

7 February 2011

**Alan Stoneham**  
General Manager  
Penrith City Council  
601 High St  
PENRITH NSW 2751



**CC Michael File, Norma Shankie-Williams**

Dear Alan,

**RE: NORTH PENRITH DEFENCE SITE AND PROPOSED CONCEPT PLAN  
INCLUDING INFRASTRUCTURE AND SITE PREPARATION WORKS, AND  
SUBDIVISION  
(Project Number: MP 10-0075 and MP 10-0078)**

Following our meeting recently with Council Director, Craig Butler and other senior Council staff, I am writing to summarise these discussions and clarify our views on Landcom's proposal (see MP 10-0075 & 10-0078) to develop the North Penrith Defence site.

**The premise: Penrith's declining employment self sufficiency**

Between the last two Census periods (2001 & 2006) the overall residential population of Penrith (172,141 in 2006) remained static, with a small fall of 294 residents. More concerning was the significant decline in the overall number of Penrith's 'prime working age' population (between 25 – 49 years). This age group fell by approximately 3,200 residents between 2001 and 2006.

Of equal concern is the fact that of the City's remaining resident work force, 63% were recorded as leaving the City each day for work in other Sydney metropolitan centres such as Parramatta and Sydney CBD.

As an intended Regional City, this decline in local employment self sufficiency is alarming.

With a Council target of 40,000 new jobs to be created in Penrith by 2031 (the recent Metropolitan Plan for Sydney 2036 has a target of 31,000 new jobs for Penrith by 2036), the issue of a Regional City with significant and declining employment self sufficiency needs to be appropriately and strategically addressed.

**The solution: attract the business services sector to Penrith**

In 2008 Professor Phil O'Neill from the UWS Urban Research Centre conducted the *North West and West-Central Sydney Employment Study*. Commissioned by WSROC, this study provided a comprehensive analysis of employment targets set out in the 2005 Metropolitan Strategy for the subregion.

This study analysed the job numbers these two subregions are likely to create over the next 20 years, including jobs by industry sector. Arguably the most pertinent conclusion from this study in regards to our discussion was the role the business services industry would play in the overall contribution to new jobs created in Sydney by 2031.

O'Neill (2008, p 41) found that more than half (73%) of all new jobs in Western Sydney would be created in service based industries, of which business services were identified as the largest subcategory of new service jobs. **Almost half of all Western Sydney's future jobs are expected to be in business service industries** (O'Neill and Mitchell 2008). The regions remaining jobs will, most likely, be created in traditional employment sectors such as; retail, manufacturing, construction and transport.

The business services industry is generally defined as:

- *Professional services, accounting, finance, insurance, legal, administration, banking, property & general business services.*

Over the last 15 years Sydney's business services industry has shown a growing preference towards accommodation in business park locations (SGS, 2006). Good examples of successful business parks include; Norwest, Macquarie Park and Sydney Olympic Park. It is estimated by O'Neill (2008) that 20% of Sydney's workforce will be located in business parks by 2031.

This growing preference for suburban office locations, such as business parks, has been driven by a variety of factors, now recognised by the Department of Planning (DoP) in the recent *Metropolitan Plan for Sydney 2036*.

*"Large corporations are increasingly seeking campus style business park accommodation that amalgamates cost-effective and flexible office, R&D and warehousing onsite. Competitive office accommodation in strategically located business parks encourages global businesses to establish in Sydney and distributes more office jobs across the metropolitan areas. It also provides opportunities to integrate business parks with key public transport infrastructure".*

(p 137 Metropolitan Plan for Sydney 2036)

The ability of business parks to provide a corporate 'sense of address' through creation of high amenity location is also regularly stated by tenants as a major influence for their growing preference for business parks locations over traditional CBD locations.

## **The case for new business parks in North Western Sydney**

There has been a range of recognised studies (SGS, 2006, Hill PDA 2005, 2010, Cox, 2003 et al) that demonstrate, or discuss the need for new business parks to be identified and planned for in Western Sydney. O'Neill (2008, p 260) comments on the opportunity to develop new business parks in the North West:

*“Due to its growing professional and skills base, and improved accessibility, the North-West sub-region is well positioned to attract new business parks. If a policy and planning framework is put in place, the North-West could be expected to attract an additional 30,000 to 40,000 jobs into new business parks. **If the North-West is not successful in developing one or more major business parks, it may struggle to attain a net additional 130,000 jobs by 2031”.***

(p 260, North West and West-Central Sydney Employment Study)

and that,

*With business parks expected to grow at a faster rate than strategic centres, the North West is well positioned to capture new employment growth opportunities from business parks”.*

(p 259, North West and West-Central Sydney Employment Study)

The DoP should be congratulated for recognising this need in the *Metropolitan Plan for Sydney 2036* (see Action E2.3 ,p 137). We also believe that according to the DoP’s stated criteria for the selection of future business park locations (p 137) that the North Penrith site should also be considered for future business park uses.

## **Summary**

***As stated at our meeting, we view the North Penrith Defence Site (hereafter North Penrith) as representing a unique location for the North West subregion to capture the opportunity of a new business park for Western Sydney.***

## **Feasibility of a business park**

We acknowledge that in current market conditions, the feasibility of a business park may not exist in regards to North Penrith. However, we believe that with the appropriate coordination of land use planning, investment attraction, the right development partner and government commitment, that the site is more than capable of achieving feasibility benchmarks for business park uses in the medium to longer term.

To this end, the PBA has been working tirelessly to encourage government tenants to the site, as part of a strategy to secure an anchor tenant to stimulate further office development in the Penrith centre. More specifically the PBA has recently requested the following of the Government:

*“Relocate the Department of Transport to Penrith to strengthen the economic function of Penrith CBD as a transport and logistics business services hub and to attract a range of ancillary support business in that sector”*

(PBA Advocacy Issues for the NSW State Government Election 2011)

The PBA has also prepared a business case to relocate the Department of Transport to the Penrith Centre. This has been provided to both sides of Government. North Penrith offers arguably the best, and most easily developable site opportunity for this relocation to occur. The currently proposed residential development would effectively crowd out the opportunity for major head quarters to locate to North Penrith.

Further, and in regards to the issue of feasibility, the PBA has received the following preliminary advice from Hill PDA:

*“Hill PDA (2010) considers that **future business park development in the Penrith LGA and particularly on the North Penrith Site may be supported given:***

- *The location of Penrith (20km to Blacktown, 25km to Parramatta and close to 50km to the Sydney CBD) makes the need for regional office representation a necessity;*
- *The critical mass of the populations which warrants regional offices (i.e. the Penrith, Blue Mountains and Hawkesbury LGAs catchment is 300,000+ which is comparable to Canberra); and*
- *Penrith Council and Penrith Business Alliance’s active role in fostering government offices to locate in Penrith”*

### **Summary**

***Given the potential time lag necessary to attract office sector demand (including from Government tenants) to Penrith, we support the development of a longer term strategy to be pursued - involving protecting the site through land use zoning for future business park tenants. With this approach, we believe longer term feasibility for a business park will be achieved.***

### **Local support for the site as an employment hub/ business park**

There is a strong history of local support for North Penrith to be planned and developed for future employment purposes. The most notable examples of this support are now discussed.

#### **Cox Richardson:**

In 2003 Cox Richardson and Sphere Property Corporation conducted a peer review of the future planning directions for North Penrith. The summary of this review made the following conclusion in regards to the most appropriate future purpose of North Penrith:

*“The planning review concluded that North Penrith offers an **outstanding long term opportunity to develop an unfragmented site and with intensive employment adjacent to one of Sydney’s key sub-regional centres.** Penrith as a destination centre, (as distinct from an origin location where higher density residential is encouraged), is a centre which can provide metropolitan / higher order jobs not only for the local Penrith workforce but also for many throughout Great Western Sydney, particularly the Blue Mountains and beyond.*

*The value of the location is that the whole site is within 800m of the station and a sizeable proportion within a 400m radius, the criterion for a 5 minute walk. Not only does this station allow the objectives of SEPP 662 to be met and further the regional and indeed global policies to improve air quality, equity of access and reduce car dependency **but strengthens the future viability of Penrith Centre.***

*For the reasons outlined above, and from a regional planning viewpoint, **it is recommended that the land immediately adjacent to Penrith railway station be zoned commercial with an appropriate density to allow future, intensive office development”.***

## 10 Big Ideas to grow Penrith:

The *10 Big Ideas to Grow Penrith* ([www.10bigideas.com.au](http://www.10bigideas.com.au)) was prepared by the “Penrith Business Community” in 2010 ahead of the Penrith by-election. The *10 Big Ideas to Grow Penrith* are still strongly advocated by the following organisations who all contributed to the preparation of the *10 Big Ideas to Grow Penrith*.

Signatories to this document include:

Paul Brennan  
Chairman  
**Penrith Business Alliance**

Stephen Cartwright  
Chief Executive Officer  
**NSW Business Chamber**

Peter McGhee  
President  
**Penrith Valley Chamber of Commerce**

Kevin McCaffrey  
President  
**NSW Business Chamber’s Western  
Sydney Regional Advisory Council**

Two of the *10 Big Ideas to Grow Penrith* make clear references in regards to either North Penrith being planned for business park uses, or the need for such uses in the Penrith LGA.

## Big Idea # 4 - Improved Business Planning for Penrith

*“The paucity of appropriate levels of planning and land release in Penrith has stifled development in a number of key areas, including the **50 hectare former defence site** adjacent to Penrith CBD (Station); affordable housing; transport planning and infrastructure; CBD redevelopment and the development of a **Penrith Business Park**.*

*Decisions relating to the development of the 50 hectares site, known as the North Penrith Army Lands, will have a dramatic impact on the way Penrith develops.*

*The Penrith Business Community believes the **right plan for the site will include a major business headquarters**. All levels of government and the broader business community need to work together to find the best businesses for this site.*

*The location of the right businesses on the site will accelerate Penrith’s development as an economic hub. **An inappropriate development of the site, particularly through the wrong mix of business and residential development, will condemn Penrith’s long term economic and social future.***

*We believe Penrith can be developed into a significant economic hub with successful businesses accessing a rich breadth of local skills. **Current plans for this site need to be re-visited and re-drafted to better suit the redeveloped Penrith CBD and other changes recommended in these Big Ideas.**”*

(p 10, 10 Big Ideas to Grow Penrith)

## Big Idea # 8 - Develop a Penrith Business Park

*“Macquarie Park and Norwest Business Park demonstrate that a successful business park can generate significant economic opportunities for local communities. They*

have also highlighted the importance of integrating such Parks with transport and infrastructure.

Major attractions of the proposed development include:

- Well located with other Western Sydney areas, notably Parramatta
- Access (M4 and M7)
- University of Western Sydney
- An environment to develop substantial relationships with other businesses in the area

***The impact could be the transformation of the area as a significant employment and business location, developed with sustainability principles and state-of-the-art facilities and services.***

A Penrith Business Park would deliver:

- A premium location for globally competitive businesses with strong links to the University of Western Sydney and the University of Sydney
- A high quality, well designed, safe and liveable environment that reflects the natural setting
- Better integrated residential and business areas
- An enhanced sense of identity for the area
- Better lifestyles for all those who live, work and study in the area.

*It could be expected that the Business Park would provide the right location for major tenants and that the Park should include the location of a major NSW Government Department or Agency, and as recommended in these 10 Big Ideas; the Department of Transport.”*

(p 15, 10 Big Ideas to Grow Penrith)

### **Penrith Chamber of Commerce:**

In 2002 the Penrith Valley Chamber of Commerce’s development committee prepared plans for North Penrith to become a ‘commercial high-tech precinct’. The Chairman of this committee was Robin McKay. In a recent front page article in the Penrith Press, it was stated:

*“Mr McKay sketched a plan predominantly using commercial and hi-tech industrial buildings around the central sports ground. It included multi-storey parking and used a proposed busway through the site, which is not included in Landcom’s plan.... It could be a very interesting and highly fruitful employment area”*

(Penrith Press 14 January 2011)

It is understood that the Penrith Valley Chamber still holds some concerns of the sites role in employment generation for Penrith centre.

## **North Penrith’s strategic policy context**

In order of release, we have reviewed the following strategic government planning documents in terms of support for North Penrith to be considered for higher order employment uses.

### **1. Sydney Metropolitan Plan (2005)**



2. **Penrith City Centre Vision** (2006)
3. **North West subregional strategy** (2007)
4. **Metropolitan Transport Plan** (2010)
5. **Metropolitan plan for Sydney 2036** (2010)

### **Sydney Metropolitan Strategy:**

The 2005 Metropolitan Strategy identifies a significant role for North Penrith in meeting the Centres overall employment target of 10,000 new jobs by 2031. While not included in regulatory documents prepared as part of Regional City planning (the LEP, DCP, CIP), the site, along with the Riverlink and Hospital precincts were regarded as important locations to support the delivery of new jobs in the Centre.

Close analysis of the 2005 Sydney Metropolitan Strategy indicates that approximately 3,000 of the proposed 10,000 new jobs for the centre should be provided on the combined campuses of: North Penrith, the River link development and the Hospital precinct. Of these three sites, North Penrith is the only one currently under sole government ownership.

### **Penrith City Centre Vision:**

In 2006 the DoP released the *Penrith City Centre Vision* that discusses the role of development opportunities in the Penrith centre.

*“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”*

and,

**“Employment uses which compete directly with Penrith City Centre should not be considered”**

(p 42 - 43, City Centre Vision)

The proposed mixed use development for the site does not include new forms of development. As will be shown further, the proposal directly competes with the existing centre.

### **Summary**

***The proposed development will be a continuation of existing uses, and will therefore compete with the existing centre. This will be discussed further in a later section of this letter. We also understand that the City Centre Vision has been adopted by Penrith City Council and we thus see the current proposal for the site as being in conflict with Councils own policy position.***

### **The Draft North West Sub Regional Plan:**

The DoP's Draft North West Sub Regional Plan states:

*“Its [North Penrith Defence lands] future use and development should be carefully planned to attract **new** forms of development to the city centre, while complementing and reinforcing the existing City Centre...”*

*Employment uses should provide opportunities for job intensive uses such as education, research and technology. In addition, potential for interim uses could be*

*considered so that the **site is protected for major employment opportunities in the future.***

(Draft North West Sub Region Plan)

Again we do not see these outcomes being delivered under the current proposal. What we see is a residential release area akin to any other part of our City, albeit at a higher detached/attached dwelling density.

### **Metropolitan Transport Plan:**

The Metropolitan Transport Plan (2010) reinforces the Government's position regarding North Penrith's future by stating:

*"We will develop the North Penrith defence site as an element of the city centre for business."*

(Metropolitan Transport Plan, 2010)

### **Metropolitan Plan for Sydney 2036:**

The *Metropolitan Plan for Sydney 2036* (the Plan) makes several statements supporting the need for greater consideration of sites employment potential. These include:

*"[to] Develop the highly accessible North Penrith Defence Site to provide opportunities for **long-term employment growth** as well as higher density housing".*  
(p 37, Metropolitan Plan for Sydney 2036)

The Plan also makes positive conclusions about the important role business parks will play in meeting Sydney's future employment targets, specifically that:

*Business parks such as the specialised Macquarie Park and Norwest have been Sydney's job 'hot spots' over the past 15 years **with employment growing there at triple the rate of other Strategic Centres***  
(p 137, Metropolitan Plan for Sydney 2036)

Most interesting is the DoPs strategy to meet future demand for business parks by establishing a framework to be used in the identification of suitable sites in sub regional strategies. In support of this, the Metropolitan Plan for Sydney 2036 (see Action E2.3) provides the following criteria for the selection of future business park locations.

#### **"Criteria for Business Park Locations**

- *Access to public transport corridors (preferably rail)*
- *Links to freight corridors and major transport nodes*
- *Land area (50-180 hectares) to allow expansion to accommodate 8,000 – 40,000 employees*
- *Proximity to workforce (within 30 minutes commute)*
- *Business parks should have a relationship to adjoining economic infrastructure e.g. hospitals, universities, educational facilities, research institutes or clusters of knowledge-based activity"*

(p 137, Metropolitan Plan for Sydney 2036)

If planned appropriately, the North Penrith site (including some surrounding lands) could arguably, over time, develop to meet all of the above criteria. Further, and as



noted in the Plan, the DoP will be looking to identify future business park locations in Western Sydney:

*“The Department of Planning will work closely with relevant state and local government agencies to identify business park locations – especially around Strategic Centres in Western Sydney (in circumstances where there is market demand and feasibility) – in Subregional Strategies and to attract growth in these locations”.*

(P 137, Metropolitan Plan for Sydney 2036)

Given the unique attributes of the site, North Penrith represents one of the best opportunities to meet this need in Western Sydney.

#### **Advice by Hill PDA to the PBA:**

In November 2010 the PBA sought preliminary expert opinion from Hill PDA in regards to the sites opportunity to meet the Government's stated economic objectives listed above. This advice is attached for your comment, with the following noteworthy conclusions:

*“The Site has the potential for a number of different land uses, including medium and high density residential, light industrial as well as **higher intensity employment uses (such as campus style B7 Business Park uses)**. As highlighted above, however the effect of the development of the Site on the Penrith City Centre will be a key consideration.*

*Whilst the Landcom Concept Plan proposes the provision of 900 to 1,000 dwellings, it provides a low proportion of employment generating floorspace, **missing an opportunity to contribute to the Subregions containment and sustainability.***

***Hill PDA considers that further detailed examination of the Site should be prepared that considers the viability and feasibility of higher order employment uses** and higher density residential development of the site, including consideration of future market demand and appropriate planning mechanisms to achieve this”.*

(p 5 - 6 North Penrith Site, Employment Lands Study, 2010, Hill PDA)

As acknowledged in all these documents, and as supported by many local business organisations and various other efforts, we believe there is an undeniable case for the site to be more adequately considered by both Council and the DoP as a future high order employment hub, such as a business park.

#### **Summary**

***As discussed at our meeting, we request that Council lobby the NSW Department of Planning to fulfil its obligations to Penrith as a Regional City through requiring appropriate land uses in support of stated employment objectives of the Government and local business organisations, and that this be done through requiring B7 – Business park zoning to be included in the land use plan for the North Penrith site.***

## Specific issues with Landcom's proposal

Notwithstanding several biased statements included in the *Land Use and Economic Assessment* commissioned by Landcom as part of their application to the DoP, we have four specific concerns regarding the current concept plans for North Penrith. Our concerns relate to Landcom's plan for North Penrith as:

1. **A commercial threat to the Penrith Centre**
2. **Having a high opportunity costs in terms of potential jobs**
3. **Contradicting the intent of State and Local planning instruments, and**
4. **The efficacy any MOU between Landcom and Council to increase job and housing densities for the centre**

### 1. Commercial threat to the Penrith Centre

Landcom's *Land Use and Economic Assessment* (LUEA) indicates an onsite jobs target of 786 - with 372 of these being 'commercial jobs'. Our understanding is that these 372 jobs are intended to be office based jobs to be housed in 9,300 sqm of proposed office space. Landcom are also proposing a mixed use (B4) zoning to attract these jobs.

These 372 jobs can only come from the following three sources:

- Firstly, they could be attracted to the site from outside the Penrith LGA.
- They can relocate from elsewhere in the LGA (or Centre), or
- They could be created as a result of demand derived from the local resident population (such as ancillary retail, or other localised services).

The mixed use B4 zoning is flexible zoning that allows a future mix of residential and commercial uses. As we discussed, we do not believe that this proposed zoning will be effective in attracting new jobs/ tenants to the LGA.

Rather we believe it will attract small business relocations from the existing centre, while failing to capitalise on the economic and employment opportunity the site could offer Penrith.

#### **The commercial threat:**

##### **(i) The threat of relocations from the existing CBD**

As proposed, the mixed use zoning will be a continuation of land use forms already seen in the existing Penrith centre. Given the relatively small lot sizes suggested in the Draft DCP, only small scale strata office space is likely to occur on the site. This offer will be very attractive to small business service firms existing in the centre, and will encourage tenant losses from High St, Henry Street and elsewhere.

##### **(ii) Failure to attract new/ large corporate to the site/ LGA**

Alternatively, a large corporate tenant (including government) could be attracted to the site in order to stimulate jobs. Landcom have suggested to the PBA that this would be a very desirable outcome they would be willing to accommodate.

However, for the following reasons, we do not believe North Penrith (under the current proposal) will have any real chance of securing new large corporate tenants to Penrith.

Large corporate tenants will require **certainty about the longer term ability of the site to achieve a 'corporate address'** – mixed use zoning does not provide this assurance, particularly to 'first movers'.

Following marketing exercises to identify potential office tenants, developers and investors will use the sites planning instruments to guide their understanding of the sites likely future mix of development. As office tenants prefer locations with the either the likelihood or capability of developing a 'corporate address', a mixed use zoning regime will send a signal inconsistent with this requirement.

In places like Penrith where no established office market exists - only a strong non-flexible approach to zoning will create the confidence for investors that a future 'business address' will be capable of being developed. A business park zoning is specifically required in this instance to hold the line against pressures (from Landcom) to develop the site primarily for residential purposes.

**The likely length of time for a corporate tenant to be found for the site is likely to be longer than the time within which residential development will occur.**

#### **The residential threat:**

Residential uses on the site will effectively crowd out the likelihood of office investment. Further, and as is widely accepted it will be more feasible to develop residential uses on the site in the short to medium term, whereas office investment will require a longer term approach.

The PBA has conducted an extensive amount of work to understand the opportunities to revitalise the existing centre in the short to medium term. The recent *Penrith CBD Optimisation Strategy* by MacroPlan Australia concluded that, the best option to grow the Penrith Centre in the medium term was to develop the Centre as an "Origin/Residential City Centre": Specifically,

*"As distinct from a destination centre where people travel to work, MacroPlan believes that Penrith centre should, at least initially, focus on building up its resident population base within the city centre".*

(p 42, MacroPlan 2010)

While strongly supportive of residential development in the Centre, the low scale/ low density nature of residential being proposed by Landcom will directly undermine efforts to focus demand for new housing projects in the existing centre. The residential product being proposed on North Penrith will effectively weaken any strategy to activate the existing centre through residential activity.

The residential offering being proposed on North Penrith (such as town houses, detached dwelling, loft apartments etc) will dissipate what limited residential demand

exists in the centre towards housing forms achievable on North Penrith, but not achievable in the existing centre given known development constraints.

Finally, as shown by MacroPlan Australia and Reid Campbell, residential development in the Penrith LGA of greater than 3 floors is presently unfeasible - at least in the short to medium term. Claims that the site will be successful in delivering large scale residential (say above 4 floors) is in contraction with all formal market advice. There is also no single example of a large scale residential project in the LGA.

### **Summary**

***The scale and forms of housing types proposed by Landcom will undermine our efforts to revitalise the existing centre through residential development. The proposed residential is also a poor strategic use of the land, given the number of other more suitable locations in the LGA for the forms of residential Landcom are likely to develop.***

## **2. Significant Opportunity Costs to Penrith**

As a Regional City, Penrith is expected to provide a greater proportion of jobs than other major centres. If the North Penrith site is developed primarily as a residential development, the opportunity cost in terms of potential jobs lost in Penrith will be high.

As we presented at our meeting, we view the claims by Landcom that the current North Penrith proposal will create new forms of employment for the Penrith as unlikely and even misleading.

Landcom's suggested strategy of 'holding open a dedicated site' within the development for large anchor tenants gives the appearance of a willingness to create a small business/ office precinct. However, as recent PBA consultations have indicated (see MacroPlan and other recent workshops conducted by the PBA and Council), the attraction of office investment in Penrith is likely to more than 10 years away. This information has been shared with Landcom, who would also be aware of this fact independently.

What has not been indicated in the strategy of 'holding open a site' is the timeframe Landcom is willing to wait for office investment to occur before residential uses will be pursued. Given Landcom has previously indicated a 5 - 10 year time frame for the development, this effectively rules out the likelihood of business/ office development to occur on the site.

We see view this 'strategy' as a way to appease community objections to their proposal in efforts to secure local support ahead of Ministerial consideration of the concept.

### **Summary**

***If Landcom were committed to creating significant employment opportunities on the site they would be implementing a long term approach that included;***

***working with all business and community stakeholders, seeking an appropriate planning regime, indicating a 10 year + project time frame, and they would understand and be espousing the needs of office/ business park tenants in their plans. None of which is occurring in the current process.***

### **3. Contradiction with stated State and local Government objectives**

As shown previously, there is a strong Local and State Government policy context that supports the site being considered as an employment precinct/ business park. There is also strong support for business uses from the local community, particularly the local business sector.

We view Landcoms proposal as a direct contradiction to all these policies, perhaps with the exception of it supporting, in a small way, Penrith's housing target for the CBD. However, with only 900-1000 dwellings being proposed on the site, this represents less than 10% of the CBDs required housing target for the next 20 years.

We are disappointed as to how a Government Trading Enterprise such as Landcom can develop a plan that contradicts, in such obvious ways, so many of the Governments stated planning and economic policies.

#### **Summary**

***We would seek that Council strongly urges the Minister to consider the full range of Government and Council policies that refer to North Penrith and that an open and independent strategic planning assessment of the site be conducted that reflects the opportunity the site offers, Government objectives and community aspirations, particularly those of the local business community.***

### **4. The MOU between Penrith City Council and Landcom**

As advised by Council officers, and noted in Council's Policy Committee Review Meeting Papers on the 31 January 2011, we understand an MOU between Council and Landcom will be entered into in efforts to:

*"Vigorously pursue key institutional or industry developments to locate on the North Penrith site and anchor high order employment generation on the site"*

(p 9, Policy Committee Review Meeting Papers, 31/1/11)

and that Council will,

*"Seek the commitment of the NSW Department of Industry and Investment, the Department of Premier and Cabinet and, potentially the Department of Commerce and the Metropolitan Development Authority to work with Council and Landcom to source and negotiate key anchor developments for the site".*

(Recommendation 6.3, Policy Review Committee Papers, 31/1/11)

It is disappointing that the PBA is not mentioned in the Report as an organisation that will be invited by Council to help secure anchor tenants on the site. This is despite assurances given to the PBA Board of our pivotal role in this matter.

Indeed no Penrith-based business organisation is listed as a potential partner to help secure local jobs, rather a range of State Government agencies will be relied upon to do this job. This also further indicates that community interests will not be considered in the consideration of the current plans for the site.

### **The effectiveness of the MOU**

Unless the MOU includes appropriate land uses and development time frames that permit and encourage high order employment users to develop on the site, it will not be an effective tool in attracting the type of commercial investment Council's report claims it will (such as high order employment uses).

Rather the MOU seems to provide the outward appearance of a willingness to create jobs, while providing no actual assurances that office employment will genuinely be considered or pursued by Landcom on the site.

Landcom claim to be interested in pursuing employment outcomes on the site, but after Ministerial approval is provided for the current concept plans, there will be no legal basis or guarantee they will hold out for commercial office development ahead of residential development. In fact, in our discussions with Landcom they have clearly indicated their intentions to develop the site as a "residential community, not an employment precinct".

### **Summary**

***We do not believe the MOU, as described to the PBA, will achieve employment outcomes above the absolute minimum set by the Federal Government on the site. Nor do we see the MOU as being capable of supporting residential densities above what is proven to be feasible in the current market.***

***We are disappointed in regards to why the PBA was not listed as an organisation to perform investment attraction for the site, particularly given the Charter of the PBA and its Governing Deed of Agreement with Penrith City Council.***

***The MOU must further recognise a pivotal role of the PBA in performing investment attraction to the site. It is also critical that the MOU is designed to make Landcom accountable to achieving high order jobs, and include elements that office investors will view with absolute certainty in regards to the site being capable of developing a future 'business address'.***

In summarising our views, we see the North Penrith site as having a greater purpose than currently envisaged by Landcom's plans. We understand that achieving this higher purpose may require greater efforts, but that these efforts will be in the best long term interests of the community we serve, particularly the future residents and workers of Penrith City.



More specifically, we also hope the site can play a vital and important role in reducing the number of residents (currently 52,000) who leave the City each day for work.

I trust you will view our comments as constructive attempts to support the growth of Penrith as a Regional City. I look forward to continuing to work with Council on this important matter.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Paul Brennan', with a long, sweeping horizontal stroke extending to the right.

**Paul Brennan,  
Chairman**