

7 February 2011

Major Projects Assessment Branch  
NSW Department of Planning  
23-33 Bridge Street, Sydney NSW 2000  
GPO Box 39, Sydney NSW 2001

Dear Sir/Madam

**(MP 10-0075 and MP 10-0078)**

**SUBMISSION IN RESPONSE TO PROPOSED CONCEPT PLAN - NORTH PENRITH DEFENCE SITE INCLUDING INFRASTRUCTURE AND SITE PREPARATION WORKS, AND SUBDIVISION.**

**Introduction**

We refer to the subject proposal and advise that we act for the Penrith City Centre Association (PCCA). The PCCA is a non-profit organisation that has an elected committee made up of representatives of the Penrith CBD including property owners and business owners or operators.

The PCCA wishes to register its opposition to the submitted project which seeks to rezone the site, to permit it to be redeveloped as a mixed residential, commercial and light industrial precinct.

The proposal is described by the proponent<sup>1</sup> in its Executive Summary as a '*transit oriented and cohesive mixed uses development incorporating residential, retail commercial, business, civic, community, industrial and recreation uses*', containing approximately 1000 dwellings, and a maximum of 12,500m<sup>2</sup> of retail business and commercial floor space in a village centre, retention of Thornton Hall and its associated curtilage, open space network.

According to the proponent, the broad strategic justification for the project<sup>2</sup> is that it will (in part):

- Accommodate approximately 1,800 people;
- Deliver approximately \$882 million in construction expenditure, including \$419 million in direct expenditure and \$462 million in flow on benefits);
- deliver approximately 349 million expenditure during the operational phase, including 202 million in direct expenditure and one 48 million in flow on benefits;
- create 3795 construction jobs (direct and flow on), 1450 operational jobs (direct and flow on), of which 770 jobs will be provided on the site.

<sup>1</sup> Environmental Assessment Report, page vii.

<sup>2</sup> Ibid., page ix.

The future use of the North Penrith defence site has been the subject of a number of public debates since its sale, in the early 1990s, and more recently in the past 10 years, including a Peer Review<sup>3</sup> in 2003. The one constant in the debate however has been whether the land ought to be identified (predominantly) for either residential or business/ employment land uses.

Penrith City Council has consistently identified a mixed-use response for the site since the current zoning (LEP amendment) and associated Development Control Plan came into effect in December 2000<sup>4</sup>.

Those in support of the mixed use concept will no doubt argue that they have the support of 20 years of studies however given the constant criticism and debate that seems to eventuate each time the future development of the site is revived, it seems reasonable to ask the question – is the ratio of residential to business/commercial development allocated to the mixed use concept the best outcome for the City of Penrith.

The concept of increased residential densities with a 400m radius of public transport node is not disputed however this relationship applies equally to commercial and employment land uses. Whilst it is acknowledged that the site may be suited for a predominantly residential mixed use development the following questions have not been asked:

1. Is this what the community (all stakeholders - not just Council and State Agencies) consider to be the best or most appropriate use of the site?
2. Is the proposed apportioned mix of residential to commercial/employment uses appropriate?

Any redevelopment of the site, regardless of the product type, will both generate employment and capital investment opportunities given the site area (approximately 40ha), proximity to CBD, proximity to public transport nodes, and relative lack of constraints.

Penrith is identified as a regional city and for that status to be reinforced and developed there must be an increased focus on employment generating development. The site is strategically important and consequently its redevelopment requires a period of robust review and public debate – which has not occurred in this particular proposal. Put simply a contemporary review of whether the proposal is in the public interest has not been properly explored. Following discussions with our client it is our opinion that a significant strategic opportunity will be lost should the proposal proceed.

The remainder of this submission identifies issues in response to the submitted concept.

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3 Commissioned by the Department of Defence

4 Penrith LEP 1998 (urban land) Amendment No.3, gazetted 15 December 2000.

### **1. Consultative process**

The consultation undertaken is considered inadequate and ineffective. Whilst we are advised that the local community is being consulted there is no evidence provided in the application and certainly no details other than three (3) very short paragraphs at page 43 of the Environmental Assessment Report. It is also noted that Landcom in its Newsletter advises that consultation with stakeholders was undertaken in September 2010. The PCCA considers itself to be a major stakeholder in the process yet it was not and has not been contacted or consulted on the proposal.

Consultation has simply focused on local and state government agencies and local aboriginal groups. The consultants and Landcom have ignored the Penrith City Centre Association and the local business community in this process which, in view of the scale of this project is considered both frustrating and disappointing.

**It is our view that there has been inadequate public consultation regarding this proposal and this matter must therefore be revisited prior to any determination.**

### **2. Inadequate Provision of Commercial floor space**

The proposed 2.6hectares<sup>5</sup> allocated to mixed use commercial and light industrial activities will not provide the critical mass required to attract the 'high order' business. For this to occur a much larger area of the North Penrith site will need to be set aside for business/commercial use in order to create a sense of commercial address.

Additionally the lower the overall availability of floor space the more likely it is that the site will become attractive to existing tenants in the CBD such as lawyers and accountants which would undermine the growth of the CBD and be contrary to the objectives of the City Centre.

### **3. Job Yield and Employment**

We understand the proposal intends to only deliver the **minimum** number of 770 onsite jobs as required by the sites vendor – the Australian Government. This is to be achieved through a variety of light industrial, commercial and retail uses. The PCCA finds this type and quantum of employment disappointing as it does not deliver "new" forms of employment opportunities, rather a continuation of established employment sectors. It also fails to adequately protect the site for major employment opportunities in the future, and specifically fails to deliver on the Government's stated strategic intentions for the site as identified in the Penrith City Centre Vision (refer point 6 of submission).

According to the Metropolitan Plan for Sydney 2036<sup>6</sup> the employment capacity target for 2031 for the Penrith LGA is 31,000, a growth of 11,000 from 2006. At present however only 47% of the workforce live and work within Penrith LGA<sup>7</sup> as illustrated in the following table.

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5 Source - Table 1 Land Use and Economic Assessment, page 3.

6 Table E2- Economy and Employment Northwest, page 136.

7 <http://profile.id.com.au/Default.aspx?id=247&pg=310&gid=10&type=enum>

| Employment location of Penrith City Council's residents, 2006 |        |             |
|---|--------|-------------|
|   | Number | Percent (%) |
| <b>Within</b> Penrith City                                    | 30,793 | 36.9        |
| <b>Outside</b> Penrith City                                   | 44,219 | 53.0        |
| Live within Penrith City, <b>work location unknown</b>        | 8,453  | 10.1        |
| <b>Employed residents</b> of Penrith City                     | 83,465 | 100.        |

The creation of a business park adjoining a main public transport node will attract workers to the city and retain local residents rather than encourage residents to commute to other parts of the Sydney region for work. The establishment of a business park on the North Penrith Defence site is seen as a logical outcome that will assist in Penrith achieving its nominated employment targets.

By comparison the proposed mixed-use proposal will reinforce Penrith as a dormitory suburb for Sydney and Parramatta, contrary to its Regional City status. The PCCA believes that a Business Park has a significantly greater employment opportunity than the submitted proposal and that the Department should fully investigate this opportunity.

#### **4. Lack of identity**

Landcom has a focus on urban renewal and housing consequently any project submitted by/or on behalf of Landcom will have as its priority a dominant residential component. In our opinion the site will become yet another urban release area such as the nearby 'Jordan Springs', 'Waterside' and Penrith Lakes

The development will struggle with a lack of identity and therefore will not attract the higher level business. There is an opportunity to create a unique and distinct business destination point with large floor plate-campus style buildings with supporting services rather than a residential suburb with associated commercial and business activities.

If this concept is approved it will by its make-up and proximity to the CBD, compete directly with the CBD and result in more of the same; at the expense of a unique redevelopment opportunity.

#### **5. City Centre CBD – residential opportunities in City Centre LEP.**

The Penrith City Centre Vision (2006) identified that one of the future directions for the city centre's continued economic development involved '*supporting higher density residential development outside the commercial core to attract new and diverse households, to add to the cultural and social diversity of the city centre*'<sup>8</sup>.

It is our view that this residential can be adequately accommodated within the city centre and numerous opportunities exist. The most noticeable development is the 'Parkview' site on Woodriff Street which is still to be realised.

The proposal to develop up to 1,000 dwellings will be in direct competition with the CBD and the city centres' ability to encourage residential renewal will be seriously compromised if the North Penrith Defence site proceeds as exhibited.

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8 Penrith City Centre Plan Vision, NSW Department of Planning 2006, page 44.

## 6. Case for a Business Park

It would appear that comments in the Land Use and Economic Assessment Report (prepared by SGS Economics and Planning) regarding the suitability and viability of the commercial (business park-type) land uses have not been considered.

According to JBA, alternative land use scenarios, including large scale business/retail were not considered appropriate as they *'do not capitalise upon the idea opportunity for integrated transport and development outcomes while delivering scope for flexibility in the various types of development suitable for the site now and in the future'*<sup>9</sup>.

This statement is misleading in that it assumes that the submitted concept is the sole solution to providing a flexible outcome. There is a distinct lack of review of alternative possibilities for the site. In this regard we note that the City Centre Vision identifies<sup>10</sup> that there are *'a number of proposed and existing developments located outside the city centre that could compete for employment and retail land uses'*. One of those identified is the 'north Penrith (former Defence Site) which *'may challenge the traditional city centre if it becomes a 'city centre' in its own right'*. It is close to the city centre and *'can be developed to complement the city heart over the long term. This will require clear thinking about what the role of the different precincts will be and strategies to ensure development is consistent with this.*

In respect of opportunities for new development the City Centre Vision notes that *'Relatively 'unencumbered' sites are attractive to new commercial development because they allow for larger floorplate buildings (to attract lease pre-commitments), the latest environmental and workplace features, and high amenity settings. Pre-eminent amongst these potential redevelopment sites is the 50 hectare North Penrith urban area, adjacent to the rail station to the north. Its future use and development should be planned carefully to attract new forms of development to the city centre, while complementing and reinforcing the existing city centre'*<sup>11</sup>.

It is the view of the PCCA that a business park development would in the long term represent a better strategic outcome that actually complements the CBD.

## 7. Local Population Growth

According to data provided by Forecast.Id: *'in 2006, the total population of Penrith City was estimated at 177,152 people. It is expected to experience an increase of over 14,300 people to 191,489 by 2021, at an average annual growth rate of 0.52% per annum over 15 years. This is based on experience an increase of over 10,500 households during the period, with the average number of persons per household falling from 2.85 to 2.63 by 2021'*<sup>12</sup>.

As illustrated in the following table, there has been an overall decline in population growth in the last 5 years. Whilst this is expected to grow over the next 20 years the existing urban release areas are considered sufficient to accommodate this growth.

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<sup>9</sup> Environmental Assessment Report, Section 13.2, page 164.

<sup>10</sup> Penrith City Centre Vision, page 42.

<sup>11</sup> Penrith City Centre Plan Vision, NSW Department of Planning 2006, pages 42-43

<sup>12</sup> <http://forecast2.id.com.au/Default.aspx?id=247&pg=5520>

| Penrith City                     | Forecast year |         |         |         |         |         |
|----------------------------------|---------------|---------|---------|---------|---------|---------|
|                                  | 2006          | 2011    | 2016    | 2021    | 2026    | 2031    |
| Population                       | 177,152       | 174,357 | 180,834 | 191,489 | 202,132 | 210,304 |
| Change in Population (5yrs)      |               | -2,795  | 6,477   | 10,655  | 10,643  | 8,172   |
| Average Annual Change (%)        |               | -0.32   | 0.73    | 1.15    | 1.09    | 0.8     |
| Households                       | 61,044        | 62,642  | 66,587  | 71,598  | 76,507  | 80,431  |
| Average Household Size (persons) | 2.85          | 2.73    | 2.66    | 2.63    | 2.6     | 2.57    |

Source: <http://forecast2.id.com.au/Default.aspx?id=247&pg=5110>

Large new 'greenfield' opportunities have already been identified in the main growth areas. These are predominantly located in Caddens Road and St Marys Release Areas, Claremont Meadows, Penrith Lakes, Glenmore Park, Kingswood and Werrington as follows.

- *Penrith - 3,772 additional dwellings.*
- *St Marys Release Area - 3,420 additional dwellings.*
- *Penrith Lakes - 3,375 additional dwellings.*
- *Glenmore Park - 1,904 additional dwellings.*
- *Caddens Release Area - 1,202 additional dwellings.*
- *Kingswood - 1,073 additional dwellings.*
- *St Marys - 1,071 additional dwellings.*
- *Cranebrook - 780 additional dwellings.*<sup>13</sup>

The PCCA considers that these areas plus the identified infill developments have sufficient capacity to meet the future housing needs of the Penrith LGA without the need to develop the North Penrith Defence Site.

## 8. **Realising Penrith's Economic Potential (Penrith's Vision)**

The Penrith City Centre Vision (2006) identified a number of relevant issues<sup>14</sup> that required consideration if the City was to realise its potential economic development, namely:

- Increasing investment and employment diversity
- Dispersed Precincts.
- Activating the City Centre;
- Competing for commercial and retail growth; and

As discussed previously it is noted in the City Centre Vision (2006) that the former Defence Site should be developed in manner that complements the CBD. The document identifies that the '*challenge remains to expand the city's role in higher order business services, education and as a destination for regional recreation and entertainment*'.

<sup>13</sup> <http://forecast2.id.com.au/Default.aspx?id=247&pg=5530>

<sup>14</sup> Penrith City Centre Plan Vision, NSW Department of Planning 2006, page 42.

To achieve this, the future directions for the city centre's continued economic development include:

- establishing a planning framework and environment to attract new high quality office development, including a commercial core allowing for greater densities and complementary business and economic activities in the future development of the north Penrith area;
- working with owners of key and strategic sites, utilising government owned land to achieve positive economic and employment outcomes consistent with this vision.

Landcom's proposal does not achieve this and the end result will be in direct conflict with Council's adopted Vision for the City.

### **Conclusion**

The site's location adjacent to the Penrith CBD and the bus/rail interchange classifies it as one of strategic significance to the development of Penrith as a Regional City.

The PCCA is demanding that it be given sufficient opportunity to comment upon the future development of the North Penrith Defence site. The lack of consultation by Landcom is not acceptable to the PCCA and the proposal should therefore not proceed until this is resolved.

It is reasonable to acknowledge that there is a divided view on the best outcome for the North Penrith Defence site and what impacts development will have on the city centre. It seems however that Landcom's proposal simply rejects any other alternative schemes if they do not involve a dominant residential component.

Whilst the land take up of a business park type development may not have the same economic attractiveness at this time; a commitment to such a development will over time generate a new and distinct market which will complement rather than compete with the CBD. It should be noted that other successful business parks such as Norwest have evolved over 10+ years as a result of a successful planning and marketing strategy. These centres are now reaching maturity and the opportunity exists for new business parks to be developed.

The development of the North Penrith Defence site should therefore be viewed as a long term project. Of all the commercial and industrial development in Penrith there is a lack of and subsequent need for a 'business park destination'. The opportunity is considered too significant to be wasted with the current mixed-use development which will simply provide a replicated 'bit of everything' under the banner of 'urban renewal'.

The proposed development is described as a 'transit oriented' meaning that it has convenient access to public transport. By its very nature therefore it will make it easy for more commuters to leave the city each day for work. In comparison a Business Park Precinct next to the railway station will encourage workers to commute into Penrith for work.

We have two scenarios - the submitted project which is focussed on residential housing and encourages residents to commute out of Penrith; or an alternative which is focussed on business and employment generating land uses which will provide work for both local residents and those in the surrounding regions. Which one of these two options sounds like one that typifies a Regional City?

In respect of the project application, the concerns of the PCCA can be summarised as follows:

1. No effective prior consultation with the local business and community groups, including the Penrith City Centre Association.
2. There is no cohesive view on the best outcome for the long-term development of the site.
3. The mixed-use proposal reflects yet another urban renewal project which does not capitalise on the best economic outcome for realising Penrith's vision.
4. The mixed-use proposal will encourage residents to commute to other parts of the Sydney region for work therefore reinforcing Penrith as a dormitory suburb for Sydney and Parramatta, contrary to its Regional City status.
5. The small size and scale of the commercial sections of the proposal will result in direct competition with the City Centre which will inhibit future economic growth of the City.

The PCCA seeks to have the Major Project refused on the basis of the information outlined. We are happy to discuss the contents of this submission and request a meeting with officers of the department so that members of the PCCA can discuss their concerns prior to any determination.

If you have any questions please do not hesitate to contact us.

Yours faithfully

PGH Environmental Planning



**Patrick Hurley**

Director

*cc Penrith City Centre Association.  
Penrith City Council.*