

Penrith City Council Submission

Proposed Amendments to Sydney Regional Environmental Plan No. 30 – St Marys

Introduction

This is Penrith City Council's submission on the proposed amendment of *Sydney Regional Environmental Plan No. 30 – St Marys* (the SREP), which includes:

- The rezoning of the currently planned employment area within the Central Precinct to residential to facilitate the development of an additional 500 homes.
- The relocation and resizing of areas currently zoned drainage, including the rezoning of excess land as Regional Park.
- The rezoning of an area known as the Farm Dam Park from Urban to Regional Park.

This submission reinforces the importance of retaining and managing existing employment land and identifies a number of matters that should be considered should this element of the proposed amendment proceed. This submission supports the proposed amendments to drainage areas and the Farm Dam Park because of the potential environmental benefits, including the protection of biodiversity habitat for threatened species.

Rezoning of the employment area to urban

This submission reinforces the importance of retaining and managing existing employment land and its contribution to addressing the observed job deficit in Penrith. It also identifies a number of matters that need to be considered should the proposal proceed.

The proposed rezoning is inconsistent with the planning priority of retaining and managing industrial and urban services land.

The Western City District Plan, published after the rezoning application was made, sets a specific Planning Priority for managing industrial and urban services land.

Planning Priority W10 maximising freight and logistics opportunities and planning and managing industrial and services land.

This Planning Priority implements an Objective set in *A Metropolis of Three Cities*.

Objective 23 Industrial and urban services land is planned, retained and managed.

The District Plan recognises the need for adequate access to industrial land across the Western City District and that demand for this land will increase commensurate with population growth (noting that the land reserved for employment uses in the Western Sydney Airport Growth Area will be the major long-term supply of employment land). The District Plan sets a principle to **retain and manage** existing industrial and urban services land in Greater Penrith and St Marys, noting that:

Increasing demand for local urban services and an innovative and adaptable industrial sector will require well-connected, serviced and economically viable land for

businesses such as mechanics, repair centres, wholesale warehousing, light manufacturing, creative industries, freight, logistics and construction materials warehousing and supply centres.

And:

All existing industrial and urban services land should be safeguarded from competing pressures, especially residential and mixed-use zones.

As such, Council believes that the land should be safeguarded from conversion to residential development and should be retained as industrial and urban services land.

The proposed rezoning will remove opportunities to reduce the gap between job supply and demand in Penrith and Western Sydney more generally.

Penrith is part of a region experiencing significant population growth and the challenge of job growth not keeping pace. There are insufficient jobs in Western Sydney for its resident workforce and jobs are also scattered, meaning workers are forced to travel to work by car. Nearly 65% of Penrith's employed residents travel outside the area for work each day.

Council has a goal to reduce the gap between the job supply and demand in Penrith and has set a series of initiatives to deliver between 42,000 and 55,000 new jobs by 2031. The provision and availability of suitably located, zoned and serviced land makes a significant contribution to achieving this goal.

For example, the application of the current average rate of 31 jobs per hectare across north-west Sydney, including Penrith, indicates that the currently zoned employment area could contribute about 1,200 jobs or 2-3% of the City-wide goal. However, this estimate is only a snapshot in time because of changing industries and the emergence of new industries.

The loss of employment generating opportunities combined with the additional residential population should the proposal proceed will further the existing job deficit in Penrith.

The proposed rezoning will remove opportunities to provide jobs in a location close to the resident workforce.

The SREP sets a specific performance objective requiring the total number of jobs generated within and surrounding the release area to approximate the number of workers who will reside in the release area. Lendlease is required to prepare an Employment Development Strategy to demonstrate its performance in meeting this objective.

The proposed rezoning is supported with the latest Employment Development Strategy which was published in 2015. This strategy makes a case for a reduced job target of 0.4 jobs for every resident worker. It also relies on the up-skilling and placement (in existing jobs) of the resident workforce rather than the generation of new jobs.

The Strategy also makes assumptions about the number of jobs provided through home-based businesses – 15% of homes are operating a business. Whilst jobs in this sector only make up a relatively small proportion of the working population, data from the Australian Bureau of Statistics indicates that this rate is only being achieved in rural areas with farm-based businesses. In Penrith, the current rate of home businesses is about 1.7%.

In addition to the above matters, the 2015 Strategy is not a contemporary document as it does not reflect strategic plans (*A Metropolis of Three Cities* and the *Western City District Plan*) or the significant infrastructure proposed to service the Western Sydney Airport (the Outer Sydney Orbital and associated freight rail line).

The loss of employment generating opportunities will limit the ability to provide sufficient and suitable jobs for the resident workforce and may mean that the performance objective set by the SREP is not achieved.

The proposed rezoning does not respond to future opportunities provided by the Western Sydney Airport and associated infrastructure.

The material supporting the proposed amendments makes the case that the employment land is at a major competitive disadvantage compared to other centres or employment land as it is isolated from major roads and connections. The 2015 Employment Development Strategy supporting the proposed rezoning states that the industrial land market in Sydney is now dominated by warehousing rather than manufacturing so large sites with access to transport, particularly along major roads, motorways and rail, which are in demand for major retailers.

With significant infrastructure planning underway, this will no longer be the case. The employment land will be provided with improved access to the local road network through the local transport upgrades required to service the Release Area. This will provide a direct link to the established Dunheved Business Park. Longer term, the NSW Government is proposing to locate the Outer Sydney Orbital and freight rail just to the east of the employment land.

The employment land will be better positioned and connected, in coming years, to significant transport infrastructure and existing industrial and urban services land. The land should be safeguarded from the immediate pressure from the residential rezoning proposal.

The proposed rezoning removes the opportunity to respond to an immediate need for smaller industrial units or business premises.

Anecdotal evidence suggests that:

- there is increasing demand in Penrith for smaller industrial units or business premises as these types of premises often provide the next step for home-based businesses and other small enterprises, and
- this demand is leading to higher purchase prices and rent.

The retention of the currently planned employment land will provide opportunities to address this demand and potentially lower purchase prices and rent.

The proposed rezoning is not supported with an analysis of alternative land uses

The material supporting the proposed rezoning does not provide a sequential analysis of alternative land uses; it settles immediately on the proposed residential outcome. A review of appropriate activities, that accommodates evolving business practices and changes in the need for urban services, should be undertaken for the employment land. This may help safeguard the land and facilitate industries of the future, including creative industries and environmental services such as waste management and recycling facilities.

The proposed rezoning is not required to meet current housing targets and could impact on currently planned residential development.

Council has planned to meet its housing targets and the additional 500 homes are not currently required and would be out of sequence. Proposals to deliver additional homes needs to be considered in the context of Council's Local Housing Strategy (underway). Out of sequence homes could potentially compete and dilute efforts to deliver currently planned residential areas, including the delivery of higher density housing in Penrith City Centre and St Marys Town Centre.

The proposed rezoning may impact on regional flood evacuation efforts.

Areas of the Central Precinct, including the area proposed to be rezoned to residential, may need to be evacuated during a probable maximum flood event. Any additional residential development to the currently planned could impact on current regional flood evacuation efforts by congesting key evacuation routes.

The District Plan recognises the work underway to develop a planning framework to address flood risk in the Hawkesbury-Nepean Valley, which is due to examine the cumulative impact of development within the Valley on flood risk. Until this is complete, the Plan sets a number of planning principles for strategic planning decisions.

These include avoiding certain urban uses in areas of higher risk subject to the assessment of the cumulative impact of urban growth on regional evacuation road capacity and operational complexity of emergency management. Infrastructure NSW and the State Emergency Service are the lead agencies on this matter and should be consulted.

Our advocacy priorities should the proposed rezoning proceed.

Should the proposed rezoning of the employment area proceed, discussions should commence to secure the necessary infrastructure and facilities to service the extended community. At a minimum, the developer should be required to enter into a Development Agreement that secures:

- A monetary contribution towards employment generating initiatives to help meet any shortfall in job creation.
- The provision of appropriate local open space and community facilities to service and support the new community.
- The delivery of affordable housing, at least 3% of the proposed homes.
- Necessary local transport upgrades within the release area¹ (noting that local transport upgrades outside of but required to support the release area are already the subject of a voluntary planning agreement).

The Department of Planning & Environment should also consider identifying the uplift in land value generated by the rezoning and the implementation of a value capture scheme to provide additional public benefit for the future and surrounding communities.

The proposed rezoning will also require the submission of an Amending Precinct Plan.

¹ See Attachment

Amendment of drainage areas, including rezoning to Regional Park

This submission supports the proposed revisions to the size and location of the land zoned to provide drainage. These changes reflect revised water quality modelling for the release area based around contemporary stormwater management practices and improvements in technology. The proposed relocation and resizing of these areas will facilitate a more logical and practical location for what will become Council-owned and maintained drainage infrastructure. The changes also result in a 2.65 hectare increase in the Wianamatta Regional Park and provide the opportunity to protect extra areas of Cumberland Plain Woodland. Attachment 1 includes some technical feedback.

Proposed rezoning of Farm Dam Park

This submission supports the proposed rezoning of the 1.2 hectares of land known as the Farm Dam Park from Urban to Regional Park. This change will provide the opportunity to transfer the land to the NSW Office of Environment and Heritage as an extension to the Wianamatta Regional Park. This will promote the retention and protection of the Cumberland Plain Woodland and associated wetland located on this land.

Attachment - Technical Feedback

Internal Road and Intersection Assessment

1. The modelling supporting this study has been undertaken to a 2021 horizon year; it should be modelled to 2026, allowing 5 years post development traffic impacts to be assessed. For reference, the external network has been modelled to 2036 being a 10-year horizon.
2. There are concerns that the mid-block capacities of 1000 vehicles per lane are too high, and the 1000 is exceeded at some sections of Lakeside Parade. The report references a divided carriageway as having a 1000 vehicle upper limit, and the proposal is not for a divided carriageway. Lower thresholds for the proposed roads of 750-900 should be adopted in line with the previous modelling undertaken for the St Marys Development Area.
3. Provision should be made for Lakeside Parade and The East-West connector road to accommodate future upgrades, including a widened bridge structure to allow for a future 4-lane road.
4. The study notes that the intersection of Jordan Springs and Lakeside Parade is likely to fail once both Jordan Springs and Jordan Springs East are completed and indicates an upgraded layout (Table 8.9). However, it is unclear if any material benefits will result when the intersection is upgraded as the modelling results show an unchanged level of service and queue length. The intersection should be modelled to 2026 and must display material benefit when upgraded. The delivery of the upgrade, must be a works-in-kind offer as part of the rezoning approval.

Water Soil and Infrastructure Report

The following discrepancies should be clarified:

1. The report indicates there are only 5 bioretention systems in the Central Precinct. However, the approved Stormwater Management Report (prepared by Cardno in Jan 17) includes a commitment to construct 7 basins.
2. The report also states that the 35ha sub-catchment in the north of the Central Precinct drains into Basin B for treatment. The approved Report includes a commitment to install a raingarden with a filter area of 3,300m² to treat runoff from the northern catchment prior to discharging from the site.