us to contact you again as we develop our strategy in partnership with Canada Bay?

4.2 Key Themes

While each discussion focused on issues specific to that stakeholder, the engagement process identified three over-arching themes:

- The Changing Face of Rhodes;
- Accessibility;
- The Future of the Health Precinct/Concord Hospital.

These are expanded on below.

The Changing face of Rhodes

Relevant stakeholders:

- Rhodes Corporate Park
- Rhodes Waterside
- Knight Frank
- WOTSO

Context

The Greater Sydney Commission has identified Rhodes as both a strategic centre and a Collaboration Area given its proximity to Concord hospital. The Eastern District Plan highlights that there is further employment growth expected and the revised Rhodes masterplan identifies future residential development on the peninsula.

Insights

- **Long term vacancies.** Rhodes currently faces several long-term vacancies. Knight Frank indicated that new commercial buildings in Ryder Boulevard had an estimated 10,000sqm of currently unlet floorspace across several floors due to recent tenant departures. Rhodes Corporate Park indicated that they are expecting approximately 30,000sqm of currently let floorspace to come back onto the market in the next two years. Anecdotally, it was also suggested that many of the commercial tenants in Ryder Boulevard precinct are residential developers currently involved in project in Rhodes and that once this was complete, they would vacate.

Long-term vacancies of this scale indicate a lack of demand, largely driven by competition from other centres such as Parramatta, Sydney Olympic Park and Macquarie Park.

- **Change in demand profile.** The office floorplate demand is also changing. Stakeholders indicated that whereas in the past, whole buildings or floors were previously let to companies, now floors are having to be broken up into smaller suites for smaller businesses (Corporate Park) or let as a whole floor who in turn sub-let (Waterside's commercial suites). Even in the case of Rhodes Corporate Park, this break-up of floors and fit-outs of new buildings still resulted in floorspace taking 24 months to let.

While the demand for smaller units appears to be stable, from a building ownership perspective, this is not an attractive model for commercial floorspace leasing

- **Uncertainty over HP site's future role.** In January Hewlett and Packard announced plans to redevelop the Rhodes site. The details have not yet been released, however, considering the significant potential floorspace and strategic location of the site the outcome of this development will influence the direction of Rhodes.

- **Proposed additional floorspace poses over-supply risk.** The combination of currently unlet floorspace, identified floorspace expected to come back onto market with a changing profile for demand and the anecdotal future vacancies from residential developer tenants raises the risk of an over-supplied local market. This would be exacerbated by the proposal to develop a 40,000sqm commercial building as part of the revised Rhodes East plan adjacent the station.

This presents a risk that Rhodes will accommodate a significant amount of vacant floorspace at a time where other competing centres are gaining market traction. High vacancies push down rents which may discourage future commercial development. Vacancies are also self-fulfilling as businesses are attracted not just by rents but also the vibrancy, amenity and agglomeration potential of a centre.

Accessibility

Relevant stakeholders:

- Rhodes Corporate Park
- Rhodes Waterside
- Concord Hospital
- Knight Frank
- Drummoyne Business Chamber

Context

This theme emerged across consultation with a variety of stakeholders. While different issues pertain to different centres, the challenge of accessibility was seen as a recurrent and significant issue. This was characterised by:

- limited parking in Rhodes;
- multi-modal public transport requirements;
- limited parking in local centres;
- traffic around major arterials;
- Accessibility within Canada Bay.

Insights

- **Multi-route public transport access seen as a negative.** Several respondents highlighted the multi-mode transportation options that workers must take to reach Rhodes was seen negatively. There are limited direct public transport routes, owing to Rhodes being on a peninsula. Concord Hospital, Rhodes Waterside and Rhodes Business Park all noted transport access as a hindrance to convenience.
- **Limited parking in Rhodes.** Even though Rhodes is on the train line, limited parking was a concern for the stakeholders. As people travel from all over Sydney to work in Rhodes, limited parking provision makes the centre less attractive. Businesses such as Rhodes Business Park and Rhodes Waterside highlighted parking constraints and in particular, the Waterside Parking being used by office workers taking up spaces all day.
- **Rhodes is less accessible than other competing centres.** A relative lack of accessibility, coupled with perceptions of lower amenity for workers, have seen some businesses relocate to competing centres such as Parramatta. Anecdotal evidence from Rhodes Waterside Shopping Centre indicated that one particular business had moved to smaller, more expensive office in Parramatta due to convenience and amenity. It was also flagged that with Rhodes earmarked to expand as a commercial centre, limited parking will become increasingly unattractive for potential shoppers, residents and businesses.

These three points combined support the comments about Rhodes as a centre being less attractive. The lack of direct access for people in the workforce is seen as less attractive than other centres on higher-frequency lines such as the Western line. This *relatively* lower accessibility means more people drive which, in turn, exacerbates the parking issues raised. It also drives businesses to locate in more accessible centres, even at higher expense, because of the perceived benefits of workforce accessibility.

- **Limited parking in other centres.** Limited parking provision throughout Canada Bay was also highlighted by other stakeholders, particularly the Drummoyne Business Chamber. Smaller centres and businesses along major arterial roads were the most likely to suffer from limited parking. It was noted that customers are driven by a convenient shopping experience and were happy to travel elsewhere for an easier experience. Consequently, smaller local centres, who rely on local customers, are at the greatest risk without an increase of parking provision. The Drummoyne Business Chamber suggested that the centres with the greatest provision of parking were the most likely to get the most business
- **Traffic issues.** Traffic along major arterial roads was also considered a hinderance to businesses as centres.

Canada Bay has a number of local and neighbourhood centres. Access to these centres was considered to be impacted by traffic but exacerbated by a lack of parking. These centres (for instance those along Concord Road) are predominately local serving in their function, yet they are surrounded by low density residential development, meaning that there is less likely to be a critical mass of people within walking distance. Parking is therefore more important for these centres and particularly so for those that are not large enough to draw visitation from further away (such as Five Dock or Majors Bay road for instance).

- **The changing nature of work.** Consultation with WOTSO indicated that people are increasingly seeking flexibility and not requiring larger offices in order to run businesses. Flexible and easily accessible shared office facilities allow people to work locally and even support remote working from outside of Greater Sydney.

Both an accessibility and centre function insight, the increasing role of co-working facilities such as WOTSO may change the type of commercial offer that Canada Bay as a whole provides in the future. An increase in density and relatively high-income levels may indicate a potential opportunity to support local residents in small scale businesses and start-ups, rather than the traditional large corporate that centres like Rhodes has traditionally attracted. This is supported by anecdotal evidence from the Social infrastructure project team that suggests publicly provided facilities such as the Connection in Rhodes are already highly utilized and possibly at capacity.

Health Precinct / Concord Hospital

Relevant stakeholders:

- Concord Hospital
- Rhodes Corporate Park
- Rhodes Waterside
- Drummoyne Business Chamber

Context

Concord Hospital is a 750-bed hospital with a strong teaching role, connected with the University of Sydney. It is currently embarking on a master planning phase to accommodate future growth. This expected to be entirely accommodated within current hospital land.

Insights

- **Lack of public transport access.** Rhodes Station is one kilometre away, but bus access is considered to be infrequent to connect to other stations, particularly on the Western Line.
- **Lack of parking.** Parking is considered to be insufficient for the existing demand, particularly given the major carpark is an at-grade one opposite the Hospital. Parking is used by hospital staff as well as patients and visitors.

While only a one kilometre walk from Rhodes Station, the need to cross Concord Road and the lack of activity along the route (either by road or through the path) - particularly for night shift workers – reduces the value of this connection. Shift workers hours often do not align with daytime-focused timetables and key workers may be coming from further afield, forcing people into cars to undertake their journeys to work. Parking is therefore important not just for patients and visitors but employees too.

- **No established operational connection to Rhodes.** Consultation both with Concord Hospital and representatives of the Rhodes commercial community indicated that there is very low operational connectivity between the hospital and Rhodes centre. The distance between the two and the separation by both the rail line and Concord Road were considered impediments. While some commercial suites in Rhodes Waterside were taken by a health centre, it appears more linked to providing local health services to the Rhodes community than due to the proximity to the hospital. Further, many doctors who aren't able to find consulting rooms on the hospital grounds appear to prefer suites in Burwood and Strathfield.

This is a critical insight from the consultation. Notwithstanding the limited sample of stakeholders, it aligns with other observations that the hospital and Rhodes centre are too separated physically to truly take advantage of the co-location benefits that a mature health precinct requires. Proximity is considered critical to efficient operations of such precincts to enable practitioners to easily move between medical practice and research and consultation.

- **Limited housing options.** Consultation with hospital representatives suggested noted that while Concord Hospital is a large teaching hospital, there appears to be limited accommodation for students nearby. It was noted that the students are not at hospital full time and still require attendance at various universities such as University of Sydney, so accommodation proximity is not necessarily essential. This is also an issue for other hospital users such as junior medical staff and patient families.
- **Lack of retail and food options.** The hospital has limited food and retail opportunities and its connection to nearby neighbourhood centres such as Concord West are weak due to the limited options in the centre. As discussed above, access to Rhodes retail outlets is of limited value for employees due to the distance and the structure of hospital shifts limiting the time people have to get to Rhodes and back. It was noted that there has been a big take-up of Uber eats deliveries to the hospital, perhaps reflecting a lack of proximate food options. It was noted however that the new hospital development will increase retail provision.

The lack of retail and food provision provides an opportunity to better connect to Concord West, although it is noted that it is very difficult for planning to dictate business location.

- **Developers have begun land banking.** It was identified that many of the larger residential lots adjacent the hospital have been acquired possibly to facilitate the development of a future private hospital or private medical suites. This has not been corroborated;

however, it indicates a consolidation of health functions at the hospital site, rather than an expansion of these uses towards Rhodes.

- **Local centres provide a strong health role.** While not involved in the health precinct, many of Canada Bay's centres provide health services for the population. These are distinct from the hospital uses. Site visit observations from SGS support this, noting uses such as doctors' surgeries, physiotherapists etc. frequently operating in main street shops.

5. SUPPLY-DEMAND ANALYSIS

This chapter examines the supply – demand characteristics of the Canada Bay’s various employment floorspace types. A full version of the chapter, including some additional tables and data showing interim steps of the analysis, can be found in Chapter 9: Appendix to Supply-Demand Analysis, beginning on page 99.

5.1 Approach

Overview of process

The first section of this chapter (section 5.2) contains the supply-side analysis, which identifies the current supply of employment floorspace and the capacity under the current planning controls within Canada Bay. Four capacity scenarios are modelled and presented in more detail.

Floorspace demand for retail and hospitality uses are modelled separately from the demand for floorspace generated by other uses. The non-retail demand has been modelled using forecast employment growth, and demand for retail and hospitality uses has been modelled using the SGS retail gravity model, shown below in sections 5.3 and 5.4 respectively.

The total demand is then compared against the capacity under current planning controls to identify a floorspace gap, indicating whether there is sufficient capacity to meet the forecast growth in demand. This is contained within section 5.5 below, beginning on page 46.

Floorspace classification

Four broad building typologies are used to classify employment floorspace within this analysis:

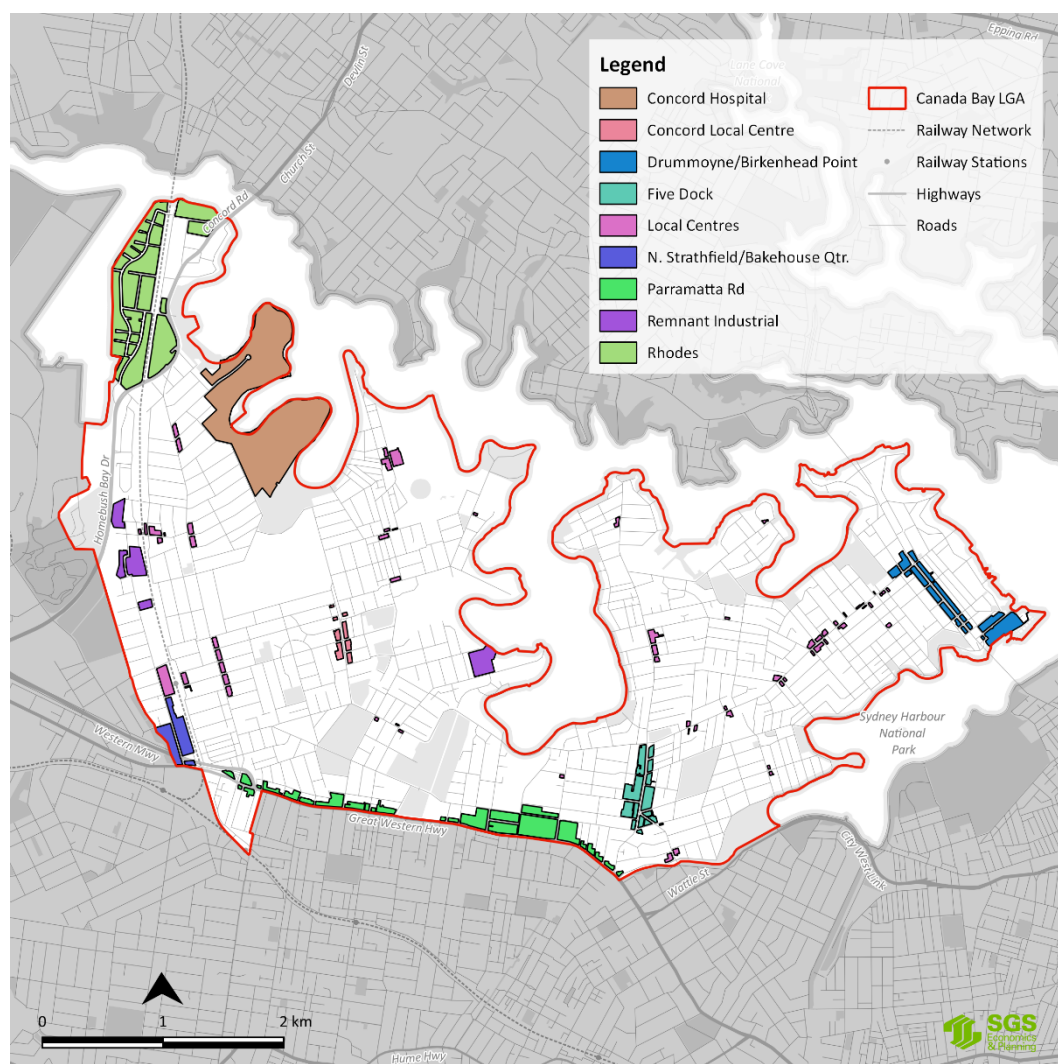
- Main Street Retail/Big Box Retail
- Bulky Goods Retail
- Commercial Office
- Industrial.

While these typologies are used to identify the type of building, they may not directly align with a building’s specific tenant. Buildings which fall within the main street retail typology, such as those seen in the Concord Local Centre on Majors Bay Road, are frequently occupied by businesses which do not fall into the retail trade industry, such as an accounting firm or real estate agency. As a result, it is important to distinguish between these typologies and the industry of the businesses which may occupy them.

The analysis in this section uses the employment precincts identified within the LGA, reproduced below in Figure 24. Employment floorspace outside of these areas has not been included in the assessment of supply, capacity and demand.

Floorspace demand for institutional uses (e.g. schools and hospitals) is driven largely by public investment policy decisions, which inhibits the ability to model demand using employment projections. Where institutional floorspace is located within an employment precinct, it has also been excluded from supply, capacity and demand calculations. As a result, no modelling has been undertaken for the Concord Hospital precinct. Future floorspace for the hospital will be identified by separate masterplanning processes driven by NSW State agencies such as Health Infrastructure NSW and the Sydney Local Health District.

FIGURE 24: CANADA BAY'S EMPLOYMENT PRECINCTS



Source: SGS Economics and Planning 2019

5.2 Supply-side analysis

Current employment floorspace supply

The current supply of floorspace by precinct is shown in Table 3 below.

- For Main Street Retail floorspace (excluding big box retail), Five Dock is identified as the largest centre by a clear margin, with Concord local centre being the next largest. This reflects the established Main Street typology of both these centres. A substantial proportion of retail floorspace is distributed throughout the LGA in local and neighbourhood centres.
- Big Box Retail floorspace is identified in Rhodes Waterside and Birkenhead Point. Both these centres have significant enclosed shopping centres. The North Strathfield/Bakehouse Quarter precinct also contains a substantial amount of specialty retail floorspace.
- Office floorspace is concentrated in the Rhodes Corporate Park. Minor concentrations are identified in the Bakehouse Quarter and the remnant industrial lands adjacent in Concord West, the latter of which results from a single low-rise office building (currently occupied by Westpac). A single office development on Parramatta Road was identified, which appears to currently be occupied by a data centre processing transactions for ANZ bank.

- Industrial floorspace is limited to precincts in Leeds St on the Rhodes Peninsula, Five Dock, and remnant industrial lands through Concord West and a single site adjacent to Exile Bay in Concord (the Bushells Site). All industrial lands within the LGA are identified as being subject to processes seeking their rezoning away from industrial use, as a result of State Government planning processes (Rhodes East Planned Precinct and the Parramatta Road Urban Transformation Strategy) and a planning proposal submitted for the Bushells Site.

TABLE 3: CURRENT FLOORSPACE BY BROAD TYPOLOGY

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	67,500	-	185,000	60,100	312,600
Five Dock	64,200	-	-	-	64,200
North Strathfield/ Bakehouse Quarter	28,600	900	21,200	-	50,800
Drummoyne/Birkenhead Point	72,700	2,800	3,800	-	79,400
Parramatta Road (incl. Five Dock industrial)	11,100	43,500	10,600	76,700	142,000
Concord local centre (Majors Bay Road)	20,800	-	-	-	20,800
Local Centres	73,900	300	-	-	74,100
Remnant industrial	-	-	17,100	40,100	57,200
Total	338,800	47,500	237,700	176,900	801,000

Source: SGS Economics and Planning, 2019

Employment within the Canada Bay LGA is outlined above in section 3.2 above. For the purposes of forecasting floorspace demand, the analysis in this section includes only employment and floorspace included in the employment precincts identified above in Figure 24.

Key findings around employment in precincts include:

- Rhodes is the largest centre of employment in Canada Bay, with 80% of its employment being in office-based floorspace. Adding Concord Hospital's employment to Rhodes (in line with the GSC's Strategic Centre definition) increases the total jobs to just over 13,000.¹
- Most of Canada Bay's other centres are predominantly retail focused. In total, retail jobs account for 38% of all jobs in Canada Bay's centres and precincts.

A table showing the current employment profile by precinct can be found in the appendix on page 102.

Capacity under current controls

Using the current planning controls, the capacity to deliver additional employment floorspace has been assessed by SGS. This process involves the identification of the theoretical maximum floorspace yield available on each property within the employment precincts using the maximum Floorspace Ratios (FSR) and building height controls in the Canada Bay LEP 2013.

Land use assumptions used in this analysis can be found in the appendix on page 102.

¹ Please note that this differs from the employment figures contained within the GSRP and ECDP as it uses ABS Census 2016 employment as a base, and only considers employment assessed to be within employment floor space in the precincts identified in Figure 36 above. This allows this study to better examine the commercial roles of Rhodes. The figures in the GSRP and ECDP will be higher as they include other items such as home-based employment, transient construction workers, and also contain assumptions to allocate an estimated undercount in Census employment to different areas of Sydney.

To allow for a more nuanced examination of capacity, four scenarios have been modelled, each with a progressively greater amount of development. Each scenario contains a threshold which is used to identify whether a property is 'redeveloped' up to the maximum theoretical capacity.

- **Low (0%) capacity scenario** – *Vacant sites only*
Vacant sites are developed up to their maximum theoretical yield. This is displayed in below.
- **Medium (40%) capacity scenario** – *Vacant sites, plus capacity on some occupied sites*
In addition to vacant sites, occupied sites where the current floorspace is less than or equal to 40% of the theoretical maximum yield are assumed to be developed to the theoretical maximum capacity. Sites greater than 40% of the theoretical maximum yield stay at their current levels of supply.
- **Medium (60%) capacity scenario** – *Vacant sites, plus capacity on some occupied sites*
In addition to vacant sites, occupied sites where the current floorspace is less than or equal to 60% of the theoretical maximum yield are assumed to be developed to the theoretical maximum capacity. Sites greater than 60% of the theoretical maximum yield stay at their current levels of supply.
- **High (100%) capacity scenario** – *Vacant sites only, plus capacity on occupied sites*
In addition to vacant sites, occupied sites where the current floorspace is less than or equal to 100% of the theoretical maximum yield are assumed to be developed to the theoretical maximum capacity. Sites greater than 100% of the theoretical maximum yield stay at their current levels of supply.

It is important to note that the 'redevelopment' of a site may not actually increase the amount of employment floorspace. The majority of business zones in the LGA permit shop top housing development, with the assumed built form in these zones delivering only a single storey of retail floorspace. Where the current supply of retail floorspace is greater than the amount likely to be delivered through redevelopment, a reduction in the total supply is observed.

As a result, some higher capacity scenarios display lower yields of employment floorspace, despite having a higher total yield once residential floorspace is considered. This is illustrated in the fact that the total yield of employment floorspace under the high capacity scenario (shown in Table 4 below) is 40,000m² lower than what is identified in the Medium (60%) capacity scenario.

Similarly, bulky goods retail has not been identified as the highest and best use in any zone. This leads to each scenario capacity having a lower amount of bulky goods floorspace than current supply.

All capacity scenarios in the tables below include the existing supply of floorspace on sites not identified for redevelopment under that specific scenario's assumptions.

TABLE 4: CAPACITY UNDER CURENT CONTROLS – SUMMARY OF SCENARIO RESULTS

Capacity scenario	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Low scenario	399,700	49,900	237,800	179,800	867,300
Medium (40%) scenario	445,600	40,000	284,300	177,000	946,900
Medium (60%) scenario	452,000	30,000	284,300	203,500	969,800
High scenario	406,200	22,100	263,100	238,100	929,600

Tables showing the breakdown of capacity results by precinct can be found in the appendix, beginning on page 105.

5.3 Non-retail floorspace demand

Projected employment profile

NSW TPA projections² have been used to identify the growth of employment within the study area, by ANZSIC 1-digit industry classification. Across the study area, there is projected to be demand for an additional 17,730 jobs between 2016 and 2036.

- These figures are trend-based, and as such are heavily influenced by recent patterns of job growth within the LGA. This can be considered as a baseline assessment, showing the anticipated employment growth based on extrapolated trends. As a result, these employment projections should not be viewed as a 'do nothing' scenario (one which will eventuate if no action is taken to facilitate and encourage employment growth).
- Additionally, these projections utilise 2016 Census data in their base inputs and do not capture employment trends observed in Canada Bay after this point. By way of explanation, substantial growth is forecast in the financial and professional services industries in Rhodes, based on historic observed growth rates, however current market observations (discussed in Chapter 4) are not reflected in these growth assumptions.
- Education and health uses are also identified for substantial growth. Growth in these industries is largely driven by institutional employers such as schools and Concord Hospital, outside of the employment precincts used in the forecasting of employment floorspace.
- Population serving industries, such as retail and hospitality uses and the Other Services industry are also forecast to grow substantially, with these uses likely to be a significant driver of growth in the employment precincts under consideration.

The distribution of employment under the TPA projections across the LGA is shown below in Figure 25. Owing to the trend-based nature of the forecasts, the distribution of growth is concentrated in areas which are identified as being concentrations of employment at the current time, maintaining similar industry profiles when the four broad industry groupings shown below.

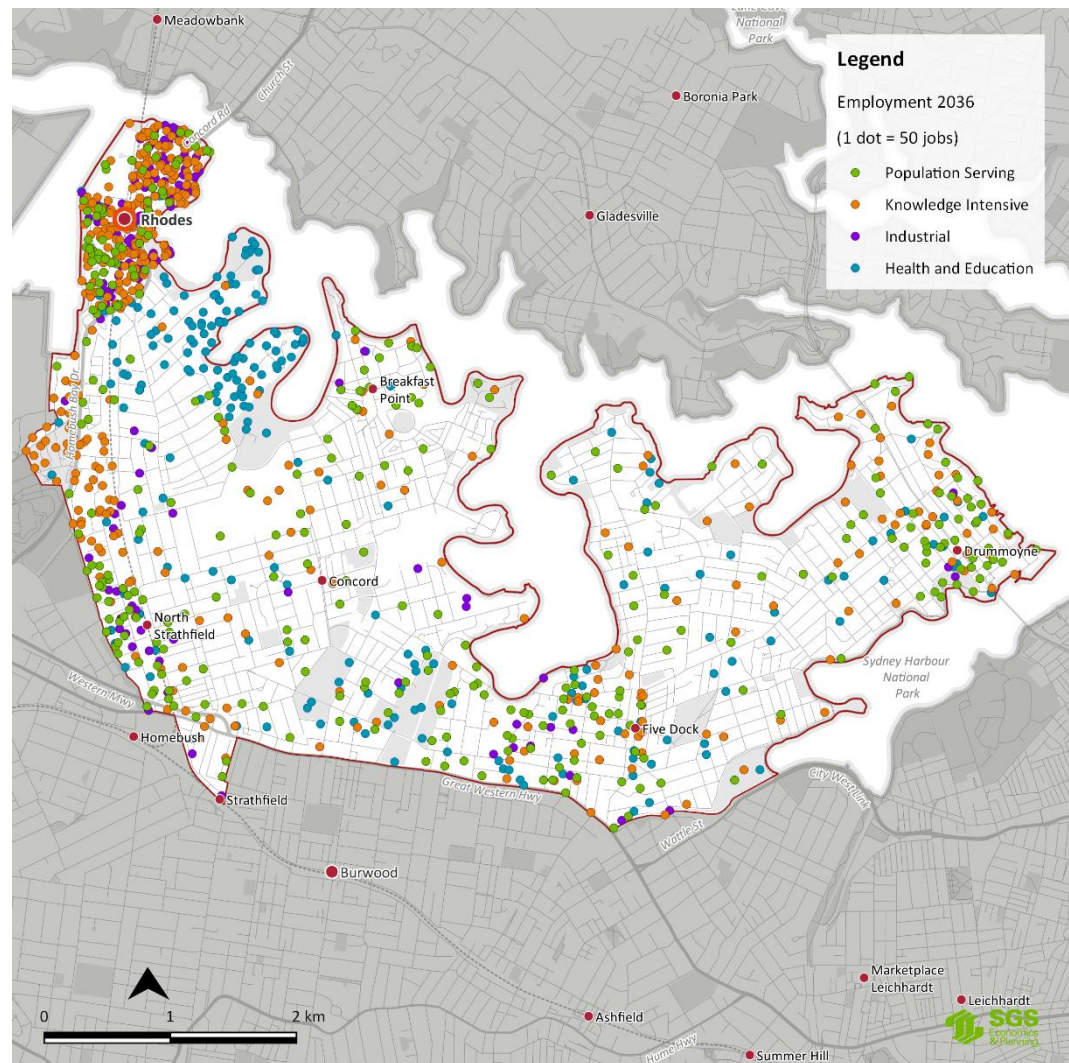
The employment profiles above have been increased in line with the TPA employment projections to identify forecast employment growth to 2036.

The current distribution of jobs has been used to allocate the forecast growth to different precincts, presenting a base case scenario where existing employment expands in situ and at the rate of expansion identified in each travel zone. In reality, the demand growth may be distributed differently, either in a different location within the LGA, or where employment growth forecast within Canada Bay takes place in a different LGA (and vice versa).

Tables showing forecast employment in the LGA and the breakdown of employment growth by precinct can be found in the appendix on page 107 and 109 respectively.

² Transport Performance and Analytics (2019), Transport for NSW,
<https://opendata.transport.nsw.gov.au/dataset/employment-projections>

FIGURE 25: CANADA BAY EMPLOYMENT BY BROAD INDUSTRY GROUPINGS (2036; 1 DOT = 50 JOBS)



Source: SGS Economics and Planning, 2019

Floorspace demand

Commercial floorspace usage is not static. The same amount of floorspace can accommodate different numbers of jobs depending on the industry or even business. A number of trends will influence how jobs and businesses seek commercial floorspace over the next twenty years. Increasing trends in hot-desking, technological improvements and increased workplace flexibility enable people to work from home regularly (or even permanently). These changes will shape business decisions regarding how much floorspace they require. These trends are to some degree implied in the TPA employment projections, with the resulting forecasts presuming these jobs will be in the LGA and heavily concentrated around centres.

The floorspace demand projections in this study are based on the TPA projections that identify future job growth and assumptions regarding the current relationship between jobs and floorspace.

Floorspace demand has been ascertained through the following process:

- Using the forecast growth in employment to identify future levels of demand for non-retail employment floorspace within the LGA, based on SGS standard job to floorspace ratios.

- Floorspace demand for retail and hospitality is modelled using the SGS retail gravity model, presented below in section 5.4, and as such is not included in the results below.
- A number of non-retail uses occupy floorspace within buildings that have a retail typology, and as such the Main Street/Big Box Retail and Bulky Goods Retail typologies are still present in this part of the analysis.

Table 5 below shows the forecast demand for non-retail employment floorspace in 2036 based on the current distribution of jobs and floorspace within the LGA. In line with the industry forecasts, office-related forecast is expected to grow most significantly, followed by retail-related floorspace. Of note also is the forecast growth in industrial floor space when the available land is intended to be rezoned to residential and mixed use.

TABLE 5: NON-RETAIL FLOORSPEACE DEMAND (FORECAST CHANGE TO 2036)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	9,752	-	90,123	11,961	111,836
Five Dock	13,090	-	-	-	13,090
North Strathfield/ Bakehouse Quarter	11,448	232	10,236	-	21,916
Drummoyne/Birkenhead Point	13,650	205	1,680	-	15,534
Parramatta Road (incl. Five Dock industrial)	4,141	11,395	2,655	15,023	33,214
Concord local centre (Majors Bay Road)	5,849	-	-	-	5,849
Local Centres	18,261	224	-	-	18,485
Remnant industrial	-	-	26,227	6,366	32,592
Total	76,190	12,056	130,920	33,350	252,516

Source: SGS Economics and Planning, 2019

5.4 Retail Modelling

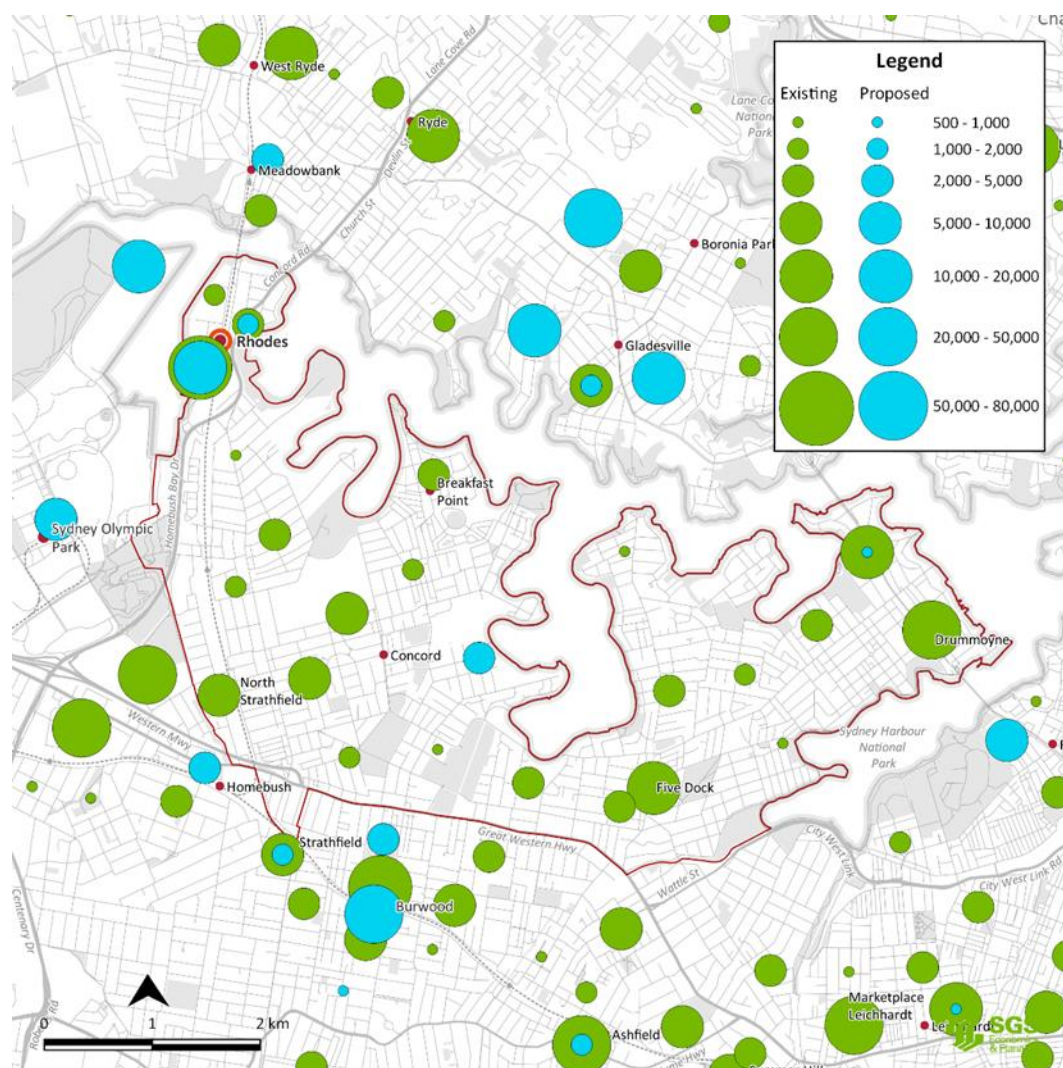
Local Retail System

The local retail system for the Canada Bay LGA comprises of the council boundaries, in addition to areas in close proximity, including Ryde and Gladesville to the north, Burwood and Ashfield to the south, Rozelle and Balmain to the east and Sydney Olympic Park and Homebush to the west.

As seen in Figure 26, the largest existing centres within the LGA are Birkenhead Point, Victoria Road, Five Dock, Rhodes and North Strathfield. Outside of the LGA, the largest centres are found in Ryde, Homebush, Burwood, Ashfield and Leichhardt. Proposed floorspace within Canada Bay is projected to occur predominantly in Rhodes, whilst occurring around Gladesville, Burwood and Wentworth Point.

The broader retail system used in this analysis spans across the Sydney GCCSA (Greater Sydney). Utilising a broader system that captures as much retail floorspace and expenditure as possible represents a more accurate reflection of real-world expenditure patterns.

FIGURE 26: EXISTING AND PLANNED RETAIL FLOORSPACE ACROSS THE CANADA BAY LOCAL RETAIL SYSTEM



Source: SGS Economics and Planning, 2019

Existing and Planned Floorspace

Retail floorspace data has been collected using a blend of various datasets including building footprint data (Geoscape), Shopping centre databases, fine-grain retail audits, previous retail studies across Sydney as well as Census data where jobs and occupations are converted to floorspace.

Existing Floorspace

There are 29 retail centres that are over 5,000 sqm (See Table 31). Seven centres are located within the Canada Bay LGA, whereas the other 22 are located outside of the local government boundary. The three largest centres are located at Westfield Burwood located south of the LGA, as well as Rhodes Waterside and Birkenhead Point which are within the LGA. Westfield Burwood holds the most amount of supermarket and department store floorspace. Rhodes Waterside holds the most amount of household goods floorspace, most notably due to the presence of IKEA. Birkenhead Point, holds the most amount of clothing floorspace, due to it being a factory outlet centre, of which it has a district, if not metropolitan recognition for. Other notable centres include Homebush Business Centre which holds the most amount of Other Retail and Flemington Markets which holds the most amount of Other Food floorspace.

Proposed Floorspace

By 2026, there is anticipated to be around 156,757sqm of additional retail entering into the local trade system, although 87% of this is outside of the Canada Bay LGA. Approximately 85,875sqm is set to be introduced by 2021, with another 70,882 sqm by 2026. No available data is available for centres beyond 2026.

There are 20 centres across the local retail system which are expected to increase their retail floorspace between 2016 and 2026 by over 500sqm. Of these 20 centres, there are four located within the Canada Bay LGA. These include Rhodes Waterside (15,211 additional sqm), Concord Remnant Industrial (3,020sqm), Rhodes Commercial and Business Park (1,684 additional sqm) and Drummoyne Local Centre (991 additional sqm).

The remaining centres with the remaining 16 located adjacent to the local government boundary. The largest planned retail centres to occur prior to 2021 are found in Gladesville (34,710 additional sqm), Sydney Olympic Park (16,824 additional sqm) and Olympic Park Station (7,832 additional sqm). The largest planned retail to occur by 2026 is found in Burwood Station (32,560 additional sqm), Tennyson Village (10,566 additional sqm) and Gladesville (10,358 additional sqm).

Tables showing current and planned retail floor space can be found in the appendix, on pages 112 and 113.

It is noted that this does not include planned retail floorspace in Kings bay from the PRCUTS. This is because his floorspace has not yet been committed to. Instead, this process provides guidance on how much is likely to be required as the Kings Bay precinct grows.

Retail Gravity Modelling

A retail gravity model was applied to analyse the future demand and supply of retail across the Canada bay LGA and the surrounding local trade area. Gravity modelling simulates where people will spend their money when given the choice of different retail destinations. It considers additional variables such as spending by retail commodity type (i.e. groceries, clothing), the distance they have to travel and the attractiveness of that centre. A large Westfield for instance, tends to have greater 'pull' or 'gravity' compared to a local retail high street. Gravity modelling is built from two main components – Retail Expenditure (Demand), which is converted to Turnover via the gravity model (amount spent per metre of retail floorspace) and Retail Floorspace (Supply).

Retail Expenditure

Retail expenditure data has been developed out of resident-based expenditure accounts across 24 commodity groups at an SA1 level (e.g. fresh food, groceries, pharmaceuticals, restaurants, etc). These expenditure accounts are sourced from MarketInfo's Market Data Systems (MDS). MDS are the industry benchmark in estimating small area expenditure that draws on the latest Household Expenditure Survey (HES), ABS Census and other datasets. These expenditure per capita forecasts are then combined with robust small area land use projections for population and employment developed by SGS and Transport for NSW. These projections have also been adjusted to factor in housing capacity limits for within the Canada Bay LGA, based on previous modelling as outlined in previous chapters.

The retail expenditure data also considers changing consumer spending patterns, such as the growing role of online shopping, in addition to factoring in the degree to which expenditure is influenced by work-based, education-based and tourism-based spending. These considerations help to capture overall leakage/capture for the whole system.

All retail commodity groups are expected to experience sustained growth. The largest amount of growth is expected in Supermarkets (71.0%), Household Goods (68.8%) and Clothing (59.5%).

Gravity modelling allows the ability to convert retail expenditure to an estimate of turnover for each retail centre. When combining turnover with the average turnover per square metre, also known as a Retail Turnover Density, or “RTD”, it is possible to estimate floorspace demand for each centre.

Tables showing local retail expenditure and average RTDs for Sydney can be found in the appendix, beginning on page 114.

Retail Turnover

Retail turnover relates to the amount of consumer expenditure being attracted to a particular centre. Higher retail turnover tends to indicate a larger centre capable of attracting a larger number of consumer expenditure. The gravity model determined that turnover across Canada Bay is expected to grow by around 54.1% from \$1.13 billion in 2016 to \$1.74 billion in 2036. This is considered slightly slower turnover growth than is expected across the entire local trade system, which is expected to grow by around 67.2%. The contribution of Canada Bay’s turnover across the local trade system is expected to fall by around -2.3% from 29.1% in 2016 to 26.8% by 2036. This shift is most likely due to the growth of other retail centres outside of Canada Bay.

TABLE 6: RETAIL TURNOVER 2016-36 (\$MILLIONS)

Location	2016	2021	2026	2031	2036	16-36%
Canada Bay	1,129.2	1,210.7	1,366.3	1,570.5	1,739.9	54.1%
Adjacent Centres	2,757.4	3,414.5	3,916.1	4,303.4	4,757.9	72.6%
Total	3,886.6	4,625.2	5,282.4	5,873.8	6,497.8	67.2%
Percentage	29.1%	26.2%	25.9%	26.7%	26.8%	-2.3%

Source: SGS Economics and Planning, 2019

Projected retail turnover by precinct

A table showing projected turnover by precinct can be found in the appendix on page 116. Out of the Canada Bay retail precincts, Rhodes Waterside, Birkenhead Point, Five Dock Local Centre and Rhodes Commercial and Business Park are expected to contribute to around 64.0% of the turnover growth between 2016 and 2036.

Benchmarking centres by RTD

Each centre across Canada Bay has had their individual RTD benchmarked against the Sydney metropolitan average to determine if it is trading above or below the average. The centre likely to experience the highest degree of turnover per square metre in 2036 is Five Dock Industrial at 2.57 times the average Sydney RTD. This is followed by Rhodes Commercial and Business Park (1.87), Breakfast Point NC (1.86) and Concord NC, Crane St (1.69). One factor affecting RTDs is a centre’s size. Larger centres, particularly those with stores that require large floorplates (such as Household Goods) are likely to show lower RTD results. This should be considered when looking at the results of Birkenhead Point and Rhodes Waterside.

A number of centres outside of Canada Bay are also likely to experience stronger than average RTD’s. Olympic Park Station is expected to experience RTD at around 3.40 the Sydney metro average, followed by Five Dock Industrial (2.57), Cnr Linley and Fernleigh in Ryde (2.37) and Ryde-Bowden St and Squire St (2.15).

Tables benchmarking centres by their RTD can be found in the appendix on pages 117 and 118.

Retail floorspace demand

The results of the retail gravity model have identified the demand for retail floorspace will grow by 16,700m² to 2026 and by 45,100m² to 2036. These results are shown below in Table 7 and Table 8 respectively. This demand has been converted back from the retail commodity types used in the SGS retail gravity model into the broad typologies described above on page 35.

In the appendix above a number of non-retail uses were identified to locate within retail typologies. Similarly, there are some retail and hospitality uses which locate in non-retail typologies. For example, a café which services a surrounding industrial area can be located in a warehouse, thereby falling into an industrial typology. As a result, some retail uses are observed in the office and industrial typologies in the tables below.

TABLE 7: CHANGE IN RETAIL DEMAND (2026-2016; SQM)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	10,700	-	600	500	11,800
Five Dock	1,400	-	-	-	1,400
North Strathfield/ Bakehouse Quarter	-100	-	-	-	-100
Drummoynes/Birkenhead Point	500	-	-	-	500
Parramatta Road (incl. Five Dock industrial)	200	700	-	700	1,600
Concord local centre (Majors Bay Road)	100	-	-	-	100
Local Centres	900	-	-	-	900
Remnant industrial	3,000	-	-	-100	2,900
Total	16,700	700	600	1,100	19,100

Source: SGS Economics and Planning, 2019

The slight decline in North Strathfield is likely due to an increased provision of retail floor space in neighbouring centres (e.g. Rhodes, Homebush and Burwood), which reduces demand in North Strathfield as a result of its poorer competitive position. At level of 100sqm, it is not indicative of major change and is within the margin of error of modelling. This should be interpreted as no change.

TABLE 8: CHANGE IN RETAIL DEMAND (2036-2016; SQM)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	21,800	-	2,400	2,300	26,500
Five Dock	4,900	-	-	-	4,900
North Strathfield/ Bakehouse Quarter	700	-	-	-	700
Drummoynes/Birkenhead Point	7,200	100	-	-	7,300
Parramatta Road (incl. Five Dock industrial)	1,200	2,400	-	2,400	6,000
Concord local centre (Majors Bay Road)	1,300	-	-	-	1,300
Local Centres	4,800	-	-	-	4,800
Remnant industrial	3,200	-	-	-100	3,100
Total	45,100	2,500	2,400	4,600	54,600

Source: SGS Economics and Planning, 2019

Online retail and rise of e-commerce

The rise of online retailing has impacted on retail sector growth across Australia, with online retailing accounting for the equivalent of 7.1% of retail spending in bricks and mortar stores in Australia³ in 2015. Key reasons for individuals choosing to shop online are:

- to reduce the amount of time taken to undertake purchases,
- to make it easier to find the cheapest price for a good, and
- to provide flexibility to shop at convenient times.⁴

Over the four years to 2017, ecommerce trade in Australia has witnessed average annual growth of 29%. By 2025, it is estimated that 9.9% of total retail sales in Australia will come through ecommerce⁵. Reflecting this, NSW has witnessed an 8% growth in imports and exports between 2017 and 2018⁶.

The declining Australian dollar has seen a reduction in international online sales as foreign-sourced products have become expensive relative to those produced here⁷. However, it is important to note that 75% of online retail is from domestic retailers⁹, and domestic online retail is less likely to be affected by the decline of the Australian dollar.

The introduction of Amazon in Australia has the potential to further impact bricks and mortar retail. It has been estimated that Amazon could reduce the future growth of bricks and mortar retailers by 0.5% per annum. To optimise centre competitiveness, many centres are now providing increased floorspace to non-retail uses such as food and beverage and entertainment experiences and exploring mixed use of centres with 'in-centre' hotels or residences.¹⁰

5.5 Gap analysis

The demand for both retail and non-retail floorspace is combined to identify the total demand for employment floorspace within the LGA. The total demand is compared against the capacity under current controls identified in 5.2 above to forecast a gap in floorspace provision. This section examines the forecast gap in demand out to 2026 and 2036 for each typology in turn before providing column graphs for the LGA totals.

Main street/Big box retail

Given that most of the employment precincts within the LGA are local and neighbourhood centres which serve their surrounding populations, the forecast floorspace gap within this typology has significant implication for a number of the LGA's centres. This data has been shown in Table 9 and Table 10 below for 2026 and 2036 respectively.

³ NAB Group Economics (2015) NAB Online Retail Sales Index – July 2015. <http://business.nab.com.au/tag/online-retail-sales-index/>

⁴ CBRE (2015) Asia Pacific Consumer Market: How we like to shop online. <http://www.cbre.com.au/research/Pages/australia-reports.aspx>

⁵ Colliers

⁶ Colliers

⁷ Knight Frank (2015) Australia Retail Demand Trends Q1 2015.

<http://content.knightfrank.com/research/821/documents/en/resinsight150331c-2892.pdf>

⁸ Colliers (2015) Retail Research and Forecast Report First Half 2015.

<http://www.colliers.com.au/find%20research/retail/research%20-%20first%20half%202015/>

⁹ ibid

¹⁰ JLL AU (2018) Shopping Centre Investment Review, April 2018

<http://www.jll.com.au/australia/en-au/research/655/australian-shopping-centre-investment-review-outlook-2018>

TABLE 9: PROJECTED MAIN STREET/BIG BOX RETAIL FLOORSPEACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/undersupply)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-12,930	3,637	3,731	4,864
Five Dock	1,204	4,648	2,033	-8,885
North Strathfield/ Bakehouse Quarter	-3,912	-1,674	-1,659	988
Drummoyne/Birkenhead Point	3,854	10,026	8,623	-23,867
Parramatta Road (incl. Five Dock industrial)	17,769	30,704	40,820	44,485
Concord local centre (Majors Bay Road)	-2,858	-1,881	-2,469	-6,043
Local Centres	6,001	9,359	9,770	3,617
Remnant industrial	-3,020	-3,020	-2,613	-2,613
Total	6,109	51,800	58,235	12,547

Source: SGS Economics and Planning, 2019

TABLE 10: PROJECTED MAIN STREET/BIG BOX RETAIL FLOORSPEACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/undersupply)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-29,037	-12,470	-12,376	-11,243
Five Dock	-8,893	-5,449	-8,064	-18,982
North Strathfield/ Bakehouse Quarter	-9,881	-7,643	-7,628	-4,981
Drummoyne/Birkenhead Point	-9,958	-3,786	-5,189	-37,679
Parramatta Road (incl. Five Dock industrial)	14,465	27,400	37,516	41,181
Concord local centre (Majors Bay Road)	-7,021	-6,044	-6,633	-10,207
Local Centres	-6,738	-3,380	-2,969	-9,122
Remnant industrial	-3,243	-3,243	-2,836	-2,836
Total	-60,307	-14,616	-8,181	-53,869

Source: SGS Economics and Planning, 2019

This analysis indicates that across much of the LGA, there is forecast to be sufficient floorspace to meet demand for main street/big box retail floorspace in 2026, however longer-term growth out to 2036 will result in an undersupply.

The shortfalls noted through to 2036 are relatively moderate within most precincts, indicating that a slight increase in capacity over a 20-year timeframe would be considered appropriate. The Concord and North Strathfield/Bakehouse Quarter precinct will likely require additional capacity to be provided in the near term (5-10 years).

Excess capacity within the Parramatta Road precinct may be delivered (above the forecast level of demand) given the requirement to provide ground floor retail or business uses in shop top housing developments.

Bulky goods retail

Bulky goods retail floorspace within the LGA is concentrated primarily within the Parramatta Road precinct. Demand for bulky goods retail floorspace can be considered footloose demand, and is not necessarily tied to the precinct it has been modelled as being in. The floorspace gap projected to 2026 and 2036 within this typology is shown in Table 11 and Table 12 below respectively.

TABLE 11: PROJECTED BULKY GOODS RETAIL FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-	-	-	-
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-125	-468	-479	-1,001
Drummoyne/Birkenhead Point	-102	-1,512	-1,512	-2,902
Parramatta Road (incl. Five Dock industrial)	-2,788	-10,857	-20,538	-26,580
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-130	-130	-410	-410
Remnant industrial	-	-	-	-
Total	-3,145	-12,967	-22,939	-30,894

Source: SGS Economics and Planning, 2019

TABLE 12: PROJECTED BULKY GOODS RETAIL FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-	-	-	-
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-238	-581	-592	-1,114
Drummoyne/Birkenhead Point	-338	-1,748	-1,748	-3,138
Parramatta Road (incl. Five Dock industrial)	-11,445	-19,514	-29,195	-35,238
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-224	-224	-505	-505
Remnant industrial	-	-	-	-
Total	-12,246	-22,067	-32,040	-39,995

Source: SGS Economics and Planning, 2019

As bulky goods retail was not identified as the highest and best use for provision under any zone, the capacity analysis assumes that no new floorspace is delivered in this category under any scenario, which tends towards showing a floorspace gap as existing floorspace is withdrawn in favour of other development types.

Accordingly, a gap is identified across all scenarios and precincts in 2026 and 2036. The size of this gap increases from the low capacity scenario through to the high capacity scenario, as more bulky goods floorspace is withdrawn in line with the assumptions set out above. The

substantial gap in the Parramatta Road precinct should be viewed in context of the excess capacity in main street/big box retail identified in Table 9 and Table 10 above; should planning controls encourage or require ground floor retail space to be provided as bulky goods retail floorspace, this shortfall can be addressed.

Office

Office floorspace within the LGA is concentrated primarily within Rhodes, with smaller concentrations in the North Strathfield/Bakehouse Quarter, Remnant Industrial (at Concord West), and Parramatta Road precincts. Demand for office floorspace can be considered footloose demand, and is not necessarily tied to the precinct it has been modelled as being in. The floorspace gap projected to 2026 and 2036 within this typology is shown in Table 13 and Table 14 below respectively.

TABLE 13: PROJECTED OFFICE FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-47,952	14,824	14,824	13,433
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-5,035	-5,035	-5,035	-7,852
Drummoyne/Birkenhead Point	-1,029	-3,265	-3,265	-3,265
Parramatta Road (incl. Five Dock industrial)	-1,158	-1,158	-1,158	-1,158
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-13,795	-13,795	-13,795	-30,895
Total	-68,968	-8,429	-8,429	-29,737

Source: SGS Economics and Planning, 2019

TABLE 14: PROJECTED OFFICE FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-92,659	-29,884	-29,884	-31,274
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-10,236	-10,236	-10,236	-13,052
Drummoyne/Birkenhead Point	-1,680	-3,917	-3,917	-3,917
Parramatta Road (incl. Five Dock industrial)	-2,591	-2,591	-2,591	-2,591
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-26,227	-26,227	-26,227	-43,327
Total	-133,392	-72,854	-72,854	-94,162

Source: SGS Economics and Planning, 2019

The nature of Canada Bay's local economy means that more strategic office demand generated in the LGA (such as businesses that tend to require a commercial centre location in an office complex) are more likely to be attracted to Rhodes than Canada Bay's other centres.

The demand generated in the smaller centres is more likely local population serving businesses such as accountants, conveyancers etc. These are also businesses that often locate in retail shop-fronts or small shop-top commercial suite, rather than requiring purpose-built commercial offices. It is noted too that the projections for Rhodes are based on historic trends, while the more recent observations (Chapter Four) indicate a slowing in demand for commercial floorspace in Rhodes.

Industrial

Industrial floorspace within the LGA is concentrated primarily within the Rhodes and Parramatta Road precincts, with some remnant industrial lands found in Concord West and Concord. Demand for industrial floorspace can be considered partially footloose demand and may allow for some flexibility depending on the specific uses and characteristics of surrounding precincts. The floorspace gap projected to 2026 and 2036 within this typology is shown in Table 15 and Table 16 below respectively.

TABLE 15: PROJECTED INDUSTRIAL FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/undersupply)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-5,881	-15,963	-15,963	-11,264
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-	-	-	-
Drummoyne/Birkenhead Point	-	-	-	-
Parramatta Road (incl. Five Dock industrial)	-5,385	979	8,155	9,198
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-3,390	-2,465	16,878	45,771
Total	-14,656	-17,449	9,071	43,705

Source: SGS Economics and Planning, 2019

TABLE 16: PROJECTED INDUSTRIAL FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/undersupply)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-14,256	-24,338	-24,338	-19,639
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-	-	-	-
Drummoyne/Birkenhead Point	-	-	-	-
Parramatta Road (incl. Five Dock industrial)	-14,487	-8,123	-947	96
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-6,280	-5,355	13,988	42,881
Total	-35,024	-37,816	-11,297	23,337

Source: SGS Economics and Planning, 2019

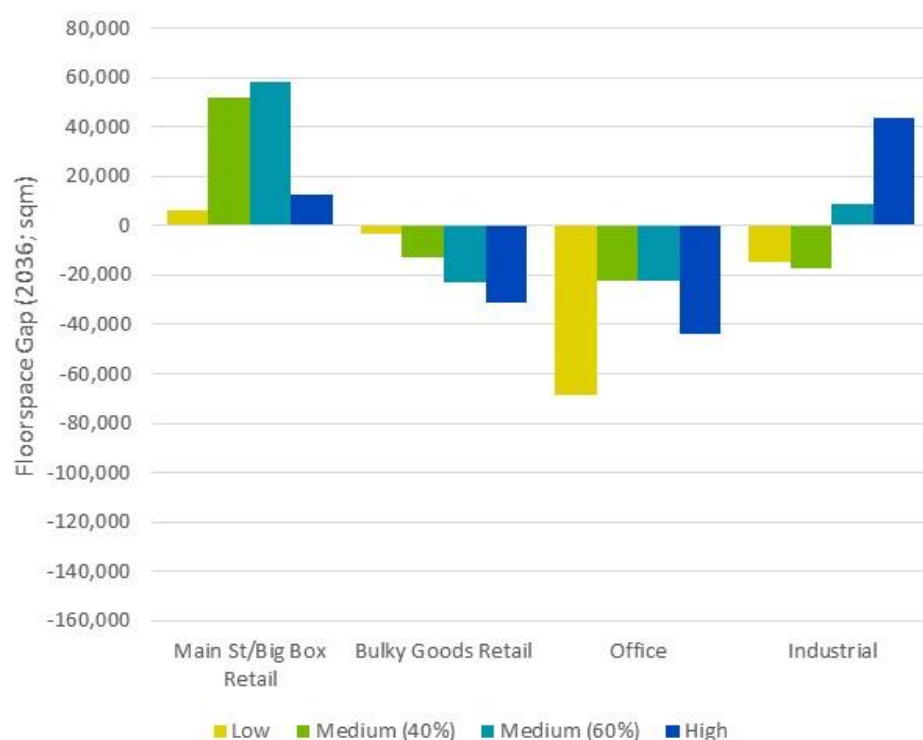
Forecast demand growth in the Rhodes precinct significantly outstrips capacity and a gap has been identified. Capacity in the Five Dock Industrial precinct is substantial enough to provide for an intensification of floorspace to meet demand through to 2026, however a minor gap is identified in most scenarios in 2036.

It should be noted that this modelling does not consider planned withdrawals of industrial floorspace under state government strategies. Both the Rhodes and Five Dock industrial lands are identified for rezoning to other uses under the strategies for Rhodes East and Parramatta Road.

LGA-wide graphs

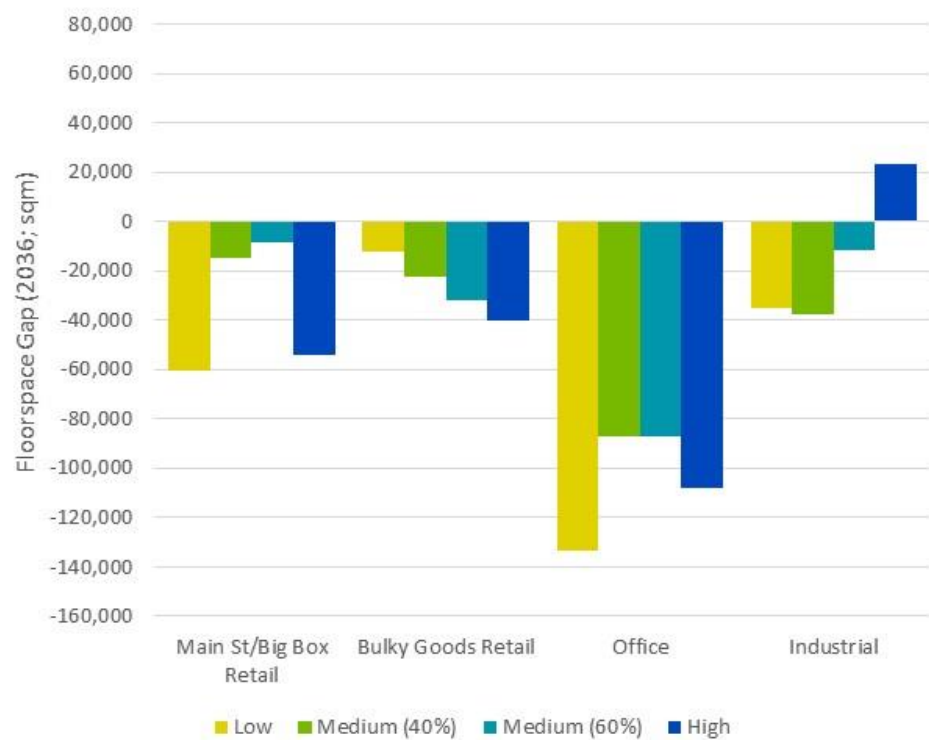
LGA-wide totals are shown in Figure 27 and Figure 28 below.

FIGURE 27: PROJECTED FLOORSPACE GAP IN 2026 BY CAPACITY SCENARIO



Source: SGS Economics and Planning, 2019

FIGURE 28: PROJECTED FLOORSPACE GAP IN 2036 BY CAPACITY SCENARIO



Source: SGS Economics and Planning, 2019

This analysis indicates that by 2036, there will be a gap in the provision of all floorspace types. However, this should be considered in the following context:

- Recent market trends indicate a softening of the commercial demand for office floorspace in Rhodes, as other centres in Greater Sydney compete for jobs. This is discussed in more detail in Chapter 6. If this is the case, the future demand for commercial floorspace may decrease.
- Additionally, there is a significant amount of vacant floorspace within Rhodes, either now or expected to come back into the market in the next two years (refer to Chapter 4) which may absorb this growth without the need for as much additional floorspace. Further to that the East Rhodes Planned Precinct proposes a 40,000sqm office tower adjacent Rhodes Train Station.
- While the high development scenario indicates sufficient floorspace for industrial uses, this does not reflect the fact that approximately 170,000sqm of currently zoned floorspace will be re-zoned. It also does not consider that the lower land values and rents associated with industrial precincts are unlikely to permit intensification of any remaining industrial land, particularly as they are highly unlikely to be able to add floorspace by going vertical.

5.6 Summary of findings

- Notable floorspace gaps have been identified through to 2036 across many typologies, capacity scenarios, and precincts. This indicates a need to accommodate additional employment floorspace under the base case forecast and distributions.
- Trend growth in financial and professional services leads to a very high forecast growth rate, which may not be achievable given strategic positioning of Rhodes and the capacity of the Westpac office in Concord West. Whilst there is a significant gap identified in office floorspace, this may be dramatically reduced if these (pre-2016) trends do not eventuate.
- Similar to the above, the removal of industrial lands will likely result in a reduction in employment in relevant industries, which is not captured in trend figures. Again, this will reduce the forecast demand (and therefore the gap) in industrial floorspace if forecast increases in employment do not eventuate.
- Capacity analysis indicates that growth in retail floorspace can meet demand through to 2026 under all growth scenarios, however a gap is identified by 2036.
- Surplus main street/big box retail capacity is identified along Parramatta Road in all scenarios. This may pose concerns given that shop top housing is identified as the highest and best use for retail floorspace in this precinct, which would likely lead to an oversupply of retail floorspace being delivered. Changes to planning controls as part of the PRCUTS may alleviate this if either:
 - the requirement for ground floor retail is either reduced, or
 - provisions are made to accommodate bulky goods retail in the ground floor of new developments (through built form/design controls, e.g. greater floor to ceiling heights).

6. COMPETITIVE OFFER

This chapter reviews Canada Bay's key centres against others in the Metropolitan Sydney market that are likely to compete for future jobs, particularly in the office market. A competitive offer helps to determine how certain precincts compare to other competing centres. Chapter 10: Appendix to Competitive Offer Analysis (beginning on page 127) contains further detail on the results of each indicator used in this analysis.

6.1 Introduction

Several commercial precincts around Canada Bay were selected as part of the competitive offer analysis. The purpose is to provide a broad understanding in how each precinct compares to one another and how each precinct may develop over time, given that businesses have the ability to choose.

The precincts chosen in this competitive offer analysis were:

- Rhodes
- Five Dock
- North Strathfield
- Parramatta
- Sydney Olympic Park
- Macquarie Park
- Burwood
- Sydney CBD
- North Sydney
- Chatswood

Precinct boundaries were based predominantly on GSC definitions as described in relevant district plans. The data was obtained through a combination of market reports, population and employment forecasting data as well as agent consultation. In certain instances, where there was an absence of official data, internal modelling and desktop analysis was applied. In order to normalise the individual scores, each precinct had their result benchmarked against the median of all competing centres. Using the median was used to reduce the impact on outliers, such as high performing centres such as the Sydney CBD and (relatively) lower performing local centres such as Five Dock and North Strathfield.

The analysis in this chapter is aimed at assessing the competitive offer of these centres for higher-order commercial uses, such as business-serving office uses. The criteria and weighting herein have been selected on the basis that they represent desirable considerations for this type of business. Other uses, such as population serving businesses, are not likely to be adequately reflected using these criteria.

The selection of centres also reflects consideration of these land uses, either having a substantial existing office presence, or in the case of Five Dock and North Strathfield, being the location of future metro stations.

6.2 Indicators considered

Market conditions

Vacancy Rate

A low vacancy rate can be considered a reflection of a strongly performing commercial precinct. A precinct with a low vacancy rate may indicate that there is much more demand than supply, as many commercial tenants wish to be within this location. Conversely, a high vacancy rate may indicate that a precinct is not able to attract enough tenants and may indicate that the centre is not functioning as desired. Further detail can be found in the appendix on page 128.

Net Face Rent

Net Face Rents (NFR) are a useful indicator in determining the health of a commercial submarket. Higher NFR's mean there are businesses willing to pay a higher price. Official market research shows that Net Face Rents (NFR) across key commercial submarkets of Sydney is equal to \$522 per sqm as of September 2018¹¹. Further detail can be found in the appendix on page 129.

Incentive Rate

The incentive rate provides an insight into the discount a landlord is willing to apply in order to secure a lease. The centres with the highest incentive rates are those which often require a greater incentive in order to lease and could reflect the state of the market. Further detail can be found in the appendix on page 129.

Employment profile

Ratio of Knowledge Intensive jobs to Total jobs

The ratio of Knowledge Intensive (KI) jobs to total employment provides a good indication of the predominantly economic function of a centre. Precincts with a high proportion of KI workers generally tend to be commercial centres. Further detail can be found in the appendix on page 130.

Jobs to Population Ratio

The jobs to population ratio provides an indication of whether a precinct is mostly dominated by residents, or employment. A higher job to population ratio indicates that the centre operates predominantly as a commercial destination. Conversely, a lower job: population ratio could indicate a precinct that operates more as a mixed use or local residential centre. Further detail can be found in the appendix on page 131.

Effective Job Density

Growing shares of wealth and employment are generated within city centres. As such, professional services tend to cluster in these locations. This agglomeration arises as firms seek a competitive advantage through access to skilled labour, complementary services, formal and informal knowledge transfer, technological trends and a larger customer base. SGS has developed a spatial index of agglomeration through what is known as Effective Job Density, or EJD. EJD measures the relative concentration of employment, as a function of both the distance to and the number of jobs at that location. Further detail can be found in the appendix on page 132.

¹¹ Colliers, 2018. 'Metro Office Second Half 2018'.

https://www.colliers.com.au/Find_Research/Office/Metro_Office_RFR_H2_2018

Labour Force

The labour force comprises of both employed and unemployed workers. Each precinct was measured in terms of the labour force that lives within 30 minutes of public transport to each precinct. Further detail can be found in the appendix on page 133.

6.3 Summary

Each criterion was normalised against the median to provide each precinct with an individual general score. The result is the ability to benchmark the attractiveness of each centre. Table 17 below shows the combined index score for each centre, sorted from highest to lowest. Table 18 on page 57 below shows a breakdown of scores for each criterion considered

TABLE 17: ATTRACTIVENESS OF COMPETING PRECINCTS AROUND CANADA BAY

Precinct	Combined index score	Rank
Sydney CBD	22.39	1
North Sydney	15.68	2
Macquarie Park	14.70	3
Burwood	14.42	4
Sydney Olympic Park	12.69	5
Parramatta	11.76	6
Chatswood	9.81	7
Rhodes	9.11	8
North Strathfield	8.28	9
Five Dock	6.90	10

Source: SGS Economics and Planning, 2019

The results indicate that the Sydney CBD remains the dominant commercial centre (22.39), followed by North Sydney (15.68) and Macquarie Park (14.70). These centres score higher than the median score across almost all the criteria rankings. Most notably, they score highest in terms of their jobs to population ratio, as well as in their Effective Job Density. Essentially, these centres have relatively more jobs than residents, as well as being highly accessible to knowledge workers.

Lower performing centres include those in Chatswood, Rhodes, North Strathfield and Five Dock. Chatswood scores lowest in terms of its 30-minute labour force catchment as well as having a lower job to population ratio in 2016. Rhodes performed lowest in terms of its jobs to population ratio in 2016, where it is likely to emerge more as a residential location in comparison to it becoming an employment centre. Five Dock and North Strathfield scored lowest predominantly due a lower job to population ratio, in addition to having less knowledge workers as a proportion of their total workforce.

Other notable centres include Burwood (14.42), which ranked fourth predominantly due to having a significantly lower vacancy rate, which one could consider a reflection of a highly performing commercial centre.

TABLE 18: COMBINED INDEX SCORE OF SELECTED PRECINCTS AROUND CANADA BAY

	Vacancy	Net Face Rent	Incentive	KI Ratio 2016	KI Ratio 2036	PJ 2016	PJ 2036	EJD KI	LF 2016	LF 2036	Score	Rank
Sydney CBD	1.43	1.61	1.05	1.78	1.64	3.54	3.68	4.73	1.61	1.33	22.39	1
North Sydney	0.93	1.46	1.00	1.73	1.66	2.32	2.29	2.22	1.05	1.02	15.68	2
Macquarie Park	1.08	0.72	0.91	0.97	1.00	5.26	2.13	1.07	0.69	0.86	14.70	3
Burwood	5.85	1.06	1.00	0.99	0.88	0.69	0.49	1.00	1.26	1.21	14.42	4
Sydney Olympic Park	0.44	0.78	0.87	0.90	0.89	5.47	1.08	0.87	0.77	0.62	12.69	5
Parramatta	1.72	0.94	1.33	1.13	1.04	1.16	1.04	1.00	1.23	1.18	11.76	6
Chatswood	0.90	1.10	1.05	1.11	1.00	0.77	0.96	1.21	0.76	0.93	9.81	7
Rhodes	0.84	0.85	0.83	1.01	1.13	0.84	0.79	0.89	0.95	0.98	9.11	8
North Strathfield	0.28	1.50	1.00	0.37	0.33	0.68	0.68	0.94	1.28	1.22	8.28	9
Five Dock	1.08	0.82	1.00	0.76	0.74	0.29	0.35	0.82	0.54	0.51	6.90	10

Source: SGS Economics and Planning, 2019

Methodologically, each criterion is weighted against the median scores across the competing precincts. Each score against the median is added up to a final score. As a result, Sydney Olympic Park scores very highly in terms of jobs to population, given that it is a business park and is therefore a destination employment precinct. This has an impact on its overall score.

6.4 Scenario testing

Consideration of Metro West

One future scenario not considered was the future impact of Sydney Metro West. A key reason was that this project was not factored into Transport for NSW's Strategic Travel Model (STM) Travel Time Matrices as of July 2018. The absence of this data means that precincts such as North Strathfield and Five Dock have more conservatively-ranked 2036 Labour Force scores.

With both Five Dock and North Strathfield receiving new stations, their labour force accessibility will be increased. However, this improved accessibility does not necessarily infer that these centres will emerge into playing a more commercially focussed role. A hypothetical 50% increase in 2036 Labour Force accessibility was applied and the results indicated no change to each precinct's overall rankings (North Strathfield would improve to 8.89 and Five Dock would improve to 7.16). Both centres ultimately sit between the Sydney and Parramatta CBD's, as well as adjacent to strategic commercial centres.

The Canada Bay Housing strategy identified that there is limited potential of the Metro station centres to accommodate residential development above that already projected (of which there is capacity for). The notion of the Metro significantly changing the function of these centres from an economic perspective is therefore limited. This is due to much of the demand for additional retail or local commercial floorspace being driven by population growth.

Any transformation towards a commercial centre for centres such as Five Dock and North Strathfield would be considered a significant transformation to both centres. It also runs the risk of focusing attention towards local centres at the expense of Rhodes, which is already designated as the key strategic centre, with policy support at the GSC level, as well as investment coming in from DPE and private sector. Given that Rhodes is currently under-performing and there is already low job self-containment, it could reduce the leverage of the incumbent centre and dilute the pool of jobs attracted to it.

Broader scenarios

Some broad alternative scenarios were devised based on changing market conditions, specifically vacancy rates and Net Face Rents. The rationale for developing these scenarios is that while low vacancy rates and high net face rents may indicate high performing centres, the downside is that these centres may begin to become too expensive. As such, the market adjusts accordingly and demand may in fact turn to centres with supply at a lower price.

1. Burwood has a higher vacancy rate

One scenario was whether the current vacancy rate within Burwood increased from 1% to its September 2017 figure of 3.94%. The result is that Burwood would fall two places to sixth place, with Sydney Olympic Park moving from 5th to 4th place and Parramatta moving from 6th to 5th. This reality may not occur, given the centre is set to receive an additional train station in the future and is likely to continue emerging as a dominant centre. It does highlight that there may be overemphasis on vacancy rates for Burwood in attaining its position in the ranking.

2. Low vacancy rates are considered a negative

Vacancy Rate data was adjusted to that low vacancy rates were considered a negative. Precincts with a low vacancy rate were therefore perceived as either too expensive, or difficult for businesses to find space and as such would look elsewhere. The result of this adjustment was that Burwood falls to 9th position, with Sydney Olympic Park moving into 4th position and North Strathfield jumps from 9th position to 5th position.

3. High Net Face Rents are considered a negative

NFR data was adjusted so that a higher NFR indicated a precinct that was increasingly expensive for many businesses. Precincts with more affordable NFR were therefore more likely to attract businesses. The result of this shift was that Macquarie Park moves into 2nd position, with North Sydney shifting from 2nd to 3rd.

4. Rhodes emerges as a desirable commercial market

Vacancy Rates, Net Face Rents and Incentive Rates for Rhodes were readjusted to equal Parramatta CBD as a method to infer a degree of improved market demand. The idea is that the continued investment in Rhodes may see growing demand, therefore reducing these indicators. The results show that Rhodes improves slightly, switching places with Chatswood to see it's score increased from 9.11 to 10.46.

TABLE 19: ADJUSTED SCENARIO SCORES

Column heading	Original	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Sydney CBD	1	1	1	1	1
North Sydney	2	2	2	3 (-1)	2
Macquarie Park	3	3	3	2 (+1)	3
Burwood	4	6 (-2)	9 (-5)	4	4
Sydney Olympic Park	5	4 (+1)	4 (+1)	5	5
Parramatta	6	5 (+1)	6	6	6
Chatswood	7	7	7	7	8 (-1)
Rhodes	8	8	8	8	7 (+1)
North Strathfield	9	9	5 (+4)	9	9
Five Dock	10	10	10	10	10

Source: SGS Economics and Planning, 2019

6.5 Summary of findings

The competitive offer analysis illustrates several points relevant to the potential future attractiveness of centres to future office-based growth:

- **The major metropolitan centres are most likely to attract office growth.** A mixture of location, accessibility and the gravitational pull of significant job clusters (the agglomeration effect) sees the largest centres of employment at the top of the rankings
- **Parramatta and Sydney Olympic Park share similar traits.** The Definition of the Greater Parramatta and Olympic Park (GPOP) Corridor is confirmed from a market perspective. This access between the two centres will further increase with metro rail connection. Both Centres are also the beneficiaries of significant state government intervention to ensure their growth as commercial centres.
- **Canada Bay's centres are less competitive.** Compared with these more established centres profiled, Canada Bay's Centres (Rhodes, North Strathfield and Five Dock) are the lowest ranking, reflecting their relative status as commercial centres. These rankings do not measurably shift, even with a variety of scenario adjustments. It is important to note that North Strathfield and Five Dock do not have a substantive commercial office base and were unlikely to perform well in competing against other metropolitan centres for footloose commercial office. Any commercial floorspace in these precincts is likely to focus on serving local business needs.
- **Emphasising Five Dock and North Strathfield may come at the expense of Rhodes' competitiveness.** The realisation of Metro Stations at both these centres may see growing advocacy to enhance their role as office centres, which could come at the cost of diluting Rhodes. Additionally, demand for future commercial floorspace is heavily driven by population growth in non-strategic centres. Constraints in the ability of these centres to accommodate residential growth beyond current capacities will therefore limit the demand for additional commercial and retail floorspace (beyond that already resulting in forecast employment growth. Accordingly, measures to increase the attractiveness of Five Dock and North Strathfield as commercial office destinations are not included in the recommendations of this report. Instead, these centres should focus on being high-quality locally-focused centres for retail, civic and other local service functions.
- **Metro may increase connectivity to North Strathfield and Five Dock, but it doesn't mean these should grow as commercial centres.** Both centres have a local focus and both sit lower in the centres hierarchy than Rhodes. With Rhodes currently challenged by increasing vacancies and lower demand for commercial floorspace, the development of Five Dock or North Strathfield as commercially-oriented centres will further erode Rhodes' role. These centres should continue to play a population-serving role with retail provision and the attraction of local businesses rather than compete for tenants with Rhodes.

7. INSIGHTS AND RECOMMENDATIONS

7.1 Insights

The analysis undertaken through this study has identified a number of insights that provide context for the recommendations presented in this chapter.

- **Employment projections are based on historic trend.** The projections developed by the NSW Government are based on a mix of historic employment growth. The gradual reduction in Rhode's desirability for larger commercial tenants has been either observed since the last census period (2016) or is anticipated by those in the local Rhodes market. This is reflected in Rhodes unlikely continuing to see the same growth rates that informed the projections (And subsequent employment target in the Eastern City District Plan).
- **Rhodes is only centre in Canada Bay catering for 'strategic' commercial jobs.** The majority of Canada Bay's centres are population-serving in their nature, with a predominance of retail and local commercial uses such as realtors and accountants. This delineation is likely to continue, with minimal demand expected in centres outside of Rhodes for larger commercial tenants.
- **While supporting Rhodes' strategic commercial role is important, acknowledge that it is changing.** Canada Bay's continued role as a strategic commercial centre should continue to be supported. However, with an anticipated growth in population and an emerging food and beverage precinct that will benefit significantly from increased access to the waterfront, Rhodes has the potential to be a leading high density, high amenity residential community in the long term.
- **General proximity alone is not enough to grow Rhodes as a true health and education precinct.** Rhode and Concord Hospital are neighbours, however their separation by transport corridors and residential development makes the realisation of a true health and education precinct unlikely. Such precincts require direct accessibility and clear business linkages between commercial areas and hospital services.
- **Industrial demand remains but significant portion of land removed.** Canada Bay's industrial precincts are highly productive places of activity. While not necessarily high amenity precincts, they play a vital role in providing support services for the local and District populations. The loss along Parramatta Road and at Rhodes East will significantly reduce Canada Bay's zoned industrial land and displace many businesses. Like Canada Bay, many adjacent LGAs also have almost no undeveloped industrial land to accommodate such displacement.
- **Local centres need create a distinct experience.** Online shopping will continue to grow as a share of retail expenditure. This comes at the expense of bricks-and-mortar retailing. In order to compete, Canada Bay's centres need to create an experiential point of difference to continue to attract trade and remain vibrant. Centres such as Concord, Breakfast Point and Five Dock do this through their facilitation of social connections in restaurants and in the public domain. This must be part of the development of future centres such as Kings Bay and the proposed development of a centre at Drummoyne, to ensure that the social experience supports local retailing.

- **Canada Bay's growth is unevenly distributed.** Both retail and employment growth are concentrated along its western rail and southern road corridors. As population growth directly links with local services such as retail, it is anticipated that much of the growth in future demand will be along these spines. Many of the centres in the centre of the LGA will continue to function as they do currently.
- **Canada Bay operates in a competitive commercial market.** Rhodes is beginning to lose market share of the strategic commercial market to nearby centres such as Parramatta. While effort should be made to continue to present Rhodes as a compelling location for strategic commercial businesses, this must be done in recognition that other councils in Sydney have similar attraction agendas and that their centres are often more accessible and surrounded by more jobs with a wider range of retail services to support workers.
- **The proposed West Metro does not significantly impact Canada Bay's role as a commercial market.** The proposed Metro stations at North Strathfield, Burwood Road and Five Dock will pop up in centres that are currently local in focus. Importantly, it does not provide a station in Canada Bay's only strategic commercial centre – Rhodes. In so doing, it will not support the growth of Rhodes and should not facilitate the transition of any of the proposed centres into commercial centres. This is because of the proximity to already established commercial centres both in and outside the LGA, and in recognition of Rhode's already falling market share towards more highly connected centres with a critical employment size.

7.2 Recommendations

Rhodes Strategic Centre

Context

The following recommendations are aimed at supporting the current role of Rhodes as a strategic centre with a strong commercial presence. These are made, however, in the context that the precinct is losing market share to other centres and planning should take account of this change in demand. The recommendations permit flexibility to enable Rhodes to evolve its role in the future.

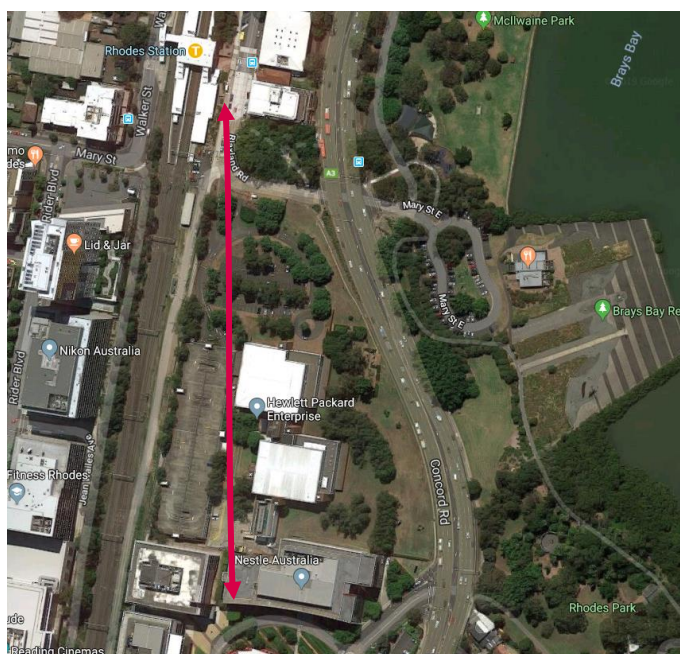
ISSUE:	METROPOLITAN OFFICE MARKET IMPACTING ON RHODES' COMMERCIAL ROLE
Priority 1	Continue to support the role of Rhodes as a commercial centre

Action 1a Continue to work with Rhodes Corporate Park and Ryder Boulevard owners to support tenancy attraction strategies aimed at corporate market

Retain and strengthen Rhodes' identity as a commercial centre aimed at 'traditional' corporate businesses, to take advantage of existing floorspace and business cluster. This would consolidate Rhodes as the major commercial centre in the LGA, distinct from the future profiles of other centres such as North Strathfield and Five Dock.

Action 1b Improve pedestrian connection from Rhodes Corporate Park to future Rhodes East retail through HP site

The Rhodes Corporate Park is relatively isolated, with some food outlets on site in addition to a direct connection to Rhodes Waterside. Improving the overall amenity of the precinct as part of a wider Rhodes East redevelopment will improve the access to a wide range of food, retail and entertainment facilities, without having to address rail-crossing issues. As part of the HP site development, a stronger connection to the future Rhodes East 'Gateway East Precinct' is important to integrate Rhodes Corporate Park with the wider precinct.



Priority 2	Monitor the local office market
Action 2a	Undertake annual monitoring of vacancies and rents of Rhodes and competing centres

The current market in Rhodes appears not to support the employment growth projections outlined in the Eastern City district Plan. To ensure that Rhodes can best adapt to any future development scenario, an annual monitoring of vacancies and rents of both Rhodes and competing centres will provide an important time series of data to make longer term decisions about Rhodes' commercial future.

Priority 3	Manage the delivery of new commercial floorspace
Action 3a	<p>Consider the delivery of new commercial floorspace over the long term, based on the outcomes of Actions 2a, in a coordinated way, considering both the HP site and/or the proposed DPE commercial development as the providers of this floorspace</p> <p><i>While the supply-demand gap for office floorspace under a low growth scenario identifies a shortage of 92,000sqm by 2036, this is based on historical growth trends that do not align with current and expected market conditions. There is currently estimated to be 10,000 of unlet floorspace in Rhodes, with an estimated 20,000sqm expected back onto the market in the coming years as tenants move out. Additionally, the Rhodes East Planned Precinct identifies a minimum of 40,000sqm of additional commercial floorspace in the Station Gateway East Precinct. The delivery of additional floorspace while vacancies are high will likely further erode rents in Rhodes and lead to a perception of high vacancy rates. This is not conducive to attracting businesses, particularly in a competitive surrounding market.</i></p> <p><i>There may be a need for additional commercial floorspace if Canada Bay is to meet its baseline employment target set out in the District Plan. The amount will depend on future employment growth, the type of business and the desirability of Rhodes. Combined, these will drive the job density of the centre. This would be demonstrated through a reduction in vacancy rates and increasing rents across the Peninsula.</i></p> <p><i>Certain commercial centres are attractive to businesses to the extent that they would sacrifice floorspace for location. In these instances, the jobs to floorspace ratio reduces (i.e. there is less floorspace per employee). Rhodes could potentially meet the component of its employment target that is likely to come from office demand with its current floorspace provision if the businesses locating here see value in reducing the job to floorspace ratios from currently observed levels (approximately 21sqm per job) to 13sqm per job. While this is a significant change from the current level, which is around average for Sydney, it is well within the range observed in other highly-functioning commercial centres.</i></p> <p><i>If, however, businesses value space and do not want to compress their office size, then in order to meet the 2036 jobs 'target' AND keep current floorspace to job ratios would require approximately 100,000sqm of additional floorspace. This does not consider the existing vacant supply. In practice, if demand for Rhodes floorspace increases, there is likely to be a need for some additional commercial floorspace however it is difficult to specify how much floorspace would likely to be needed and when. This Action is therefore closely linked with the outcomes of Actions 2a and 3a.</i></p>
Action 3b	<p>Require no net loss of commercial floorspace on the HP site as part of any redevelopment, with commercial floorspace separated from any other potential future uses to ensure flexibility in precinct growth</p> <p><i>The HP site currently provides an estimated 14,700 sqm of commercial floorspace. At a minimum this should be retained (and is likely to be done due to HP intending to remain on site). The separation of commercial and non-commercial on site (if approved) will provide the greatest flexibility for future commercial intensification.</i></p>
Action 3c	<p>Cluster any future commercial floorspace together to present a clear commercial core adjacent Rhodes Station</p> <p><i>A commercial centre benefits from a clustering of development. This increases the opportunity for knowledge spillovers (a driving principle of agglomeration benefits) as well as ensuring efficient provision of infrastructure, such as car parking, and services, such as retail, end of trip facilities etc.</i></p>

ISSUE:	RHODES'S RESIDENT POPULATION IS GROWING
Priority 4	Concentrate growth of Rhodes as a destination for high quality retail and entertainment
Action 4a	<p>Investigate opportunities for approximately 80,000sqm of total retail floorspace in Rhodes by 2036</p> <p><i>Both the residential and employment growth of the Rhodes precinct will drive the demand for future retail services to meet future needs. Current plans already indicate the future provision of retail floorspace of 16,739 sqm. However, over the longer term, to 2036, there is likely to be more retail floorspace required if the precinct grows as anticipated. Given the relative inaccessibility of Rhodes to existing major shopping precincts, and the scale of the future population, the provision of sufficient retail to meet a wide range of needs is important if Rhodes is to mature as a functional high-density community.</i></p>
Action 4b	<p>Investigate opportunities for approximately 2,600sqm of future demand for dining and hospitality to public realm activation at street level rather than in enclosed shopping centres, to facilitate daytime and night-time activity.</p> <p><i>In order to better support the night-time economy, it is important that retail uses that generate activity (such as restaurants and cafes and speciality stores) are provided for in the public realm. Some of this additional demand may already be under consideration in planned expansions of existing retail centres (such as Rhodes Waterside). The intent is to use dining and hospitality activity as a mechanism to create both daytime and night-time economic activity.</i></p> <p><i>This will be best done as part of a clearly established centre for both residents and workers to patronise. Such a mix of uses along key roads (such as Blaxland Road) or current or future public spaces (for instance in a reconfigured HP site or on the proposed waterfront in Rhodes East) will also reinforce the neighbourhood character of Rhodes, allowing it to mature from a high-rise dormitory suburb to a viable and functional centre in its own right. While much of the retail floorspace will be driven by larger development, it is important that these active uses are not internalised as part of a major shopping centre development.</i></p> <p><i>This active retail floorspace may also be co-located with future community infrastructure in the centre, to provide patronage out of work hours and especially on weekends</i></p>
ISSUE:	LACK OF INTEGRATION BETWEEN CONCORD HOSPITAL AND RHODES
Priority 5	Support long term expansion of hospital-related growth along or adjacent to Fremont Street
Action 5a	<p>Work with Sydney Local Health District to ensure any future development of the at-grade Hospital Road carpark contributes to an incremental link towards Rhodes Station, possibly centred on the Kokoda Track Memorial Walkway</p> <p><i>The at-grade hospital carpark on Hospital Road does not appear to have any long-term development vision associated with it currently. However, if the SHLD do consider it as part of any future hospital expansion, it would provide a valuable opportunity to incrementally link the hospital with Rhodes Centre and station. While it is unlikely that any hospital expansion in the future will require the acquisition of residential properties along Fremont Street (given the significant land holdings of the hospital currently), the development of the car park in some capacity may, at the very least, contribute to the linkage between the two distinct parts of the Rhodes Strategic Centre.</i></p>
Action 5b	<p>Ensure any redevelopment of the site facilitates improved east-west access through to and across Concord Road towards Concord Hospital</p> <p><i>Access to Concord Hospital from Rhodes is weak, and further compromised by the crossing of Concord Road. As the owners of the HP site explore potential masterplan options, council can work with the owners to consider how the HP site may facilitate pedestrian access from the station to Concord Road. Further, any VPA as part of the development may consider how it can contribute to improved crossing of concord Road.</i></p>
Priority 6	Support Concord Hospital's retail provision
Action 6a	<p>Work with Sydney Local Health District to provide a range of food and convenience retail options as part of future hospital masterplanning to ensure hospital staff, patients and visitors have access to appropriate services</p>

While it is not the jurisdiction of Canada Bay Council to plan for future on-site provision of the hospital, Council should encourage the SHLD to provide sufficient retail uses within the future hospital development to ensure that there are adequate facilities and services for staff, patients and visitors, as current provision appears to be inadequate. While aspirationally Rhodes may be considered the beneficiaries of this under-supply, the reality is that the distance, accessibility constraints and time or mobility constraints of hospital staff and patients makes this retail support link unrealistic.

Priority 7	Support existing local retail
Action 7a	<p>Do not permit any future development (including any health-related development) along Hospital Road to provide any retail floorspace in any future development</p> <p><i>Current market speculation and land consolidation along Hospital Road has driven discussion about a potential future private hospital or other health service in the area. Any development that does take place along this stretch of Hospital Road between Concord Hospital and Concord Road should not permit any retail development. This is to ensure that any additional expenditure generated in the area is directed to exist yet underperforming centres, such as the local cluster on Concord Road and Hospital Road.</i></p>
Priority 8	Transport linkages to north Strathfield
Action 8a	<p>Explore local shuttle link between future North Strathfield Metro Station and Concord road, via surrounding local centres</p> <p><i>Acknowledging that the link to Rhodes Station is difficult to overcome, a shuttle that runs from North Strathfield via West Concord to Concord Hospital would significantly increase the public transport access of staff and help to activate smaller centres by providing local links.</i></p>

Parramatta Road Corridor

Context

The Parramatta Road Corridor is undergoing significant change as part of the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS). This development will displace a significant amount of Canada Bay's industrial and enterprise corridor-zoned land. These recommendations aim to ensure that sufficient and appropriately located retail floorspace is provided in the emerging centre of Kings Bay as well as identifying opportunities to retain as much floorspace in these new developments as possible to retain some of the uses in the corridor that will otherwise be displaced.

Table 20 shows the floorspace gap to 2036 within the Parramatta Road Precinct, as taken from supply demand analysis. This highlights the likely overprovision of Main Street Retail typologies in the ground floor of developments along the corridor, with a concurrent undersupply of bulky goods retail uses. Please note that this does not include mooted zone changes as part of the PRCUTS, which would likely exacerbate an undersupply of industrial floor space.

TABLE 20: FLOOR SPACE GAP TO 2036 (PARRAMATTA ROAD PRECINCT; SQM)

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Main Street/Big Box Retail	14,465	27,400	37,516	41,181
Bulky Goods Retail	-11,445	-19,514	-29,195	-35,238
Office	-2,591	-2,591	-2,591	-2,591
Industrial	-14,487	-8,123	-947	96

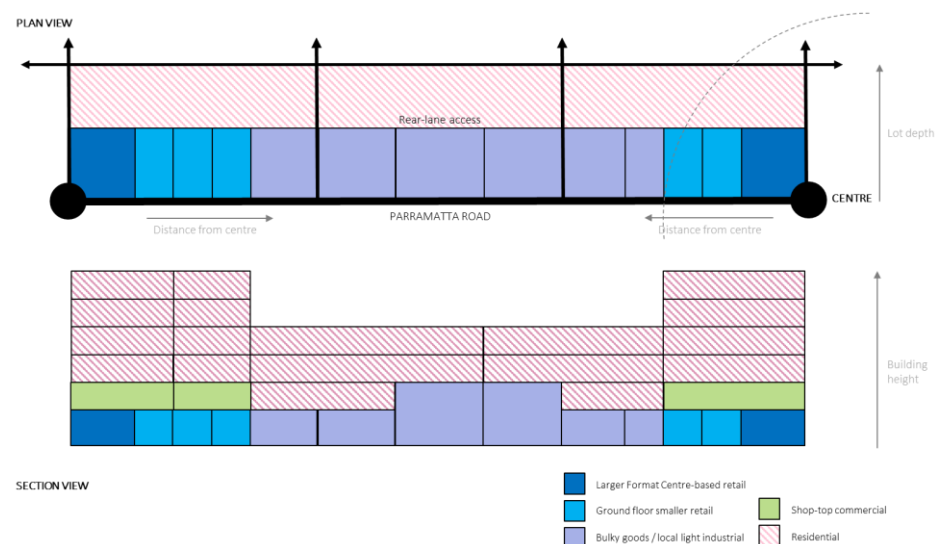
ISSUE:	SIGNIFICANT LOSS OF INDUSTRIAL LAND
Priority 9	Incorporate displaced industries in the B6 and IN1 zones within future mixed use and enterprise precincts along Parramatta Road as part of the PRCUTS

Action 9a Actively manage the inclusion of all types of permitted uses in the potential B4 (Mixed Use) and B6 (Enterprise Corridor) zones proposed in the PRCUTS

The PRCUTS identifies a series of Mixed-use and Enterprise Corridor uses along the Canada Bay side of Parramatta Road. Under current permitted uses, these zones can support a range of industries, beyond just ground floor retail. This will involve ongoing discussions with developers to provide flexible ground floor floorspace that can support a range of business types.

Action 9b On lots fronting Parramatta Road in the Burwood-Concord and Kings Bay Precincts identified in the PRCUTS, require ground floor lots greater than 200 metres from existing or proposed centres to:

- Include a rear lane running through proposed blocks
- Require ground floor uses fronting Parramatta Road to have double-height ceilings
- Have rear-lane low-bay access to facilitate small truck access and customer parking



Across the LGA, there is expected to be an almost total loss of industrially-zoned land, as part of a series of major urban renewal projects in Rhodes East and along the Parramatta Road Corridor. While not all the businesses that currently operate in these precincts may be compatible with the predominately residential future of the Corridor, there is an opportunity to retain some of the more compatible uses in a reconsidered mixed-use precinct. This would be ensure that uses with a particularly population-serving function, or uses the directly benefit from their location on Parramatta Road, can be retained.

Within 200 metres of a centre (such as Bakehouse quarter, Burwood Road or the proposed Spencer Street centre), ground floor uses will likely be retail or other local population-serving in nature. These should be concentrated in or close to these centres to maximise pedestrian accessibility and ensure there are sufficient services provided to support residents.

Outside of the 200-metre radius, the foot traffic generated by local shopping trips is likely to reduce significantly, due to Parramatta Road being an unpleasant pedestrian corridor and the distance between centres being significant. In these gaps, there is an opportunity to encourage businesses that would otherwise be displaced as a result of the PRCUTS.

It is anticipated that this would address the under-supply of Bulky Goods retail and even some displaced local light industrial functions from the industrial land rezoning in the corridor. The uses that may be accommodated include car show rooms and repair facilities, furniture showrooms, storage facilities, local distribution centres and other light industrial uses such as breweries that can co-exist with residential but are not necessarily uses to prioritise in centres. These uses will require larger floorplates and higher ceilings, as well as rear-lane access for small trucks and customer parking due to high traffic on Parramatta Road restricting parking.

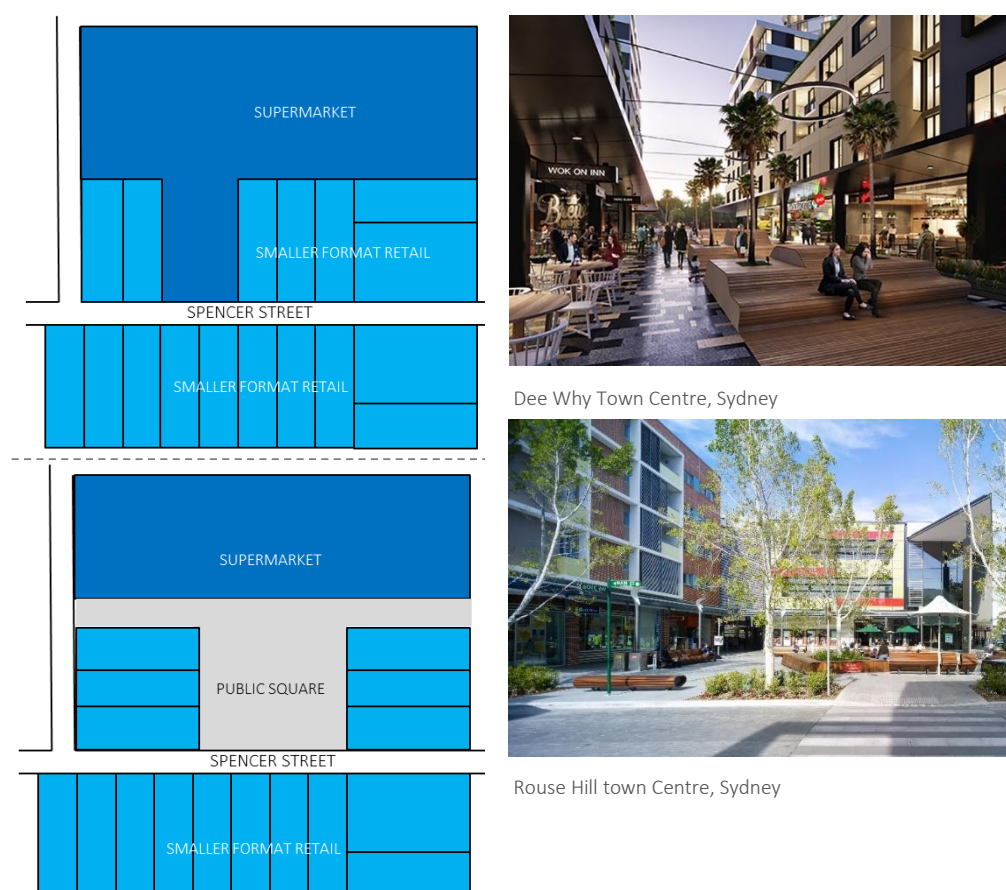
ISSUE:	THE NEED TO CREATE A TRUE CENTRE IN KINGS BAY
Priority 10	Structure the future centre around an active, human-scaled Spencer Street
Action 10a	Require fine-grained retail frontages along Spencer Street to create an active main street

Fine grain retail frontages support a mix of small businesses to in areas of high pedestrian activity. This enhances the trade potential of individual stores by working as a cluster of complementary local services. It also provides for a varied streetscape. Any future centre should prioritise small retail frontages (often between 5 and 10 metres in width) along Spencer Street to ensure that it develops an active, human scaled feel, given it is to be driven by significant residential development.

Action 10b	Set back wide frontages of larger format retail (including supermarkets) along Spencer Street behind smaller retail units
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There will be demand for supermarket floorspace in the Kings Bay Precinct by 2036. This is an important local retail provision to meet the needs of the future residential population. However, the scale of many supermarkets can mean that they present a long stretch of inactive or inaccessible frontage that could be better used for smaller businesses that require such a location (as per Action 10a). Supermarkets should therefore be located so that they have clear links to the future Spencer Street Centre but do not dominate the pedestrian-centric main street retail strip. This can be done in various ways and would be explored in a more detailed urban design study, however for guidance these could take the forms as demonstrated in Figure 29.

FIGURE 29: POTENTIAL SUPERMARKET LOCATION CONFIGURATIONS



Action 10c	Concentrate large bulky retail along Parramatta Road (including uses such as car show rooms)
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Future bulky goods floorspace should be allowed for along the Parramatta Road Corridor by 2036. The scale of these uses and their location and operational requirements necessitate them being located along Parramatta road. These would follow the same principles outlined in Action 9b.

Metro Station implications

Under a future scenario that would realise a Metro station at Burwood Road is likely to increase residential densities around the station, although it is understood that through the PRCUTS, the proposed planning controls already account for significant residential uplift. This has driven the assumptions around retail demand in the area and it is unlikely that the metro will materially change this retail demand as it is already accounted for.

Regarding commercial roles for Burwood Road, it is anticipated that the centre would be heavily focused on population-serving uses such as retail, rather than as a commercial centre. It is anticipated that some non-retail uses (such as doctors and accountants) may compete for ground floor premises, but it is not recommended that Burwood Road takes on a commercial function, given the strategic aspiration to support Rhodes's commercial sustainability.

Bakehouse Quarter and North Strathfield

The Bakehouse Quarter's unique character is an asset for both population serving functions such as entertainment, food and dining, as well as attracting small businesses seeking a location with a specific urban character. Population growth to the north, south and east of the precinct will drive demand for a range of services in the future. It is important that while the current zoning should be retained, the encouragement of any future commercial role should not occur at the expense of Rhodes.

ISSUE:	DEVELOP A DISTINCT ROLE AND FUNCTION
Priority 11	Take advantage of the Bakehouse Quarter's unique urban character to develop a clear commercial, retail and entertainment identity
Action 11a	<p>Support the re-development of the existing carpark in the former bakery building to provide a mix of retail and commercial floorspace, in keeping with the appropriate heritage controls and urban character</p> <p><i>Retaining the current B3 Commercial Core zoning retains the function of the precinct. There is forecast to be demand for an additional retail and main street uses of between 1,000sqm and 3,900sqm by 2026 and 5,000sqm and 9,900sqm by 2036. The defining built form of the precinct – the former bakery building, is under-utilised as a car park and pub. Opportunity exists to develop some of it to accommodate a range of ground floor active uses (including retail, food and dining and other entertainment uses) along George Street, extending the activity north towards the intersection with Allen Street.</i></p> <p><i>Assuming that the at-grade car park on the Corner of Allen and George Streets is able to be development, there is unlikely to be sufficient excess demand by 2036 to increase the floorspace for commercial use in existing buildings in the precinct.</i></p>
Action 11b	<p>Encourage the provision of flexible commercial floorspace in any change of use in the old Bakery to encourage a range of business uses and enable the precinct to attract a diversity of non-office related businesses</p> <p><i>While not necessarily requiring a development application to change the use of certain existing buildings, Council can work with building owners to identify the benefit of flexible spaces at both ground and first floor level to rapidly meet the needs of emerging businesses. Beyond this flexibility, building owners should be encouraged to provide a mix of commercial suite sizes and co-working opportunities. This should provide opportunities for a number of small to medium-sized businesses as a point of difference to Rhodes and a place to accommodate the growth of future small businesses, or businesses currently set up in home offices, to grow in the local area.</i></p>
Action 11c	<p>Consider opportunities for at-grade car park on the corner of Allen and George Streets to accommodate future ground floor retail</p> <p><i>This site is well-located to act as a gateway into the precinct from the north for the increased residential density expected in the area. This site is therefore important from a population-serving and accessibility perspective as well in terms of its urban design function. The site could be developed under the current planning controls (0.75 FSR) to effectively meet the additional floorspace requirements of the whole Bakehouse quarter precinct. There is expected to be additional demand for approximately 700sqm of retail floorspace by 2036, which could be accommodated on the site. This would assume that no additional population growth happens in the vicinity. Ground floor uses along George Street should continue to provide fine-grain active frontages with any supermarket contained within the development.</i></p>

Metro Station implications

Under a future scenario that would realise a Metro station at North Strathfield is likely to increase residential densities around the station, although the wider area does have constraints relating to character area designations. The metro is therefore likely to have three implications for North Strathfield and the Bakehouse quarter:

- Any additional population growth will result on increased demand for retail provision. This would need to be modelled based on alternative population density scenarios.
- The increased accessibility of the Bakehouse Quarter, coupled with the Quarter's urban form will likely attract more creative commercial uses that seek flexible floorspace less aligned with the corporate identity of Rhodes. This would create a point of difference between Rhodes and the Bakehouse Quarter that could be leveraged if the Metro is developed. Increase commercial densities will have some likely influence on the location of retail and dining and entertainment functions in the Bakehouse Quarter. It may also support the location of the station (or at least station entry points) closer to the Bakehouse Quarter to facilitate this connection.
- It is unlikely that commercial intensification around North Strathfield station itself, due to the anticipated desirability of the Bakehouse Quarter for these uses.

Birkenhead Point and Drummoyne

Birkenhead Point's metropolitan catchment and scale is likely to draw additional trade in the future to take advantage of a concentration of retail uses. At the same time, Drummoyne is struggling to retain retail and ground floor uses and project a coherent identity. The recommendations aim to balance the complementary roles of the two centres, using Birkenhead's draw to build a town centre for Drummoyne.

ISSUE:	LACK OF CENTRE IN DRUMMOYNE
Priority 12	Create a town centre in Drummoyne, with a focus on Formosa Street

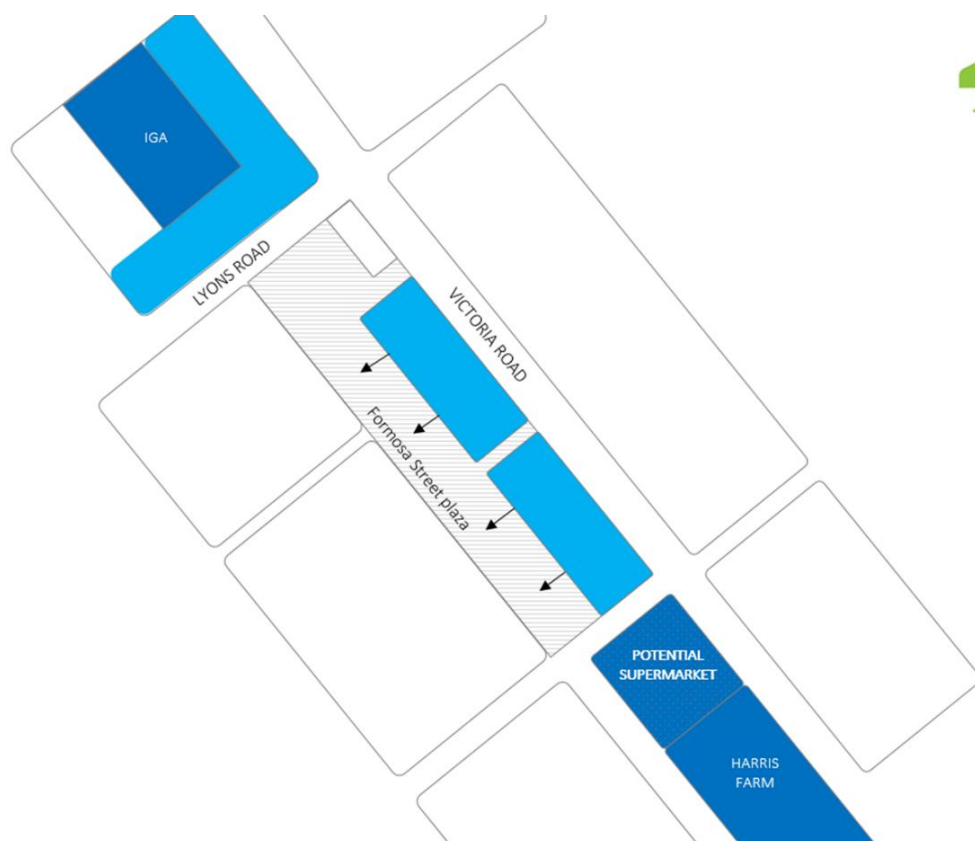
Action 12a Create a pedestrian-focused retail strip in Drummoyne focused on Formosa Street to provide the Drummoyne area with an active and accessible centre, concentrating along a pedestrian-priority strip and providing a mix of active retail frontages and public open space, while retaining access through to Victoria Road

Drummoyne's lack of a centre and supporting anchor retail minimises opportunities for community interaction and local shopping. The centre's position on the intersection of Victoria Road and Lyons Road provides good accessibility to the local community but has a poor amenity, impacted negatively by heavy traffic and run-down retail strips.

By turning its back on Victoria Road and using the existing carpark on Formosa Street as an elongated public realm fronted by retail uses, Drummoyne could develop a town centre that mitigates the negative impacts of its position along Victoria Road. Such a centre could be anchored by additional retail and/or any identified need for community infrastructure such as a library. This is demonstrated in Figure 30.

Over the long term, any future development of the adjacent residential properties on the western side of Formosa Street may further enhance this centre role with other active ground floor uses, including retail. Pedestrian access through to Victoria Road should be retained to ensure that the future centre has direct connectivity with the bus network.

FIGURE 30: POTENTIAL DRUMMOYNE CENTRE STRUCTURE



Action 12b Support the addition of approximately 1,500sqm of supermarket floorspace by 2036

Future retail demand indicates that Birkenhead Point will likely attract approximately 1,400sqm of future additional supermarket floorspace, with approximately 105sqm of future demand in the Drummoyne area. Rather than allow Birkenhead Point to continue expanding its supermarket provision (it already has two), this future demand could be met in Drummoyne, as part of a centre renewal. This could be delivered in the southern end of the Formosa Street plaza (Action 12a), adjacent the new Harris Farm development, to concentrate larger retail offering on one area and allow smaller retail uses facing Formosa Street.

ISSUE:	SUPPORT BIRKENHEAD POINT'S ROLE AS A METROPOLITAN SHOPPING DESTINATION
Priority 13	Support Birkenhead Point's future retail growth

Action 13a Allow Birkenhead Point to continue to grow its retail offer, particularly with a focus on fashion and experiential retail, but do not permit additional supermarket floorspace

(Note – this action requires the concurrent delivery of Action 12b. If that action is not adopted, then Birkenhead Point would see demand for 1,400sqm additional supermarket floorspace by 2036.

Birkenhead Point has developed a strong reputation as a leading fashion and retail outlet destination. It is a significant attractor of visitors to Canada Bay and is likely to continue to draw expenditure from the surrounding area in the absence of other major retail provision provided in local centres.

Action 12a identifies the aspiration to develop Drummoyne as a Centre. In order to do this, Birkenhead Point must complement, rather than compete with Drummoyne for retail market share. Prohibiting future supermarket floorspace and diverting this future demand to Drummoyne will allow the Drummoyne Town Centre vision to be realised.

Action 13b Support Birkenhead Point's aspirations to encourage evening economy functions relating to retail and dining

Birkenhead Point attracts visitors from outside of the LGA, drawn by its retail identity. Birkenhead Point has already focused its attention on increasing the experiential aspect to shopping, an important counter-point to the rise of online shopping. As demand for dining continues to grow out to 2036 for the centre, Council should encourage the realisation of this in a way that supports this experiential retail offering. This may be through more publicly-facing restaurants, bars and cafes along the waterfront to provide Drummoyne (and Leichhardt) with an evening and weekend destination.

Five Dock

Five Dock's role as a significant population-serving centre should be retained and enhanced as the population of Canada Bay grows around it. These recommendations aim to consolidate its role as a destination centre for the surrounding residential catchment and support the centre's expansion towards important social infrastructure.

ISSUE:	MAINTAINING AN ACTIVE AND CONNECTED CENTRE
Priority 14	Concentrate future centre growth on perpendicular streets, rather than extending the length of the retail strip on Great Northern Road

Action 14a Maintain a commercial and retail centre of gravity in Five Dock between First Avenue and Barnstaple Road, with expansion of the B4 zone east-west on Barnstaple Road and Henry Street

The Five Dock centre covers over 700 metres from Queens Road in the South to Lyons Road in the North. This already long centre may suffer from fragmentation if future development extended it, and would likely cause certain parts along its lengths to under-perform. Any future development of commercial, retail and even civic floorspace should focus in the core of the centre between First Avenue and Barnstaple Road, a 300 metre stretch of retail uses.

Expanding the B4 Mixed Use zone slightly along Barnstaple Road and Henry Street will provide opportunity for ground floor expansion of retail floorspace over time, to accommodate some of the potential 4,800 to 8,900sqm of additional retail and main street floorspace demand expected in the centre by 2036. Encouraging incremental growth on streets perpendicular to Great Northern Road will help to concentrate activity in the centre of Five Dock, rather than have it diluted in any north-south expansion. This directional growth will also help to better link Five Dock with Five Dock Park to the east. This is illustrated in Figure 31.

FIGURE 31: INDICATIVE GROWTH PROFILE OF FIVE DOCK

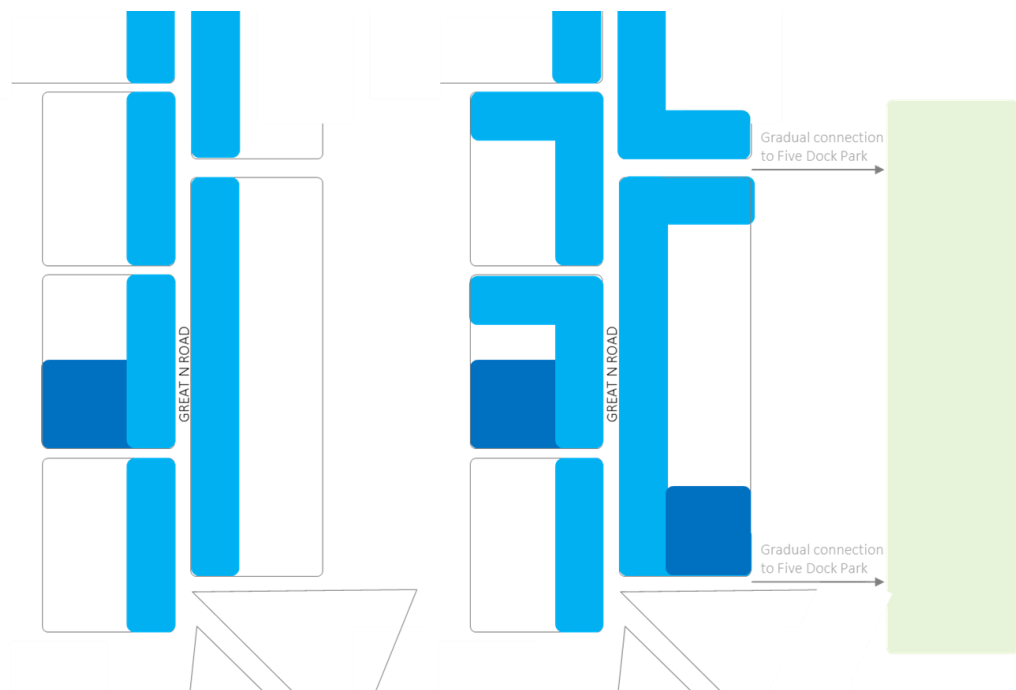
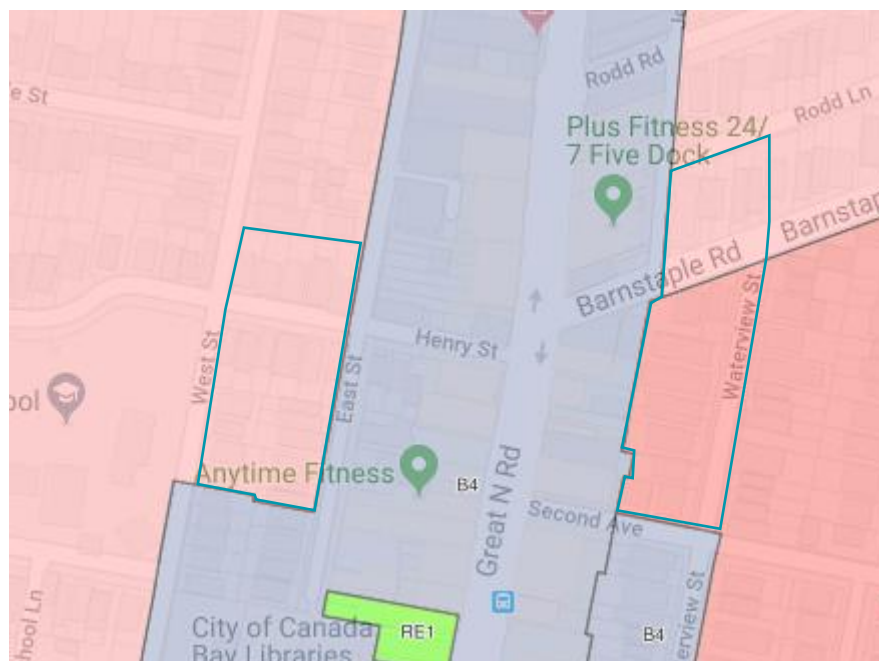


FIGURE 32: PROPOSED B4 ZONE EXPANSION



ISSUE:	NEED TO ACCOMMODATE FUTURE RETAIL AND LOCAL EMPLOYMENT
Priority 15	Provide appropriate commercial floorspace in the centre core
Action 15a	<p>Provide for approximately 2,000sqm of supermarket floorspace by 2036, concentrated in the southern part of the Five Dock Centre, within the core proposed in Action 14a.</p> <p><i>Projected growth in population and employment will drive the demand for additional retail floorspace in Five Dock by 2036. This includes approximately 2,000sqm of additional supermarket floorspace. The delivery of this should be within the core identified, given its proximity to the majority of the future population growth. This could be delivered as part of the Metro Station development.</i></p> <p><i>It is acknowledged that there is a relatively new Coles close to this potential future site, however the delivery of future retail floorspace is unlikely to significantly impact its trade, assuming that it's delivered with future residential development.</i></p>
Action 15b	<p>Require any major residential redevelopment within 200 metres of a future metro station AND within the current B4 zone to include two storeys of commercial floorspace above ground floor retail</p> <p><i>Under the scenario that Five Dock does get a Metro Station, it is important that the benefit of accessibility to this mass transit system is shared by a range of land uses. While it is not anticipated that Five Dock will develop as a commercial centre under a Metro scenario, the delivery of a Metro is likely to generate some increase in demand for residential development. As part of this, any development within 200 metres of the Metro station and in the B4 zoning should be required to provide one to two storeys of commercial floorspace to provide for future local office demand.</i></p>

Metro Station implications

A Metro station at Five Dock is likely to increase residential densities around the station precinct, although it is understood that there is currently limited capacity under controls due to existing high density development for growth beyond that already projected and that the Parramatta Road corridor and other areas of identified intensification have capacity to meet LGA housing targets. Any future residential development in Five dock as a result of the Metro will have an impact on retail provision that would require future modelling.

Regarding commercial roles for Five Dock, it is anticipated that the centre would be heavily focused on population-serving uses such as retail, rather than as a commercial centre. It is

anticipated that some non-retail uses (such as doctors and accountants) may compete for ground floor premises, but it is not recommended that Burwood Road takes on a commercial function beyond that already proposed in these recommendations, given the strategic aspiration for the LGA to support Rhodes's commercial sustainability. Creating an additional commercial centre in the area will dilute the advantage Rhodes seeks to retain and build on.

Local Centres

Canada Bay has a number of local and neighbourhood centres supporting the local population with convenience retail, specialty stores, cafes, bars and restaurants and other local services. These recommendations aim to preserve the role of these centres and only focus in on areas where changes or opportunities have been identified.

ISSUE:	RETAIN AND STRENGTHEN WELL PERFORMING LOCAL CENTRES
Priority 16	Continue to support Concord's role as a high quality eat street destination
Action 16a	<p>Concentrate any future retail development on streets perpendicular to Majors Bay Road centre</p> <p><i>As with Five Dock, Concord is already a significant size for a local centre stretching across three blocks. To concentrate the viability of the centre, future retail expansion should therefore be prioritised on streets perpendicular to Majors Bay Road. This would be subject to detailed analysis on opportunities and constraints within these sites.</i></p>
Action 16b	<p>Limit or restrict length of Majors Bay Road centre, rather than extend retail strip north or south</p> <p><i>Although expected future retail demand is expected to be minimal, any future development that does increase the length of the strip may risk diluting its concentration of activity. This would be subject to detailed analysis on opportunities and constraints within these sites.</i></p>
Action 16c	<p>Require any high-density residential redevelopment along Wellbank Street east from Majors Bay Road to Bent Street to include ground floor retail, by expanding the B4 Mixed use zone to link to the Canada Bay Museum</p> <p><i>To accommodate future retail expansion and encourage local centre medium density development, an expansion of the B4 zone along Wellbank Road to Bent Street will incrementally link the centre with the nearby Edwards Park and retain any future retail floorspace within the central part of the town centre.</i></p>
Action 16d	<p>Ensure future residential development along Bent Street does not impact on the rear lane access to shops from Majors Lane</p> <p><i>Majors Lane provides a vital rear lane access to the shops along Majors Bay Road. Any development on along Bent Street should ensure that it does not impact the rear lane access to shops for business owners or deliveries.</i></p>
Action 16e	<p>Require Concord Commercial Centre to continue fine-grained active frontage along Majors Bay road, with commercial floorspace replaced above, potentially as part of Mixed Use (B4) development that includes residential</p> <p><i>The Concord Commercial Development appears to be reasonably well tenanted, however it's built form and street presence is at odds with the rest of the B4 zone along Majors Bay Road. Council should work closely with the owners of that site, if it were to come up for redevelopment, to ensure that the site continues to provide active ground floor uses.</i></p> <p><i>Any redevelopment should also retain the quantum of commercial floorspace currently there, either in ground or shop-top commercial suites to ensure no net loss of commercial floorspace for local businesses. This could be supported with residential above to increase local activity.</i></p>
Action 16f	<p>Require any future development of at-grade carpark on corner of Majors Bay Road and Brewer Street to provide ground floor retail floorspace to create a clear 'gateway' to concord centre</p> <p><i>This site, currently an at-grade carpark, could provide a strong gateway to the Major Bay Road centre from the North. The potential to provide for additional retail floorspace will create a stronger link to those shops and cafes on the northern side of Brewer Street.</i></p> <p><i>Development of this site may be done in tandem with the Concord Commercial Centre (Action 16d).</i></p>
Action 16g	<p>Manage conflicts between future shop-top residential and ground floor active uses</p> <p><i>The night-time economy is an important function of local centres. Any future residential shop-top intensification should be designed in a way that minimises noise conflicts with incumbent active ground floor retail and dining functions.</i></p>

ISSUE:	IMPROVE FUNCTION OF UNDER-PERFORMING CENTRES
Priority 17	Improve connectivity between centres on train line and Concord Road
Action 17a	Incrementally increase retail floorspace along streets connecting Concord West station to Concord Road, as part of future residential development

Over the long term, the neighbourhood around West Concord station is likely to accommodate increased residential densities. As and when this occurs, there is an opportunity to use development that occurs between the rail line and Concord Road to create stronger links between these separate centres.

In West Concord, permitting ground floor retail below residential along the Northern side of Victoria Road, extending east from the current B1 Neighbourhood Centre zoning towards Concord Road will gradually knit the two components of the centre together. This would be driven by the delivery of shop-top housing as part of any residential development strategy for West Concord. This is illustrated in Figure 33.

FIGURE 33: WEST CONCORD FUTURE CENTRE INTEGRATION



Action 17b Incrementally increase retail floorspace along streets connecting North Strathfield station to Concord Road, as part of future residential development

Over the long term, the neighbourhood around North Strathfield station is likely to accommodate increased residential densities. This will be more intensive if the West Metro station is delivered in North Strathfield. As and when this occurs, there is an opportunity to use development that occurs between the rail line and Concord Road to create stronger links between these separate centres.

In North Strathfield, permitting ground floor retail below residential along the Northern side of Wellbank Street, extending east from the current B1 Neighbourhood Centre zoning towards Concord Road will gradually knit the two components of the centre together. This would be driven by the delivery of shop-top housing as part of any residential development strategy for North Strathfield. This is illustrated in Figure 34.

FIGURE 34: NORTH STRATHFIELD FUTURE CENTRE INTEGRATION



Action 17c Require any future private hospital or health service-related development along Hospital Road to contribute to improvements to the nearby Concord West centre either through a Voluntary Planning Agreement or through Section 7.11 Development Contributions requirement

Building on Action 7a, any new development that results from this land banking on Hospital Road should be required to invest in the improvement to the small centre on the Concord Road-hospital Road intersection to ensure that it has good accessibility and amenity for current residents as well as future employees, patients and visitors.

Remnant industrial precincts

Canada Bay has few industrial precincts remaining and will lose a significant proportion of these through various urban renewal projects. These recommendations are aimed at retaining any other remnant industrial precincts to ensure compliance with GSC policy.

ISSUE:	SIGNIFICANT LOSS OF INDUSTRIAL LAND
Priority 18	Retain any industrially-zoned land outside of pre-existing planning commitments to re-zone (in Rhodes East and along Parramatta Road)

Action 18a Retain Bushells site on Burwood Road

Planning Priority E12 of the Eastern City District Plan and Objective 23 of the Greater Sydney Region Plan identify Canada Bay as an LGA with a 'retain and manage' designation on its industrially-zoned land. This means that this land is not able to be re-zoned for other uses. While acknowledging that the site is not considered ideal for an industrial precinct, away from arterial roads and surrounded by residentially-zoned land, under the guidance of the Region and District Plans, Canada Bay is expected to have a significant under-supply of industrially-zoned land due to the large rezonings along Parramatta Road and in Rhodes East. These precincts contain an estimated 160,000sqm of industrial floorspace which will be lost.

The Bushells site represents the only piece of industrial land which is not subject to a state government plan which identifies its rezoning to an alternative use, and contains an estimated 17,000sqm of floorspace (9.6% of the currently remaining supply in the LGA).

The under-supply of industrial land is an issue across the eastern District and so every effort should be made to retain pockets. This position does not preclude Council from exploring innovative future uses with operations that aren't simply compatible with the surrounding residential uses but provide some form of service both to the local and wider community.

General recommendations

While the recommendations set out above apply to specific precincts and centres within the Canada Bay LGA, there are some issues which apply to the LGA generally.

ISSUE:	LAND USE CONFLICT BETWEEN HEAVY VEHICLES AND NOISE SENSITIVE USES
Priority 19	Protect the viability of industrial areas and delivery routes for commercial centres

Action 19a Strengthen DCP requirements on noise mitigation for new developments adjacent to heavy vehicle routes

The continued functioning of Canada Bay's industrial precincts and commercial centres depends on the continued access of truck access, to facilitate deliveries of goods to stores or to collect products from warehouses. This access can be required at any hour of the day or night, and the noise generated by these heavy vehicles can have a detrimental impact on the amenity of adjacent uses, particularly residential uses.

The Canada Bay DCP already contains requirements to mitigate noise impacts within new residential developments. Development adjacent to major roads (over 20,000 vehicles per day) and rail corridors are required to mitigate noise impacts under the State Environmental Planning Policy (Infrastructure) 2007. These protections can be expanded to include areas which are identified as being of key importance, such as truck access routes into major shopping precincts or industrial areas, through their identification in the Canada Bay DCP.

Action 19b Structure town centres in urban renewal areas (such as Kings Bay) to minimise truck movement through centres and residential areas

The development of urban renewal areas (such as the Kings Bay precinct) should be structured to allow truck access to supermarkets etc while minimising impacts on residential areas. This is an urban design solution that will ultimately address multiple centre challenges, however for example, supermarkets in the Kings Bay centre should have rear-lane access or a corner site to permit truck loading without movement along Spencer Street. Similarly, the provision of flexible, ground-floor spaces along Parramatta Road (as referred to in Action 9b) would require truck access, ideally through a new lane at the rear of the property. These lanes should be established so that easy access is provided to Parramatta Road, with a minimal distance travelled along predominantly residential streets.

7.3 Action timeframes

Each of the actions identified has an indicative time period in which it should be acted upon. These timeframes are identified in the following table.

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
ISSUE:	METROPOLITAN OFFICE MARKET IMPACTING ON RHODES' COMMERCIAL ROLE			
Priority 1	Continue to support the role of Rhodes as a commercial centre			
Action 1a	Continue to work with Rhodes Corporate Park and Ryder Boulevard owners to support tenancy attraction strategies aimed at corporate market			
Action 1b	Improve pedestrian connection from Rhodes Corporate Park to future Rhodes East retail through HP site			
Priority 2	Monitor the local office market			
Action 2a	Undertake annual monitoring of vacancies and rents of Rhodes and competing centres			
Priority 3	Manage the delivery of new commercial floorspace			
Action 3a	Consider the delivery of new commercial floorspace over the long term, based on the outcomes of Actions 2a, in a coordinated way, considering both the HP site and/or the proposed DPE commercial development as the providers of this floorspace			
Action 3b	Require no net loss of commercial floorspace on the HP site as part of any redevelopment, with commercial floorspace separated from any other potential future uses to ensure flexibility in precinct growth			
Action 3c	Cluster any future commercial floorspace together to present a clear commercial core adjacent Rhodes Station			
ISSUE:	RHODES'S RESIDENT POPULATION IS GROWING			
Priority 4	Concentrate growth of Rhodes as a destination for high quality retail and entertainment			
Action 4a	Allow for approximately 80,000sqm of total retail floorspace in Rhodes by 2036			
Action 4b	Concentrate dining and other uses that contribute to public realm activation at street level rather than in enclosed shopping centres			
ISSUE:	LACK OF INTEGRATION BETWEEN CONCORD HOSPITAL AND RHODES			
Priority 5	Support long term expansion of hospital-related growth along or adjacent to Fremont Street			
Action 5a	Work with Sydney Local Health District to ensure any future development of the at-grade Hospital Road carpark contributes to an incremental link towards Rhodes Station, possibly centred on the Kokoda Track Memorial Walkway			
Action 5b	Ensure any redevelopment of the site facilitates improved east-west access through to and across Concord Road towards Concord Hospital			
Priority 6	Support Concord Hospital's retail provision			
Action 6a	Work with Sydney Local Health District to provide a range of food and convenience retail options as part of future hospital masterplanning to ensure hospital staff, patients and visitors have access to appropriate services			
Priority 7	Support existing local retail			
Action 7a	Do not permit any future private hospital or health service-related development along Hospital Road to provide any retail floorspace in any future development			
Priority 8	Transport linkages to north Strathfield			
Action 8a	Explore local shuttle link between future North Strathfield Metro Station and Concord road, via surrounding local centres			
ISSUE:	SIGNIFICANT LOSS OF INDUSTRIAL LAND			

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
Priority 9	Incorporate displaced industries in the B6 and IN1 zones within future mixed use and enterprise precincts along Parramatta Road as part of the PRCUTS			
Action 9a	Actively manage the inclusion of all types of permitted uses in the potential B4 (Mixed Use) and B6 (Enterprise Corridor) zones proposed in the PRCUTS			
Action 9b	On lots fronting Parramatta Road in the Burwood-Concord and Kings Bay Precincts identified in the PRCUTS, require ground floor lots greater than 200 metres from existing or proposed centres to: <ul style="list-style-type: none"> ▪ Include a rear lane running through proposed blocks ▪ Require ground floor uses fronting Parramatta Road to have double-height ceilings ▪ Have rear-lane low-bay access to facilitate small truck access and customer parking 			
ISSUE:	THE NEED TO CREATE A TRUE CENTRE IN KINGS BAY			
Priority 10	Structure the future centre around an active, human-scaled Spencer Street			
Action 10a	Require fine-grained retail frontages along Spencer Street to create an active main street			
Action 10b	Set back wide frontages of larger format retail (including supermarkets) along Spencer Street behind smaller retail units			
Action 10c	Concentrate large bulky retail along Parramatta Road (including uses such as car show rooms)			
ISSUE:	DEVELOP A DISTINCT ROLE AND FUNCTION			
Priority 11	Take advantage of the Bakehouse Quarter's unique urban character to develop a clear commercial, retail and entertainment identity			
Action 11a	Support the re-development of the existing carpark in the former bakery building to provide a mix of retail and commercial floorspace, in keeping with the appropriate heritage controls and urban character			
Action 11b	Encourage the provision of flexible commercial floorspace in any change of use in the old Bakery to encourage a range of business uses and enable the precinct to attract a diversity of non-office related businesses			
Action 11c	Consider opportunities for at-grade car park on the corner of Allen and George Streets to accommodate future ground floor retail			
ISSUE:	LACK OF CENTRE IN DRUMMOYNE			
Priority 12	Create a town centre in Drummoyne, with a focus on Formosa Street			
Action 12a	Create a pedestrian-focused retail strip in Drummoyne focused on Formosa Street to provide the Drummoyne area with an active and accessible centre, concentrating along a pedestrian-priority strip and providing a mix of active retail frontages and public open space, while retaining access through to Victoria Road			
Action 12b	Support the addition of approximately 1,500sqm of supermarket floorspace by 2036			
ISSUE:	SUPPORT BIRKENHEAD POINT'S ROLE AS A METROPOLITAN SHOPPING DESTINATION			
Priority 13	Support Birkenhead Point's future retail growth			
Action 13a	Allow Birkenhead Point to continue to grow its retail offer, particularly with a focus on fashion and experiential retail, but do not permit additional supermarket floorspace			
ISSUE:	MAINTAINING AN ACTIVE AND CONNECTED CENTRE			
Priority 14	Concentrate future centre growth on perpendicular streets, rather than extending the length of the retail strip on Great North Road			

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
Action 14a	Maintain a commercial and retail centre of gravity in Five Dock between First Avenue and Barnstaple Road, with expansion of the B4 zone east-west on Barnstaple Road and Henry Street			
ISSUE:	NEED TO ACCOMMODATE FUTURE RETAIL AND LOCAL EMPLOYMENT			
Priority 15	Provide appropriate commercial floorspace in the centre core			
Action 15a	Provide for approximately 2,000sqm of supermarket floorspace by 2036, concentrated in the southern part of the Five Dock Centre, within the core proposed in Action 14a.			
Action 15b	Require any major residential redevelopment within 200 metres of a future metro station AND within the current B4 zone to include two storeys of commercial floorspace above ground floor retail			
ISSUE:	RETAIN AND STRENGTHEN WELL PERFORMING LOCAL CENTRES			
Priority 16	Continue to support Concord's role as a high quality eat street destination			
Action 16a	Concentrate any future retail development on streets perpendicular to Majors Bay Road centre			
Action 16b	Limit or restrict length of Majors Bay Road centre, rather than extend retail strip north or south			
Action 16c	Require any high-density residential redevelopment along Wellbank Street east from Majors Bay Road to Bent Street to include ground floor retail, by expanding the B4 Mixed use zone to link to the Canada Bay Museum			
Action 16d	Ensure future residential development along Bent Street does not impact on the rear lane access to shops from Majors Lane			
Action 16e	Consider development potential of current Concord Commercial Centre to continue fine-grained active frontage along Majors Bay road, with commercial floorspace replaced above, potentially as part of Mixed Use (B4) development that includes residential			
Action 16f	Require any future development of at-grade carpark on corner of Majors Bay Road and Brewer Street to provide ground floor retail floorspace to create a clear 'gateway' to concord centre			
Action 16g	Manage conflicts between future shop-top residential and ground floor active uses			
ISSUE:	IMPROVE FUNCTION OF UNDER-PERFORMING CENTRES			
Priority 17	Improve connectivity between centres on train line and Concord Road			
Action 17a	Incrementally increase retail floorspace along streets connecting Concord West station to Concord Road, as part of future residential development			
Action 17b	Incrementally increase retail floorspace along streets connecting North Strathfield station to Concord Road, as part of future residential development			
Action 17c	Require any future private hospital or health service-related development along Hospital Road to contribute to improvements to the nearby Concord West centre either through a Voluntary Planning Agreement or through Section 7.11 Development Contributions requirement			
ISSUE:	SIGNIFICANT LOSS OF INDUSTRIAL LAND			
Priority 18	Retain any industrially-zoned land outside of pre-existing planning commitments to re-zone (in Rhodes East and along Parramatta Road)			
Action 18a	Retain Bushells site on Burwood Road			
ISSUE:	LAND USE CONFLICT BETWEEN HEAVY VEHICLES AND NOISE SENSITIVE USES			
Priority 19	Protect the viability of industrial areas and delivery routes for commercial centres			

Reference	Priority / Action	0-5 years	5-10 years	10-20 years
Action 19a	Strengthen DCP requirements on noise mitigation for new developments adjacent to heavy vehicle routes			
Action 19b	Structure new release areas such that truck access can be provided away from residential uses			

8. APPENDIX TO POLICY REVIEW

This chapter analyses relevant strategic documents and policy material, extracting key information pertinent to the preparation of the Local Employment and Productivity Strategy (LEPS). This appendix contains a full version of the analysis.

8.1 State policy and strategies

Greater Sydney Region Plan: A Metropolis of Three Cities (2018)

This document is the Greater Sydney Regional Plan released in 2018 and prepared by the Greater Sydney Commission. It seeks to achieve a vision of a metropolis of three cities: The Western Parkland City, the Central River City and the Eastern Harbour City.

The *Greater Sydney Region Plan* (GSRP) is a metropolitan strategy that responds to the current and future planning challenges of the Greater Sydney region. The aim of the GSRP is to transform Greater Sydney into a metropolis of three cities: Western Parkland City, Central River City and the Eastern Harbour City over the next 40-year period. This vision will be progressed via a series of objectives centred on infrastructure and collaboration, liveability, productivity and sustainability. Canada Bay Council is located in the Eastern Harbour City District. The focus for this District is innovation and global competitiveness to underpin its continued growth (see Figure 35 below).

To create a more productive city, the GSRP aims to **grow jobs** in metropolitan centres, health and education precincts and strategic centres. Within Canada Bay, Rhodes is classified as a strategic centre and health and education precinct, as well as Rhodes East being identified as a Collaboration Area. Employment growth in these areas and public transport access to these centres could create opportunities for redevelopment nearby.

The GSRP includes *Objective 23: industrial and urban services land is planned, retained and managed* which recognises the value of industrial lands within a city where it is not necessarily the number of jobs provided, but the operational role and function industrial lands play that is of importance.

Industrial lands support and enable a city to develop and businesses to grow. Industrial lands can include a range of activities from major freight and logistics, heavy manufacturing, light industry, to urban services and creative uses.

The principles for managing industrial and urban services land across Greater Sydney, as identified in the GSRP, includes:

- **Retain and manage** – all existing industrial and urban services land should be safeguarded from competing pressures, particularly residential and mixed-use zones. This designation applies to Canada Bay, although areas subject to the Parramatta Road Corridor Urban Transformation Strategy are exempt from this policy.
- **Review and manage** – review all industrial and urban services land under this approach to either confirm its retention or manage uses to allow sites to transition to higher-order employment activities and seek appropriate controls to maximise business and employment outcomes.
- **Plan and manage** – in land release areas identify additional industrial and urban service land.

FIGURE 35: THE EASTERN CITY DISTRICT



Source: Greater Sydney Commission, 2018

The principles above relate to Ministerial Directions issued under 9.1 of the Act - 1.1 Business and Industrial Zones that states the objectives of the direction are to protect employment land in business and industrial zones. In preparation of a planning proposal that relates to land within an existing or proposed business or industrial zone, the relevant planning authority must give effect to the direction of the objective and retain the areas and locations of existing business and industrial zones and not reduce the total potential floor space area for industrial uses in industrial zones.

The GSRP notes that land subject to the *Parramatta Road Corridor Urban Transformation Strategy* is not subject to the industrial lands strategies and actions of the GSRP.

The other key objective relevant to the Centres and Employment strategy is *Objective 22: Investment and business activity in centres*. This objective identifies the role of centre hierarchies in effective strategic planning. Centres play a role in delivering jobs close to home, facilitate an effective public transport system and provide a range of social and economic infrastructure to support local and metropolitan communities. The GSRP outlines the importance of clear and consistent application of centre hierarchies, to ensure that retail, commercial and other population-serving uses can be effectively distributed to meet the needs of the communities each centre supports. Not all centres are the same and the GSRP's centre's hierarchy identifies three centre types relevant to Greater Sydney:

- Metropolitan Centres – the focus for Sydney's global economic competitiveness
- Strategic Centres – provide access to goods, services and jobs for a range of different communities
- Local Centres – support day-to-day access to goods and services

Of relevance to Canada Bay, *Objective 22* also identifies the following other types of economic places:

- Health and Education precincts- clustered around a hospital and/or major tertiary education institution

Implications for the LEPS include:

- **Access to employment in 30 minutes.** To be achieved through integration of land use and transport planning. This is particularly pertinent to connect residents with knowledge intensive employment. With strengthened transport connections and increased accessibility to employment within 30 minutes, role of local employment may evolve.
- **Employment to be focussed in economic corridors, health and education precincts and strategic centres.** This has implications for local employment with the GPOP economic corridor and Rhodes strategic centre.
- **Collaboration Areas.** Plan identifies Rhodes East precinct as a collaboration area requiring cross-stakeholder alignment and collaboration.

Eastern City District Plan

The Eastern City District Plan (ECDP) is a 20-year strategy, linked to the GSRP, that aims to manage growth in the District. The ESDP informs local level strategic planning, assessment of planning proposals and gives effect to the GSRP.

All **industrial zoned land is required to be retained** in Canada Bay LGA and throughout the Eastern City District. The Greater Sydney Commissions discussion paper *A Metropolis that Works* expands on the need to retain and support the operations of industrial areas even if they do not represent the traditional conception of highest and best use.

The ECDP include the following planning priorities:

Planning Priority E11 – growing investment, business opportunities and jobs in strategic centres

To focus economic growth in Strategic Centres to make use of jobs, services and public transport connectivity. Specifically, this Planning Priority identifies specific actions for the District's Strategic centres.

Planning Priority E12 – retain and managing industrial and urban services land

Directly supporting objective 23 from the GSRP, this planning priority acknowledges the contribution these lands provide to businesses and trade in the District and Greater Sydney. For small, inner-city industrial precincts, it is stated the value of these sites should not be underestimated due to the relatively affordable rent of the site and the significant proportion of urban service that is provided to the local community.

It is expected future employment growth in urban services will require more floor space or additional land. As urban services are less likely to locate in multi-storey buildings or increase their floor space efficiency, this could become a future pressure point.

A benchmark of three-square metres of urban services land per person has been identified in the ECDP, however it is noted that the District per person amount is below the benchmark. The per capita amount is expected to decrease between 2016 and 2036 for the Eastern City District.

The principle of 'retain and manage' is specifically identified for this District, where all existing industrial land and urban services should be safeguarded from competing pressures, especially residential and mixed-use zones.

The ECDP encapsulates this principle in two actions that state:

- Action 51: retain and manage industrial and urban services land, in line with the Principles for managing industrial and urban services land in the Eastern City District by safeguarding all industrial zoned land from conversion to residential development, including conversion to mixed use zones. In updating local environmental plans, councils are to conduct a strategic review of industrial land.

- Action 52: facilitate the contemporary adaptation of industrial and warehouse buildings through increased floor to ceiling heights.

A Metropolis that Works, GSC Thought Leadership Series

The paper responds to Objective 23 of the GSRP that industrial and urban services land be planned, retained and managed and acknowledges the changing nature of industrial and urban services and their spatial requirements and strategic value.

Great cities are acknowledged as also being working cities - more than just residential neighbourhoods where residents have improved travel times but where industrial or employment precincts play an important and equitable role in the day-to-day functioning of a city. Spaces are needed in the city where people can function, make and create.

It is recognised only 8% of land across Greater Sydney is zoned for non-residential uses such as industrial and urban services yet, 19% of all jobs across Greater Sydney are classed as industrial.

The paper highlights the sector is evolving from its traditional manufacturing, service, repairs, transport and warehousing association to higher order industrial, technology, creative and logistic uses. It is stated that research indicates there is often a mismatch between businesses operating in the industrial and urban services lands and standard land use definitions.

The paper suggests that strategic planners need to plan for a multi-layered city that provides creative interfaces; facilitates 'ordinary' functions; and has space that services future population needs. If change does occur, there is a need to retain ownership of the terms on which those changes are made, and determinations should require no net loss of land or businesses and seek additional allocations relative to population growth.

Land use conflict from mixed use zoning is recognised, as well as certain actions that allow uses such as cafes and restaurants to operate in these precincts. The introduction of such uses can impact the integrity of productive industrial and urban service land by introducing land use conflicts which, in turn, often add operating constraints to businesses.

The paper highlights a nuanced approach is needed for the evolving uses of these spaces – how to support the emergence of organic creative enterprises and local networks and avoiding the risks of 'creative led' gentrification. This approach is underpinned by a 'no regrets' approach to decision making regarding industrial and urban services land.

It is noted that these lands need better planning and management that is responsive to market and community needs.

Our Greater Sydney 2056 Eastern City District Plan (2018)

This plan is a 20-year strategy to manage growth to achieve a 40-year vision set for Greater Sydney. It was produced by the Greater Sydney Commission providing priorities and actions for the Eastern City District.

Productivity Profile: Greater Sydney (2017)

The Productivity Profile provides an indication of Greater Sydney's economy to inform the planning of individual districts. The document was produced by the Greater Sydney Commission in January of 2017.

Implications for the LEPS include:

- **Rhodes strategic centre projected 2% of District Jobs.** The profile identifies that Rhodes is in the top 10 commercial areas and contains a major health presence.
- **Rhodes has attracted significant new housing and employment over 15 years.**
- **Concentration of commercial use.** Offices are concentrated in Rhodes Business Park. Further, commercial uses are co-located within a major retail centre, Rhodes Waterside shopping centre.

- **Stimulate the night-time economy.** Increasing consideration of activities and opportunities across 24 hours.
- **Retention of industrial land.** Urban services and industrial land are to be protected.
- **Support health and education precincts along with strategic centres.** This is proposed to achieve higher international competitiveness of the Eastern City District.

Rhodes East Priority Investigation Area Planning Report (2017)

This planning report was released in 2017 by the Department of Planning and Environment in collaboration with City of Canada Bay Council. It outlines the re-zoning proposal for the area identified in the draft Precinct Plan for the Rhodes East Priority Investigation Area.

Implications for LEPS:

- **3,589 dwellings proposed.** The draft precinct plan proposes the precinct comprise dwellings to support 8,255 residents.
- **6,000-6,500sqm of convenience and 7000sqm of destination retail space.** This is a priority to support the new population and offer retail choice. The type and location of the proposed retail has been designed to complement the existing retail and commercial uses.
- **300sqm of space for community, cultural or retail use.** These are to be included within 'mixed use corners'. Mixed use corners, combined with corner plazas, are potential locations for a small cafe, wine bar, art gallery, bike workshop or office space.
- **2,900sqm of adaptive ground floor use.** The draft Plan proposes this be used as ground floor office spaces. Adaptive ground floors are proposed for buildings along Concord Road for flexible spaces for either residential or office use.
- **Gaps in current provision of facilities to match planned growth.** These facilities include an expanded community facility, primary school, convenience retail and specialty retail venues, 3-4 childcare centres, local medical centres and open space.
- **Need for quality facilities and infrastructure to support growth.** Community and stakeholder consultation found a need for improvements to local retail and a need for a new school.

Rhodes Revised Draft Precinct Plan (2018)

This revision of the Rhodes East Priority Investigation Area Planning Report (above) was release by the Department of Planning and Environment. The revised plan expands the precinct boundary to include the west as an opportunity to integrate key undeveloped land.

Implications for LEPS:

- **The addition of 40,000sqm commercial core.** The revised plan proposes a commercial core which will accommodate 1,200 jobs at Station Gateway East. The addition is in response to the GCS's target that Rhodes will provide 6,300 to 8,300 jobs by 2036.
- **The Mixed Use precinct on the western side of the station will provide 600 jobs.** Station Gateway West has been identified as an area that will provide further jobs.
- **A free-standing school for 1,000 students.** The revised plan has identified a one-hectare local school site within the precinct. The previous vertical school proposal and location provided inadequate open space for the students.
- **3,600 new homes east of the station and 600 homes west of the station.** As per the previous draft, the 3,600 homes provided east of the station will satisfy the Canada Bay LEP. The western side of the station will deliver 600 above the maximum number of dwellings.
- **Rezoning of industrial land.** Approximately 6.4 hectares of industrial land in the Leeds Street area will be rezoned to deliver public open space and foreshore access.
- **Reduction of car parking rates.** The draft plan proposes a reduction of a car parking rates to minimise vehicular traffic within the precinct. This applies to residential, commercial and retail uses.

Parramatta Road Corridor Urban Transformation

Parramatta Road Corridor Urban Transformation Strategy (2017)

The Strategy was released in 2016 articulating the State's 30-year plan for the Parramatta Road Corridor. Prepared by the UrbanGrowth NSW, the strategy seeks to inform both State and local government in land use planning and decision making. Ultimately the corridor is expected to accommodate 50,000 new jobs & 56,000 new residents.

Implementation Plan (2016)

The 2016 Implementation was prepared in conjunction with the Strategy. It informs the staging, sequencing of the strategy implementation along with precinct-level action plans.

Planning and Design Implementation Guide (2016)

This document serves as part of the Implementation Tool Kit prepared by UrbanGrowth NSW. It provides a guideline for planning and development controls that seek high design quality and amenity outcomes, particularly for precincts that span over numerous LGAs.

Economic Analysis Report (2016)

The Economic Analysis Report was commissioned by UrbanGrowth NSW reporting the findings of a Retail and Commercial Demand Study. Released in 2016, the report serves as a reference document that informed the creation of the Urban Transformation Strategy.

Implications for LEPS:

- **Growth projections of 4,210 dwellings by 2023 & 9,450 by 2050 at Homebush.** This is planned to be accommodated within 435,000sqm gross residential floor area. This is the maximum area to be delivered and is required to comprise 5% minimum as affordable housing.
- **Growth projections of 5,610 jobs by 2023 & 12,853 by 2050 at Homebush.** This is planned to be accommodated within a minimum of 195,000sqm gross employment floor area. This is to be predominantly light industrial, enterprise, commercial, retail and community use.
- **Growth projections of 3,430 dwellings by 2023 & 5,450 by 2050 at Burwood-Concord.** This is planned to be accommodated within 370,000sqm gross residential floor area at. This is the maximum area to be delivered and is required to comprise 5% minimum as affordable housing.
- **Growth projections of 2,600 jobs by 2023 & 3,850 by 2050 at Burwood- Concord.** This is planned to be accommodated within a minimum of 82,500sqm gross employment floor area. This is to be predominantly light industrial, enterprise, commercial, retail and community use. Much of this is likely to be accommodated along the recommended Mixed Use zoned land along Parramatta Road and Burwood Road.
- **Growth projections of 1,410 dwellings by 2023 & 2,510 by 2050 at Kings Bay.** This is planned to be accommodated within 130,000sqm gross residential floor area. This is the maximum area to be delivered and is required to comprise 5% minimum as affordable housing.
- **Growth projections of 2,900 jobs by 2023 & 4,440 by 2050 at Kings Bay.** This is planned to be accommodated within a minimum of 30,000sqm gross employment floor area at. This is to be predominantly light industrial, enterprise, commercial, retail and community use. Much of this will be accommodated along the recommended Enterprise Corridor and Mixed use land along Parramatta Road.
- **Expansion of childcare at Homebush, Burwood-Concord & Kings Bay.** Provision of 332 childcare places at Homebush, 281 places at Burwood-Concord and 110 places at Kings Bay.
- **Planning for employment should support flexibility.** Commercial and Business Zones are to be adapted to allow greater flexibility and opportunity to create new business models

particularly for small to medium business models. Council should further aim to increase employment densities to encourage multiple uses in one building (co-locating).

- **Employment gains across corridor in population serving industries.** This has been attributed to as a reflection in the growing population of the area and includes health care & social assistance, accommodation & food services, construction, education & training and retail trade.
- **Strong representation of health care & social assistance industry at Burwood-Concord.** This industry is highly represented in the precinct at 27.6%. Together with the education & training industry, these account for 50% of local employment.
- **Employment growth in Homebush attributed to demand for food and beverage.** Employment increases from 2006-2011 have been in response to demand for restaurants, cafes etc. 25% of employment is in wholesale trade (1,331 jobs).
- **Employment is evolving in Kings Bay.** Automotive car retailing is in decline however service industry employment is rising.

Strategic Centres: Enabling Economic Growth and Productivity (2016)

This document was prepared in 2015 for the NSW Department of Planning and Environment and is primarily for planning at a district level. It analyses strategic centres and LGAs across Greater Sydney identifying key barriers and opportunities for employment and productivity.

Implications for LEPS:

- **Intergovernmental collaboration for employment at Rhodes.** The document cites collaboration between State and Council as important to ensure job growth is protected at Rhodes and to provide capacity for additional mixed use developments within the centre.
- **Identified market enabling factors at Rhodes.** High profile existing tenants, existing retail and lifestyle amenity, existing branding and identity, large landowners/development interest, access to employment nodes and plans for expansion are identified as key enabling factors. These factors contribute to significant opportunities for employment growth and productivity in the centre.
- **Identified market inhibiting factors at Rhodes.** Congestion, poor coordination and cost of upgrading utilities and land fragmentation are identified as barriers to enhancing employment and productivity at the centre.

Building Momentum: State Infrastructure Strategy (2018)

The Building Momentum Strategy sets out a 20-year State strategy surrounding key infrastructure sectors of transport, energy, water, health, education, justice, social housing, culture, sport and tourism out to 2031.

Strategic planning priorities with implications for the LEPS:

- **Supporting the '30-minute city' concept.** Strategy seeks to invest in transport infrastructure that is integrated with land use to create opportunities for agglomeration and enhance productivity, liveability and accessibility, in support of the policy goal of a 30-minute city.
- **Support the development of regional hubs.** This is to be achieved by enhancing accessibility and connectivity via major north-south and east west links.
- **Changing jobs and digital technology.** Managing and providing for structural change including resilient infrastructure, modern education infrastructure that address the changing way people work and improving productivity of infrastructure.
- **Supporting economic growth.** High population growth is expected to drive growth in population-serving industries, particularly health and education. Mass transit infrastructure is required to enhance labour mobility and productivity. Health, education, cultural, recreational and housing infrastructure should support, attract and retain skilled workers.

- **Investing in competitive jobs.** Infrastructure responses should prioritise supporting and growing competitive industries and maximising economic development.
- **An additional 26,000 people to be employed in NSW by 2036 and 159,000 more people would be employed by 2056.** These new jobs are expected to emerge from the implementation of the Infrastructure Strategy. Jobs will increase more rapidly from 2036 with the commencement of major transport projects, improving accessibility to employment.

Employment Centres Analysis (2016)

This report was prepared on behalf of the Department of Planning and Environment to inform Sydney's subregional planning. The document presents findings of an analysis of housing markets, macroeconomic factors influencing employment trends, feasibility of development, the operation of transport and barriers to development of commercial buildings in strategic centres.

Implications for the LEPS include:

- **Importance of health-related activities and infrastructure around Concord Hospital.**
- **Opportunity of identifying commercial sites at Rhodes.** This is an opportunity to support ongoing job growth in Rhodes. Financial and insurance services are an emerging industry, providing 2,250 jobs).
- **Linking Rhodes rail station with Concord Hospital.** This is an opportunity to increase public transport use.
- **Rhodes context in central district.** Rhodes is closely located to major centres such as Sydney's largest employment centre Sydney CBD, in addition to Greater Parramatta, the second largest. This has significant implications on the competitiveness and attractiveness of Rhodes for businesses to locate there.

8.2 Local policy and strategies

Council Snapshot: Canada Bay Council (2018)

This document was prepared by the Greater Sydney Commission in 2018. It summarises the Eastern City District Plan with all relevant material for Canada Bay Council in terms of infrastructure & collaboration, implementation, liveability, productivity and sustainability.

Implications for LEPS:

- **22,000 to 24,000 job targets in Rhodes.** This document plans for Rhodes to accommodate a growth in local employment. The current 2016 estimate is 15,700 jobs.
- **Strengthen productivity in Rhodes as a Strategic Centre.** This is proposed by protecting the employment generation capacity at Rhodes Business Park, linking Rhodes to GPOP and to the Concord Health Precinct, improving public space, creating connected cycling and walking networks and supporting growth with public transport.
- **Burwood, Strathfield and Homebush identified as future planned precincts.** The document highlights these three precincts as future employment centres.
- **Growing health and education precincts.** Canada Bay is identified as a health precinct with Concord Hospital as a key institution.
- **Growing investment, business opportunities and jobs in strategic centres.** This priority is presented as relevant for the Rhodes strategic centre.
- **Industrial and urban services lands.** Industry sites are to be managed and where relevant retained or grown. Canada Bay contains significant industrial employment land.

Community Strategic Plan

Your Future 2030 Community Strategic Plan (2018)

Your Future 2030 articulates community priorities for the municipality. Adopted in 2018, the plan establishes five key vision areas reflecting aspirations for City of Canada Bay. It is designed to inform all future strategies.

Community Engagement Report (2017)

This report details outcomes and findings of the community engagement undertaken in 2017 by City of Canada Bay to inform the Community Strategic Plan.

Community priorities relevant to the LEPS:

- **Increasing public transport across and beyond Canada Bay.** Community identified the desire to access services such as shopping centres, town centres, Concord Hospital and job centres such as Sydney CBD, Parramatta & Sydney Olympic Park.
- **Support night-time activities.** Prioritising safety and activity in local centres at night is identified. This has implications for facilitating activities/businesses that operate at night.
- **Infrastructure to support growing community.** This includes the provision of services in accessible local centres, particularly transport and health services.
- **Functional local centres.** Strong demand for vibrant, mixed use local centres. Community expressed a desire for greater diversity of local businesses such as retail, restaurants and medical centres.
- **Supporting local business** by planning for business hubs, supporting young professionals with start-up spaces and advice, public Wi-Fi and encouraging innovation.
- **Diversity of opportunities and services.** This includes recreation, health, and community services.
- **Economic development activities.** Plan advocates for partnerships between businesses and government to stimulate the economy and increase visits.

Canada Bay DCP (2017)

Part F: Mixed use areas and Neighbourhood centres

This section of the Canada Bay DCP sets out controls for development within mixed use areas and neighbourhood centres. A general set of controls are established for all commercial developments as well as specific controls for certain commercial precincts.

Part G: Industrial development

This section of the Canada Bay DCP sets out controls for industrial development.

Relevant objectives and controls for the LEPS include:

- **Maximise employment generating activities and enhance employee amenity.** Controls aim to promote employment generating activities
- **Facilitating economically sustainable and environmentally sensitive commercial development.** This is achieved through various controls in design.
- **Victoria Road, Drummoyne as a busy commercial and retail strip.** Mixed use to be encouraged to create a thriving retail, residential and commercial uses. Streetscapes to be improved to enhance attractiveness of area and amenity.
- **Five Dock Town Centre to be reinforced as a revitalised mixed use, high amenity commercial area.** Including permeable developments and higher east-west connections for walkability and cyclability through the centre. Mixed use and active frontages to be encouraged. Centre to comprise, community, civic, recreation, leisure, shops, restaurants and café activities.
- **Major Bay Road Shopping Centre.** Reinforced as boulevard shopping centre with unified streetscape.

Local Planning Strategy (2010)

The Canada Bay Local Planning Strategy was adopted in 2010. Prepared by Council, the document guides long term development and decision making in terms of future land use planning for the municipality out to 2031.

Implications for the LEPS:

- **Retention of key service industry locations for the LGA.** These are identified at Green Street, North Strathfield and Leeds street, Rhodes which will provide employment lands.
- **Intensify employment lands integrated with transport infrastructure.** Employment is to be intensified at Rhodes, the Bakehouse Quarter and Victoria Road, Drummoyne and Parramatta Road. These sites are strategically chosen for their existing or future connection to public transport.
- **Strengthen employment in local centres.** Despite much of local employment to be absorbed in larger centres such as Rhodes, a key objective is to ensure local centres maintain business and retail development.
- **Retention of industrial sites.** Sites at George Street, North Strathfield, Leeds Street, Rhodes and the Freshfood Site at Concord are to be retained as industrial use. This will likely not contribute to employment growth but is planned to support local business activity.
- **12,345sqm additional mixed use floor space approved at Rhodes Waterside Shopping Centre.** This increased floorspace is an opportunity for local employment growth.
- **15,000sqm additional floorspace approved at Rhodes Corporate Park.** This increased floorspace is an opportunity for local employment growth.
- **Concord hospital expansion of 25%.** The hospital is in the process of expanding its facilities which presents a strong opportunity for local employment in the health sector.

Concord West

Concord West Master Plan (2014)

The Master Plan was prepared on behalf of Council in 2014. It applies to the land West of the Northern Rail Line at Concord West and creates planning controls guiding future development of the site.

Concord West Socio-Economic Study (2013)

In 2013 this report was prepared for City of Canada Bay. It analyses the potential socio-economic impacts of transforming Concord West from a predominantly industrial area to three scenarios; No Change, Business Park or Mixed Use.

Implications for LEPS:

- **Opportunity for shopping and entertainment.** Can provide local retail employment with revitalisation opportunities around the rail station.
- **Industrial uses at site becoming less viable.** Large sites which may be re-zoned and redeveloped. Currently much of the land operates as commercial however residential is rapidly increasing.
- **Potential for larger scale developments.** Various sites at West Concord have been identified with potential to be redeveloped as large-scale buildings. This is an opportunity to facilitate employment floorspace growth.
- **Mixed Use Scenario is shown to have a positive impact for job growth, investment and economic prosperity.** In contrast with No Change and Business Park scenarios, which demonstrated a negative impact.

Investment Profile (2013)

This document was produced by City of Canada Bay identifying key economic opportunities within the municipalities to attract investment.

Implications for the LEPS include:

- **Local employment to grow by 30% by 2021.** Substantial estimates of local employment growth are forecast. Growth is expected to occur primarily in population and knowledge led industries.
- **Strong established and emerging businesses.** Council identifies the regions strength with high small-medium enterprise business ownership. Further, Council identifies a high GDP as a strength to attract investment to the area, ranked fourth in the central region.

Industrial Precinct Review (2015)

Prepared for the NSW Department of Planning and Environment in 2015, the Industrial Precinct Review was developed to inform the preparation of Sydney's subregional strategies.

Implications for the LEPS include:

- **Key industrial precincts in Canada Bay.** Industrial precincts for Canada Bay are Bushells Site, Burwood Road, Concord West, Oulton Avenue, Parramatta Road/Queens Road and Rhodes, Leeds Street. These are all zoned as General Industrial.
- **Capacity for development.** Undeveloped land is only present in small quantities at Parramatta Road/Queens Road and Rhodes, Leeds Street precincts and in large amounts at the Oulton Avenue Precinct. Capacity for floorspace expansion 2,152sqm is identified at Rhodes, Leeds Street precinct.
- **Precinct employment.** Highest total employment was identified at the Rhodes, Leeds Street precinct, followed by Parramatta Road/Queens Road and Bushells Site, Burwood Road.
- **Decreasing viability of industry and relocation.** Demand for residential land is driving up land values. Further, there is a rising demand for proximity to suppliers and main roads, resulting in industrial businesses relocating to accessible and intensive industrial areas such as Port Botany, Sydney Airport and Along Parramatta Road.
- **Vulnerability of remnant industrial.** The report identifies Canada Bay LGA as a location of remnant industrial sites, these are purpose-built sites surrounded by areas of residential use. These are vulnerable to rezoning for residential use.
- **Flexibility of industrial use.** Advocates for councils to recognise the changing character of certain employment lands, to allow for commercial and creative uses. Likewise, there is potential to explore Live / Work typologies.

Canada Bay Housing and Employment Study (2008)

This study was conducted in 2008 on behalf of City of Canada Bay, to inform the preparation of the LEP ensuring adequate consideration of the Metropolitan Strategy were incorporated regarding housing choice, housing intensification and achieving employment targets. It analysed a base case scenario of Business as usual, along with a LEP 2008 plus additional growth in centres scenario and an additional growth in centres and reduce potential under LEP 2008.

Implications for the LEPS include:

- **Focus planning efforts on town centres.** This includes reconsidering maximum allowable densities in village and neighbourhood centres. The report further recommends investigation into the potential for a new Neighbourhood Centre at Hilly Street, Mortlake.
- **Need for transport upgrades and services.** This study calls for future employment growth to coordinate with transport infrastructure provision. New jobs should be well serviced by public transport and this is most significant for retail and commercial employment.
- **Need to protect existing employment lands particularly industrial land.** Particularly larger well-located industrial sites.
- **Future growth is expected to be driven by population growth.** In addition, it is expected that the construction of office spaces in Rhodes will drive growth.

City of Canada Bay Local Environmental Plan (2013)

This document provides a framework to guide future development within Canada Bay. Gazetted in 2013, it sets out land use control with a series of maps and ordinance.

Relevant controls for the LEPS include:

- **Zone B1 – Neighbourhood Centres.** Seeks to promote small-scale retail, business and community uses that serve the needs of the local community.
- **Zone B3 – Commercial Core.** Seeks to provide a wide range of retail, business, office, entertainment, community uses for local and wider community.
- **Zone B4 – Mixed Use.** Seeks to maximise employment opportunities at accessible locations and maximise public transport patronage and enhance walking and cycling.
- **Zone B6 – Enterprise Corridor.** Seeks to encourage a mix of employment uses and business along main roads, limiting retail activity and permitting residential when as part of a mixed use development.
- **Zone B7 – Business Park.** Seeks to encourage employment opportunities by providing a range of business and light industrial activities. Further it enables supporting facilities or services to support workers in the area.
- **Zone IN1 – General Industrial.** Seeks to encourage employment opportunities by providing a range of industrial and warehouse land uses. Industrial land under this control are to be supported and protected for industrial use, with any adverse effects of industry on other uses minimised.

Drummoyne Village DCP (2007)

The DCP for Drummoyne Village has been developed for City of Canada Bay to ensure future development promotes the creation of a viable village centre.

Implications for the LEPS include:

- **Unoccupied retail space is viewed as an issue.** Consultation revealed vacancy rates as a problem at the site, therefore, centre should strengthen its attractiveness for business and for local residents.
- **Centre to provide diversity of residential, retail and commercial uses.** Retail uses reflects a 'movement economy' from arterial (regional/subregional retailing) and feeder (local convenience) roads. Bulk of retail to be on Victoria and Lyons Road. Mixed use is proposed to create greater diversity, with retail on ground, commercial above and residential on and above the third floor.

Rhodes West DCP (2015)

This DCP has been prepared for City of Canada Bay in 2015 to set out development objectives and controls for the Rhodes West area in support of the LEP.

Implications for the LEPS include

- **Rhodes West as a specialised commercial centre.** To be achieved through promoting an appropriate mix of uses to support employment growth. Commercial development to be concentrated within 500m of station entrance. Primary retail street to be created linking Mary Street and a retail centre adjacent to Homebush Bay Drive.
- **High density residential community.** To be accommodated in a variety of housing types.
- **Community to be integrated with east of railway line, Wentworth Point and Sydney Olympic Park.** Pathways and cycleways are to be improved to enhance permeability and access to station.

Strathfield Triangle DCP (2013)

The Strathfield Triangle DCP was prepared for the City of Canada Bay which establishes design criteria, objectives and controls to guide future development of the 5.5-hectare site.

Implications for the LEPS include:

- **Triangle to accommodate a mix of retail and residential uses.** This includes accommodating for multiple uses within buildings and seeks to create active frontages with retail at ground level.
- **Maximise site connectivity.** The plan seeks to enhance site access including pedestrian connectivity through the site as well as maximising links to Strathfield rail station, Strathfield town centre and the Backhouse Quarter.

Breakfast Point Master Plan (2002)

The Plan was prepared for City of Canada Bay as an urban renewal area on the Mortlake Peninsula. It provides a long-term framework to guide the development of Breakfast Point.

Implications for the LEPS include:

- **Village centre is to be a neighbourhood convenience and service centre.** This comprises shop-top units to be accessible to the greater Mortlake community and in connection to remnant Mortlake village precinct. Centre is planned to include convenience retail and personal and professional services centred around a market square.

8.3 Summary of findings

Across local, subregional, metropolitan and State documents, emerging themes and priorities have surfaced in relation to the local employment and productivity of City of Canada Bay. These are identified as follows:

- **Access to Parramatta CBD, Sydney CBD and Sydney Olympic Park.** Documents across government articulate the need for well serviced public transport and road access to major employment centres to enhance productivity and workforce mobility. This is a challenge and opportunity in terms of local employment attractiveness.
- **Supporting employment growth in population serving industries.** Residential growth has driven a demand for population serving industries. This trend is broadly experienced on a metropolitan level as well as locally within Canada Bay itself. This includes retail, health, accommodation, construction and education services.
- **Industrial land to be managed and retained.** Various documents discuss the industrial land uses at Canada Bay, particularly those at Rhodes (Leeds Street) and along Parramatta Road. Plans identify structural changes rendering the remnant industrial sites vulnerable to relocation outside of the municipality. Strategic direction includes both the support of this transition, as well as the retention of industrial land to support local businesses.
- **30-minute city principles.** Across government, priorities and actions aim to achieve a level of integration between land use and transport infrastructure. This seeks to connect residents with employment lands and services. This creates opportunities for agglomeration and enhancing productivity, liveability and accessibility.
- **Flexible use of employment lands.** Policy material emphasises the need for planning controls that are adaptive and flexible for new business models (particularly in commercial and business zones) and to increase densities to support multiple uses (co-locating). Other documents propose additional Mixed Use zoned lands at key locations such as the precincts within the Parramatta Road Urban Transformation Area and Rhodes Priority Investigation Area.
- **Accessibility within centres.** Improvements to cycling network and walkability across the municipality are identified. This is prioritised to enhance local amenity, creating an attractive municipality to work and live and to improve local accessibility to jobs and services.
- **Targeted employment intensification and growth.** Plans state local employment growth within Canada Bay will be concentrated within centres. Primary focus of employment

growth and change is in Rhodes, with further growth to be accommodated in Homebush, Kings bay and Burwood-Concord precincts.

9. APPENDIX TO SUPPLY-DEMAND ANALYSIS

This section examines the supply – demand characteristics of the Canada Bay’s various employment floorspace types. This appendix contains a full version of the analysis outlined above

9.1 Approach

Overview of process

The first section of this chapter contains the supply-side analysis, which identifies the current supply of employment floorspace and the capacity under the current planning controls within Canada Bay. Four capacity scenarios are modelled and presented in more detail.

Floorspace demand for retail and hospitality uses are modelled separately from the demand for floorspace generated by other uses. The non-retail demand has been modelled using forecast employment growth, and demand for retail and hospitality uses has been modelled using the SGS retail gravity model, shown below in sections 9.3 and 9.4 respectively.

The total demand is then compared against the capacity under current planning controls to identify a floorspace gap, indicating whether there is sufficient capacity to meet the forecast growth in demand. This is contained within section 9.5 below, beginning on page 119.

Floorspace classification

Four broad building typologies are used to classify employment floorspace within this analysis:

- Main Street Retail/Big Box Retail
- Bulky Goods Retail
- Commercial Office
- Industrial.

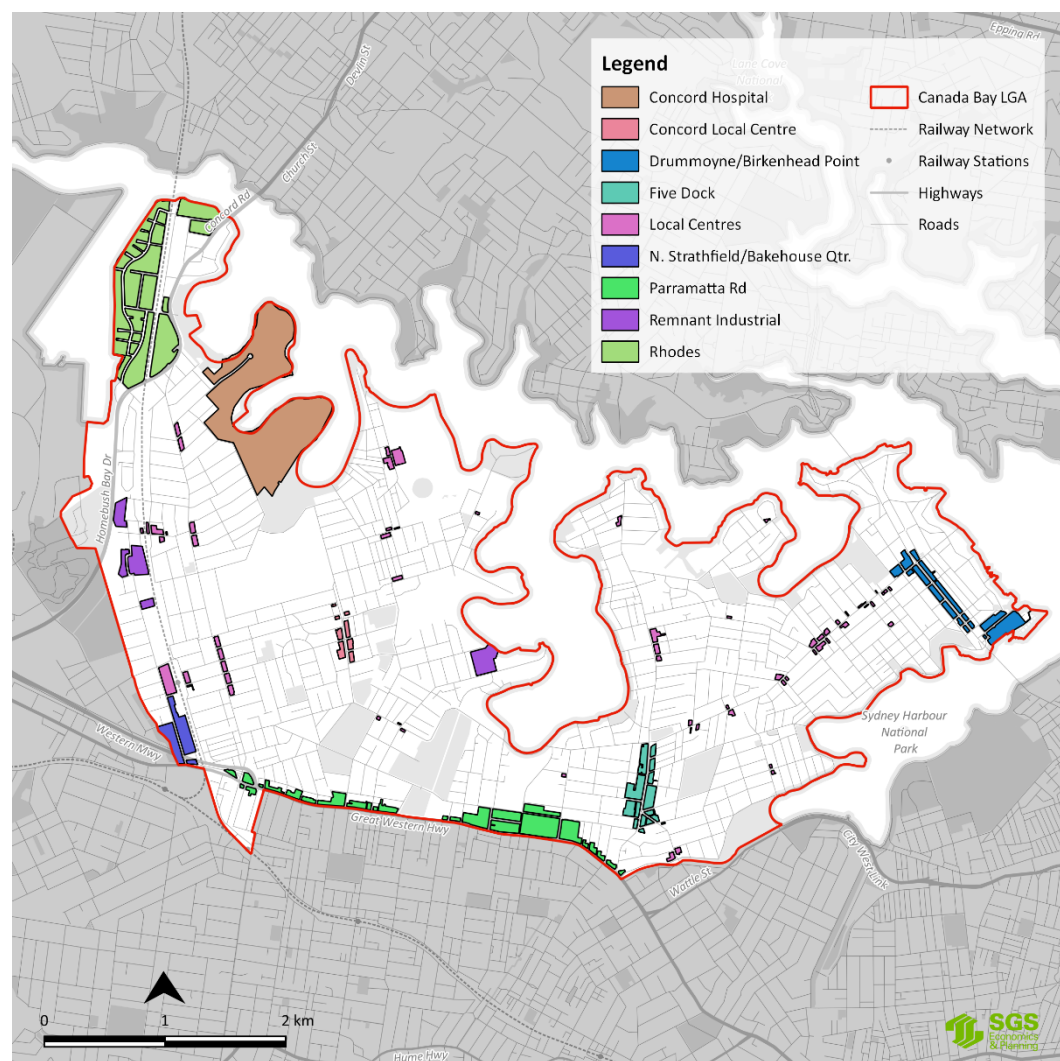
While these typologies are used to identify the type of building, they may not directly align with a building’s specific tenant. Buildings which fall within the main street retail typology, such as those seen in the Concord Local Centre on Majors Bay Road, are frequently occupied by businesses which do not fall into the retail trade industry, such as an accounting firm or real estate agency. As a result, it is important to distinguish between these typologies and the industry of the businesses which may occupy them.

The analysis in this section uses the employment precincts identified within the LGA, reproduced below in Figure 24. Employment floorspace outside of these areas has not been included in the assessment of supply, capacity and demand.

Floorspace demand for institutional uses (e.g. schools and hospitals) is driven largely by public investment policy decisions, which inhibits the ability to model demand using employment projections. Where institutional floorspace is located within an employment precinct, it has also been excluded from supply, capacity and demand calculations. As a result, no modelling has been undertaken for the Concord Hospital precinct (although employment forecasts for the precinct are still shown in Table 22 on page 102). Future floorspace for the hospital will be

identified by separate masterplanning processes driven by NSW State agencies such as NSW Health Infrastructure and the local health district.

FIGURE 36: CANADA BAY'S EMPLOYMENT PRECINCTS



Source: SGS Economics and Planning 2019

9.2 Supply-side analysis

Current employment floorspace supply

Current floorspace supply has been ascertained through the following process:

- Digitised building footprints have been used for all buildings within Canada Bay's employment precincts.
- Each precinct has been assigned a default typology based on in-field observations and desktop research. Desktop research (streetview/aerial imagery) used where precincts contain a range of typologies and assign individual typologies to each property.
- Standard built form outcomes pertaining to each typology have been used to produce an estimate of floorspace supply on each property. This is then aggregated to the precinct level for use in analysis.

The current supply of floorspace by precinct is shown in Table 21 below.

TABLE 21: CURRENT FLOORSPACE BY BROAD TYPOLOGY

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	67,500	-	185,000	60,100	312,600
Five Dock	64,200	-	-	-	64,200
North Strathfield/ Bakehouse Quarter	28,600	900	21,200	-	50,800
Drummoyne/Birkenhead Point	72,700	2,800	3,800	-	79,400
Parramatta Road (incl. Five Dock industrial)	11,100	43,500	10,600	76,700	142,000
Concord local centre (Majors Bay Road)	20,800	-	-	-	20,800
Local Centres	73,900	300	-	-	74,100
Remnant industrial	-	-	17,100	40,100	57,200
Total	338,800	47,500	237,700	176,900	801,000

Source: SGS Economics and Planning, 2019

- For Main Street Retail floorspace (excluding big box retail), Five Dock is identified as the largest centre by a clear margin, with Concord local centre being the next largest. This reflects the established Main Street typology of both these centres. A substantial proportion of retail floorspace is distributed throughout the LGA in local and neighbourhood centres.
- Big Box Retail floorspace is identified in Rhodes Waterside and Birkenhead Point. Both these centres have significant enclosed shopping centres. The North Strathfield/Bakehouse Quarter precinct also contains a substantial amount of specialty retail floorspace.
- Office floorspace is concentrated in the Rhodes Corporate Park. Minor concentrations are identified in the Bakehouse Quarter and the remnant industrial lands adjacent in Concord West, the latter of which results from a single low-rise office building (currently occupied by Westpac). A single office development on Parramatta Road was identified, which appears to currently be occupied by a data centre processing transaction for ANZ bank.
- Industrial floorspace is limited to precincts in Leeds St on the Rhodes Peninsula, Five Dock, and remnant industrial lands through Concord West and a single site adjacent to Exile Bay in Concord (the Bushells Site). All industrial lands within the LGA are identified as being subject to processes seeking their rezoning away from industrial use, as a result of State Government planning processes (Rhodes East Planned Precinct and the Parramatta Road Urban Transformation Strategy) and a planning proposal submitted for the Bushells Site.

Current employment profile

Employment within the Canada Bay LGA is outlined above in section 3.2 above. For the purposes of forecasting floorspace demand, the analysis in this section includes only employment and floorspace included in the employment precincts identified above in Figure 24. This process involved:

- Using employment at the time of the 2016 Census to identify the industry profile of jobs within each precinct.
- This employment was allocated to one or more of the broad land use typologies to identify a relationship between industry of employment and floorspace types.

The employment in each precinct by typology is shown below in Table 22.

TABLE 22: EMPLOYMENT BY PRECINCT (2016)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	1,710	-	8,060	790	10,550
Five Dock	1,500	-	-	-	1,500
Concord Hospital	<i>Hospital employment does not fall in the above typologies</i>				2,740
North Strathfield/ Bakehouse Quarter	850	10	790	-	1,650
Drummoyne/Birkenhead Point	2,250	60	220	-	2,530
Parramatta Road (incl. Five Dock industrial)	240	600	210	730	1,790
Concord local centre (Majors Bay Road)	760	-	-	-	760
Local Centres	2,360	10	-	-	2,370
Remnant industrial	-	-	1,010	370	1,380
Total	9,670	690	10,280	1,890	25,270

Source: SGS Economics and Planning, 2019; base data from ABS Census TableBuilder (2016)

- Rhodes is the largest centre of employment in Canada Bay, with 80% of its employment being in office-based floorspace. Adding Concord Hospital's employment to Rhodes (in line with the GSC's Strategic Centre definition) increases the total jobs to just over 13,000.¹²
- Most of Canada Bay's other centres are predominantly retail focused. In total, retail jobs account for 38% of all jobs in Canada Bay's centres and precincts.

Capacity under current controls

Using the current planning controls, the capacity to deliver additional employment floorspace has been assessed by SGS. This process involves the identification of the theoretical maximum floorspace yield available on each property within the employment precincts using the maximum Floorspace Ratios (FSR) and building height controls in the Canada Bay LEP 2013.

A typology for development is assigned to each property based on its zoning, as shown in Table 23 below. These typologies have been allocated based on an identification of the highest and best use permissible in each zone.

TABLE 23: LAND USE ASSUMPTIONS FOR MAXIMUM THEORETICAL CAPACITY

Zone	Highest and best use	Use (ground floor)	Use (upper floors)
B1	Shop-top housing	Retail	Residential
B3	Shop-top housing	Retail	Residential
B4	Shop-top housing	Retail	Residential
B6	Shop-top housing	Retail	Residential
B7	Commercial office	Office	Office
IN1	General industry	Industrial	N/A
Others	<i>Not considered</i>	N/A	N/A

¹² Please note that this differs from the employment figures contained within the GSRP and ECDP as it uses ABS Census 2016 employment as a base, and only considers employment assessed to be within employment floor space in the precincts identified in Figure 36 above. This allows this study to better examine the commercial roles of Rhodes. The figures in the GSRP and ECDP will be higher as they include other items such as home-based employment, transient construction workers, and also contain assumptions to allocate an estimated undercount in Census employment to different areas of Sydney.

To allow for a more nuanced examination of capacity, four scenarios have been modelled, each with a progressively greater amount of development. Each scenario contains a threshold which is used to identify whether a property is 'redeveloped' up to the maximum theoretical capacity.

- **Low (0%) capacity scenario** – *Vacant sites only*
Vacant sites are developed up to their maximum theoretical yield. This is displayed in Table 24 below.
- **Medium (40%) capacity scenario** – *Vacant sites, plus capacity on some occupied sites*
In addition to vacant sites, occupied sites where the current floorspace is less than or equal to 40% of the theoretical maximum yield are assumed to be developed to the theoretical maximum capacity. Sites greater than 40% of the theoretical maximum yield stay at their current levels of supply. This is displayed in Table 25 below.

MEDIUM (60%) CAPACITY SCENARIO – *VACANT SITES, PLUS CAPACITY ON SOME OCCUPIED SITES*
IN ADDITION TO VACANT SITES, OCCUPIED SITES WHERE THE CURRENT FLOORSPEACE IS LESS THAN OR EQUAL TO 60% OF THE THEORETICAL MAXIMUM YIELD ARE ASSUMED TO BE DEVELOPED TO THE THEORETICAL MAXIMUM CAPACITY. SITES GREATER THAN 60% OF THE THEORETICAL MAXIMUM YIELD STAY AT THEIR CURRENT LEVELS OF SUPPLY. THIS IS DISPLAYED IN

- Table 26 below.
- **High (100%) capacity scenario** – *Vacant sites only, plus capacity on occupied sites*
In addition to vacant sites, occupied sites where the current floorspace is less than or equal to 100% of the theoretical maximum yield are assumed to be developed to the theoretical maximum capacity. Sites greater than 100% of the theoretical maximum yield stay at their current levels of supply. This is displayed in Table 27 below.

It is important to note that the 'redevelopment' of a site may not actually increase the amount of employment floorspace. The majority of business zones in the LGA permit shop top housing development, with the assumed built form (as shown in Table 23 above) in these zones delivering only a single storey of retail floorspace. Where the current supply of retail floorspace is greater than the amount likely to be delivered through redevelopment, a reduction in the total supply is observed.

AS A RESULT, SOME HIGHER CAPACITY SCENARIOS DISPLAY LOWER YIELDS OF EMPLOYMENT FLOORSPEACE, DESPITE HAVING A HIGHER TOTAL YIELD ONCE RESIDENTIAL FLOORSPEACE IS CONSIDERED. THIS IS ILLUSTRATED IN THE FACT THAT THE TOTAL YIELD OF EMPLOYMENT FLOORSPEACE UNDER THE HIGH CAPACITY SCENARIO (SHOWN IN TABLE 27 BELOW) IS 40,000M² LOWER THAN WHAT IS IDENTIFIED IN THE MEDIUM (60%) CAPACITY SCENARIO (

Table 26).

Similarly, bulky goods retail has not been identified as the highest and best use in any zone. This leads to each scenario capacity having a lower amount of bulky goods floorspace than current supply.

All capacity scenarios below include the existing supply of floorspace where it is not identified for redevelopment under that specific scenario.

TABLE 24: CAPACITY UNDER CURENT CONTROLS – LOW CAPACITY SCENARIO

Low capacity scenario					
Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	70,000	-	185,000	60,100	315,100
Five Dock	73,300	-	-	-	73,300
North Strathfield/ Bakehouse Quarter	30,900	900	21,200	-	53,100
Drummoyne/Birkenhead Point	83,600	2,800	3,800	-	90,200
Parramatta Road (incl. Five Dock industrial)	30,900	45,900	10,700	79,600	167,100
Concord local centre (Majors Bay Road)	20,900	-	-	-	20,900
Local Centres	90,100	300	-	-	90,400
Remnant industrial	-	-	17,100	40,100	57,200
Total	399,700	49,900	237,800	179,800	867,300

TABLE 25: CAPACITY UNDER CURENT CONTROLS – MEDIUM (40%) CAPACITY SCENARIO

Medium (40%) capacity scenario					
Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	86,600	-	233,700	50,000	370,400
Five Dock	76,700	-	-	-	76,700
North Strathfield/ Bakehouse Quarter	33,200	500	21,200	-	54,900
Drummoyne/Birkenhead Point	89,800	1,400	1,600	-	92,800
Parramatta Road (incl. Five Dock industrial)	43,900	37,800	10,700	86,000	178,300
Concord local centre (Majors Bay Road)	21,900	-	-	-	21,900
Local Centres	93,500	300	-	-	93,800
Remnant industrial	-	-	17,100	41,000	58,100
Total	445,600	40,000	284,300	177,000	946,900

TABLE 26: CAPACITY UNDER CURENT CONTROLS – MEDIUM (60%) CAPACITY SCENARIO

Medium (60%) capacity scenario					
Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	86,700	-	233,700	50,000	370,500
Five Dock	74,100	-	-	-	74,100
North Strathfield/ Bakehouse Quarter	33,200	500	21,200	-	55,000
Drummoyne/Birkenhead Point	88,400	1,400	1,600	-	91,300
Parramatta Road (incl. Five Dock industrial)	54,000	28,100	10,700	93,200	185,900
Concord local centre (Majors Bay Road)	21,300	-	-	-	21,300
Local Centres	93,900	-	-	-	93,900
Remnant industrial	400	-	17,100	60,300	77,800
Total	452,000	30,000	284,300	203,500	969,800

TABLE 27: CAPACITY UNDER CURENT CONTROLS – HIGH CAPACITY SCENARIO

High capacity scenario					
Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	87,800	-	232,400	54,700	374,900
Five Dock	63,200	-	-	-	63,200
North Strathfield/ Bakehouse Quarter	35,800	-	18,400	-	54,300
Drummoyne/Birkenhead Point	55,900	-	1,600	-	57,500
Parramatta Road (incl. Five Dock industrial)	57,600	22,100	10,700	94,200	184,600
Concord local centre (Majors Bay Road)	17,700	-	-	-	17,700
Local Centres	87,800	-	-	-	87,800
Remnant industrial	400	-	-	89,200	89,600
Total	406,200	22,100	263,100	238,100	929,600

9.3 Non-retail floorspace demand

Projected employment profile

NSW TPA projections¹³ have been used to identify the growth of employment within the study area, by ANZSIC 1-digit industry classification. Across the study area, there is projected to be demand for an additional 17,730 jobs between 2016 and 2036 (refer to Table 28 below).

¹³ Transport Performance and Analytics (2019), Transport for NSW,
<https://opendata.transport.nsw.gov.au/dataset/employment-projections>

TABLE 28: FORECAST EMPLOYMENT IN THE CANADA BAY LGA

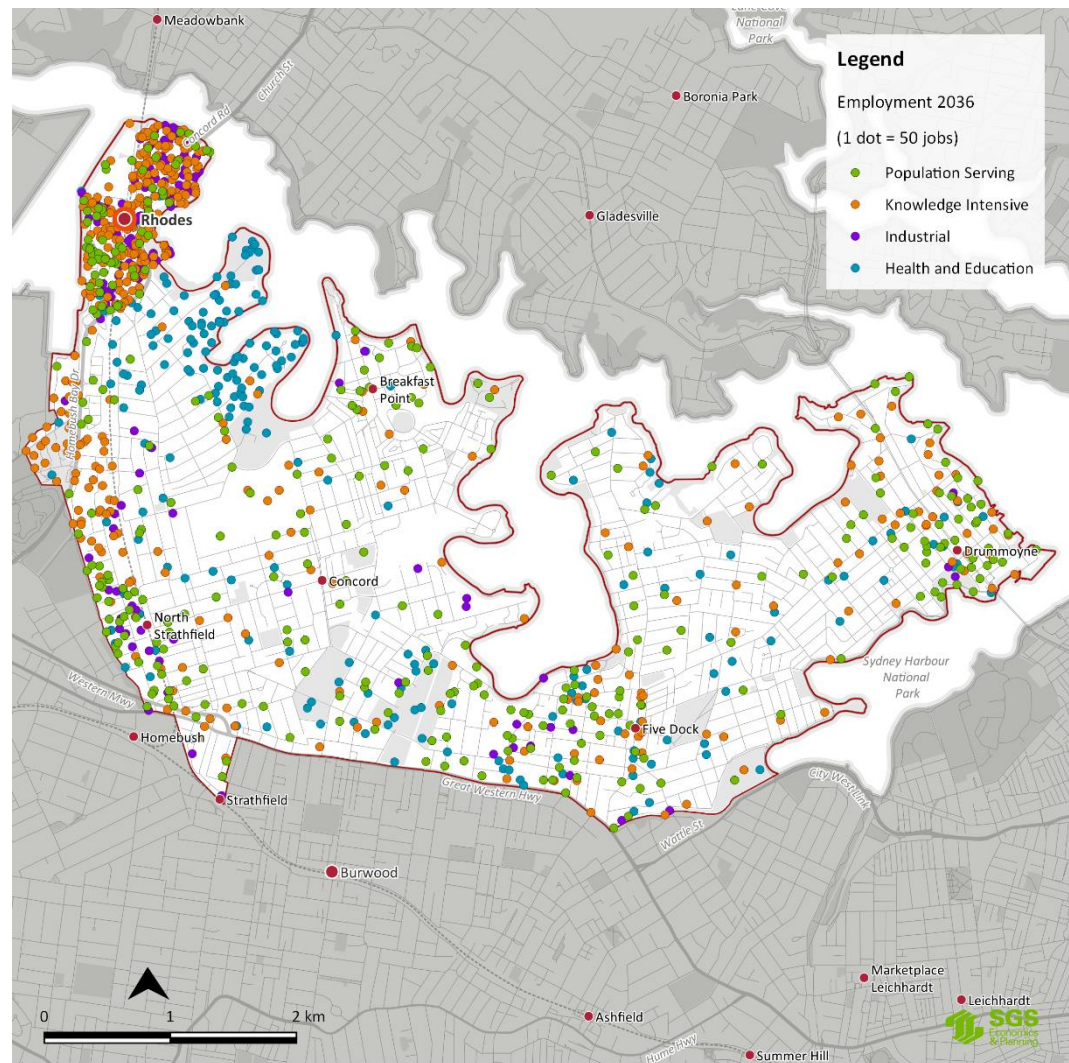
Industry	2016	2021	2026	2031	2036	2016-36
Agriculture, Forestry and Fishing	0	0	0	0	0	0
Mining	0	0	0	0	0	0
Manufacturing	2,410	2,660	2,860	3,050	3,160	750
Electricity, Gas, Water and Waste Services	390	250	380	390	410	20
Construction	2,990	2,950	3,370	3,650	3,920	930
Wholesale Trade	2,170	2,440	2,420	2,530	2,630	460
Retail Trade	3,580	3,700	3,900	4,190	4,470	890
Accommodation and Food Services	2,850	3,690	4,050	4,180	4,310	1,460
Transport, Postal and Warehousing	1,190	1,190	1,120	970	990	-200
Information Media and Telecommunications	810	650	650	660	650	-160
Financial and Insurance Services	4,520	6,400	7,630	8,980	10,440	5,920
Rental, Hiring and Real Estate Services	1,000	1,060	1,130	1,230	1,320	320
Professional, Scientific and Technical Services	4,140	4,720	5,290	5,770	6,290	2,150
Administrative and Support Services	1,300	1,220	1,270	1,340	1,400	100
Public Administration and Safety	580	690	730	780	820	240
Education and Training	1,920	2,330	2,670	2,970	3,260	1,340
Health Care and Social Assistance	6,610	6,580	7,430	8,150	8,930	2,320
Arts and Recreation Services	690	740	810	880	960	270
Other Services	2,050	2,460	2,550	2,740	2,940	890
Total	39,200	43,700	48,260	52,450	56,930	17,730

Source: Transport Performance and Analytics (2019)

- These figures are trend-based, and as such are heavily influenced by recent patterns of job growth within the LGA. This can be considered as a baseline assessment, showing the anticipated employment growth based on extrapolated trends. As a result, these employment projections should not be viewed as a 'do nothing' scenario (one which will eventuate if no action is taken to facilitate and encourage employment growth).
- Additionally, these projections utilise 2016 Census data in their base inputs and do not capture employment trends observed in Canada Bay after this point. By way of explanation, substantial growth is forecast in the financial and professional services industries in Rhodes, based on historic observed growth rates, however current market observations (discussed in Chapter 4) are not reflected in these growth assumptions.
- Education and health uses are also identified for substantial growth. Growth in these industries is largely driven by institutional employers such as schools and Concord Hospital, outside of the employment precincts used in the forecasting of employment floorspace.
- Population serving industries, such as retail and hospitality uses and the Other Services industry are also forecast to grow substantially, with these uses likely to be a significant driver of growth in the employment precincts under consideration.

The distribution of employment under the TPA projections across the LGA is shown below in Figure 37. Owing to the trend-based nature of the forecasts, the distribution of growth is concentrated in areas which are identified as being concentrations of employment at the current time, maintaining similar industry profiles when the four broad industry groupings shown below.

FIGURE 37: CANADA BAY EMPLOYMENT BY BROAD INDUSTRY GROUPINGS (2036; 1 DOT = 50 JOBS)



Source: SGS Economics and Planning, 2019

The employment profiles above have been increased in line with the TPA employment projections to identify forecast employment growth to 2036 within Canada Bay's employment precincts. This is shown in Table 29 below.

The current distribution of jobs has been used to allocate the forecast growth to different precincts, presenting a base case scenario where existing employment expands in situ and at the rate of expansion identified in each travel zone. In reality, the demand growth may be distributed differently, either in a different location within the LGA, or where employment growth forecast within Canada Bay takes place in a different LGA (and vice versa).

It is noted in Table 29 that in the collection of industrial lands that comprise the 'Remnant industrial' precincts, there is forecast to have higher growth in office-related jobs than industrial. While there are several factors that may drive this, including the changing nature of industrial lands, in Canada Bay this is heavily skewed by the fact that within the IN2 zone north of North Strathfield Station, Westpac have a training facility that is an office function with office-related jobs.

TABLE 29: EMPLOYMENT GROWTH BY PRECINCT (FORECAST CHANGE TO 2036)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	330	-	4,500	170	5,010
Five Dock	490	-	-	-	490
Concord Hospital	<i>Hospital employment does not fall in the above typologies</i>				1,140
North Strathfield/Bakehouse Quarter	420	-	510	-	940
Drummoyne/Birkenhead Point	460	20	80	-	560
Parramatta Road (incl. Five Dock industrial)	140	190	130	220	680
Concord local centre (Majors Bay Road)	280	-	-	-	280
Local Centres	630	-	-	-	630
Remnant industrial	-	-	1,310	90	1,400
Total	2,750	200	6,550	480	11,130

Source: SGS Economics and Planning, 2019; base data from ABS Census TableBuilder (2016) and Transport Performance and Analytics (2019)

Floorspace demand

Floorspace demand has been ascertained through the following process:

- Using the forecast growth in employment to identify future levels of demand for non-retail employment floorspace within the LGA, based on SGS standard job to floorspace ratios.
- Floorspace demand for retail and hospitality is modelled using the SGS retail gravity model, presented below in section 9.4, and as such is not included in the results below.
- A number of non-retail uses occupy floorspace within buildings that have a retail typology, and as such the Main Street/Big Box Retail and Bulky Goods Retail typologies are still present in this part of the analysis.

Table 30 below shows the forecast demand for non-retail employment floorspace in 2036 based on the current distribution of jobs and floorspace within the LGA. In line with the industry forecasts, office-related forecast is expected to grow most significantly, followed by retail-related floorspace. Of note also is the forecast growth in industrial land when the available land is intended to be rezoned to residential and mixed use.

TABLE 30: NON-RETAIL FLOORSPACE DEMAND (FORECAST CHANGE TO 2036)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	9,752	-	90,123	11,961	111,836
Five Dock	13,090	-	-	-	13,090
North Strathfield/Bakehouse Quarter	11,448	232	10,236	-	21,916
Drummoyne/Birkenhead Point	13,650	205	1,680	-	15,534
Parramatta Road (incl. Five Dock industrial)	4,141	11,395	2,655	15,023	33,214
Concord local centre (Majors Bay Road)	5,849	-	-	-	5,849
Local Centres	18,261	224	-	-	18,485
Remnant industrial	-	-	26,227	6,366	32,592
Total	76,190	12,056	130,920	33,350	252,516

Source: SGS Economics and Planning, 2019

9.4 Retail Modelling

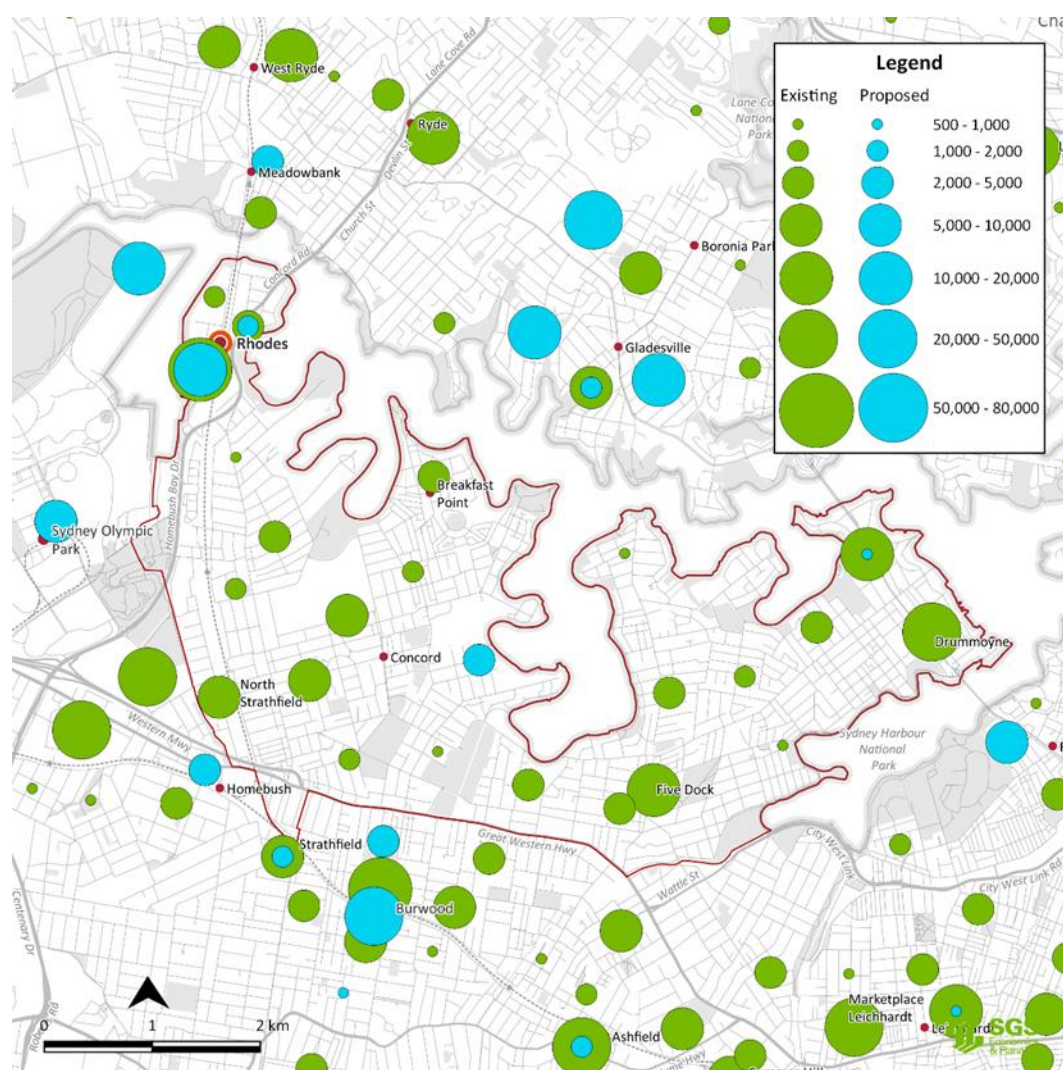
Local Retail System

The local retail system for the Canada Bay LGA comprises of the council boundaries, in addition to areas in close proximity, including Ryde and Gladesville to the north, Burwood and Ashfield to the south, Rozelle and Balmain to the east and Sydney Olympic Park and Homebush to the west.

As seen in Figure 38 below, the largest existing centres within the LGA are Birkenhead Point, Victoria Road, Five Dock, Rhodes and North Strathfield. Outside of the LGA, the largest centres are found in Burwood, Ryde, Homebush, Ashfield and Leichhardt. Proposed floorspace within Canada Bay is projected to occur predominantly in Rhodes, whilst occurring around Gladesville, Burwood and Wentworth Point.

The broader retail system used in this analysis spans across the Sydney GCCSA (Greater Sydney). The benefits of a broader system that captures as much retail floorspace and expenditure as possible better incorporates expenditure flows in and out of the local retail system. This represents a more accurate reflection of real-world expenditure patterns.

FIGURE 38: EXISTING AND PLANNED RETAIL FLOORSPACE ACROSS THE CANADA BAY LOCAL RETAIL SYSTEM



Source: SGS Economics and Planning, 2019

Existing and Planned Floorspace

Retail floorspace data has been collected using a blend of various datasets including building footprint data (Geoscape), Shopping centre databases, fine-grain retail audits, previous retail studies across Sydney as well as Census data where jobs and occupations are converted to floorspace.

Existing Floorspace

There are 29 retail centres that are over 5,000 sqm (see Table 31 below). Seven centres are located within the Canada Bay LGA, whereas the other 22 are located outside of the local government boundary. The three largest centres are located at Westfield Burwood located south of the LGA, as well as Rhodes Waterside and Birkenhead Point which are within the LGA. Rhodes Waterside Westfield Burwood holds the most amount of supermarket and department store floorspace. Rhodes Waterside holds the most amount of household goods floorspace, most notably due to the presence of IKEA. Birkenhead Point, holds the most amount of clothing floorspace, most notably due to it being a factory outlet centre, of which it has a district, if not metropolitan recognition for. Other notable centres include Homebush Business Centre which holds the most amount of Other Retail and Flemington Markets which holds the most amount of Other Food floorspace.

Proposed Floorspace

By 2026, there is anticipated to be around 156,757sqm of additional retail entering into the local trade system, although 87% of this is outside of the Canada Bay LGA. Approximately 85,875sqm is set to be introduced by 2021, with another 70,882 sqm by 2026. No available data is available for centres beyond 2026.

There are 20 centres across the local retail system which are expected to increase their retail floorspace between 2016 and 2026 by over 500sqm. Of these 20 centres, there are four located within the Canada Bay LGA. These include Rhodes Waterside (15,211sqm), Concord Remnant Industrial (3,020sqm), Rhodes Commercial and Business Park (1,684sqm) and Drummoyne Local Centre (991sqm).

The remaining centres with the remaining 16 located adjacent to the local government boundary and are described in Table 32 below. The largest planned retail centres to occur prior to 2021 are found in Gladesville (34,710sqm), Sydney Olympic Park (16,824sqm) and Olympic Park Station (7,832sqm). The largest planned retail to occur by 2026 is found in Burwood Station (32,560sqm), Ryde Swimming Centre (10,566sqm) and Gladesville (10,358sqm).

TABLE 31: CENTRES OVER 5,000 SQM ACROSS THE CANADA BAY LOCAL TRADE SYSTEM

Category	Precinct	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Stores	Total
Adjacent	Westfield Burwood	13,702	4,463	5,579	7,810	-	4,463	20,554	56,570
Canada Bay	Rhodes Waterside	4,997	1,200	2,210	1,705	32,472	1,100	3,795	47,479
Canada Bay	Birkenhead Point	4,140	600	1,500	17,200	6,361	1,530	-	31,331
Adjacent	Homebush Park Business Centre	101	4,631	5,824	8,185	5,021	6,298	1,212	31,272
Adjacent	Ashfield Mall	12,158	1,654	2,068	2,895	-	1,654	4,053	24,481
Adjacent	Leichhardt Marketplace	6,413	2,673	1,574	2,214	1,046	2,400	5,149	21,469
Adjacent	Flemington Markets Flemington Station	-	17,149	339	-	1,367	1,462	-	20,317
Canada Bay	Five Dock LC	4,638	1,795	7,866	850	180	3,213	-	18,543
Adjacent	Lane Cove_Rosenthal Av and Birdwood Av	8,806	2,884	2,198	493	227	3,752	-	18,360
Adjacent	Top Ryde	3,117	2,277	2,847	3,985	-	2,277	3,117	17,621
Adjacent	Leichhardt_Norton Plaza_Italian Forum	5,274	2,950	1,454	2,045	1,410	2,487	-	15,620
Adjacent	Ashfield High St	409	3,593	6,236	521	1,977	2,299	-	15,035
Adjacent	Around West Ryde Marketplace	73	546	8,433	473	1,327	1,774	-	12,627
Adjacent	Burwood Plaza	1,880	2,901	1,276	1,786	-	1,021	1,880	10,745
Canada Bay	Drummoyne LC	637	137	4,853	530	1,978	2,407	-	10,541
Canada Bay	Concord LC	1,743	686	4,992	143	-	514	-	8,078
Adjacent	Gladesville Shopping Village North	54	1,125	1,287	234	3,402	1,531	-	7,633
Adjacent	Ashfield Leagues Club	-	-	7,161	-	-	-	-	7,161
Adjacent	Olympic Park Station	-	2,372	3,477	438	305	569	-	7,160
Canada Bay	Bakehouse Quarter/North Strathfield	1,182	394	5,165	-	-	358	-	7,098
Adjacent	Strathfield Plaza	2,710	835	1,044	1,462	-	835	-	6,887
Adjacent	Around Westfield Burwood	58	601	3,717	356	722	1,207	-	6,662
Adjacent	Gladesville Shopping Village South	-	981	3,969	200	301	1,070	-	6,520
Adjacent	Annandale	2,424	295	1,130	125	832	1,494	-	6,300
Adjacent	West Ryde Marketplace	4,193	411	514	719	-	411	-	6,248
Canada Bay	North Strathfield NC (Concord Rd)	1,884	507	3,131	-	-	715	-	6,236
Adjacent	Parramatta Road East I	-	-	363	-	5,110	327	-	5,800
Adjacent	Summer Hill Station_South	2,136	1,514	1,020	-	-	880	-	5,550
Adjacent	Burwood Road	80	1,117	2,657	185	129	1,256	-	5,425
Total		82,809	60,291	93,884	54,554	64,167	49,304	39,760	444,769

TABLE 32: PROPOSED CENTRES OVER 500 SQM ACROSS THE CANADA BAY LOCAL TRADE SYSTEM

Category	Precinct	Year	Supermarket	Other Food	Hospitality	Clothing	Household Goods	Other Retail	Department Stores	Total
Adjacent	Gladesville_Nelson St	2021	-	-	1,751	-	32,959	-	-	34,710
Adjacent	Sydney Olympic Park Ferry Wharf	2021	7,668	1,822	1,867	1,840	1,846	1,781	-	16,824
Canada Bay	Rhodes Waterside	2021	5,465	1,176	1,181	1,184	1,163	1,175	3,866	15,211
Adjacent	Olympic Park Station	2021	2,812	1,462	841	815	1,096	807	-	7,832
Adjacent	Homebush Station_North	2021	264	265	1,126	83	200	738	-	2,675
Adjacent	Ashfield Station_South	2021	-	128	1,217	210	252	158	-	1,965
Adjacent	Strathfield Station_South	2021	744	373	188	188	186	186	-	1,865
Adjacent	Allied Mills	2021	180	248	249	454	247	125	-	1,502
Adjacent	Gladesville_Morrison Rd and Ross St	2021	-	305	163	308	164	305	-	1,245
Canada Bay	Drummoyne LC	2021	-	250	239	204	179	119	-	991
Adjacent	Leichhardt_Norton Plaza_Italian Forum	2021	-	-	141	140	130	141	-	554
Adjacent	Burwood_Angelo St and Minna St	2021	-	251	-	-	-	250	-	501
Adjacent	Burwood Station_South	2026	4,737	4,953	4,377	4,508	4,451	4,506	5,027	32,560
Adjacent	Ryde Swimming Centre	2026	4,656	1,168	1,205	1,178	1,163	1,196	-	10,566
Adjacent	Gladesville	2026	3,582	201	167	165	162	6,080	-	10,358
Adjacent	Rozelle_Cambridge St and Moodie St	2026	2,896	476	2,114	185	83	1,141	-	6,895
Adjacent	Meadowbank Station_East	2026	2,938	151	152	153	151	151	-	3,698
Canada Bay	Concord Remnant Industrial	2026	1,003	403	810	-	-	804	-	3,020
Adjacent	Burwood Park	2026	-	352	509	355	535	352	-	2,103
Canada Bay	Rhodes Commercial and Business Park	2026	-	322	323	325	321	393	-	1,684
Total 2021			17,132	6,280	8,963	5,428	38,421	5,784	3,866	85,875
Total 2026			19,812	8,026	9,658	6,870	6,866	14,623	5,027	70,882
Total			36,944	14,306	18,621	12,298	45,287	20,407	8,893	156,757

Retail Gravity Modelling

A retail gravity model was applied to analyse the future demand and supply of retail across the Canada bay LGA and the surrounding local trade area. Gravity modelling simulates where people will spend their money when given the choice of different retail destinations. It considers additional variables such as spending by retail commodity type (i.e. groceries, clothing), the distance they have to travel and the attractiveness of that centre. A large Westfield for instance, tends to have greater ‘pull’ or ‘gravity’ compared to a local retail high street. Gravity modelling is built from two main components – Retail Expenditure (Demand), which is converted to Turnover via the gravity model (amount spent per metre of retail floorspace) and Retail Floorspace (Supply).

Retail Expenditure

Retail expenditure data has been developed out of resident-based expenditure accounts across 24 commodity groups at an SA1 level (e.g. fresh food, groceries, pharmaceuticals, restaurants, etc). These expenditure accounts are sourced from MarketInfo’s Market Data Systems (MDS). MDS are the industry benchmark in estimating small area expenditure that draws on the latest Household Expenditure Survey (HES), ABS Census and other datasets. These expenditure per capita forecasts are then combined with robust small area land use projections for population and employment developed by SGS and Transport for NSW. These projections have also been adjusted to factor in housing capacity limits for within the Canada Bay LGA, based on previous modelling as outlined in previous chapters.

The retail expenditure data also considers changing consumer spending patterns, such as the growing role of online shopping, in addition to factoring in the degree to which expenditure is influenced by work-based, education-based and tourism-based spending. These considerations help to capture overall leakage/capture for the whole system.

Expenditure across the local trade system is presented below in Table 33. All retail commodity groups are expected to experience sustained growth. The largest amount of growth is expected in Supermarkets (71.0%), Household Goods (68.8%) and Clothing (59.5%).

TABLE 33: RETAIL EXPENDITURE WITHIN THE LOCAL RETAIL SYSTEM (\$ MILLION), 2016-36

Expenditure	2016	2021	2026	2031	2036	16-36%
Supermarket	\$1,579	\$1,876	\$2,147	\$2,419	\$2,701	71.0%
Household Goods	\$628	\$706	\$821	\$937	\$1,059	68.8%
Clothing	\$429	\$450	\$526	\$603	\$684	59.5%
Other Food	\$641	\$732	\$821	\$907	\$995	55.1%
Department Stores	\$541	\$624	\$694	\$760	\$827	52.9%
Hospitality	\$1,039	\$1,076	\$1,225	\$1,370	\$1,517	45.9%
Other Retail	\$778	\$844	\$927	\$1,006	\$1,085	39.4%
Total	\$5,636	\$6,308	\$7,162	\$8,001	\$8,868	57.3%

Source: SGS Economics and Planning; MarketInfo 2019

Gravity modelling allows the ability to convert retail expenditure to an estimate of turnover for each retail centre. When combining turnover with the average turnover per square metre, also known as a Retail Turnover Density, or “RTD”, it is possible to estimate floorspace demand for each centre. The RTD’s for across the Sydney metro are presented in Table 34 below.

TABLE 34: AVERAGE RETAIL TURNOVER PER SQUARE METRE (RTD) – SYDNEY METRO, 2036

Retail Type	RTD Sydney Metro
Supermarket	\$11,203
Other Food	\$9,478
Hospitality	\$9,348
Clothing	\$6,569
Household Goods	\$5,247
Other Retail	\$8,041
Department Stores	\$5,151

Source: SGS Economics and Planning, 2019

Retail Turnover

Retail turnover relates to the amount of consumer expenditure that a centre is receiving. Higher retail turnover tends to indicate a larger centre capable of attracting a larger number of consumer expenditure. The gravity model determined that turnover across Canada Bay is expected to grow by around 54.1% from \$1.13 billion in 2016 to \$1.74 billion in 2036. This is considered slightly slower turnover growth than is expected across the entire local trade system, which is expected to grow by around 67.2%. The contribution of Canada Bay's turnover across the local trade system is expected to fall by around -2.3% from 29.1% in 2016 to 26.8% by 2036. This shift is most likely due to the growth of other retail centres outside of Canada Bay.

TABLE 35: RETAIL TURNOVER 2016-36 (\$MILLIONS)

Location	2016	2021	2026	2031	2036	16-36%
Canada Bay	1,129.2	1,210.7	1,366.3	1,570.5	1,739.9	54.1%
Adjacent Centres	2,757.4	3,414.5	3,916.1	4,303.4	4,757.9	72.6%
Total	3,886.6	4,625.2	5,282.4	5,873.8	6,497.8	67.2%
Percentage	29.1%	26.2%	25.9%	26.7%	26.8%	-2.3%

Source: SGS Economics and Planning, 2019

Projected retail turnover by precinct

Table 36 below provides a breakdown of projected turnover across the Canada Bay precincts. Rhodes Waterside, Birkenhead Point and Five Dock Local Centre contribute the most to the LGA's overall turnover. Together, these three centres contribute over 54.2% to the overall turnover growth to 2036.

TABLE 36: TURNOVER BY PRECINCT 2016-36

Precinct name	2016	2036	Difference	Cont. to growth
Rhodes Waterside	260.9	447.5	186.6	30.6%
Birkenhead Point	198.1	274.8	76.7	12.6%
Five Dock LC	154.9	222.3	67.4	11.0%
Drummoyne LC	76.0	92.5	16.5	2.7%
Concord LC	68.8	91.9	23.1	3.8%
Rhodes Commercial and Business Park	27.1	84.7	57.6	9.4%
Bakehouse Quarter/North Strathfield	60.0	76.4	16.3	2.7%
North Strathfield NC (Concord Rd)	54.1	73.0	18.9	3.1%
Five Dock Industrial	24.2	67.9	43.6	7.1%
Breakfast Point NC	30.4	53.3	23.0	3.8%
Drummoyne NCs (Lyons Road)	29.3	35.9	6.6	1.1%
Abbotsford NC	28.4	34.8	6.4	1.0%
Bayview Park Ferry Wharf	-	31.3	31.3	5.1%
Concord West NC (Concord Rd)	19.2	22.7	3.5	0.6%
Parramatta Rd Enterprise Corridor (West)	14.4	20.1	5.7	0.9%
Parramatta Rd Enterprise Corridor (East)	9.7	15.6	5.9	1.0%
Concord West NC (Victoria Ave)	10.9	13.6	2.7	0.4%
Concord NCs (Crane St)	3.9	11.2	7.3	1.2%
Rhodes West Resi	10.4	11.0	0.7	0.1%
Five Dock NCs (Lyons Rd)	9.3	10.9	1.6	0.3%
Northern Concord NCs (Cabarita Road)	8.9	10.8	1.8	0.3%
Concord West NC (North Concord Rd)	8.1	10.6	2.5	0.4%
Rodd Point NC	5.2	5.7	0.5	0.1%
North Strathfield Station_East	3.1	4.9	1.8	0.3%
Abbotsford North NC	3.4	4.2	0.7	0.1%
Drummoyne Boys High School	2.2	3.0	0.8	0.1%
Chiswick Wharf	2.5	2.8	0.2	0.0%
Cabarita Point Ferry Wharf	2.4	2.6	0.2	0.0%
Five Dock	2.2	2.5	0.4	0.1%
Concord West Station_West	1.2	1.5	0.3	0.0%
Total	1,146.8	1,768.4	621.6	100.0%

Source: SGS Economics and Planning, 2019

Benchmarking centres by RTD

Each centre across Canada Bay has had their individual RTD benchmarked against the Sydney metropolitan average to determine if it is trading above or below the average. The centre likely to experience the highest degree of turnover per square metre in 2036 is Five Dock Industrial at 2.57 times the average Sydney RTD. This is followed by Rhodes Commercial and Business Park (1.87), Breakfast Point NC (1.86) and Concord NC, Crane St (1.69). One factor affecting RTDs is a centre's size. Larger centres, particularly those with stores that require large floorplates (such as Household Goods) are likely to show lower RTD results. This should be considered when looking at the results of Birkenhead Point and Rhodes Waterside in particular.

TABLE 37: CANADA BAY BENCHMARKED RTDS AGAINST SYDNEY METRO

Precinct name	2016	2021	2026	2031	2036
Five Dock Industrial	1.04	1.02	1.49	2.07	2.57
Rhodes Commercial and Business Park	0.96	0.92	0.97	1.44	1.87
Breakfast Point NC	1.26	1.69	1.72	1.86	1.86
Concord NCs (Crane St)	0.83	0.71	0.88	1.36	1.69
North Strathfield Station_East	1.09	1.12	1.21	1.44	1.52
Five Dock LC	1.20	1.21	1.25	1.39	1.47
North Strathfield NC (Concord Rd)	1.25	1.23	1.27	1.36	1.45
Drummoyne Boys High School	1.17	1.08	1.16	1.33	1.40
Concord West NC (North Concord Rd)	1.20	1.15	1.20	1.33	1.38
Concord LC	1.22	1.18	1.20	1.29	1.38
Bakehouse Quarter/North Strathfield	1.21	1.16	1.21	1.27	1.35
Parramatta Rd Enterprise Corridor (West)	1.10	1.05	1.07	1.22	1.35
Bayview Park Ferry Wharf	-	-	1.23	1.29	1.32
Concord West NC (Victoria Ave)	1.17	1.09	1.14	1.20	1.28
Concord West Station_West	1.17	1.07	1.09	1.24	1.26
Abbotsford NC	1.17	1.14	1.16	1.24	1.26
Drummoyne NCs (Lyons Road)	1.16	1.09	1.11	1.20	1.25
Northern Concord NCs (Cabarita Road)	1.13	1.06	1.08	1.15	1.20
Concord West NC (Concord Rd)	1.15	1.04	1.07	1.13	1.19
Chiswick Wharf	1.17	1.06	1.06	1.14	1.12
Cabarita Point Ferry Wharf	1.17	1.03	1.02	1.12	1.11
Five Dock NCs (Lyons Rd)	1.12	1.02	1.03	1.09	1.10
Birkenhead Point	0.91	0.88	0.92	1.03	1.10
Rhodes West Resi	1.17	1.03	1.06	1.12	1.09
Rodd Point NC	1.09	1.00	0.97	1.06	1.06
Abbotsford North NC	0.96	0.89	0.93	1.04	1.03
Drummoyne LC	1.04	0.94	0.95	1.00	1.01
Five Dock	0.96	0.87	0.89	0.98	0.99
Parramatta Rd Enterprise Corridor (East)	0.65	0.68	0.76	0.85	0.92
Rhodes Station Transition	0.79	0.71	0.77	0.85	0.90

Source: SGS Economics and Planning, 2018

A number of centres outside of Canada Bay are also likely to experience stronger than average RTD's. Olympic Park Station is expected to experience RTD at around 3.40 the Sydney metro average, followed by Five Dock Industrial (2.57), Cnr Linley and Fernleigh in Ryde (2.37) and Ryde_Bowden St and Square St (2.15).

TABLE 38: TOP 20 CENTRES BENCHMARKED AGAINST SYDNEY METRO RTD

Category	Centre name	2016	2021	2026	2031	2036
Adjacent	Olympic Park Station	1.14	1.15	2.03	2.66	3.40
Canada Bay	Five Dock Industrial	1.04	1.02	1.49	2.07	2.57
Adjacent	Cnr Linley and Fernleigh, Ryde	1.17	1.55	1.84	2.17	2.37
Adjacent	Ryde_Bowden St and Squire St	1.17	1.42	1.71	2.06	2.15
Adjacent	Meadowbank Ferry Wharf	1.35	1.61	1.66	2.02	2.14
Adjacent	Burwood_Emu St and Angel Rd	1.47	1.60	1.68	1.97	2.05
Canada Bay	Rhodes Commercial and Business Park	0.96	0.92	0.97	1.44	1.87
Canada Bay	Breakfast Point NC	1.26	1.69	1.72	1.86	1.86
Adjacent	Allied Mills	1.17	1.04	1.65	1.80	1.81
Adjacent	West Ryde Station_West	1.32	1.31	1.40	1.65	1.80
Adjacent	Clifford Love Footbridge Lane Cove	1.23	1.28	1.43	1.68	1.77
Adjacent	Gladesville_Kennedy St	1.47	1.52	1.43	1.74	1.77
Adjacent	Ryde Bus Depot	1.47	1.50	1.36	1.75	1.76
Adjacent	Carisbrook House Lane Cove	1.24	1.29	1.40	1.59	1.70
Canada Bay	Concord NCs (Crane St)	0.83	0.71	0.88	1.36	1.69
Adjacent	Homebush Station_South	1.25	1.41	1.49	1.61	1.67
Adjacent	Tennyson Village	0.94	0.89	1.15	1.55	1.65
Adjacent	Meadowbank Station_East	1.24	1.49	1.33	1.54	1.61
Adjacent	Homebush Boys High School	1.32	1.37	1.41	1.53	1.59
Adjacent	Summer Hill Station_South	1.28	1.32	1.43	1.53	1.59

Source: SGS Economics and Planning, 2019

Retail floorspace demand

The results of the retail gravity model have identified the demand for retail floorspace will grow by 16,700m² to 2026 and by 45,100m² to 2036. These results are shown below in Table 39 and Table 40 respectively. This demand has been converted back from the retail commodity types used in the SGS retail gravity model into the broad typologies described above on page 35.

In section 9.3 above a number of non-retail uses were identified to locate within retail typologies. Similarly, there are some retail and hospitality uses which locate in non-retail typologies. For example, a café which services a surrounding industrial area can be located in a warehouse, thereby falling into an industrial typology. As a result, some retail uses are observed in the office and industrial typologies in the tables below.

TABLE 39: CHANGE IN RETAIL DEMAND (2026-2016; SQM)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	10,700	-	600	500	11,800
Five Dock	1,400	-	-	-	1,400
North Strathfield/ Bakehouse Quarter	-100	-	-	-	-100
Drummoyne/Birkenhead Point	500	-	-	-	500
Parramatta Road (incl. Five Dock industrial)	200	700	-	700	1,600
Concord local centre (Majors Bay Road)	100	-	-	-	100
Local Centres	900	-	-	-	900
Remnant industrial	3,000	-	-	-100	2,900
Total	16,700	700	600	1,100	19,100

Source: SGS Economics and Planning, 2019

TABLE 40: CHANGE IN RETAIL DEMAND (2036-2016; SQM)

Precinct	Main Street/Big Box Retail	Bulky Goods Retail	Office	Industrial	Total
Rhodes	21,800	-	2,400	2,300	26,500
Five Dock	4,900	-	-	-	4,900
North Strathfield/ Bakehouse Quarter	700	-	-	-	700
Drummoyne/Birkenhead Point	7,200	100	-	-	7,300
Parramatta Road (incl. Five Dock industrial)	1,200	2,400	-	2,400	6,000
Concord local centre (Majors Bay Road)	1,300	-	-	-	1,300
Local Centres	4,800	-	-	-	4,800
Remnant industrial	3,200	-	-	-100	3,100
Total	45,100	2,500	2,400	4,600	54,600

Source: SGS Economics and Planning, 2019

9.5 Gap analysis

The demand for both retail and non-retail floorspace is combined to identify the total demand for employment floorspace within the LGA. The total demand is compared against the capacity under current controls identified in 9.2 above to forecast a gap in floorspace provision. This section examines the forecast gap in demand out to 2026 and 2036 for each typology in turn before providing graphs for the LGA totals.

Main street/Big box retail

Given that most of the employment precincts within the LGA are local and neighbourhood centres which serve their surrounding populations, the forecast floorspace gap within this typology has significant implication for a number of the LGA's centres. This data has been shown in Table 41 and Table 42 below for 2026 and 2036 respectively.

TABLE 41: PROJECTED MAIN STREET/BIG BOX RETAIL FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-12,930	3,637	3,731	4,864
Five Dock	1,204	4,648	2,033	-8,885
North Strathfield/ Bakehouse Quarter	-3,912	-1,674	-1,659	988
Drummoyne/Birkenhead Point	3,854	10,026	8,623	-23,867
Parramatta Road (incl. Five Dock industrial)	17,769	30,704	40,820	44,485
Concord local centre (Majors Bay Road)	-2,858	-1,881	-2,469	-6,043
Local Centres	6,001	9,359	9,770	3,617
Remnant industrial	-3,020	-3,020	-2,613	-2,613
Total	6,109	51,800	58,235	12,547

Source: SGS Economics and Planning, 2019

TABLE 42: PROJECTED MAIN STREET/BIG BOX RETAIL FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-29,037	-12,470	-12,376	-11,243
Five Dock	-8,893	-5,449	-8,064	-18,982
North Strathfield/ Bakehouse Quarter	-9,881	-7,643	-7,628	-4,981
Drummoyne/Birkenhead Point	-9,958	-3,786	-5,189	-37,679
Parramatta Road (incl. Five Dock industrial)	14,465	27,400	37,516	41,181
Concord local centre (Majors Bay Road)	-7,021	-6,044	-6,633	-10,207
Local Centres	-6,738	-3,380	-2,969	-9,122
Remnant industrial	-3,243	-3,243	-2,836	-2,836
Total	-60,307	-14,616	-8,181	-53,869

Source: SGS Economics and Planning, 2019

This analysis indicates that across much of the LGA, there is forecast to be sufficient floorspace to meet demand for main street/big box retail floorspace in 2026, however longer-term growth out to 2036 will result in an undersupply.

The shortfalls noted through to 2036 are relatively moderate within most precincts, indicating that a slight increase in capacity over a 20-year timeframe would be considered appropriate. The Concord and North Strathfield/Bakehouse Quarter precinct will likely require additional capacity to be provided in the near term (5-10 years).

Excess capacity within the Parramatta Road precinct may be delivered (above the forecast level of demand) given the requirement to provide ground floor retail or business uses in shop top housing developments.

Bulky goods retail

Bulky goods retail floorspace within the LGA is concentrated primarily within the Parramatta Road precinct. Demand for bulky goods retail floorspace can be considered footloose demand, and is not necessarily tied to the precinct it has been modelled as being in. The floorspace gap projected to 2026 and 2036 within this typology is shown in Table 43 and Table 44 below respectively.

TABLE 43: PROJECTED BULKY GOODS RETAIL FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-	-	-	-
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-125	-468	-479	-1,001
Drummoyne/Birkenhead Point	-102	-1,512	-1,512	-2,902
Parramatta Road (incl. Five Dock industrial)	-2,788	-10,857	-20,538	-26,580
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-130	-130	-410	-410
Remnant industrial	-	-	-	-
Total	-3,145	-12,967	-22,939	-30,894

Source: SGS Economics and Planning, 2019

TABLE 44: PROJECTED BULKY GOODS RETAIL FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-	-	-	-
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-238	-581	-592	-1,114
Drummoyne/Birkenhead Point	-338	-1,748	-1,748	-3,138
Parramatta Road (incl. Five Dock industrial)	-11,445	-19,514	-29,195	-35,238
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-224	-224	-505	-505
Remnant industrial	-	-	-	-
Total	-12,246	-22,067	-32,040	-39,995

Source: SGS Economics and Planning, 2019

As bulky goods retail was not identified as the highest and best use for provision under any zone, the capacity analysis assumes that no new floorspace is delivered in this category under any scenario, which tends towards showing a floorspace gap as existing floorspace is withdrawn in favour of other development types.

Accordingly, a gap is identified across all scenarios and precincts in 2026 and 2036. The size of this gap increases from the low capacity scenario through to the high capacity scenario, as more bulky goods floorspace is withdrawn in line with the assumptions set out above. The

substantial gap in the Parramatta Road precinct should be viewed in context of the excess capacity in main street/big box retail identified in Table 43 and Table 44 above; should planning controls encourage or require ground floor retail space to be provided as bulky goods retail floorspace, this shortfall can be addressed.

Office

Office floorspace within the LGA is concentrated primarily within Rhodes, with smaller concentrations in the North Strathfield/Bakehouse Quarter, Remnant Industrial (at Concord West), and Parramatta Road precincts. Demand for office floorspace can be considered footloose demand, and is not necessarily tied to the precinct it has been modelled as being in. The floorspace gap projected to 2026 and 2036 within this typology is shown in Table 45 and Table 46 below respectively.

TABLE 45: PROJECTED OFFICE FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-47,952	14,824	14,824	13,433
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-5,035	-5,035	-5,035	-7,852
Drummoyne/Birkenhead Point	-1,029	-3,265	-3,265	-3,265
Parramatta Road (incl. Five Dock industrial)	-1,158	-1,158	-1,158	-1,158
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-13,795	-13,795	-13,795	-30,895
Total	-68,968	-8,429	-8,429	-29,737

Source: SGS Economics and Planning, 2019

TABLE 46: PROJECTED OFFICE FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-92,659	-29,884	-29,884	-31,274
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-10,236	-10,236	-10,236	-13,052
Drummoyne/Birkenhead Point	-1,680	-3,917	-3,917	-3,917
Parramatta Road (incl. Five Dock industrial)	-2,591	-2,591	-2,591	-2,591
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-26,227	-26,227	-26,227	-43,327
Total	-133,392	-72,854	-72,854	-94,162

Source: SGS Economics and Planning, 2019

The demand generated in the smaller centres is more likely local population serving businesses (such as accountants, conveyancers, etc.). These are also businesses that often locate in retail shop-fronts or small shop-top commercial suite, rather than requiring purpose-

built commercial offices. It is noted too that the projections for Rhodes are based on historic trends, while the more recent observations (Chapter 4) indicate a slowing in demand for commercial floorspace in Rhodes.

Industrial

Industrial floorspace within the LGA is concentrated primarily within the Rhodes and Parramatta Road precincts, with some remnant industrial lands found in Concord West and Concord. Demand for industrial floorspace can be considered partially footloose demand, and may allow for some flexibility depending on the specific uses and characteristics of surrounding precincts. The floorspace gap projected to 2026 and 2036 within this typology is shown in Table 47 and Table 48 below respectively.

TABLE 47: PROJECTED INDUSTRIAL FLOORSPACE GAP IN 2026 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-5,881	-15,963	-15,963	-11,264
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-	-	-	-
Drummoyne/Birkenhead Point	-	-	-	-
Parramatta Road (incl. Five Dock industrial)	-5,385	979	8,155	9,198
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-3,390	-2,465	16,878	45,771
Total	-14,656	-17,449	9,071	43,705

Source: SGS Economics and Planning, 2019

TABLE 48: PROJECTED INDUSTRIAL FLOORSPACE GAP IN 2036 BY PRECINCT AND CAPACITY SCENARIO

Precinct	Floorspace gap in sqm (Oversupply/ <u>undersupply</u>)			
	Low	Medium (40%)	Medium (60%)	High
Rhodes	-14,256	-24,338	-24,338	-19,639
Five Dock	-	-	-	-
North Strathfield/ Bakehouse Quarter	-	-	-	-
Drummoyne/Birkenhead Point	-	-	-	-
Parramatta Road (incl. Five Dock industrial)	-14,487	-8,123	-947	96
Concord local centre (Majors Bay Road)	-	-	-	-
Local Centres	-	-	-	-
Remnant industrial	-6,280	-5,355	13,988	42,881
Total	-35,024	-37,816	-11,297	23,337

Source: SGS Economics and Planning, 2019

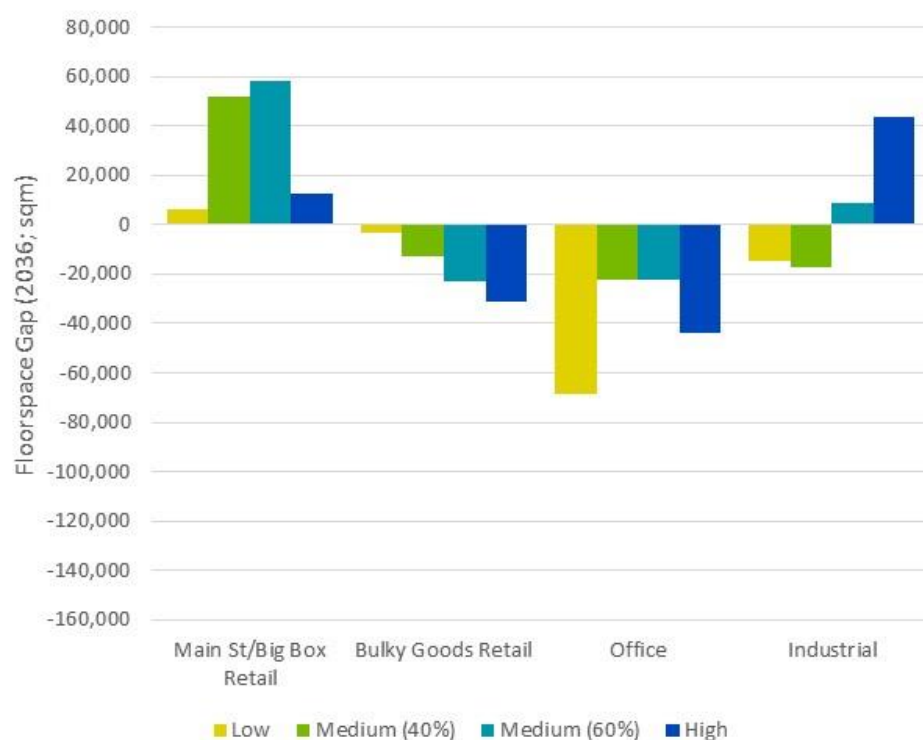
Forecast demand growth in the Rhodes precinct significantly outstrips capacity and a gap has been identified. Capacity in the Five Dock Industrial precinct is substantial enough to provide for an intensification of floorspace to meet demand through to 2026, however a minor gap is identified in most scenarios in 2036.

It should be noted that this modelling does not consider planned withdrawals of industrial floorspace under state government strategies. Both the Rhodes and Five Dock industrial lands are identified for rezoning to other uses under the strategies for Rhodes East and Parramatta Road.

LGA-wide graphs

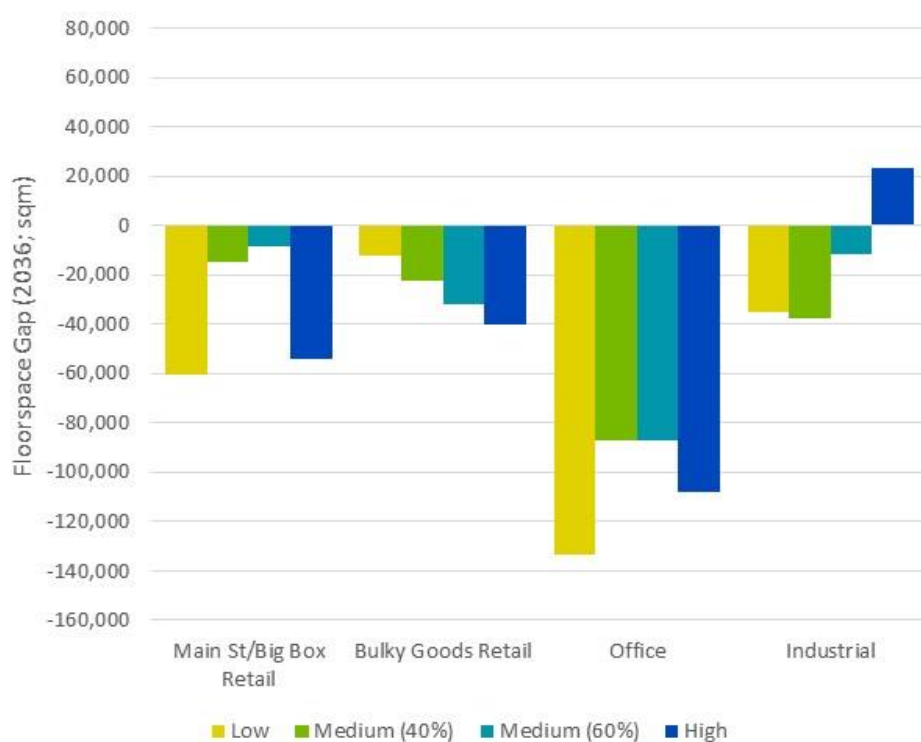
LGA-wide totals are shown in Figure 27 and Figure 28 below.

FIGURE 39: PROJECTED FLOORSPACE GAP IN 2036 BY CAPACITY SCENARIO



Source: SGS Economics and Planning, 2019

FIGURE 40: PROJECTED FLOORSPACE GAP IN 2036 BY CAPACITY SCENARIO



Source: SGS Economics and Planning, 2019

This analysis indicates that by 2036, there will be a gap in the provision of all floorspace types. However, this should be considered in the following context:

- Recent market trends indicate a softening of the commercial demand for office floorspace in Rhodes, as other centres in Greater Sydney compete for jobs. This is discussed in more detail in Chapter 5. If this is the case, the future demand for commercial floorspace may decrease.
- Additionally, there is a significant amount of vacant floorspace within Rhodes, either now or expected to come back into the market in the next two years (refer to Chapter 4) which may absorb this growth without the need for as much additional floorspace. Further to that the East Rhodes Planned Precinct proposes a 40,000sqm office tower adjacent Rhodes Train Station.
- While the high development scenario indicates sufficient floorspace for industrial uses, this does not reflect the fact that approximately 170,000sqm of currently zoned floorspace will be re-zoned. It also does not consider that the lower land values and rents associated with industrial precincts are unlikely to permit intensification of any remaining industrial land, particularly as they are highly unlikely to be able to add floorspace by going vertical.

9.6 Summary of findings

- Notable floorspace gaps have been identified through to 2036 across many typologies, capacity scenarios, and precincts. This indicates a need to accommodate additional employment floorspace under the base case forecast and distributions.
- Trend growth in financial and professional services leads to a very high forecast growth rate, which may not be achievable given strategic positioning of Rhodes and the capacity of the Westpac office in Concord West. Whilst there is a significant gap identified in office floorspace, this may be dramatically reduced if these (pre-2016) trends do not eventuate.

- Similar to the above, the removal of industrial lands will likely result in a reduction in employment in relevant industries, which is not captured in trend figures. Again, this will reduce the forecast demand (and therefore the gap) in industrial floorspace if forecast increases in employment do not eventuate.
- Capacity analysis indicates that growth in retail floorspace can meet demand through to 2026 under all growth scenarios, however a gap is identified by 2036.
- Surplus main street/big box retail capacity is identified along Parramatta Road in all scenarios. This may pose concerns given that shop top housing is identified as the highest and best use for retail floorspace in this precinct, which would likely lead to an oversupply of retail floorspace being delivered. Changes to planning controls as part of the PRUTS may alleviate this if either:
 - the requirement for ground floor retail is either reduced, or
 - provisions are made to accommodate bulky goods retail in the ground floor of new developments (through built form/design controls, e.g. greater floor to ceiling heights).

10. APPENDIX TO COMPETITIVE OFFER ANALYSIS

This chapter reviews Canada Bay's key centres against others in the Metropolitan Sydney market that are likely to compete for future jobs, particularly in the office market. A competitive offer helps to determine how certain precincts compare to other competing centres. In addition to the information contained in chapter 9 above, this appendix contains full detail on each of the indicators used in the analysis.

10.1 Introduction

Several commercial precincts around Canada Bay were selected as part of the competitive offer analysis. The purpose is to provide a broad understanding in how each precinct compares to one another and how each precinct may develop over time, given that businesses have the ability to choose.

The precincts chosen in this competitive offer analysis were:

- Rhodes
- Five Dock
- North Strathfield
- Parramatta
- Sydney Olympic Park
- Macquarie Park
- Burwood
- Sydney CBD
- North Sydney
- Chatswood

Precinct boundaries were based predominantly on GSC definitions as described in relevant district plans. The data was obtained through a combination of market reports, population and employment forecasting data as well as agent consultation. In certain instances, where there was an absence of official data, internal modelling and desktop analysis was applied. In order to normalise the individual scores, each precinct had their result benchmarked against the median of all competing centres. Using the median was used to reduce the impact on outliers, such as high performing centres such as the Sydney CBD and (relatively) lower performing local centres such as Five Dock and North Strathfield.

The analysis in this chapter is aimed at assessing the competitive offer of these centres for higher-order commercial uses, such as business-serving office uses. The criteria and weighting herein have been selected on the basis that they represent desirable considerations for this type of business. Other uses, such as population serving businesses, are not likely to be adequately reflected using these criteria.

The selection of centres also reflects consideration of these land uses, either having a substantial existing office presence, or in the case of Five Dock and North Strathfield, being the location of future metro stations.

10.2 Market Conditions

Vacancy Rate

A low vacancy rate can be considered a reflection of a strongly performing commercial precinct. A precinct with a low vacancy rate may indicate that there is much more demand than supply, as many commercial tenants wish to be within this location. Conversely, a high vacancy rate may indicate that a precinct is not able to attract enough tenants and may indicate that the centre is not functioning as desired.

Sydney is widely considered to be experiencing very tight commercial leasing conditions, with a vacancy rate across the major employment centres at around 6.3%¹⁴ (Colliers, 2018). Major commercial sub-markets such as the Sydney CBD are experiencing even lower vacancy rates at 4.1%¹⁵. Table 49 provides a summary of various market reports, agent consultation and desktop analysis to provide a summary of vacancy rates across each commercial precinct selected for the competitive offer.

The data indicates that Burwood holds the tightest commercial labour market at approximately 1.0%¹⁶. This is slightly above the previous year where it held a vacancy rate of approximately 0.94%¹⁷. The next tightest markets are found in Parramatta (3.4%), and the Sydney CBD (4.1%). Centres experiencing the highest vacancy rates are North Strathfield (21.0%), Sydney Olympic Park (13.3%) and Rhodes (7.0%).

A degree of caution should be applied to the vacancy rate for North Strathfield, which relied solely on existing leasing data from Realcommercial.com.au and internal modelling. Similarly, Rhodes relied on agent consultation and as such may not perfectly reflect the current market conditions.

TABLE 49: PRECINCT VACANCY RATES

	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19
Burwood	4.0%	2.4%	0.94%	0.98%	1.0%
Parramatta	4.3%	3.7%	3.0%	3.4%	3.4%^
Sydney CBD	6.2%	5.9%	4.6%	4.6%	4.1%
Five Dock	6.2%*	6.2%*	6.7%*	5.9%*	5.4%*#
Macquarie Park	7.5%	8.5%	6.0%	5.4%	5.4%^
North Sydney	7.1%	6.4%	7.9%	6.3%	6.3%^
Chatswood	7.7%	6.9%	6.8%	6.5%	6.5%^
Rhodes	1.5%	2.8%*	5.5%*	7.0%*	7.0%#
Sydney Olympic Park	2.6%*	3.1%	8.2%*	13.3%	13.3%^
North Strathfield	n/a	n/a	n/a	n/a	21.0%*
Median	6.2%	6.2%	5.8%	5.9%	5.9%

Source: SGS Economics and Planning, 2019; Colliers, 2017-2019; John Hill, 2016, 2018; Sydney Olympic Park, 2016,2018; Realcommercial, 2019

indicates agent consultation

* indicates internal modelling

^ indicates replica from previous quarter

¹⁴ Colliers, 2018. 'Metro Office Second Half 2018'.

https://www.colliers.com.au/Find_Research/Office/Metro_Office_RFR_H2_2018

¹⁵ Colliers, 2019. 'CBD Office RFR H1 2019'. https://www.colliers.com.au/Find_Research/Office/CBD_Office_RFR_H1_2019

¹⁶ Wilmot, Ben. 2018. 'Sydney inner west office block fits RAM criteria'.

<https://www.theaustralian.com.au/business/property/sydney-inner-west-office-block-fits-ram-criteria/news-story/36ec1227c9f43fe5998c41f07b7ac8f8>

¹⁷ John Hill, 2019. 'Burwood Market Insights Report 2017'. <https://www.johnhill.com.au/getattachment/afb6e756-b2e8-4127-8dd0-dd34b7cfffbc1/Burwood-Market-Insights-Report.pdf>

Net Face Rent

Net Face Rents (NFR) are a useful indicator in determining the health of a commercial submarket. Higher NFR's mean there are businesses willing to pay a higher price. Official market research shows that Net Face Rents (NFR) across key commercial submarkets of Sydney is equal to \$522 per sqm as of September 2018¹⁸.

The competitive offer has identified a median NFR of approximately \$536 per sqm across the selected precincts. The data indicates that the Sydney CBD holds the highest NFR at \$863 per sqm. This is followed by North Strathfield (\$804), North Sydney (\$785) and Chatswood (\$590). Precincts experiencing the highest growth rates between September 2017 and September 2018 include Chatswood (14.6%), Sydney CBD (8.4%) and Macquarie Park (8.3%).

It is noted that North Strathfield's data was obtained through agent consultation and desktop review. The result is that its score may be disproportional to the market reality. However, such high NFR rates may also reflect the high proportion of commercial space that is dedicated co-working space. As such, there may be an artificially inflated NFR in order for the co-working to make a profit on the sub-leasing arrangement.

TABLE 50: PRECINCT NET FACE RENTS

Precinct	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep 17- Sep 18 (%)
Sydney CBD	762	796	826	863	863 [^]	8.4%
North Strathfield	701 [*]	729 [*]	759 [*]	775 [*]	804 ^{*#}	6.2%
North Sydney	685	740	785	785	785 [^]	6.1%
Chatswood	510	515	575	590	590 [^]	14.6%
Burwood	548	554	561	567	567 [^]	2.3%
Parramatta	453	475	485	505	505 [^]	6.3%
Rhodes	403	415	430	430	453 [#]	3.6%
Five Dock	395 [*]	411 [*]	428 [*]	437 ^{*#}	437 [^]	6.2%
Sydney Olympic Park	375	403	418	418	418 [^]	3.7%
Macquarie Park	360	360	388	388	388 [^]	7.8%
Median	482	495	523	536	536	8.3%

Source: SGS Economics and Planning, 2019; Colliers, 2017-2019; John Hill, 2016, 2018; Sydney Olympic Park, 2016,2018; Realcommercial, 2019

[#] indicates agent consultation

^{*} indicates internal modelling

[^] indicates replica from previous quarter

Incentive Rate

The incentive rate provides an insight into the discount a landlord is willing to apply in order to secure a lease. The centres with the highest incentive rates are those which often require a greater incentive in order to lease and could reflect the state of the market.

Across Sydney, the average incentive rate sits at around 19% as of September 2018¹⁹. Centres with the highest incentive rates include Rhodes (24%), Sydney Olympic Park (23%) and Macquarie Park (22%). Conversely, centres with the lowest incentive rates include Parramatta (15%), Chatswood (19%) and the Sydney CBD (19%).

¹⁸ Colliers, 2018. 'Metro Office Second Half 2018'.

https://www.colliers.com.au/Find_Research/Office/Metro_Office_RFR_H2_2018

¹⁹ Colliers, 2018. 'Metro Office Second Half 2018'.

https://www.colliers.com.au/Find_Research/Office/Metro_Office_RFR_H2_2018

No available data was available for Burwood, Five Dock and North Strathfield. For North Strathfield, it is possible to theorise a higher incentive rate due to the function of the centre as a co-working hub. Given that the business model of a co-working space depends on a mark-up of rent, should this mark-up go beyond market demand, it is more than likely that a greater level of discounting may be required for these spaces to secure a sub-lease.

TABLE 51: PRECINCT INCENTIVE RATE

Precinct	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19
Rhodes	26%	24%	24%	24%	24%
Sydney Olympic Park	20%	20%	23%	23%	23%
Macquarie Park	26%	25%	23%	22%	22%
North Sydney	23%	21%	20%	20%	20%
Sydney CBD	22%	22%	21%	19%	19%
Chatswood	25%	23%	20%	19%	19%
Parramatta	15%	15%	15%	15%	15%
Burwood	n/a	n/a	n/a	n/a	n/a
Five Dock	n/a	n/a	n/a	n/a	n/a
North Strathfield	n/a	n/a	n/a	n/a	n/a
Median	23%	22%	21%	20%	20%

Source: SGS Economics and Planning, 2019; Colliers, 2017-2019

10.3 Employment

Ratio of Knowledge Intensive jobs to Total jobs

The ratio of Knowledge Intensive (KI) jobs to total employment provides a good indication of the predominantly economic function of a centre. Precincts with a high proportion of KI workers generally tend to be commercial centres.

The total number of KI jobs in 2016 across the ten precincts was 434,978 in 2016. This increases by around 40.4% to 610,811 jobs in 2036. Precincts with the highest number of KI jobs include Sydney CBD (300,646), followed by North Sydney (39,700) and Parramatta (38,154).

The total number of jobs across the ten precincts was 761,114 in 2016, which increases by around 37.5% to 1,046,237 in 2036. Again, the Sydney CBD contains the highest number of total jobs (453,268), followed by Greater Parramatta (91,037) and Macquarie Park (65,122). The precincts with the highest proportion of KI jobs in 2016 includes the Sydney CBD (0.66), followed by North Sydney (0.64) and Greater Parramatta (0.42). In 2036, North Sydney becomes the precinct with the highest ratio at (0.68), followed by Sydney CBD (0.67) and Rhodes (0.46).

TABLE 52: RATIO OF KNOWLEDGE INTENSIVE JOBS TO TOTAL JOBS

Precinct	KI 2016	KI 2036	Emp 2016	Emp 2036	Ratio 2016	Ratio 2036
North Sydney	39,700	53,844	61,619	78,942	0.64	0.68
Sydney CBD	300,646	414,313	453,268	617,478	0.66	0.67
Rhodes	5,995	10,571	15,886	22,842	0.38	0.46
Greater Parramatta	38,154	60,664	91,037	142,503	0.42	0.43
Chatswood	11,652	14,282	28,149	34,757	0.41	0.41
Macquarie Park	23,592	33,353	65,122	81,589	0.36	0.41
Sydney Olympic Park	9,653	16,608	28,815	45,376	0.33	0.37
Burwood	4,407	5,396	12,009	15,033	0.37	0.36
Five Dock	899	1,328	3,185	4,373	0.28	0.30
North Strathfield	280	452	2,025	3,344	0.14	0.14
Total	434,978	610,811	761,115	1,046,237	0.57	0.58
Median	10,653	15,445	28,482	40,067	0.37	0.41

Source: SGS Economics and Planning, 2019

10.4 Jobs to Population Ratio

The jobs to population ratio provides an indication of whether a precinct is mostly dominated by residents, or employment. A higher job to population ratio indicates that the centre operates predominantly as a commercial destination. Conversely, a lower job: population ratio could indicate a precinct that operates more as a mixed use or local residential centre.

In 2016, Sydney Olympic Park contained the highest jobs to population ratio (8.19), with 28,815 jobs, but only 3,520 residents. This was followed by Macquarie Park (7.88) and the Sydney CBD (5.30). The ratios alter substantially by 2036. Sydney holds the highest jobs to population ratio (4.75), followed by North Sydney (2.96) and Macquarie Park (2.75). This is due to most precincts substantially increasing the number of residents living within their precincts.

TABLE 53: RATIO OF KNOWLEDGE INTENSIVE JOBS TO TOTAL JOBS

	Pop 2016	Pop 2036	Jobs 2016	Jobs 2036	Jobs:Pop 16	Jobs:Pop 36
Sydney CBD	85,587	130,108	453,268	617,478	5.30	4.75
North Sydney	17,757	26,710	61,619	78,942	3.47	2.96
Macquarie Park	8,264	29,718	65,122	81,589	7.88	2.75
Sydney Olympic Park	3,520	32,578	28,815	45,376	8.19	1.39
Parramatta	52,424	106,720	91,037	142,503	1.74	1.34
Chatswood	24,378	27,923	28,149	34,757	1.15	1.24
Rhodes	12,627	22,330	15,886	22,842	1.26	1.02
North Strathfield	1,976	3,798	2,025	3,344	1.02	0.88
Burwood	11,654	23,811	12,009	15,033	1.03	0.63
Five Dock	7,322	9,733	3,185	4,373	0.43	0.45
Total	225,509	413,429	761,115	1,046,237	3.38	2.53
Median	12,141	27,317	28,482	40,067	1.50	1.29

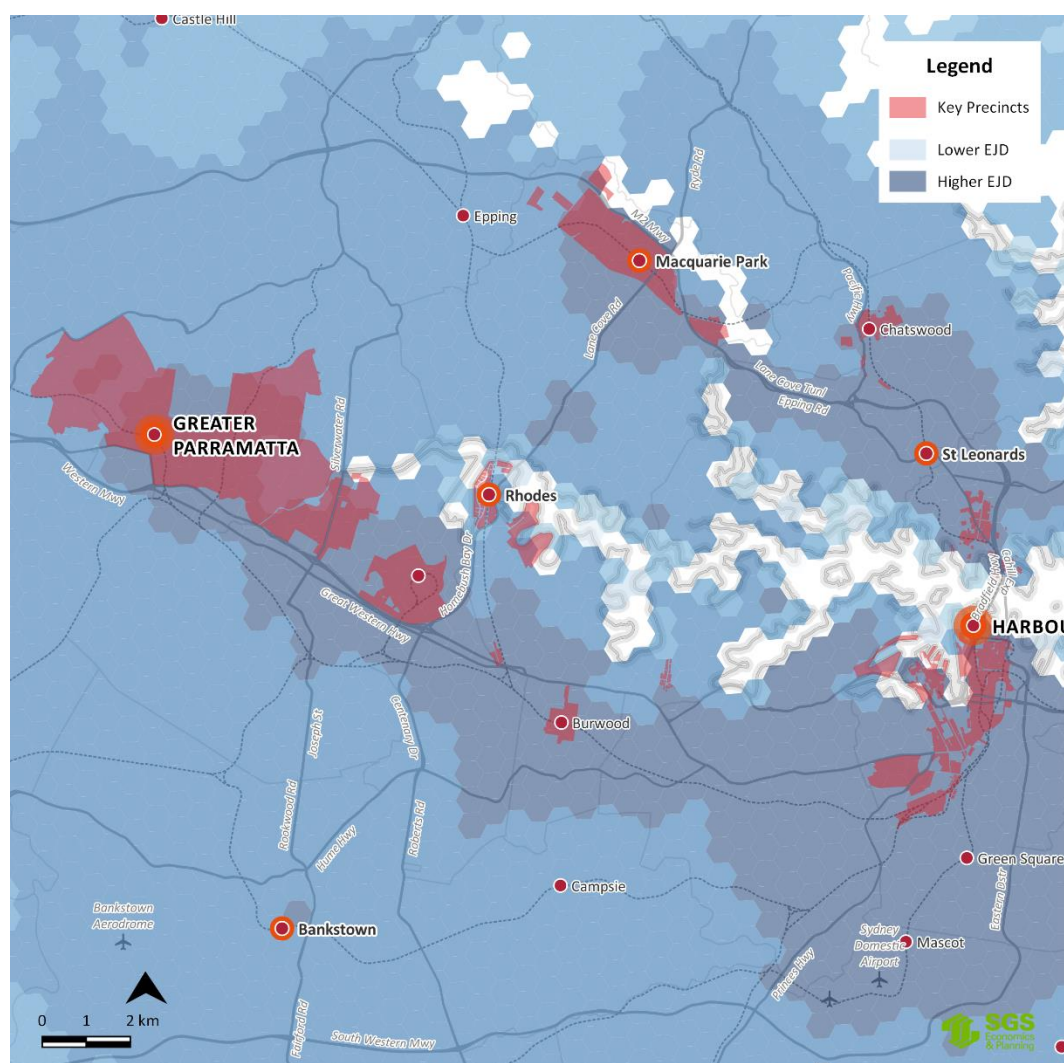
Source: SGS Economics and Planning, 2019; TPA, 2019

10.5 Effective Job Density

Growing shares of wealth and employment are generated within city centres. As such, professional services tend to cluster in these locations. This agglomeration arises as firms seek a competitive advantage through access to skilled labour, complementary services, formal and informal knowledge transfer, technological trends and a larger customer base. SGS has developed a spatial index of agglomeration through what is known as Effective Job Density, or EJD. EJD measures the relative concentration of employment, as a function of both the distance to and the number of jobs at that location. An illustration of EJD is provided in Figure 41 below.

Areas with higher EJD means that they are places where a greater degree of employment agglomeration takes place. They tend to be easier to access and as such are found along transport lines and around the city centre. Utilising EJD within the competitive offer helps to determine which precincts are agglomerating, based on broad employment category and transport mode.

FIGURE 41: EJD ACROSS KEY PRECINCTS



Source: SGS Economics and Planning, 2019

The data indicates that the Sydney CBD is consistently ranked as having the highest EJD across employment categories and transport modes. It means that it is the precinct in which the highest amount of agglomeration is happening. The scale of this agglomeration differs depending on the broad industry category. The CBD has the greatest agglomeration benefit in

terms of Knowledge Intensive employment, though has the smallest lead in areas such as Health and Education and Industrial employment.

TABLE 54: EJD SCORES BY EMPLOYMENT CATEGORY, MODE OF TRANSPORT

	Private					Public				
	KI	HE	PS	IN	Total	KI	HE	PS	IN	Total
Sydney CBD	108,498	24,337	47,037	21,607	201,479	162,135	26,180	58,480	24,032	270,827
North Sydney	57,405	18,401	30,231	16,090	122,127	69,693	18,073	30,906	16,501	135,172
Chatswood	32,943	16,268	26,543	13,736	89,490	36,216	15,316	25,671	12,555	89,758
Burwood	28,396	18,654	27,754	17,608	92,413	28,831	16,738	24,387	14,786	84,742
North Strathfield	25,629	16,095	25,703	16,892	84,320	28,341	14,420	25,179	16,778	84,718
Parramatta	26,814	16,640	24,328	16,573	84,355	30,454	15,965	21,355	14,240	82,013
Macquarie Park	31,602	17,420	25,024	17,673	91,720	29,543	14,777	19,799	15,288	79,408
Rhodes	25,357	15,404	23,326	15,693	79,780	25,354	12,534	19,223	12,962	70,073
SOPA	27,393	15,358	26,455	18,951	88,157	22,662	10,300	19,169	14,233	66,364
Five Dock	28,311	16,305	25,192	14,591	84,399	18,471	10,928	17,169	9,134	55,701

Source: SGS Economics and Planning, 2019

KI = Knowledge Intensive; HE = Health and Education; PS = Population Serving; IN = Industrial

After the CBD, the centres which agglomerate to a lesser degree are North Sydney, which scores 2nd in terms of the number of Knowledge Intensive jobs that are accessible to that precinct.

Burwood scores 2nd in terms of Health and Education agglomeration for workers accessing the precinct by private transport, while North Sydney scores 2nd in terms of health and education agglomeration for workers accessing the precinct by public transport.

North Sydney also scores 2nd in terms of population-serving agglomeration that is accessible to the precinct by both private and public transport.

For industrial employment, Sydney Olympic Park (SOPA) scores 2nd in terms of agglomeration to the precinct via private transport, while North Strathfield scores 2nd in terms of accessibility via public transport.

Canada Bay's precincts generally score towards the lower end of EJD scores. North Strathfield, Five Dock and Rhodes score poorly regarding private vehicle accessibility for jobs. Rhodes and Five Dock score poorly in terms of people accessing these precincts via public transport, though North Strathfield performs above average.

10.6 Labour Force

The labour force comprises of both employed and unemployed workers. Each precinct was measured in terms of the labour force that lives within 30 minutes of public transport to each precinct.

In 2016, the Sydney CBD had the highest Labour Force accessibility (865,951), followed by North Strathfield (687,699) and Burwood (678,856). By 2036, Sydney CBD maintains the highest level of accessibility (1,259,373), followed by North Strathfield (1,149,240) and Burwood (1,143,750). The precincts set to experience the highest amount of accessibility growth include Macquarie Park (116.4%) and Chatswood (113.5%).

TABLE 55: PRECINCT LABOUR FORCE ACCESS WITHIN 30-MINUTES 2016-36

Precinct	2016	2036	Growth (%)
Macquarie Park	374,383	810,336	116.4%
Chatswood	412,234	880,043	113.5%
Rhodes	513,090	926,639	80.6%
North Sydney	564,728	961,673	70.3%
Burwood	678,856	1,143,750	68.5%
Parramatta	662,729	1,110,844	67.6%
North Strathfield	687,699	1,149,240	67.1%
Five Dock	289,015	481,867	66.7%
Sydney CBD	865,951	1,259,373	45.4%
SOPA	414,455	585,458	41.3%
Total	5,463,140	9,309,223	70.4%
Median	538,909	944,156	0.68

Source: SGS Economics and Planning, 2019; TPA, 2019

10.7 Summary

Each criterion was normalised against the median to provide each precinct with an individual general score. The result is the ability to benchmark the attractiveness of each centre. Table 56 below shows the combined index score for each centre, sorted from highest to lowest. Table 57 on page 135 below shows a breakdown of scores for each criterion considered

TABLE 56: ATTRACTIVENESS OF COMPETING PRECINCTS AROUND CANADA BAY

Precinct	Combined index score	Rank
Sydney CBD	22.39	1
North Sydney	15.68	2
Macquarie Park	14.70	3
Burwood	14.42	4
Sydney Olympic Park	12.69	5
Parramatta	11.76	6
Chatswood	9.81	7
Rhodes	9.11	8
North Strathfield	8.28	9
Five Dock	6.90	10

Source: SGS Economics and Planning, 2019

The results indicate that the Sydney CBD remains the dominant commercial centre (22.39), followed by North Sydney (15.68) and Macquarie Park (14.70). These centres score higher than the median score across almost all the criteria rankings. Most notably, they score highest in terms of their jobs to population ratio, as well as in their Effective Job Density. Essentially, these centres have relatively more jobs than residents, as well as being highly accessible to knowledge workers.

Lower performing centres include those in Chatswood, Rhodes, North Strathfield and Five Dock. Chatswood scores lowest in terms of its 30-minute labour force catchment as well as having a lower job to population ratio in 2016. Rhodes performed lowest in terms of its jobs to population ratio in 2016, where it is likely to emerge more as a residential location in

comparison to it becoming an employment centre. Five Dock and North Strathfield scored lowest predominantly due a lower job to population ratio, in addition to having less knowledge workers as a proportion of their total workforce.

Other notable centres include Burwood (14.42), which ranked fourth predominantly due to having a significantly lower vacancy rate, which one could consider a reflection of a highly performing commercial centre.

TABLE 57: COMBINED INDEX SCORE OF SELECTED PRECINCTS AROUND CANADA BAY

	Vacancy	Net Face Rent	Incentive	KI Ratio 2016	KI Ratio 2036	PJ 2016	PJ 2036	EJD KI	LF 2016	LF 2036	Score	Rank
Sydney CBD	1.43	1.61	1.05	1.78	1.64	3.54	3.68	4.73	1.61	1.33	22.39	1
North Sydney	0.93	1.46	1.00	1.73	1.66	2.32	2.29	2.22	1.05	1.02	15.68	2
Macquarie Park	1.08	0.72	0.91	0.97	1.00	5.26	2.13	1.07	0.69	0.86	14.70	3
Burwood	5.85	1.06	1.00	0.99	0.88	0.69	0.49	1.00	1.26	1.21	14.42	4
Sydney Olympic Park	0.44	0.78	0.87	0.90	0.89	5.47	1.08	0.87	0.77	0.62	12.69	5
Parramatta	1.72	0.94	1.33	1.13	1.04	1.16	1.04	1.00	1.23	1.18	11.76	6
Chatswood	0.90	1.10	1.05	1.11	1.00	0.77	0.96	1.21	0.76	0.93	9.81	7
Rhodes	0.84	0.85	0.83	1.01	1.13	0.84	0.79	0.89	0.95	0.98	9.11	8
North Strathfield	0.28	1.50	1.00	0.37	0.33	0.68	0.68	0.94	1.28	1.22	8.28	9
Five Dock	1.08	0.82	1.00	0.76	0.74	0.29	0.35	0.82	0.54	0.51	6.90	10

Source: SGS Economics and Planning, 2019

10.8 Scenario testing

Consideration of Metro West

One future scenario not considered was the future impact of Sydney Metro West. A key reason was that this project was not factored into Transport for NSW's Strategic Travel Model (STM) Travel Time Matrices as of July 2018. The absence of this data means that precincts such as North Strathfield and Five Dock have more conservatively-ranked 2036 Labour Force scores.

With both Five Dock and North Strathfield receiving new stations, their labour force accessibility will be increased. However, this improved accessibility does not necessarily infer that these centres will emerge into playing a more commercially focussed role. A hypothetical 50% increase in 2036 Labour Force accessibility was applied and the results indicated no change to each precinct's overall rankings (North Strathfield would improve to 8.89 and Five Dock would improve to 7.16). Both centres ultimately sit between the Sydney and Parramatta CBD's, as well as adjacent to strategic commercial centres.

The Canada Bay Housing strategy identified that there is limited potential of the Metro station centres to accommodate residential development above that already projected (of which there is capacity for). The notion of the Metro significantly changing the function of these centres from an economic perspective is therefore limited. This is due to much of the demand for additional retail or local commercial floorspace being driven by population growth.

Any transformation towards a commercial centre for centres such as Five Dock and North Strathfield would be considered a significant transformation to both centres. It also runs the risk of focusing attention towards local centres at the expense of Rhodes, which is already designated as the key strategic centre, with policy support at the GSC level, as well as investment coming in from DPE and private sector. Given that Rhodes is currently under-

performing and there is already low job self-containment, it could reduce the leverage of the incumbent centre and dilute the pool of jobs attracted to it.

Broader scenarios

Some broad alternative scenarios were devised based on changing market conditions, specifically vacancy rates and Net Face Rents. The rationale for developing these scenarios is that while low vacancy rates and high net face rents may indicate high performing centres, the downside is that these centres may begin to become too expensive. As such, the market adjusts accordingly and demand may in fact turn to centres with supply at a lower price.

1. Burwood has a higher vacancy rate

One scenario was whether the current vacancy rate within Burwood increased from 1% to its September 2017 figure of 3.94%. The result is that Burwood would fall two places to sixth place, with Sydney Olympic Park moving from 5th to 4th place and Parramatta moving from 6th to 5th. This reality may not occur, given the centre is set to receive an additional train station in the future and is likely to continue emerging as a dominant centre. It does highlight that there may be overemphasis on vacancy rates for Burwood in attaining its position in the ranking.

2. Low vacancy rates are considered a negative

Vacancy Rate data was adjusted to that low vacancy rates were considered a negative. Precincts with a low vacancy rate were therefore perceived as either too expensive, or difficult for businesses to find space and as such would look elsewhere. The result of this adjustment was that Burwood falls to 9th position, with Sydney Olympic Park moving into 4th position and North Strathfield jumps from 9th position to 5th position.

3. High Net Face Rents are considered a negative

NFR data was adjusted so that a higher NFR indicated a precinct that was increasingly expensive for many businesses. Precincts with more affordable NFR were therefore more likely to attract businesses. The result of this shift was that Macquarie Park moves into 2nd position, with North Sydney shifting from 2nd to 3rd.

4. Rhodes emerges as a desirable commercial market

Vacancy Rates, Net Face Rents and Incentive Rates for Rhodes were readjusted to equal Parramatta CBD as a method to infer a degree of improved market demand. The idea is that the continued investment in Rhodes may see growing demand, therefore reducing these indicators. The results show that Rhodes improves slightly, switching places with Chatswood to see its score increased from 9.11 to 10.46.

TABLE 58: ADJUSTED SCENARIO SCORES

Column heading	Original	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Sydney CBD	1	1	1	1	1
North Sydney	2	2	2	3 (-1)	2
Macquarie Park	3	3	3	2 (+1)	3
Burwood	4	6 (-2)	9 (-5)	4	4
Sydney Olympic Park	5	4 (+1)	4 (+1)	5	5
Parramatta	6	5 (+1)	6	6	6
Chatswood	7	7	7	7	8 (-1)
Rhodes	8	8	8	8	7 (+1)
North Strathfield	9	9	5 (+4)	9	9
Five Dock	10	10	10	10	10

Source: SGS Economics and Planning, 2019

11. APPENDIX OF CONSULTATION RECORDS

11.1 Rhodes Corporate Park

Contact: Lee Homer

Position: Property Manager

Date: 10/1/2019

What is the current market like for commercial development in Rhodes, both the Corporate Park and the wider precinct?

- Currently maxed out development opportunity with corporate park-wide FSR controls.
- Next phase for corporate park is going through existing on-site assets and refurbishing 'new building' (corporate park). This is not providing any net new floorspace.
- There are several major leases due to expire coming up in next 2 years. This is creating about 30,000sqm of floorspace available for the market.
- Rents 50% of CBD at around \$410-\$425/sqm. They are aiming for \$450-460/sqm
- Unlikely to have enough demand for new 20,000-40,000 sqm building on site at this stage even if controls were lifted.
- This raises big risk bout over-supply and impact on rents for investors.

What types of businesses are currently operating in the park?

- Unisys, NAB back of house
- Signed 'super retail group' 10yr agreement; Bunnings head office was looking (But ended up in Ryder Blvd; KPMG took sub-lease off Nestle)
- Some head offices looking for location – Corporate park cheaper
- IT presence appears to be lessening

Why do they locate there?

- Amenity
- Price point (comparable to Sydney Olympic Park or Macquarie Park)
- Good parking
- If people look at Macquarie Park, they won't look at Rhodes – talent pool accessibility

What are the current challenges the park or Rhodes faces?

- Parking
- Multiple modes/trips to access Rhodes station
- Majority driving and training in

How can the operation of the precinct be improved in the future?

Why do businesses leave?

- NAB – consolidation in Parramatta (cost effective)
- Nestle – business consolidation
- Workplace flexibility not needing floorplate they once needed.

What's the average size of businesses? Do they take up whole buildings? Floors?

- Previously taking full buildings; now taking sub-lease (e.g. 10,000sqm down to 7,000sqm)
- Some start-ups spaces – Frasers manage the start-up with 5yr lease.

- Wouldn't do smaller tenancies in building over 5-7,000sqm due to lack of demand and management

What are your vacancy rates like?

- Took 24 months to lease the new Building F (18,000sqm broken up to 10-12 tenants) – those who have come have sourced smaller. Had to re-furbish and increase incentives to attract and that didn't do so too quickly.

The Rhodes East plan identifies an additional 40,000sqm of commercial floorspace adjacent the station – how do you see this impacting the corporate park?

- Over-supply risk with 30,000sqm in park + 40,000sqm in Rhodes East + HP site. Will lead to lower rent and need for incentives increasing
- Couple of levels still available in Ryder Blvd. sites apparently – still some capacity issues.
- Need to break up the space into smaller tenancies

What plans do you have to develop, particularly with HP moving?

- HP is outside of corporate park and has been bought by another developer
- Bought by another developer (check with council)

Do you have any constraints to growth?

What type of centre do you see Rhodes as a whole, becoming?

- Residential is dominant
- In 15-20 years, there may be no need office park

What do you see as Rhodes' position in broader Sydney's economy, relative to other centres?

- Rhodes is going through a re-invigoration
- 'Could be next Barangaroo' but would require significant capital injection to stay in the game

Which centre/s do you consider your biggest competition for tenants and why?

- Parramatta, Sydney Olympic Park, CBD, Macquarie Park

Any other reflections you think an employment study should focus on?

- No

Are there any linkages between Concord Hospital and Rhodes Business Park?

- At this stage no presence.

11.2 Rhodes Waterside Centre

Contact: Tanya Coert

Position: Property manager

Date: 17/1/2019

What is the current market like for commercial development in Rhodes, both the Corporate Park and the wider precinct?

- Retail is challenging (online, increased options)
- Competition coming from Marina Square, Rhodes Central (new supermarket). This impacts the independent operators and their employment
- 3 different customers – local (Chinese & Korean), weekend warriors drawn by IKEA and important; local corporates during the week (7-9am, 12-2pm) and some small percentage
- New growth will probably absorb new centre
- Lots of commercial vacancy in Rhodes – mostly larger footprints

There are a number of health businesses locating in the centre. Why do you think this is the case?

- Medical centres are a drawcard (under the Rhodes Medical centre who then sublet)

Are you trying to attract other types of businesses and if so, what?

Why do they locate there?

- More geographical reasons - accessibility
- Location
- Flexibility to carve up tenancies
- Amenity/parking

What's your retail footprint? Are you looking to expand or do you feel there is a need elsewhere in the precinct for more retail?

- Retail 25,000sqm GLA; Commercial, 7000sqm GFA (including medical)

What's the average size of businesses? Do they take up whole floors? Smaller suites?

- Market driven demand for smaller occupancies
- Upstairs commercial suites have been re-cut to smaller ones to attract
- The majority of vacancies are large footprints

What are your vacancy rates like?

- One vacancy, usually filled quite quickly

Why do businesses leave?

- UFS (united financial services) moved to Parramatta due to a more convenient location for its workers. This is despite paying more rent for a smaller site.

What are the current challenges Rhodes faces?

- Land locked
- Traffic around Homebush Bay Drive
- Trainline (although has improved) – more direct services
- Limited parking (although ok in the centre) and for residents with more than one car; commercial buildings with limited parking.

How can the operation of the precinct be improved in the future?

The Rhodes East plan identifies an additional 40,000sqm of commercial floorspace adjacent the station, some of which will likely be retail, as well as new mixed-use precincts to the north on the water. What impact will this have on Rhodes and the Waterside centre?

- If they can fill them great
- Parking may be a significant issue – flows into surrounding streets and centre and taking up shopping streets

What type of centre do you see Rhodes as a whole, becoming?

- No, knowing how long it took to reconfigure (12 months)

What do you see as Rhodes' position in broader Sydney's economy, relative to other centres?

- Loungeroom for residents in apartments (residents spilling out into common space)
- Many residents eat out (wealthy/double income no kids) rather than in small units
- Local customer is important

Which centre/s do you consider your biggest competition for tenants and why?

Are there any linkages between Concord Hospital and Rhodes Waterside Centre?

- If we had an ageing population then yes, but currently the population is young

Any other reflections you think an employment study should focus on?

- If you add more retail and commercial it brings more traffic and makes more unattractive

11.3 Concord Hospital

Contact: Alice Kang

Position: Marketing Manager and Veteran Services

Date: 10/1/2019

What are the operational opportunities that the location provides?

- Increasingly well located with new residential
- urban renewal
- Diversity of population, language skills
- May need to increase its services
- Veteran health care institute (particularly around mental health)
- Pitching for Phase 2 – surgical block development – fully refurbished
- Teaching hospital with University of Sydney but as well as, WSU and UNSW
- Student Need
- Development opportunities on site

What are some of the operational challenges the hospital faces currently?

- Transport access constraints (continue to lobby) - light rail, ferry wharf at Rhodes
- Parking is very difficult for patients and staff and visitors

What is the vision for the hospital precinct?

- Phase 1
- Phase 2

What are your expectations of hospital growth over the coming years?

What challenges does the Hospital face in accommodating this growth?

- Multi storey parks

What type of facilities would this require? (more wards, research institutes, outpatient services etc?)

- Radiotherapy, new wards, research institutes
- Developers already land banking adjacent of the hospital for private suites, private hospital. Many doctors already lease suites on onsite medical centre
- Many others have suites in Burwood, North Rhodes, Strathfield (due to access and amenity)
- Transport to Rhodes makes the links difficult to hospital
- Research conducted on hospital campus
- Some market for Physio/OTs

What type of businesses or industries do you expect to want to co-locate within or near to the hospital precinct?

Are these businesses sufficiently catered for in the surrounding area?

- New hospital will have retail outlets within site
- Nothing around for food/beverage due to being island
- Alice has been at hospital for 44 years and rarely goes to the Concord Road shops – but it may need to be more attractive to draw hospital staff up.
- Uber eats coming in – demonstrates lack of supply

- Canada bay does not have many good shopping places for 'Women' – no good retail outlets

Do you know where many of your staff live and come into work from?

- Low cost housing in discussion with hospital
- Access to low cost housing is an issue
- Student housing for junior medical and nursing staff
- Students come from University of Sydney or Lidcombe and do prac there but not based in Concord FT
- Rental unaffordability
- Lack of patient/family accommodation – keep a register of local accommodation

Can you tell me about your need for key worker housing and the needs of supporting the employees of the hospital?

What challenges does a growing population present Concord hospital?

- Transport
- Housing
- Retail and Food

How important is it for the hospital to be connected into other centres (Concord, Rhodes, even Parramatta Road etc?)

11.4 WOTSO

Contact: Courtney McDonald

Position: Site Manager

Date: 9/1/2019

What type of businesses are you?

- Serviced offices and coworking for small and start up business

Where do you operate?

- North Strathfield, NSW

What is your customer profile? Is it local, Metropolitan, National or international?

We have people from all around. People who live as close as Breakfast Point to people who have virtual services and live in The Entrance

Why have you chosen to locate where you have?

I think they chose to have a WOTSO here as it is close to the city but also close to the outskirts like Parramatta that we are able to cater for people who may not be wanting to do the travel into the city for work. It is also convenient for people who have children as they are able to get to them fast if something happens at school or day care.

What challenges or threats do your businesses or areas face and why?

I guess for us it would be our competitors in the CBD and also in Parramatta. We just make sure that our product is the best we can make it and make sure we are always improving it meet what people are looking for.

What opportunities do you see for your business in Canada Bay?

As we are close to the city and also Parramatta this means that we are able to accommodate for a large range of people including in the Canada Bay area.

We have so many people that come to us from their home offices and cannot work there anymore and I think this is something that is booming and being in such a convenient location this will help us.

What are the current market conditions you are observing?

There are a lot of people who are working for business overseas or even within Australia but they are remote and so don't have a base. I think for us this is what helps our business as these types of people are looking for somewhere to work from that isn't a café. We provide this to them with no contracts and flexibility.

What impact do you think that the development along Parramatta Road and in Burwood, Strathfield and Homebush will have on your business?

I think this will assist us as this just means that there will be more people moving into the area and so more people needing somewhere to work from and get away from the house.

What would you want an employment centres strategy to address for your Business?

Sending people our way if they are looking for a short term solution if they are trying to settle in somewhere. Or even if someone has nowhere to work from and they need something more permanent we have these solutions.

Are you happy for us to contact you again as we develop our strategy in partnership with Canada Bay?

Yes

11.5 Knight Frank

Contact: Bree Waterhouse

Position: Director, Asset Management Services

Date: 17/1/2019

What type of businesses do you represent?

Property Management Agency

What is the role or specialisation of your centre?

Managing Commercial Office space

What are the trends in business demand you have witnessed in your areas?

We have multiple residential apartment developers as tenants in our buildings. With the pipeline of developments closing in, and sales wrapping up, a number of these businesses will either not renew, or wish to downsize. Nokia vacated in January and Nov over 10,000sq m of space. Technology becoming more competitive. Tenants office accommodation requirements reduced significantly and downsized/relocated to Pyrmont & Nth Sydney.

What has that meant for the type of facilities, infrastructure or amenities that the businesses require?

With our looming significant vacancy, we have refurbished the 5 Rider lobby & 3 Rider End of Trip Facilities and expanded on existing 5 Rider EOTF earlier in the year to present premium product to market. Some space returning to market we are thinking of presenting in smaller offerings. Subdividing suites into smaller offices that can be leased quickly.

What are the barriers you or your businesses face in realising this?

We are offering a broad range of office accommodation requirements as to capture a large range of occupiers.

What challenges or threats do your businesses or areas face and why?

Sydney Olympic Park, Rhodes Corporate Park, & Mac Park whilst competing office markets, have very different offerings in terms of office space product, access to amenity, quality.

What opportunities do you see for your local businesses and centres?

I have seen the draft plan for Rhodes issued by NSW Dept. Planning & Environment and it is exciting to see concepts for the new ferry wharf (finally), upgraded station and access to the waterfront.

What are the current market conditions you are observing?

With contracting office supply it is currently a landlord market

What impact do you think that the development along Parramatta Road and in Burwood, Strathfield and Homebush will have on your area?

Provide more liveable spaces in the LGA

What would you want an employment centres strategy to address for your centre?

Are you happy for us to contact you again as we develop our strategy in partnership with Canada Bay?

Yes

11.6 Drummoyne Business Chapter

Contact: Daniel Cordaro

Position: President of the Drummoyne Business Chamber

Date: 14/12/2018

What type of businesses do you represent?

Daniel is the President of Drummoyne Business Chamber representing businesses primarily along Victoria Rd.

- Property management
- Medical
- Asset management
- Professional services

What is the role of your local centre?

- Professional services (as above)
- Provides a service to the local community

What are the trends in business demand you have witnessed in your areas? (business moving in or out? / change in demand for type of property/floorspace?)

- Daniel has noticed an increase in health and allied services. There are many health associated tenants within the Drummoyne Business Chamber.
- Small businesses are moving out due to lack of business. These small businesses have been replaced with food outlets moving in.
- Interest has been in smaller floorspace tenancies as they are more affordable.
- The biggest issues effecting the businesses Daniel represents is that there is no parking.
- Increased densification through apartment buildings with no parking provision in the area

What has that meant for the type of facilities, infrastructure or amenities that the businesses require?

- The residents moving into the area don't need a car as they are living within an apartment.
- Small business relies on the whole suburb. Without parking provision, small businesses suffer. Businesses with the greater amount of parking seem to get the most business. Smaller businesses rely on customers being able to find parking. Customers don't go where they can't park.

What are the barriers you or your businesses face in realising this?

- Council is reluctant to build more parking. We have been told very clearly that no more parking will be provided. This is because Council wants to see a shift to use more public transport and parking does not promote public transport.

What challenges or threats do your businesses or areas face and why?

- Parking
- Customers don't come back due to inconvenience

What opportunities do you see for your local businesses and centres? (specialisation/amenity, anchor retail)

- Specialization – destination for something in particular
- Medical tenants/health precinct/medical hub
- Opportunity – homewares – kitchen – renovations – don't rely on customers but get exposure – big sales – once in a lifetime ppl come in \$\$\$\$
- Victoria Rd don't rely on a massive amount of customers
- Showroom – increased slowly sustained

What are the current market conditions you are observing?

What impact do you think that the development along Parramatta Road and in Burwood, Strathfield and Homebush will have on your area?

- Zero. Not much impact at all.

What would you want an employment centres strategy to address for your centre?

- Parking
- Hospitality and health related
- Small local centre in Drummoyne
- Personal services

Are you happy for us to contact you again as we develop our strategy in partnership with Canada Bay?

Yes.

12. APPENDIX OF URBAN SERVICES DATABASE

The following pages provide the information requested as part of the Urban Services Database provided by the Greater Sydney Commission. It is noted that not all of the information comes from the database itself. Where required, these tables have been populated using data from the Employment and Productivity Study. The GSC requirements state that the information should be derived from TPA numbers. With our work grounded in 2016 ABS data (and using TPA for all forecasts), the information in this database has been pro-rata'ed to align with the TPA as per the GSC request.

Further explanation for the method for each table is provided in the document.

LEP Review 2018

Template for strategic review of industrial and employment activities

- **Introduction**

Each of the district plans have an action for councils to conduct a strategic review of industrial lands and to generally better understand employment in centres, consistent with the Greater Sydney Region Plan – *A Metropolis of Three Cities* requirement (p135):

*Councils will be required to undertake a strategic review of **industrial and employment activities** across their council area as part of their review of their local environmental plan, to be approved by the Greater Sydney Commission. The Greater Sydney Commission will monitor the performance of the principles to manage industrial land and urban services land, including a formal review every five years.*

The strategic review of industrial and employment activities will contribute to the preparation of the local strategic planning statement. It is intended to provide a more detailed contextual analysis of industrial and employment activities that can establish a deeper evidence base to support local jobs and productivity. Data to support this strategic review has been provided to councils.

- **Terminology**

For the purposes of this review **employment activities** relates to jobs across all four job sectors identified in the Greater Sydney Region Plan based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 used by the Australian Bureau of Statistics for (refer to Appendix 2 of SGS analysis report):

- **knowledge intensive** (Information, Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; and Public Administration and Safety)
- **health and education** (Education; Health Care; and Social Assistance)
- **population serving** (Retail Trade; Accommodation and Food Services; Arts and Recreation Services; Construction; and Other Services)
- **industrial** (Agriculture; Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste Services; Wholesale Trade; and Transport, Postal and Warehousing).

These jobs are in three main locations across the region, with the balance either dispersed or within the metropolitan rural area:

- metropolitan and strategic centres some of which are also health and education precincts
- larger local centres (those with supermarkets >1,000sqm – refer to Deep End report), and
- industrial and urban services lands.

Industrial activities refer to the uses on industrial and urban services lands which are identified in the NSW Department of Planning and Environment's Employment Lands Development Monitor (ELDM). For clarity the term *employment lands* is to be avoided, as employment is in centres.

Urban services (refer to Appendix 3 of SGS analysis report), are situated on both industrial and business zoned lands.

- **Structure**

A template to assist councils in preparing the strategic review is set out below. Data sources have been identified where available and council studies, where relevant should be highlighted as a data source. The strategic review is divided into two parts:

- i. industrial activities
- ii. employment activities

The Employment Lands Development Monitor defines employment lands (industrial and urban services lands) by their zones (IN1, IN2, IN3, IN4, B5, B6 and B7). Metropolitan and strategic centres are typically defined by the B3 zone and local centres are typically B1 and B2 zones. The B4 mixed use zone by definition, accommodates not only residential uses but a range of employment activities across all sectors.

- **Part A – Industrial activities**

Drawing from the Industrial Lands Database and the case study work, provide a summary of the following for the LGA (see attached tables):

- Job distribution by sector (Table 1)
- GVA by sector (Table 2)
- Precinct typologies (Table 3)
- Precinct capacity (Table 4)

- **Part B – Employment activities**

Using available data provide a summary of employment activities by the four job sectors by location for 2011 and 2016 to indicate change over last five years (Tables 5 to 11).

Additional information of jobs and businesses by sector and location can be provided if available to councils addressing questions such as:

- number of businesses by type (ANZSIC code)
- amount of floor space per business
- amount of employees per business
- spatial concentration (density) of jobs and businesses across LGA

- **Part C – Development activity**

Provide a list of relevant planning proposals for economic development (that is commercial, retail, industrial and urban services projects) including major proposed land uses, based on council records.

Provide a list of major DA activity in last five years by type, amount of floor space and value of project (Source: eplanning and council records).

- **Part D – Commentary**

The following outlines an indicative structure that councils can use to provide a narrative on employment within their LGAs.

- *Economic context overview*

Within a narrative of the major employment generating assets of the LGA e.g. metropolitan and strategic centres, port, airport, health and education and industrial precincts identify:

- the key locations of jobs
- recent trends in jobs growth
- mix of job types
- large employers in the various sectors
- the economic objectives for the LGA
- Council initiatives to support local job retention and growth
- recent market-led initiatives that support local jobs and industries
- any economic matters identified in recent Community Strategic Plans
- *Challenges and opportunities*

In relation to growth and change identify:

- what sectors have had the highest growth in the last five years
- whether or not this expected to continue
- if there are other sectors showing significant growth or decline
- capacity for and impediments to growth.

Challenges may be identified in a series of background reports used in the preparation of the Region and District Plan such as:

- for metropolitan and strategic centres, the HILL PDA and Urbis Strategic Centres studies
- for commercial offices, the Colliers report
- for industrial uses, the database and analysis report and industrial snapshots.

Opportunities may be identified in:

- Community Strategic Plan
- any local strategic plans and strategies.
- **Resources**

The main sources of data for employment or jobs are:

- ABS census
- Transport Performance and Analytics and Journey-to-work
- DPE Employment Lands Development Monitor (ELDM).

To better support employment in Greater Sydney, the Commission is using the assurance process to establish a more comprehensive foundation for understanding.

In addition to these sources, the Commission engaged consultants to expand on the work of the ELDM to gain a much deeper understanding of industrial and urban services land (referred to also as the *employment lands*). This work is covered in the following reports that are being provided to councils as part of this review:

- Employment Lands Database (SGS) – all councils
- Employment Lands Analysis (SGS) – all councils
- Industrial Lands Snapshot – including case studies (Mecone/JLL) – Blacktown, Cumberland, Parramatta, The Hills, Hornsby, Fairfield and Liverpool
- Industrial and Urban Services Precinct Snapshot and Case Studies (Urbis) – Blue Mountains, Camden, Canterbury, Hawkesbury, Penrith, Wollondilly and Canterbury-Bankstown.

- **List of Tables**

The employment shown in the table below is taken from SGS' analysis of employment in the various industrial precincts within the LGA. Data within the Employment Lands Database is noted to have issues with geographic constraints which resulted in significant distortion to employment numbers in these precincts (see pages 27-29 of the Employment Lands Analysis report).

This resulted in the employment within the Rhodes Corporate Park being allocated into the Leeds St industrial precinct, and employment being allocated to the Oulton Ave precinct despite it being entirely undeveloped.

The employment numbers below were produced by taking the employment in each precinct identified under the ABS Census data, as per Chapter 5 of the report, and proportionally increasing each amount to be in line with the TPA totals for each industry/travel zone (to address the inconsistency between TPA and ABS employment totals).

Table 1: Jobs in Canada Bay LGA industrial and urban services land						
Source: SGS Work/TZP16 v1.5						
	Rhodes, Leeds Street	Concord West	Oulton Avenue	Bushells Site, Burwood Rd	Parramatta Road/Queens Road	Total
Knowledge Intensive	77	1,266	0	0	173	1,516
Health & Education	0	4	0	0	64	68
Pop serving	625	137	0	0	608	1,369
Industrial	153	163	0	124	179	619
Rural ²⁰						
Total	855	1,569	0	124	1,024	3,573

To respond to the modified employment totals in each precinct, the GVA per precinct has been also been adjusted. This uses the proportional difference of the employment shown in the table above and the employment figures contained in the GSC database to reduce the GVA identified in the GSC Database.

²⁰ Rural includes agriculture, mining and tourism in addition to all other employment in the MRA, where applicable to LGA

Table 2: Jobs in Canada Bay LGA GVA (\$m) by industrial precinct						
Source: GSC 2016 industrial database						
	Rhodes, Leeds Street	Concord West	Oulton Avenue	Bushells Site, Burwood Rd	Parramatta Road/Queens Road	Total
Knowledge Intensive	\$17	\$309	\$0	\$0	\$59	\$385
Health & Education	\$0	\$0	\$0	\$0	\$9	\$9
Pop serving	\$79	\$21	\$0	\$0	\$109	\$209
Industrial	\$38	\$37	\$0	\$16	\$57	\$148
Total	\$134	\$367	\$0	\$16	\$233	\$750

Table 3: CANADA BAY LGA industrial precinct typologies			
Source: GSRP, GSC industrial snapshots, relevant council			
Industrial Precinct (IP)	GSRP description	Snapshot assessment ²¹	Canada Bay LGA Comments
Rhodes, Leeds Street	Retain and manage	Lost under Rhodes East Planned Precinct	
Concord West	Retain and manage	Lost under PRCUTS	
Oulton Avenue	Retain and manage	This 'precinct' consists of a single 750sqm site of undeveloped and highly constrained land.	It does not appear to be worth considering a precinct in its current form. Consider alternative uses (perhaps open space?)
Bushells Site, Burwood Rd	Retain and manage	Retain	This is the last functional piece of industrial land in the LGA (not subject to State Govt. plans for rezoning), and should be retained as such. It represents 9.6% of available industrial floorspace.
Parramatta Road/Queens Road	Retain and manage	Lost under PRCUTS	

Table 4: Canada Bay LGA industrial precinct capacity (hectares)				
Source: GSC 2016 industrial database				
Industrial Precinct (IP)	Total	Developed	Serviced but undeveloped	Unserviced and undeveloped
Rhodes, Leeds Street	6.4	6.1		0.3
Concord West	7.6	7.6		0
Oulton Avenue	0.1	0		0.1
Bushells Site, Burwood Rd	3.9	3.9		0
Parramatta Road/Queens Road	12.3	12.2		0.1
Total	30.3	29.8		0.5

²¹ Sourced from Hill PDA, Mecone and Urbis snapshot reports

Employment within this table has been derived using the same methodology described for Table 1 of this appendix. Rhodes employment figures do not include Concord Hospital.

Table 5 (2011): Jobs in CANADA BAY LGA metropolitan centres (MC) and strategic centres (SC)							
Source: TPA							
	Rhodes						Total
Knowledge Intensive	4,637						4,637
Health & Education	165						165
Pop serving	1,671						1,671
Industrial	3,156						3,156
Total	9,629						9,629

Employment within this table has been derived using the same methodology described for Table 1 of this appendix. Rhodes employment figures do not include Concord Hospital.

Table 5 (2016): Jobs in CANADA BAY LGA metropolitan centres (MC) and strategic centres (SC)							
Source: TPA							
	Rhodes						Total
Knowledge Intensive	5,702						5,702
Health & Education	287						287
Pop serving	1,509						1,509
Industrial	3,520						3,520
Total	11,017						11,017

Employment within this table has been derived using the same methodology described for Table 1 of this appendix. In this table, dispersed employment is taken to be employment which is not identified to be within the centres listed herein. Some of this employment is located in other, smaller centres within the LGA, but which are not identified as local centres under the EDCP.

Table 7 (2011): Jobs in CANADA BAY LGA local centres (LC)							
Source: TPA							
	Breakfast Point	Concord	Drummoyne	Five Dock	North Strathfield		Total
Knowledge Intensive	137	243	774	495	260		1,908
Health & Education	12	408	411	264	212		1,307
Pop serving	169	365	1,180	795	1,221		3,730
Industrial	0	54	120	51	479		704
Dispersed ²²	--	--	--	--	--		13,833
Total	318	1,069	2,486	1,605	2,170		21,482

Employment within this table has been derived using the same methodology described for Table 1 of this appendix. In this table, dispersed employment is taken to be employment which is not identified to be within the centres listed herein. Some of this

²² Dispersed includes home occupations and out of-centre employment

employment is located in other, smaller centres within the LGA, but which are not identified as local centres under the EDCP.

Table 8 (2016): Jobs in Canada Bay LGA local centres (LC)							
Source: TPA							
	Breakfast Point	Concord	Drummoyne	Five Dock	North Strathfield		Total
Knowledge Intensive	209	286	932	599	414		2,440
Health & Education	50	143	390	335	236		1,153
Pop serving	209	434	1,594	829	1,261		4,327
Industrial	0	52	151	68	425		697
Dispersed ²³	--	--	--	--	--		15,992
Total	468	914	3,067	1,831	2,336		24,608

This table uses the previous tables in this appendix with no modification. A subtotal row has been added to allow for the proportional split of employment between the different centre types to be presented.

Table 9 (2011): Canada Bay LGA Total employment								
Source: Tables 5 & 7 and ELDM industrial database								
	Metropolitan & strategic centres		Local centres		Industrial & urban services land (if available)		Total	
	No	%	No	%	No	%	No	%
Knowledge Intensive	5,702	52%	2,440	25%	1,516	42%	9,658	25%
Health & Education	287	3%	1,153	17%	68	2%	1,508	4%
Pop serving	1,509	14%	4,327	49%	1,369	38%	7,205	18%
Industrial	3,520	32%	697	9%	619	17%	4,836	12%
Subtotal	11,017	43%	8,617	42%	3,573	14%	23,207	59%
Dispersed	--		15,992	--	--		15,992	41%
Rural	--		--		--			
Total	9,629		21,482		3,308		34,419	

²³ Dispersed includes home occupations and out of-centre employment

Table 10 (2016): Canada Bay LGA Total employment								
Source: Tables 5 & 7 and ELDM industrial database								
	Metropolitan & strategic centres		Local centres		Industrial & urban services land (if available)		Total	
	No	%	No	%	No	%	No	%
Knowledge Intensive	5,702	52%	2,440	25%	1,516	42%	9,658	25%
Health & Education	287	3%	1,153	17%	68	2%	1,508	4%
Pop serving	1,509	14%	4,327	49%	1,369	38%	7,205	18%
Industrial	3,520	32%	697	9%	619	17%	4,836	12%
<i>Subtotal</i>	<i>11,017</i>	<i>43%</i>	<i>8,617</i>	<i>42%</i>	<i>3,573</i>	<i>14%</i>	<i>23,207</i>	<i>59%</i>
Dispersed	--		15,992	--	--		15,992	41%
Rural	--		--		--			
Total	11,017		24,608		3,573		39,198	

Table 11: Canada Bay LGA Change in total employment 2011-2016				
Source: Table 7 & 10				
	Metropolitan & strategic centres	Local centres	Industrial & urban services land	Total
Knowledge Intensive	1,065	532	169	1,765
Health & Education	122	-154	16	-15
Pop serving	-162	597	66	501
Industrial	364	-7	13	370
Dispersed		2,159	--	
Rural			--	
Total	1,388	3,126	265	4,779



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