

26 September 2022

Mr Warwick Winn
The General Manager
Penrith City Council
PO Box 60, Penrith NSW 2751

By email: citystrategy@penrith.city.nsw.gov.au

Attention: Carlie Ryan, City Strategy Manager

Dear Mr Winn,

RE: UDIA NSW submission on the Penrith City Council St Marys Structure Plan

The Penrith City Council *draft St Marys Town Centre Structure Plan 2022* (the Structure Plan) is a vital step in driving good planning outcomes for this critical Town Centre. UDIA welcomes this opportunity to provide our comments and recommendations. As the peak industry body representing the leading participants in urban development in NSW, UDIA advocates for the creation of Liveable, Affordable and Connected Smart Cities.

While we support the Structure Plan overall, we believe that there are several issues that Penrith City Council (Council) should address to achieve a viable mixed use St Marys Town Centre (the Town Centre) with excellent amenity and good public transport access.

Background

UDIA understands that Stage 1 of the planning pathway will set a place vision, place outcomes and strategic and spatial directions so that St Marys continues to evolve as a welcoming, sustainable strategic centre that meets the changing needs of the community. Stage 2 will focus on the Master Plan to refine the Structure Plan directions and inform potential planning control amendments.

These planning policies should help this critical strategic centre in Greater Western Sydney (GWS) emerge as a key transit interchange that will connect the Sydney Rail Network to the new Western Sydney Airport Metro (WSAM) in 2026. In accordance with UDIA's NextGen West advocacy program in collaboration with Business Western Sydney, we support a greater diversity of jobs in GWS that are near where people live. We also support a supply of diverse housing to address the housing affordability issue.

NSW is facing a dire housing shortage, with the vacancy rate reaching record lows as the supply of new homes is restricted by the planning system and poor coordination of enabling infrastructure (Refer to **Table 1**).

Table 1 - Vacancy rates across Greater Sydney

Region	Vacancy Rate
Eastern Suburbs	1.4%,
Parramatta	1.1%,
Western Sydney	1.2%,
Sydney Region	1.3%

It is imperative that Council works to fully maximise housing opportunities in the Town Centre to achieve the planning directions in the *Western City District Plan, 2018 (Greater Sydney Commission)* and *Outcome 4 – Offer inclusive and diverse housing for all*, of the Structure Plan.

The St Marys Town Centre

From a review of key planning documentation and the recent presentation by Council to UDIA on the draft Structure Plan, we have identified the following issues that affect the Town Centre, from which to inform our submission and provide our key recommendations.

- The centre is divided into retail and open space uses on the southern side of the station and industrial with pockets of residential on the northern side;
- That most retail activity occurs on the southern side of the station;
- That there is an oversupply of shopper car parking along Gidley Street and Carinya Avenue, provided at ground level car parks;
- Older style housing mostly dominates the surrounds of the Town Centre to the northeast of the station, which includes older housing on large residential blocks and older government housing to the southeast of the station, which is owned by Land and Housing Corporation (LAHC);
- The station interchange has bus access to the north and south sides of the station; and
- There is very limited housing choice, with some residential redevelopment starting to occur close to the station.

Our Submission Recommendations

Council should:

- 1) Incentivise developers to invest in the St Marys Town Centre to achieve the delivery of mixed-use residential sites.**
- 2) Review the amount of car parking in the St Marys Town Centre with a view to provide mixed residential uses at redundant car park sites.**
- 3) Partner with State Government landowners to achieve major site redevelopment for mixed residential uses.**
- 4) Collaborate closely with industry on implementation of the St Marys Structure Plan, Master Plan, and any necessary changes to planning provisions.**
- 5) Apply the recommendations in the UDIA NSW *Urban Renewal and Precincts Delivery Report 2022*, to the precinct planning of the St Marys Town Centre.**

Commentary

Detailed commentary in support of our recommendations is provided below:

Recommendation 1) Incentivise developers to invest in the Town Centre to achieve the delivery of mixed-use residential sites.

Existing land use provisions that allow high density residential development (Zone B4 Mixed Use and R4 High Density Residential Development) under the *Penrith Local Environmental Plan 2010* have only

generated a small amount of redevelopment in the St Marys Town Centre. This is because of a general preference for detached dwellings in GWS (*UDIA Home Purchase Sentiment Survey 2021*) and a decline in apartment investment and approvals since 2016 (*UDIA Apartment Supply Pipeline Report, 2021*).

UDIA believes that Council needs to apply incentives that encourage redevelopment for mixed residential uses, comprising commercial ground floor with residential above. Options to investigate include:

- Planning provisions that encourage site amalgamations through floor space ratio (FSR) bonuses for key sites;
- Design competitions that provide additional FSR for key sites;
- Rezoning the R2 Residential zone to the northeast of the Station, which contains older style housing on large land blocks (> 600 sqm);
- Providing a fast-track approval process for major Town Centre development; and
- Limiting the application of voluntary planning agreements which require significant negotiation during drafting and can also be resource intensive and time consuming.

Recommendation 2) Review the amount of car parking in the St Marys Town Centre with a view to provide mixed residential uses at redundant car park sites.

UDIA is aware that Council owns a significant amount of land in the Town Centre that is presently used for at-grade car parking. These car park areas are unsightly and there appears to be an oversupply of shopper car parking currently servicing the Town Centre.

Council should review the current amount of car parking in the Town Centre with a view to lessen the number of car parking sites and to reuse that land for mixed residential uses. This could occur especially at those Council-owned sites classified as “operational” under the *NSW Local Government Act 1991*.

This would provide additional vibrancy in the Town Centre, with increased walking and cycling, that would be further enhanced through site links to retail, public domain, and transport services. This will help achieve the Council’s objective of “*create a series of high-amenity and interconnected open spaces with a diverse activity offering*”.

Recommendation 3) Partner with State Government landowners to achieve major site redevelopment for mixed residential uses.

There predominance of State Government landowners in the Town Centre, including LAHC and Sydney Metro, which provides an opportunity for site-based redevelopment for mixed residential uses. This could occur either on residue Sydney Metro land near the Station Interchange or as part of the LAHC estate to the southeast of the station. In accordance with the principle “*governments can act as catalyst for investment*”, Council should partner with LAHC and/or Sydney Metro to achieve site-based redevelopment proposals for mixed residential uses and greater housing choice in the Town Centre, which can be delivered in partnership with the development industry.

Recommendation 4) Collaborate closely with industry on implementation of the St Marys Structure Plan, Master Plan, and any necessary changes to planning provisions.

Industry collaboration is critical to achieving a robust Structure Plan. We have often seen instances where a lack of collaboration has created problems with infrastructure coordination, poorly drafted planning provisions and a lack of commitment to planning outcomes.

The implementation of the updated Structure Plan provides an opportunity to combine the shared knowledge of land and urban development, from both government and private sector stakeholders, through active participation in the delivery of outcomes. This “partnership approach” has proven to be successful in the development of the growth precincts at Green Square, Edmondson Park and Shell Cove and can only help Council achieve their planning vision for the Town Centre.

Recommendation 5) Council to apply our recommendations in the UDIA NSW *Urban Renewal and Precincts Delivery Report, 2022* to the planning of the St Marys Town Centre.

Precinct planning and urban renewal is an opportunity to deliver great places with housing, social and community infrastructure, transport services and public open space. However, it is well known that the processes for the planning and delivery of precincts and urban renewal sites throughout NSW are too slow and often fail to adequately address the housing shortage.

UDIA understands the difficulties of Town Centre precinct development and in our “*Urban Renewal and Precincts Delivery Report, 2022*,” (refer to <https://63lh534dvlp1yhism1o3ds2k-wpengine.netdna-ssl.com/wp-content/uploads/Urban-Renewal-and-Precincts-Paper.pdf>), we identified that precinct planning issues are complex and varied, with each Town Centre precinct being unique and subject to their own context and community expectations. Collectively these can result in delays and a slow-down of development.

As the leading planning and delivery agency in the St Marys Town Centre, Council needs to focus on the following issues:

- Coordination between government agencies;
- Early and ongoing collaborative stakeholder engagement; and
- The use of project management techniques to manage the process.

Conclusion

Overall, we support the St Marys Structure Plan and along with our suggested recommendations, we believe that there is a great opportunity to develop a mixed use Town Centre with a varied housing mix, quality public domain and good access to transport. With this Structure Plan, Council needs to address the housing shortage through planning incentives and working with key landowners that leads to site based redevelopment and greater housing choice in the Town Centre.

Thank you again for the opportunity to provide our submission on the draft Structure Plan. UDIA looks forward to continuing to work with Penrith City Council and we seek an opportunity to engage with you further on this key project.

Should you have any further questions or to arrange a meeting, please contact David White, GWS and South Regional Manager on 0415 914 612 or dwhite@udiansw.com.au

Kind Regards,



Steve Mann
Chief Executive
UDIA NSW