TOWNSON RD TO BURDEKIN RD LINK PROJECT

Business impact assessment



Prepared for Transport for NSW

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Quality Assurance

Report contacts

Nicholas Hill

Associate

M.A Property Development, UTS

B. Science, M Human Geography, Macquarie University

Nick.Hill@hillpda.com

Supervisor

Adrian Hack

Principal, Urban and Retail Economics

M. Land Econ. B.Town Planning (Hons) (UNSW)

Adrian.Hack@hillpda.com

Quality control

Adrian Hack

Principal, Urban and Retail Economics

M. Land Econ. B.Town Planning (Hons) (UNSW)

Adrian.Hack@hillpda.com

Reviewer

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EXECUTIVE SUMMARY

Transport for NSW commissioned HillPDA to undertake a business impact assessment (the study) in relation to the Townson Road to Burdekin Road link project. Specifically, the purpose of the study is to explore potential trading impacts that severing the connection between Burdekin Road and Railway Terrace may have on existing retail businesses in Schofields town centre.

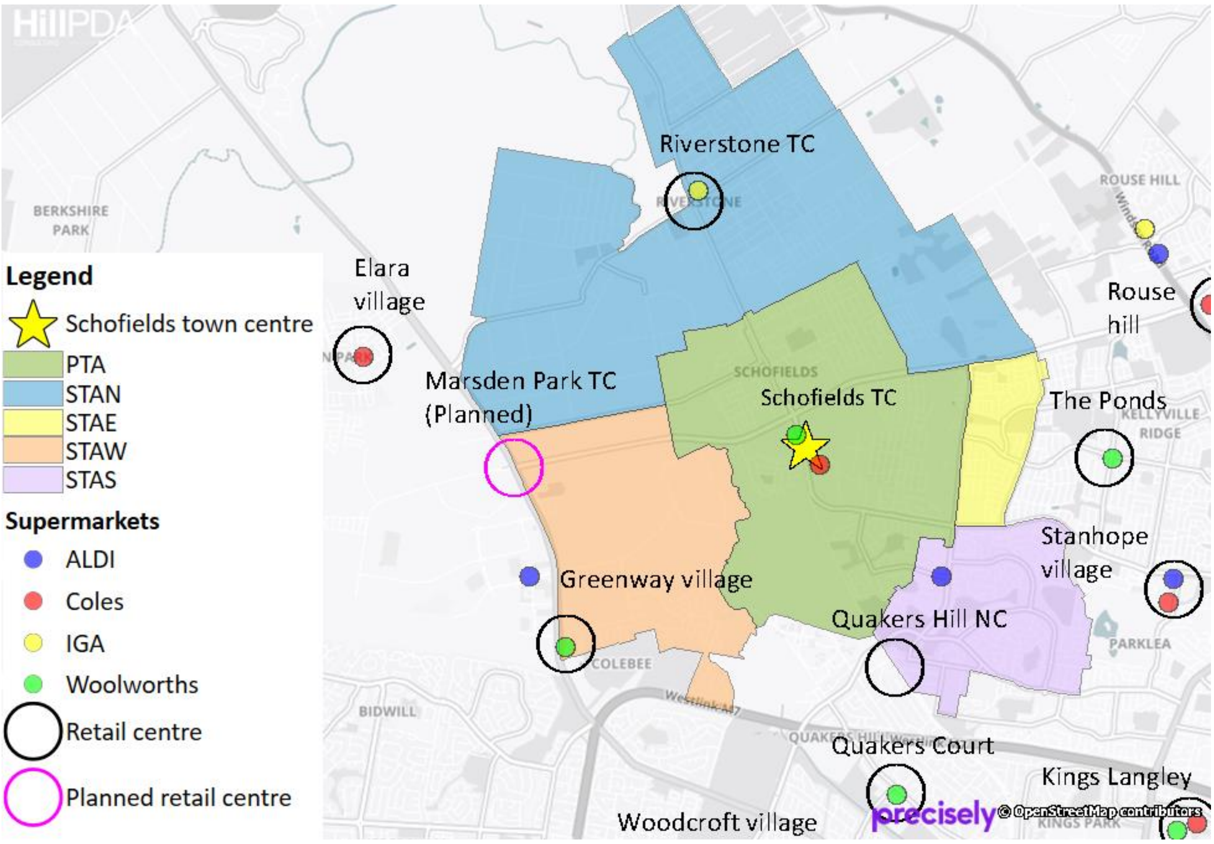
Schofields town centre, also referred to as Alex Avenue town centre is located on the eastern side of Schofields Railway Station. The town centre is planned to accommodate 25,000 to 30,000sqm of retail and commercial space. Currently, the town centre provides an estimated 12,000sqm of retail and commercial space. Two supermarkets anchor the centre, these being a 4,245sqm Woolworths and 4,200sqm Coles supermarket. These supermarkets are further supported by a BWS, Terry White Pharmacy, café, childcare centre and other food and speciality retail stores.

Schofields town centre trade catchment

Based on the surrounding retail environment, composition of the centre, the presence of artificial/natural barriers, current and proposed transport connections, and the impact these have upon travel times, a main trade area has been derived for the town centre. The main trade area (MTA) includes a primary trade area (PTA) and four secondary trade areas (STAs). Schofields is expected to capture the majority of food and grocery expenditure generated from PTA residents and a minor proportion from STA residents.

The exact extent of the MTA each STA can be seen in Figure 1 below.

Figure 1: Schofields town centre trade catchment



Source: HillPDA

As seen in the table below, it is estimated that the MTA had a population of around 63,315 persons in 2021. This is forecast to reach around 130,370 persons by 2041 – an increase of around 67,055 persons or 106%. The majority (76%) of this growth is within the PTA, which is forecast to increase from 22,480 residents to just over 73,750 by 2041. This is an increase of around 51,270 persons or 228%, over the period.

The net increase in the PTA's population alone is sufficient to support up to five additional full-line supermarkets (3,500sqm and over). In fact, this significant population growth in PTA, and the subsequent retail trade it would generate, is considered adequate to address any loss in trade from the surrounding STA populations.

Table 1: MTA and sub-trade area population projections

Trade area	2021	2026	2031	2036	2041	Change	% change
PTA	22,481	40,440	60,400	68,156	73,752	51,271	228%
STAN	14,680	8,287	13,720	20,135	25,364	10,684	73%
STAE	5,975	6,261	6,337	6,245	6,140	165	3%
STAW	5,719	8,240	9,345	9,417	9,425	3,706	65%
STAS	14,460	14,878	15,209	15,437	15,688	1,228	8%
MTA	**63,315**	**78,106**	**105,011**	**119,391**	**130,369**	**67,054**	**106%**

Source: ABS, Profile.id and HillPDA

It is estimated that MTA residents generated $930 million in total household retail expenditure in 2021. This figure is forecast to increase to approximately $2.21 billion by 2041, representing a $1.28 billion or 138% increase over the period.

Just over 70% of the net growth in household expenditure across the MTA would be sourced from the PTA. Most of the food and grocery expenditure generated by PTA residents would be directed to Schofield's town centre given its location, attractiveness, and convenience. Accordingly, growth in PTA expenditure from population growth is likely to offset any loss in trade from STA residents that may result from the project.

Road options

Three road options were tested to understand the potential impact of the project on the Schofields town centre. These options are as follows:

- **Option 1 | Base case** - this option assumes no changes to the current road network. The project is not included in the base case.
- **Option 2 |Project with no road closure** – in this option the new connection between Townson Road and Burdekin Road is implemented. However, the connection between Railway Terrace and Burdekin Road is not severed.
  It is noted that resulting from physical constraints development of this option is not feasible and is only being used to show comparisons to the other options.
- **Option 3 | Project with road closure** – in this option the new connection between Townson Road and Burdekin Road is implemented. However, the connection between Railway Terrace and Burdekin Road is severed. A new connection between Pelican Road and Jacqui Avenue is instated providing an alternative route to the town centre

Resulting from differing road connections and subsequent travel times in each option, the capture of trade from each trade area would differ. To reflect this, differing capture rates (i.e. the potential proportion of expenditure captured by retailers in the town centre) were adopted under each option and by retail store category. Capture rates applied for each option by sub-trade area and retail category can be found in Table 5.

Impact assessment

Total potential retail sales under each road option are shown in the table immediately below.

Table 2: Estimated impact on potential trade at Schofield's town centre ($m)

Option	2021	2026	2031	2036	2041	2026-41
Option 1 (base case)						
Total potential retail sales	148.3	234.6	347.5	409.0	463.0	314.6
Option 2						
Total potential retail sales	148.3	227.1	335.6	394.7	446.4	303.1
Difference to base case ($)		-7.6	-11.9	-14.4	-16.5	-11.5
Difference to base case (%)		-3.2%	-3.4%	-3.5%	-3.6%	-3.7%
Option 3						
Total potential retail sales	148.3	217.8	322.5	379.6	429.7	292.4
Difference to base case ($)		-16.8	-24.9	-29.4	-33.2	-22.2
Difference to base case (%)		-7.2%	-7.2%	-7.2%	-7.2%	-7.1%

Source: HillPDA

Base case

Under the base case, it is estimated that Schofields town centre could achieve total retail sales of around $235 million in 2026 increasing to around $463 million by 2041.

Option 2

When compared to the base case, the estimated impact resulting from proposed road changes is an initial 3.2% loss on potential sales in 2026, increasing to a 3.6% loss in 2041.

There are no universal measures of the significance of economic impact. There are references in various consultancy reports and statements in the NSW Land & Environment Court which suggest that **a loss of trade below 5% is considered insignificant, 5% to 10% is low to moderate**, 10% to 15% is moderate to high, and above 15% is a strong or significant impact. As such, **the potential loss in trade under Option 2 at 3.2% is considered insignificant**.

Due to population growth in the MTA potential retail sales at Schofields is expected to increase from $148 million in 2021 to $227 million in 2026 notwithstanding the immediate impacts of the road proposal. Hence there is no threat to the viability of the centre under Option 2. Population growth will more than make good any short-term loss as a result of the project.

Option 3

Option 3 assumes that the project proceeds and Townson Road is extended eastward and connects to Burdekin Road. However, under this option, the closure of Burdekin Road is implemented. The severing of access is mitigated with an alternative route to the town centre via the connection of Pelican Road and Jacqui Avenue.

When compared to the base case, the estimated impact resulting from proposed road changes is an initial 7.2% impact (reduction) on potential sales in 2026. As such, **the potential loss in trade under Option 3 is in the low to moderate range**.

Again, population growth will more than make good any short-term loss because of the project. Potential trading levels are expected to increase by 47% over 5 years from 2021 to 2026 notwithstanding the immediate impact of the roadwork.

Mitigation

Possible measures could be implemented to mitigate the adverse impacts of the roadworks on the Schofields Town Centre. These are primarily aimed at informing the local community and maintaining current travel patterns and include:

- Community information campaign: ensure the local community is well informed about the project, its benefits, changes to the road network, impact on travel times and alternative routes to the centre.
- Street signage: provide signage that clearly identifies alternative routes to the town centre, particularly along Burdekin Road.

INTRODUCTION

1.0 INTRODUCTION

Transport for NSW commissioned HillPDA to undertake a business impact assessment (the study) in relation to the Townson Road to Burdekin Road link project. Specifically, the purpose of the study is to explore potential trading impacts that severing the connection between Burdekin Road and Railway Terrace may have on existing retail businesses in Schofields town centre.

1.1 The Townson Road to Burdekin Road link project

The Townson Road to Burdekin Road link project (the project) is an upgrade of the existing Townson Road and extension to Burdekin Road, providing a 3.6km four lane divided road in the North West Growth Area (NWGA). The project will include crossing of Bells Creek and Eastern Creek, and a Richmond Rail Line overpass on the eastern end of the corridor.

The project runs from the intersection of Richmond Road and Townson Road, Marsden Park to directly west of the Pelican Road intersection, Schofields. This project provides an important east-west local link that connects developing residential areas to key facilities near Sydney Business Park and associated public transport services. Ultimately it will facilitate the development and growth of the North West Growth Area (NWGA).

The project objectives for Burdekin and Townson Road corridor are to:

- Facilitate and develop the anticipated residential growth in the NWGA as envisaged in the North West Growth Centre Structure Plan
- Reduce congestion in the NWGA, particularly on Schofields Road
- Provide safe access to key facilities (shops, school, medical) and the wider network (Richmond Road, Marsden Park Industrial Precinct, Schofields train station) for motorists, cyclists and pedestrians
- Design the road for possible flood evacuation route
- Encourage people to move into the area and improve value of the surrounding region
- Encourage and improve active transport use by providing facilities for walking and cycling
- Promote public transport by providing better access to Schofields Railway Station and Tallawong Metro Station.

Figure 2: Project location of works

Source: Townson and Burdekin Road, Final Options report

1.2 Schofields town centre

Schofields town centre, also referred to as Alex Avenue town centre, is located on the eastern side of Schofields Railway Station. The town centre is planned to accommodate 25,000 to 30,000sqm of retail and commercial space. The town centre forms part of the wider Alex Avenue Precinct, which is planned to provide up to 6,200 dwellings, housing a population of 18,000 and supporting 1,150 jobs.

Currently, the town centre provides an estimated 12,000sqm of retail and commercial space. Two supermarkets anchor the centre, these being a 4,245sqm Woolworths and 4,200sqm Coles supermarket. These supermarkets are further supported by a BWS, Terry White Pharmacy, café, childcare centre and other food and speciality retail stores.

1.3 Study structure

To meet the requirements of the brief, the study is structured in the following manner:

- **Chapter 2 | Competitive review:** undertakes a review of the surrounding retail centre network which would influence the extent of Schofields town centres trade catchment and subsequent capture of household expenditure.
- **Chapter 3 | Trade catchment:** Based on the surrounding centre network, natural and artificial barriers, travel time analysis provided by Transport for NSW, this chapter determines a trade catchment for Schofields town centre. Population estimates/projections and household retail expenditure are estimated for its trade catchment.
- **Chapter 4 | Retail impact assessment:** This chapter estimates the impact on retail trading levels achieved in Schofields town centre that may eventuate from development of the project.

2.0 COMPETITIVE ENVIRONMENT

The following undertakes a review of the retail centre network surrounding Schofields town centre. This includes a review of the existing and planned centre of relevance that would influence Schofields town centre's trade catchment and subsequent capture of household expenditure.

2.1 Surrounding retail centres of influence

There following summaries the key retail and shopping centres that would influence the extent of Schofields town centre's catchment and capture of trade. These are as follows:

Existing centres

- **Rouse hill town centre |** Rouse Hill town centre is located on Windsor Road on the border of the suburbs of Rouse Hill, Beaumont Hills and Kellyville Ridge. Retail space in the centre is around 51,795sqmand is anchored by a Big W (8,555sqm), Target (6,815sqm), Woolworths (4,605sqm), Coles (4,125sqm), JB HI FI (1,300sqm) and a Best & Less (1,170sqm). A further 186 speciality shops occupy the remaining retail space[1].

  In 2022, the centre had a reported annual turnover of $460.6 million, equating to $7,472/sqm[2]. This turnover per square metre ranked the centre 19th out of 71 similarly sized centres (over 50,000sqm) across Australia revealing the shopping centre is trading strongly.

  Rouse Hill Village Centre is located just to the north of the town centre and provides 2,500sqm of retail space. The Village is anchored by a small 600sqm IGA supermarket with 19 supportive speciality shops. A 1,500sqm ALDI supermarket is located in close just to the South of the Village.

- **Blacktown strategic centre |** The Blacktown strategic centre comprises 138,510sqm[3] of occupied commercial (retail, office and other uses) floorspace and, in addition to its role in the provision of retail goods and services, performs an important employment, administrative and educational role for its catchment population.

  Westpoint Blacktown is the largest shopping centre in Blacktown with more than 270 retailers. The centre has 84,145sqm[4] of retail floorspace in addition to other non-retail commercial uses. It is anchored by Myer (15,400sqm), Big W (8,420sqm), Target (6,510sqm), Woolworths (4,555sqm), Coles (4,210sqm) and ALDI (1,590sqm). Outside of Westpoint, the Blacktown Major Centre has around a further 30,000sqm[5] of shopfront space.

- **Norwest, strategic centre |** The strategic centre contains the Norwest Marketown which provides around 8,400sqm of retail space. The Marketown is anchored by a 4,050sqm Coles supermarket, with a further 36 speciality shops occupying the remaining space.

- **Stanhope village shopping centre |** Stanhope village shopping centre is located on the corner of Stanhope Parkway and Sentry Drive in the suburb of Stanhope. The centre provides a total of 16,755sqm of occupied retail space and is anchored by a 3,500sqm Coles and 1,330sqm ALDI. A further 65 speciality shops occupy the remaining retail space.

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[1] Shopping Centres Directory 2020
[2] Big Guns 2018
[3] Blacktown City Commercial Centres Strategy (November 2007)
[4] Shopping Centre Directory: NSW 2020, Property Council Australia
[5] HillPDA estimate

Stanhope village shopping centre recorded a turnover of $175 million ($11,054/sqm) in 2021, ranking it 32 out of 132 similar sized centres in Australia (being centres of 6,000sqm – 20,000sqm GLA) based on turnover per square metre.[6] The centre traded at 24% higher than the median for the period.

- **Riverstone town centre |** Riverstone town centre is located adjacent to the Riverstone train station on the east side of Riverstone Parade, bounded broadly by Mills, Pitt, Market, George, Oxford and Castlereagh Streets.

  The existing centre accommodates approximately 10,000sqm of retail shopfront floorspace which is anchored by a 1,340sqm IGA supermarket. There is a further 2,000sqm of non-retail shopfront floorspace occupied by uses such as real estate agents, post office, TAB and banks. The centre is comprised of the Riverstone village shopping centre (2,480sqm of retail space) and strip retail and commercial uses predominantly located along Garfield Road East.
- **The Ponds shopping centre |** The Ponds shopping centre is located on the corner of Riverbank Drive and The Ponds Boulevard in the suburb of The Ponds. The centre provides a total of 7,246sqm of occupied retail space and is anchored by a 4,010sqm Woolworths. A further 27 speciality shops occupy the remaining retail space.
- **Glenwood village shopping centre |** located along Glenwood Park Drive, this small centre is anchored by a limited range Woolworths supermarket (2,540sqm[7]) and is supported by 10 specialty shops which total a further 641sqm.
- **Kings Langley Shopping Centre |** located at the corner of James Cook Drive and Ravenhill Street in Kings Langley. The centre provides just under an estimated 9,000sqm of retail space and is anchored by a 3,100sqm Coles and 3,000sqm Woolworths. Other speciality and non-retail premises are located in the centre.
- **Woodcroft Village |** located at the corner of Woodcroft Drive and Bricketwood Drive in Doonside. The centre provides just under 4,530sqm of retail space and is anchored by a 2,645 Coles supermarket accompanied by 25 other speciality stores.
- **Quakers Court shopping centre |** located at the corner of Quakers Road and Falmouth Road in Quakers Hill. The centre provides around 5,145sqm of retail space and is anchored by a 3,845 Woolworths supermarket accompanied by 16 other speciality stores.
- **Quakers Hill neighbourhood centre |** the neighbourhood centre is located adjacent to the Quakers Hill train station and is predominantly Indian-related cuisine, including restaurants and a small supermarket. Estimated retail floorspace at this location is in the order of 4,200sqm[8].
- **Elara village shopping centre |** Elara village is located at the corner of Elara Road and Northbourne Drive in Marsden Park. the centre provides a total of 8,181sqm of space which includes a 3,573sqm full-line Coles supermarket, Liqourland, 14 specialty stores as well as a medical centre, childcare centre and the Marsden Park neighbourhood centre.
- **Greenway village** | Grrenway village is a shopping centre located along Richmond Road in Colebee. The village is anchored by a 3,400sqm Woolworths supermarket, 200sqm BWS liquor and 14 specialty stores.
- **ALDI Marsden Park |** a standalone ALDI supermarket of around 1,400sqm is located along Bells Glade in the Marden Park industrial precinct.
- **ALDI Quakers Hill |** a 1,500sqm standalone ALDI supermarket located at the corner of Bali Drive and Morrell Crescent in Quakers Hill.

[6] Shopping Centre News: Mini Guns (2011)
[7] Shopping Centre Directory: NSW 2016, Property Council Australia
[8] HillPDA estimate from aerial photography

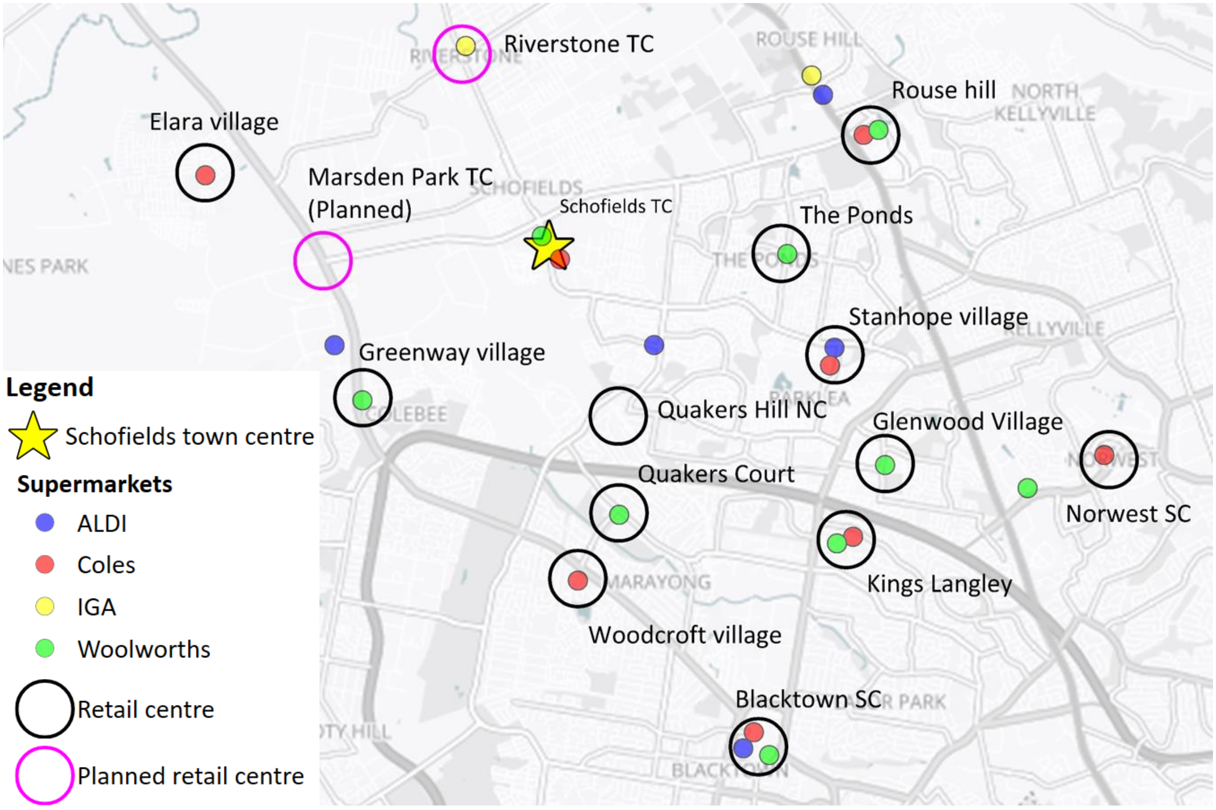
Planned centres

- **Marsden Park town centre |** is identified as a potential town centre. The North-West Growth Area identifies Marsden Park as providing two supermarkets and a department store with floorspace ranging from 30,000sqm to 35,000sqm. It is understood from the Marsden Park Indicative Layout Plan that the retail centre is to be located to the north of the industrial precinct with frontage to Richmond Road.

  In addition to the town/village centre, smaller retail centres have also been identified within the precinct. It is understood that these will likely be walkable communities and provide small-scale mixed-use activity zones.

- **The Riverstone town centre |** is currently around 10,000sqm in size. As the population in the surrounding Riverstone precinct is forecast to grow the centre is planned to accommodate about 25,000sqm of retail space plus supporting non-retail tenancies of around 5,000sqm, equating to a centre of around 30,000sqm.

Figure 3: Surrounding competitive retail centre network



Source: HillPDA

3.0 TRADE CATCHMENT ANALYSIS

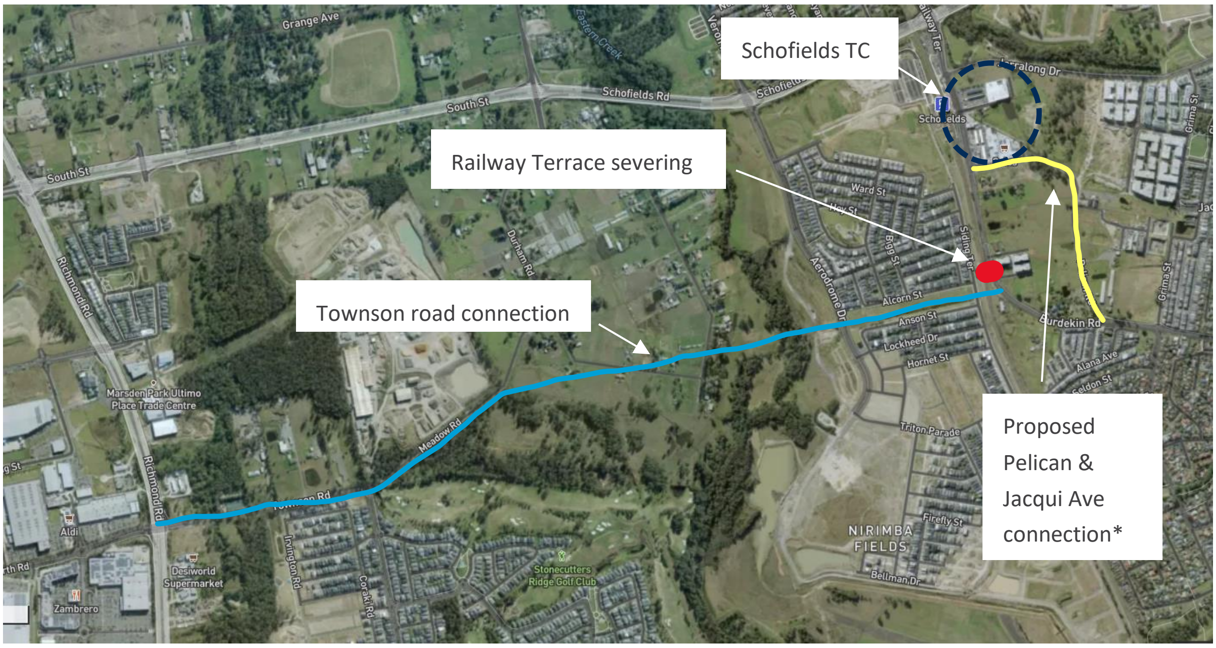
The following section derives a trade area(s) for Schofields town centre. This is undertaken under several options to determine the impact of the proposed road works on the extent of the town centre's trade catchment. Having derived the centre's trade catchment, the section projects the resident population and estimates total expenditure.

3.1 Proposed road works

To understand the impact of the project upon the extent of Schofields town centre's trade catchment, an understanding of the proposed works is first required. These are as follows:

1. Towson Road would be extended eastward to Burdekin Road, creating a new east-west connection (blue line in Figure 4).
2. Burdekin Road would be severed just to the north where the new connection between Towson Road and Burdekin Road. This would discontinue north-southward traffic past this point on Burdekin Road (red dot in Figure 4).
3. As identified in Blacktown's contribution plan there is a proposed future connection between Pelican Road and Jacqui Avenue (exact alignment yet to be determined). Although not part of the project, the fruition of this connection would reduce the impact of the serving of Burdekin Road and hence should be considered.

Figure 4: Proposed project local road network changes

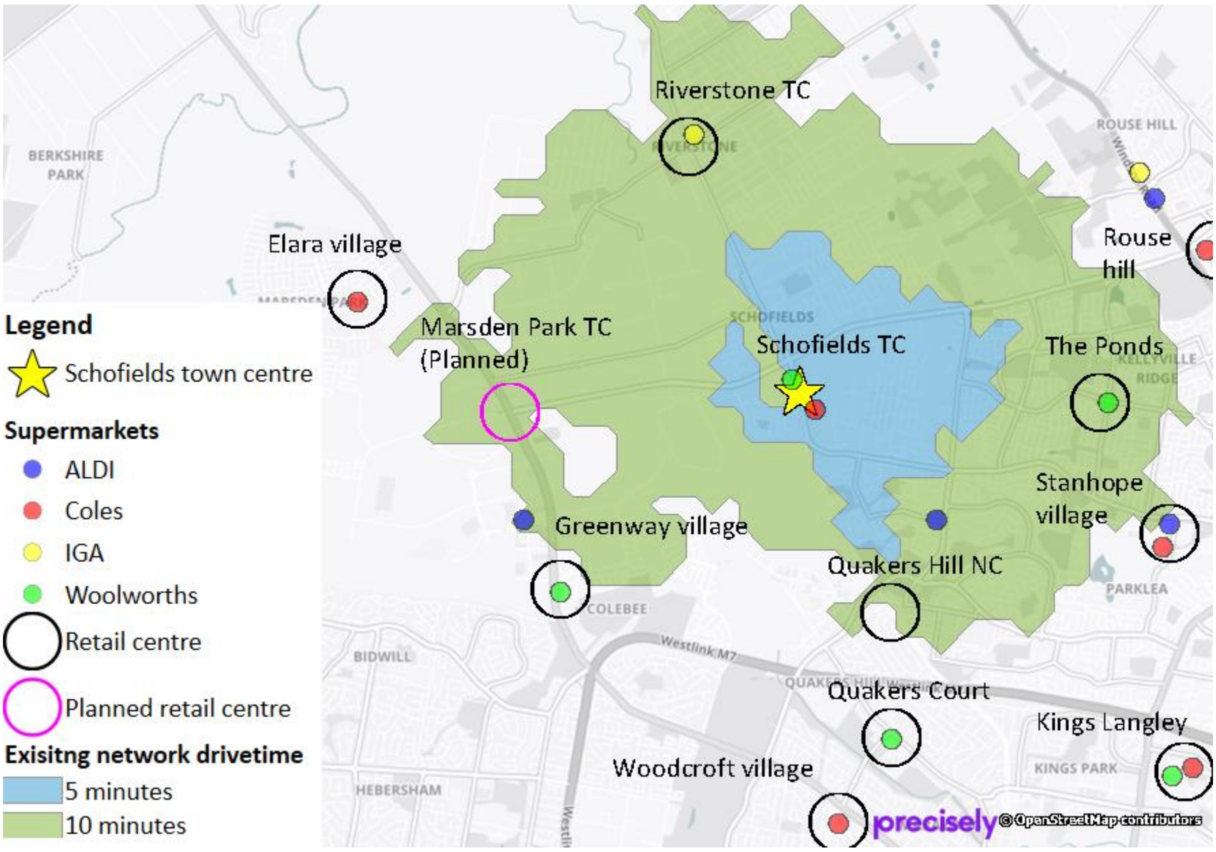


Source: HillPDA, * exact alignment to be confirmed, alignments are an approximation

3.2 Estimated current road network travel times and impact of the project

HillPDA estimated an off-peak five-minute and ten-minute drive time around Schofields town centre. It is estimated that this ten-minute time could reach a resident catchment of just under 76,000 persons in 2021. Of these, around 23,325 persons, are within a five-minute drive of the subject site.

Figure 5: Current road network travel times (5 and 10 minute) – off-peak



Source: HillPDA

Transport for NSW provided HillPDA with estimated drive travel times in both AM and PM peak times under each of the following options:

- **Option 1 (base case):** this option assumes no changes to the current road network. The project is not included in the base case.
- **Option 2 |Project with no road closure** – in this option the new connection between Townson Road and Burdekin Road is implemented. However, the connection between Railway Terrace and Burdekin Road is not severed.
- **Option 3 | Project with road closure** – in this this option the new connection between Townson Road and Burdekin Road is implemented. However, the connection between Railway Terrace and Burdekin Road is severed. A new connection between Pelican Road and Jacqui Avenue is instated providing an alternative route to the town centre

Maps and estimated travel times provided by Transport for NSW for each option can be seen in Appendix A. Analysis of these options indicates that the impact of extending Townson Road but maintaining Burdekin Road connection versus extending Townson Road, closure of Burdekin Road and establishing a connection between Pelican Road and Jacqui Road will not be significant. The details are as follows:

- Travel times in peak times for residents that live north of Schofields Road travelling to and from Schofields Town Centre will not be affected by Options 2 and 3.

- Travel times for residents in peak times that live immediately east of Schofields Road will also not be affected. These residents are likely to use Jerralong Drive which will be unaffected by the changes.
- Travel times for residents that live southeast and south of Schofields Town Centre will be affected under both Options 2 and 3. The increase in travel times to and from the Town Centre will be between one minute and five minutes. Average time is an additional three minutes in peak times under Option 2 and an additional three and half minutes under Option 3.
- Travel times for residents that live west of the railway line to and from Schofields Town Centre will actually improve by around two and half minutes to 3 minutes under both Options 2 and 3.

3.3 Trade area analysis

Trade areas are used to define the geographic area (catchment) that a centre draws trade from. As a 'rule-of-thumb' a local centre (predominantly for food and grocery shopping) captures around 55%-75% of its primary trade area (PTA) expenditure in food and grocery categories and it would capture a further 15%-30% of such trade from its secondary trade area (STA). The balance comes from workers, visitors and residents beyond the MTA. Defining trade areas is important for understanding the potential expenditure catchment from which a centre can draw upon and the appropriate size and retail mix of a centre.

Schofields town centre trade area(s) have been defined based on the following:

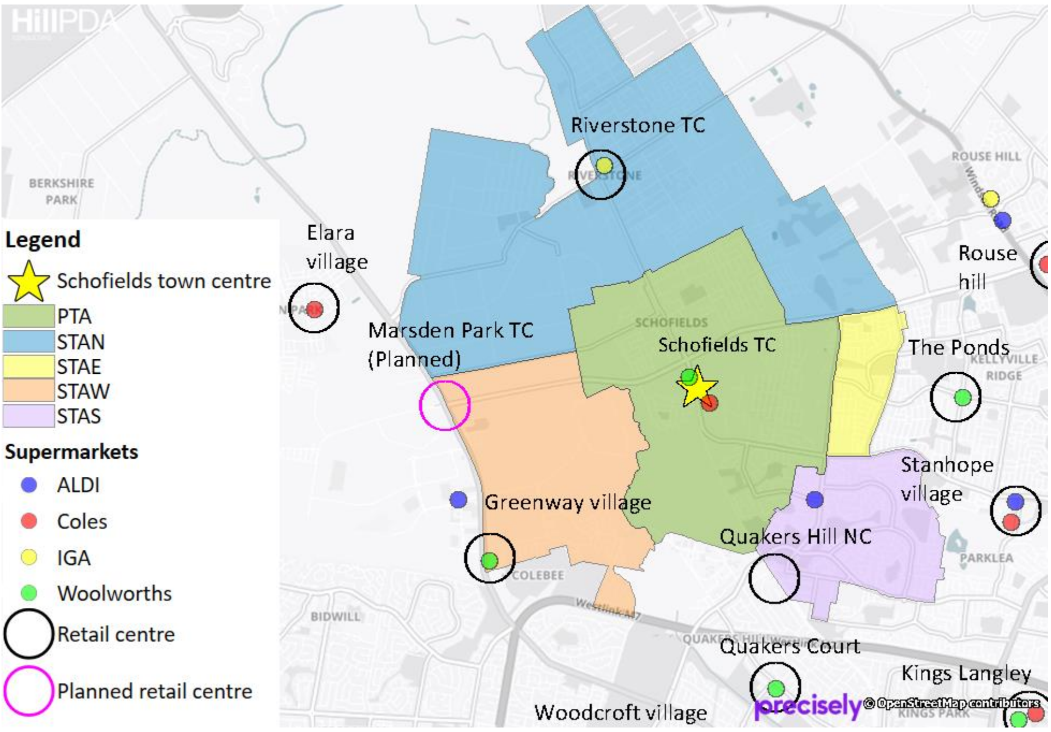
- Current road network drive time analysis
- Proposed road network travel times analysis provided by Transport for NSW
- The strength and attraction of the centre, as determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre
- Competitive retail centres, particularly their proximity to the town centre and respective sizes, retail offer and attraction
- The location and accessibility of the centre, including the available road and public transport network and travel times
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

Based on the surrounding retail environment, composition of the centre, the presence of artificial/natural barriers, current and proposed transport connections and the impact these have upon travel times, a main trade area has been derived for the town centre comprising five sub-trade catchments. These are as follows:

- A **primary trade area** (PTA) – this area predominantly consists of Schofields suburb.
- A **secondary trade area north** (STAN) – this predominantly consists of the south part of Riverstone suburb and Marsden Park east of Richmond Road and north of Grange Avenue,
- A **secondary trade area east** (STAE) – this predominantly consists of part of The Ponds suburb west of Ridgeline Drive.
- A **secondary trade area west** (STAW) – this predominantly consists of part of Colebee suburb north of Sugarloaf Crescent and Marsden Park east of Richmond Road and south of Grange Avenue.
- A **secondary trade area south** (STAS) – this predominantly consists of part of Quakers Hill suburb north of Railway Road

The exact extent of the MTA and each STA can be seen in Figure 6 below.

Figure 6: Schofield trade area



Source: HillPDA

3.4 Population projections

The following population projections have been sourced from:

- The ABS 2021 Census
- Small area Profile.id population projections (August 2021 releases).

According to the 2021 Census, Blacktown LGA had a resident population of around 396,775 persons. By 2041, Profile.id projects the population to increase to around 643,970 persons, representing a total net growth of 247,195 persons or 62% over the 20-year period, which is an annual increase of just over 12,350 persons.

It is estimated that the MTA had a population of around 63,315 persons in 2021. This is forecast to reach around 130,370 persons by 2041, an increase of around 67,055 persons or 106%. The majority (76%) of this growth is within the PTA which is forecast to increase from 22,480 residents to just over 73,750 by 2041. This is an increase of around 51,270 persons or 228%, over the period.

The net increase in the PTA's population is sufficient to support up to four or five additional full-line supermarkets (3,500sqm and over). This significant population growth in PTA, and the subsequent retail trade it would generate, is considered adequate to address any loss in trade from the surrounding STA populations.

Population estimates between 2021-41 for each sub-trade area are provided in the table below.

Table 3: MTA and sub-trade area population projections

Trade area	2021	2026	2031	2036	2041	Change	% change
PTA	22,481	40,440	60,400	68,156	73,752	51,271	228%
STAN	14,680	8,287	13,720	20,135	25,364	10,684	73%
STAE	5,975	6,261	6,337	6,245	6,140	165	3%
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MTA	**63,315**	**78,106**	**105,011**	**119,391**	**130,369**	**67,054**	**106%**

Source: ABS, Profile.id and HillPDA

3.5 Resident expenditure

This section examines the projected growth in household retail expenditure within the MTA between 2021 and 2041. Household expenditure was sourced from ABS Household Expenditure Survey (which provides household expenditure by broad commodity type by household income quintile) and monthly ABS Retail Turnover data.

It is estimated that MTA residents generated $930 million in total household retail expenditure in 2021. This figure is forecast to increase to approximately $2.21 billion by 2041, representing a $1.28 billion or 138% increase over the period.

Of the net increase in expenditure, $405 million is related to supermarket and grocery store spend. This represents almost 32% of the net growth in spend over the period. The next largest growth category was bulky goods expenditure, with an additional $201 million in expenditure over the period.

In 2021, residents of the PTA were estimated to generate $330 million in household retail expenditure. This represented around 36% of all household expenditure generated across the MTA. Owing to the high population forecasted for the PTA, total household expenditure is estimated to reach $1.25 billion by 2041, representing a $918 million or 278% increase. In fact, by 2041, over half (56%) of household expenditure generated in the MTA would by derived from the PTA.

Please refer to Appendix A for a detailed estimate of total retail expenditure by broad retail category and sub-trade area segment.

Table 4: Estimated total household retail expenditure by commodity type – MTA ($m)

MTA	2021	2026	2031	2036	2041
Supermarkets and grocery stores	265.0	345.5	488.8	583.9	669.9
Specialised food stores	56.4	71.9	99.1	115.3	128.9
Bulky goods stores	172.3	219.9	302.6	351.8	393.2
Department stores	52.0	63.3	84.1	94.4	101.8
Apparel stores	88.2	113.0	155.0	179.8	200.7
Other non-food stores	133.3	170.8	234.4	272.0	303.6
Restaurants and fast-food services	130.0	172.3	245.0	294.5	340.4
Personal services	32.8	42.0	57.7	66.9	74.7
Total	**930.0**	**1,198.8**	**1,666.6**	**1,958.7**	**2,213.2**

Source: HillPDA

4.0 RETAIL DEMAND ASSESSMENT

Having forecasted the total amount of retail expenditure generated in the main trade area by local residents, this section estimates the amount of expenditure that could be captured by the type of retail services provided in Schofields town centre.

This is undertaken under several options which test the impact of proposed changes to the local road network.

4.1 Methodology

To forecast potential retail demand for the site, Chapters 2 and 3 firstly defined an appropriate main trade area based on the location of competing centres, travel times, road network changes, urban settlement patterns and other criteria.

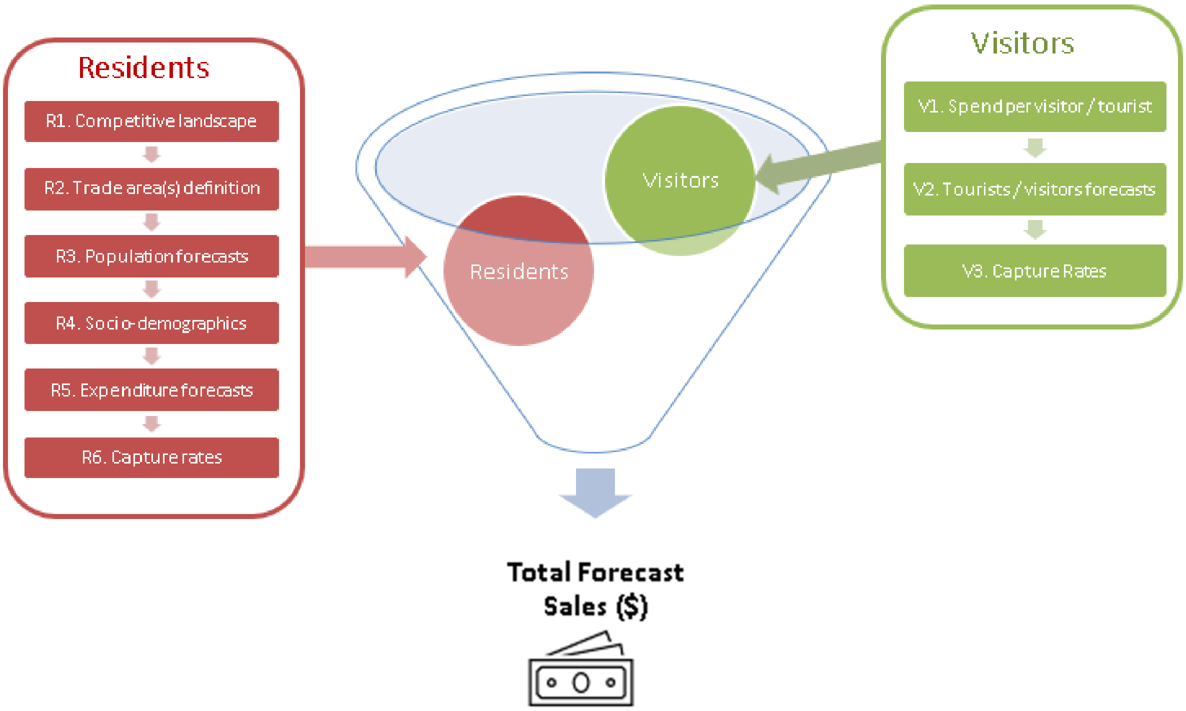
HillPDA then utilised its proprietary expenditure models (which takes into account socio-demographics of the catchment, real growth in expenditure, population growth and potential capture rates to forecast the quantum of potential total retail sales at Schofields Town Centre in five-year increments from 2021 to 2041.

For this assessment, our bespoke expenditure model reflects two key sources of retail spend:

- Residents in the regional catchment and
- Visitors and tourists.

The process of forecasting total retail spend is shown in the below figure.

Figure 7: Methodology to estimate and forecast retail spend



4.2 Project options

To appropriately estimate the impact of the project upon potential sales achieved at Schofields town centre three road options were tested. These options are as follows:

- **Option 1 | Base case** - this option assumes no changes to the current road network. The project is not included in the base case.
- **Option 2 |Project with no road closure** – in this option the new connection between Townson Road and Burdekin Road is implemented. However, the connection between Railway Terrace and Burdekin Road is not severed.

  It is noted that resulting from physical constraints development of this option is not feasible and is only being used to show comparisons to the other options.
- **Option 3 | Project with road closure** – in this this option the new connection between Townson Road and Burdekin Road is implemented. However, the connection between Railway Terrace and Burdekin Road is severed. A new connection between Pelican Road and Jacqui Avenue is instated providing an alternative route to the town centre.

4.3 Retail expenditure capture rates by broad store type

Section 3.5 identified the total volume of retail expenditure in the MTA. However, not all this expenditure would be captured by retailers in Schofields town centre. Reasons for this include:

- Local road network changes proposed by the project
- The proximity and size of surrounding shopping centres (current and proposed)
- Residents leaving the locality to undertake discretionary shopping (in department stores, apparel stores and bulky goods stores elsewhere)
- Expenditure from residents who are on holidays/business trips or are away for other reasons for any extended period. This is counterbalanced to some extent by residents from outside the MTA visiting the store as they visit the area.

As discussed in Section 3.2, Transport for NSW provided HillPDA with travel time impacts under several road network change options. From these travel times, the following was observed for each of our impact options:

1. Analysis indicates that travel time impacts between Options 2 and 3 are negligible. At most, the difference in travel times (in peak times) for most residents in the PTA between the two options is less than two minutes.
2. When compared to the base case (no project), travel times under Option 2 are improved westward, while travel times south and eastward are negatively impacted (extended).
3. When compared to the base case (no project), travel times under Option 2 are generally improved westward, while travel times south and southeast are negatively impacted (extended) by around two to three minutes.
4. When comparing proposed travel times between Option 2 and 3 the following is observed. Travel times westward are generally lower under Option 2. Travel times eastward under Option 2 are a little lower, while there is no difference in travel times from the south.

Considering this analysis and other factors (discussed above) the following capture rates (i.e. the proportion of expenditure captured by the retailer in the town centre) have been adopted.

Table 5: Applied retail capture rates by broad store type by road option by trade area

Road Option and retail store type	PTA	STAN	STAE	STAW	STAS
Option 1 - base case					
Supermarkets and grocery stores	67.5%	15.0%	20.0%	20.0%	25.0%
Specialised food stores	60.0%	13.3%	17.8%	17.8%	22.2%
Other non-food stores	15.0%	3.3%	4.4%	4.4%	5.6%
Restaurants and fast food services	15.0%	3.3%	4.4%	4.4%	5.6%
Personal services	20.0%	4.4%	5.9%	5.9%	7.4%
Option 2					
Supermarkets and grocery stores	64.1%	15.0%	18.0%	29.0%	21.3%
Specialised food stores	57.0%	13.3%	16.0%	25.8%	18.9%
Other non-food stores	14.3%	3.3%	4.0%	6.4%	4.7%
Restaurants and fast food services	14.3%	3.3%	4.0%	6.4%	4.7%
Personal services	19.0%	4.4%	5.3%	8.6%	6.3%
Option 3					
Supermarkets and grocery stores	61.8%	15.0%	16.6%	29.0%	18.8%
Specialised food stores	54.9%	13.3%	14.8%	25.8%	16.7%
Other non-food stores	13.7%	3.3%	3.7%	6.4%	4.2%
Restaurants and fast food services	13.7%	3.3%	3.7%	6.4%	4.2%
Personal services	18.3%	4.4%	4.9%	8.6%	5.6%

Source: HillPDA

4.4 Trading impacts

Multiplying the above capture rates by household expenditure by trade area gives potential total retail sales at Schofields Town Centre. The results under each road option are shown in the table immediately below.

Table 6: Estimates impact on potential trade at Schofields town centre ($m)

Road Option and retail store type						
Option 1 – base case	**2021**	**2026**	**2031**	**2036**	**2041**	**2026-41**
Supermarkets and grocery stores	102.6	163.0	242.7	287.2	326.6	224.1
Specialised food stores	19.4	30.1	43.7	50.4	55.8	36.5
Other non-food stores	11.4	17.8	25.7	29.6	32.9	21.4
Restaurants and fast food services	11.2	17.9	26.9	32.1	36.8	25.7
Personal services	3.8	5.8	8.4	9.7	10.8	7.0
Total	**148.3**	**234.6**	**347.5**	**409.0**	**463.0**	**314.6**
Option 2	**2021**	**2026***	**2031**	**2036**	**2041**	**2026-41**
Supermarkets and grocery stores	102.6	157.7	234.3	277.0	314.9	215.8
Specialised food stores	19.4	29.1	42.2	48.6	53.9	35.1
Other non-food stores	11.4	17.2	24.9	28.7	31.7	20.7
Restaurants and fast food services	11.2	17.4	26.0	31.0	35.6	24.8
Personal services	3.8	5.7	8.2	9.4	10.4	6.8
Total	**148.3**	**227.1**	**335.6**	**394.7**	**446.4**	**303.1**
Difference to base case ($)		-7.6	-11.9	-14.4	-16.5	-11.5
Difference to base case (%)		-3.2%	-3.4%	-3.5%	-3.6%	-3.7%
Option 3	**2021**	**2026***	**2031**	**2036**	**2041**	**2026-41**
Supermarkets and grocery stores	102.6	151.2	225.2	266.4	303.0	208.2
Specialised food stores	19.4	27.9	40.5	46.8	51.9	33.9
Other non-food stores	11.4	16.5	23.9	27.6	30.5	19.9
Restaurants and fast food services	11.2	16.7	25.0	29.8	34.2	23.9
Personal services	3.8	5.4	7.9	9.0	10.0	6.5
Total	**148.3**	**217.8**	**322.5**	**379.6**	**429.7**	**292.4**
Difference to base case ($)		-16.8	-24.9	-29.4	-33.2	-22.2
Difference to base case (%)		-7.2%	-7.2%	-7.2%	-7.2%	-7.1%

Source: HillPDA, *impact year – estimates include an additional 5% capture in retail sales form beyond MTA

Base case

The base case assumes no changes to the road network. Under the base case it is estimated that Schofields town centre could achieve total retail sales of around $235 million in 2026 (assumed first full year of impact after the road works). This is not to say that Schofields Town Centre will achieve those sales, only that it has potential to achieve those sales subject to an adequate provision of retail stores and services given the centre's role in the retail hierarchy and the competitive landscape.

Potential retail sales could almost double by 2041 as a result of significant population growth – particularly in the primary trade area.

Option 2

Option 2 assumes that the project proceeds and Townson Road is extended eastward and connects to Burdekin Road. However, under this option, there is no closure of Burdekin Road.

Under this option, it is estimated that Schofields town centre could achieve total retail sales of around $227 million in 2026. This is forecast to reach $446 million by 2041.

Therefore, when compared to the base case, the estimated impact resulting from proposed road changes in Option 2 is an initial 3.2% impact (reduction) on potential sales in 2026, increasing to a 3.6% reduction in potential sales by 2041.

There are no universal measures of significance of economic impact. There are references in various consultancy reports and statements in the NSW Land & Environment Court which suggest that **a loss of trade below 5% is considered insignificant, 5% to 10% is low to moderate**, 10% to 15% is moderate to high, and above 15% is a strong or significant impact.

As such, **the potential loss in trade under Option 2 is considered insignificant**.

Option 3

Option 3 assumes that the project proceeds and Townson Road is extended eastward and connects to Burdekin Road. However, under this option, the closure of Burdekin Road is implemented. This is somewhat mitigated through the creation of an alternative route to the town centre through the connection of Pelican Road and Jacqui Avenue.

Under this option, it is estimated that Schofields town centre could achieve total retail sales of around $230 million in 2026. This is forecast to almost double to $455 million by 2041.

Therefore, when compared to the base case, the estimated impact resulting from proposed road changes is an initial 7.2% impact (reduction) on potential sales in 2026, increasing to a 7.5% reduction in 2041. While over the 20-year period the potential loss in the net growth in sales is around 7.8%.

Given that the loss in **potential retail sales is between 5% and 10% then the impact is considered to be in the low to moderate range.**

It is noted that, when compared to potential sales achieved in Option 2, the estimated impact resulting from proposed road changes in Option 3 is an initial 4.1% impact (reduction) on potential sales in 2026, increasing to a 3.5% reduction in 2041. While over the 20-year period the potential loss in the net growth in sales is around 3.5%.

4.5 Impacts over time

The above impacts, 3.2% loss of trade under Option 2 and 7.2% loss of trade under Option 3, are immediate or 'point in time' impacts. It is the difference between the respective option and the base case (do nothing option). In a growing market the immediate impacts diminish over time. By 2026 under Option 2 potential retail sales will increase by 53% from 2021 notwithstanding the adverse impact of the roadworks. Under Option 3 potential retail sales will increase by 47%.

The conclusion is that growth in expenditure generated in the main trade area will more than make good for any loss resulting from the roadworks. The viability of Schofields town centre is not threatened – certainly not by the roadworks. In fact, the town centre will need to expand to keep up with rising demand for retail floor space and/or an additional centre or centres in the trade area should be planned for.

4.6 Possible mitigation measures

Possible measures could be implemented to mitigate the adverse impacts of the roadworks on the Schofields Town Centre. These are primarily aimed at informing the local community and maintaining current travel patterns and include:

- Community information campaign: ensure the local community is well informed about the project, its benefits, changes to the road network, impact on travel times and alternative routes to the centre.
- Street signage: provide signage that clearly identifies alternative routes to the town centre, particularly along Burdekin Road.

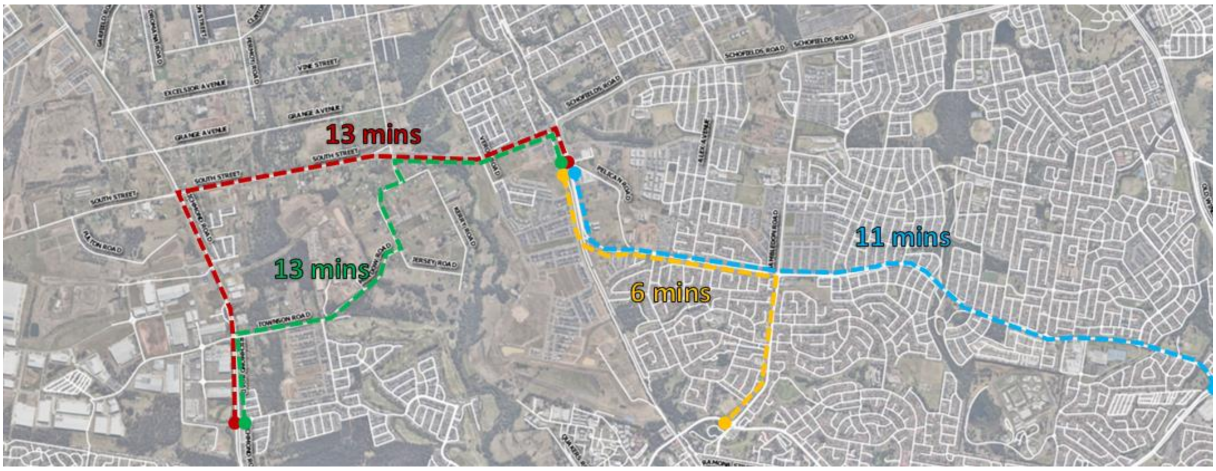
APPENDIX A : IMPACT OF PROJECT UPON TRAVEL TIMES

The following are estimated drive travel times under several road network connections and time periods.

The options are:

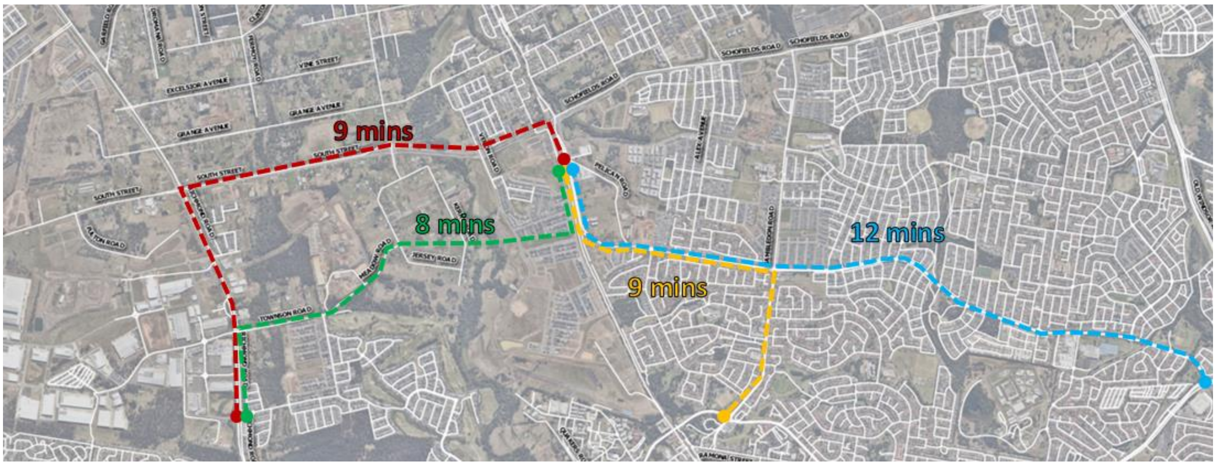
- Current road network travel times AM average peak 2022
- Current road network travel times PM average peak 2022
- 2026 AM travel times with Townson Road connection and no Burdekin Road severing
- 2026 AM travel times with Townson Road connection & Burdekin Road closure with Pelican & Jacqui connection
- 2026 PM travel times with Townson Road connection and no Burdekin Road severing
- 2026 PM travel times with Townson Road connection & Burdekin Road closure with Pelican & Jacqui connection.

Figure 8: Current road network travel times AM average peak 2022



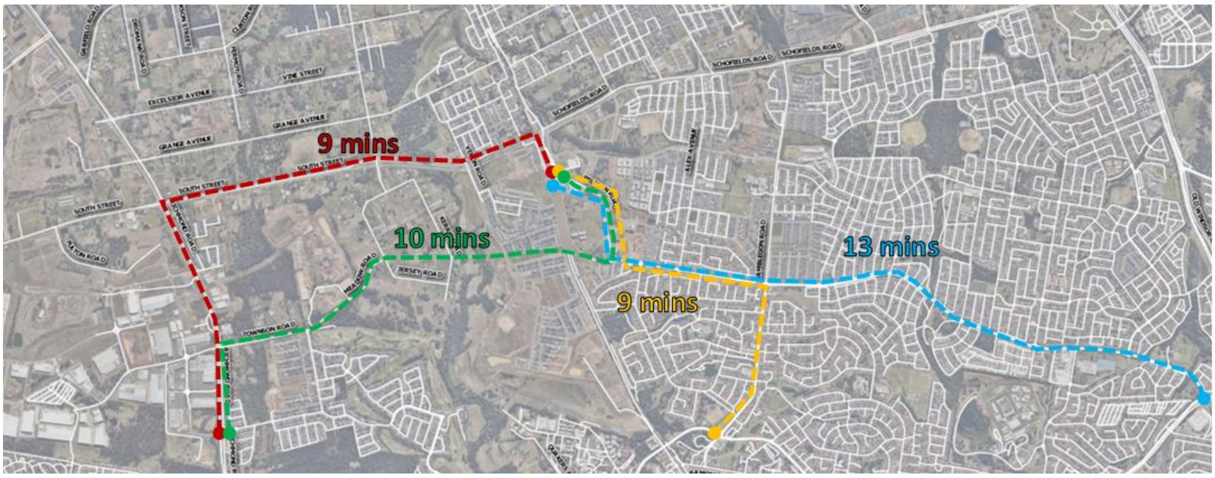
Source: TfNSW

Figure 9: 2026 AM travel times with Townson Road connection and no Burdekin Road severing



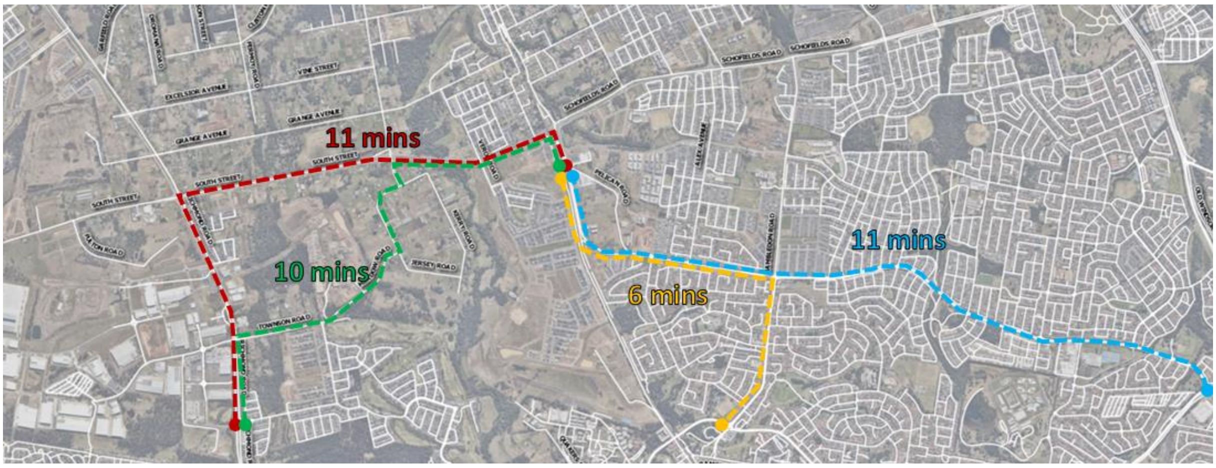
Source: TfNSW

Figure 10: 2026 AM travel times with Townson Road connection & Burdekin Road closure with Pelican & Jacqui connection



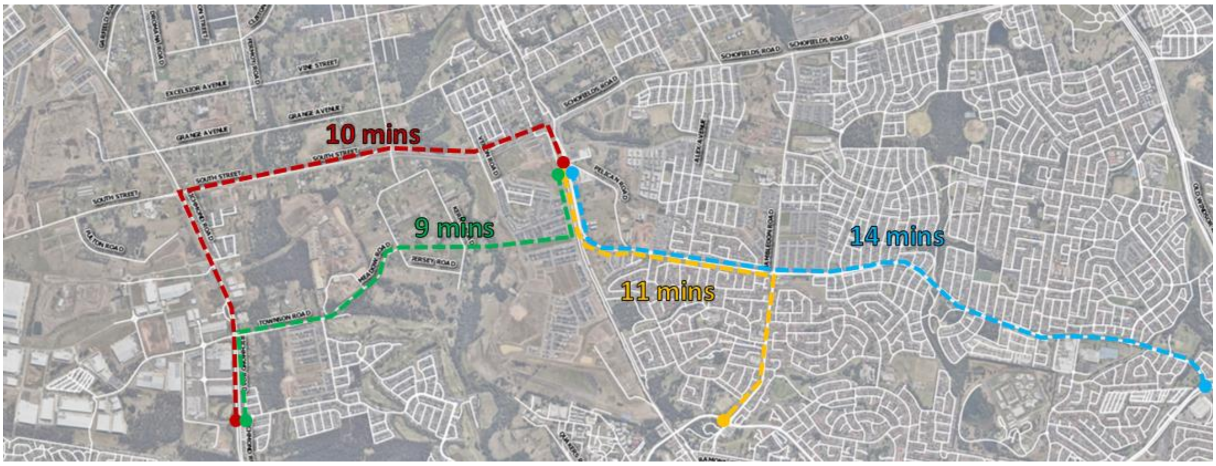
Source: TfNSW

Figure 11: Current road network travel times PM average peak 2022



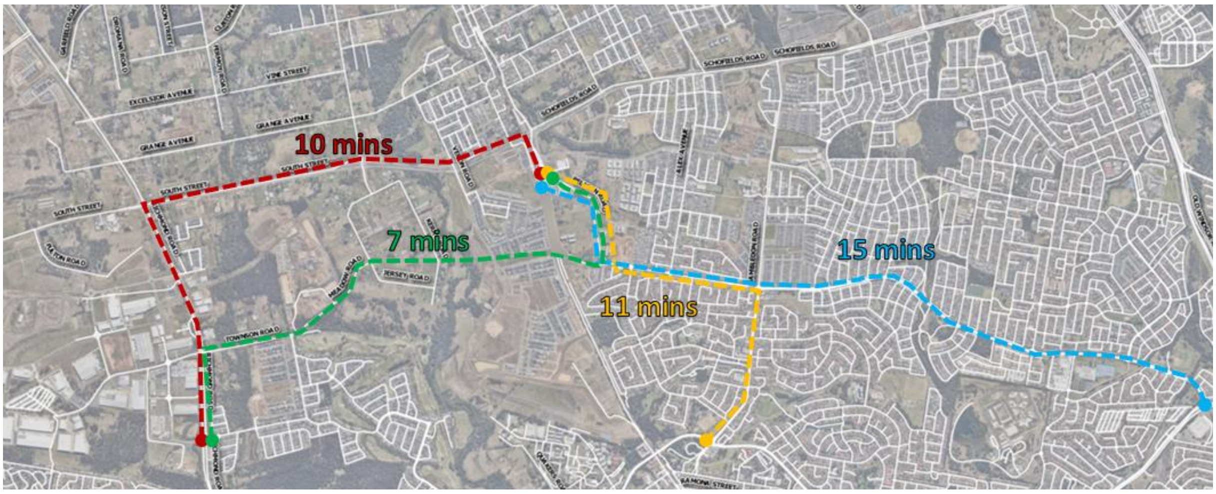
Source: TfNSW

Figure 12: 2026 PM travel times with Townson Road connection and no Burdekin Road severing



Source: TfNSW

Figure 13: 2026 PM travel times with Townson Road connection & Burdekin Road closure with Pelican & Jacqui connection



Source: TfNSW

APPENDIX B : RETAIL EXPENDITURE

The following table provides a summary of total estimated household retail expenditure by sub-trade area and commodity type.

Table 7: Estimated household expenditure by sub-trade area and commodity type ($m)

PTA	2021	2026	2031	2036	2041
Supermarkets and grocery stores	94.6	178.8	280.7	332.9	378.6
Specialised food stores	20.1	37.0	56.7	65.6	72.8
Bulky goods stores	61.2	112.8	172.8	199.9	221.7
Department stores	18.5	32.8	48.4	53.9	57.6
Apparel stores	31.2	57.5	88.0	101.8	113.0
Other non-food stores	47.2	87.0	133.2	154.1	170.9
Restaurants and fast food services	46.0	87.9	139.4	166.9	191.7
Personal services	11.6	21.4	32.8	37.9	42.1
Total	**330.2**	**615.2**	**951.8**	**1,113.0**	**1,248.4**
STAN	**2021**	**2026**	**2031**	**2036**	**2041**
Supermarkets and grocery stores	61.7	36.6	63.7	98.3	130.1
Specialised food stores	12.8	7.4	12.6	19.0	24.5
Bulky goods stores	38.7	22.4	38.0	57.2	73.9
Department stores	12.1	6.7	11.0	15.9	19.8
Apparel stores	19.2	11.1	18.8	28.3	36.6
Other non-food stores	29.0	16.8	28.5	42.9	55.4
Restaurants and fast food services	28.6	17.1	30.1	46.9	62.7
Personal services	7.2	4.1	7.0	10.6	13.7
Total	**209.3**	**122.4**	**209.9**	**319.2**	**416.8**
STAE	**2021**	**2026**	**2031**	**2036**	**2041**
Supermarkets and grocery stores	24.5	27.0	28.7	29.8	30.8
Specialised food stores	5.4	5.8	6.0	6.1	6.1
Bulky goods stores	16.7	18.0	18.6	18.8	19.0
Department stores	4.9	5.1	5.1	4.9	4.8
Apparel stores	8.9	9.6	9.9	10.0	10.1
Other non-food stores	13.5	14.5	15.0	15.2	15.3
Restaurants and fast food services	13.0	14.4	15.5	16.2	16.9
Personal services	3.3	3.5	3.7	3.7	3.7
Total	**90.2**	**97.9**	**102.6**	**104.8**	**106.8**
STAW	**2021**	**2026**	**2031**	**2036**	**2041**
Supermarkets and grocery stores	27.6	41.8	49.9	52.8	55.5
Specialised food stores	6.1	9.0	10.5	10.8	11.1
Bulky goods stores	19.0	28.1	32.6	33.7	34.6
Department stores	4.7	6.7	7.5	7.4	7.4
Apparel stores	10.2	15.1	17.6	18.1	18.6
Other non-food stores	15.4	22.8	26.5	27.4	28.1
Restaurants and fast food services	14.8	22.7	27.3	29.2	31.0
Personal services	3.8	5.6	6.5	6.7	6.9
Total	**101.7**	**151.8**	**178.3**	**186.2**	**193.2**

STAS	2021	2026	2031	2036	2041
Supermarkets and grocery stores	56.6	61.2	65.8	70.2	74.9
Specialised food stores	12.0	12.7	13.3	13.8	14.4
Bulky goods stores	36.6	38.6	40.5	42.1	43.9
Department stores	11.9	12.1	12.2	12.2	12.2
Apparel stores	18.7	19.7	20.6	21.5	22.4
Other non-food stores	28.2	29.8	31.2	32.5	33.9
Restaurants and fast food services	27.6	30.1	32.7	35.2	38.0
Personal services	7.0	7.3	7.7	8.0	8.3
Total	**198.6**	**211.6**	**224.0**	**235.5**	**248.1**
MTA	**2021**	**2026**	**2031**	**2036**	**2041**
Supermarkets and grocery stores	265.0	345.5	488.8	583.9	669.9
Specialised food stores	56.4	71.9	99.1	115.3	128.9
Bulky goods stores	172.3	219.9	302.6	351.8	393.2
Department stores	52.0	63.3	84.1	94.4	101.8
Apparel stores	88.2	113.0	155.0	179.8	200.7
Other non-food stores	133.3	170.8	234.4	272.0	303.6
Restaurants and fast food services	130.0	172.3	245.0	294.5	340.4
Personal services	32.8	42.0	57.7	66.9	74.7
Total	**930.0**	**1,198.8**	**1,666.6**	**1,958.7**	**2,213.2**

Source: HillPDA

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SYDNEY

Level 3, 234 George Street
Sydney NSW 2000
GPO Box 2748 Sydney NSW 2001
t: +61 2 9252 8777
f: +61 2 9252 6077
e: sydney@hillpda.com

MELBOURNE

Suite 114, 838 Collins Street
Docklands VIC 3008
t: +61 3 9629 1842
f: +61 3 9629 6315
e: melbourne@hillpda.com

WWW.HILLPDA.COM