

3 August 2021

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

Via citystrategy@penrith.city

Penrith Draft Employment Lands Strategy June 2021

Dear Mr Winn,

The Urban Development Institute of Australia NSW (UDIA) is the leading industry body representing the interests of the urban development sector and has over 500 member companies in NSW. UDIA NSW advocates for the creation of liveable, affordable, and connected smart cities.

We welcome the opportunity to provide comment on the Draft Penrith Employment Lands Strategy and are encouraged by the Council and community choice to prioritise growth of the local economy, attract investment to the city and ensure a greater number of diverse jobs and businesses can be located closer to Penrith's growing population.

We further commend your acknowledgement that employment generation needs to be supported throughout your local government area and not only focus on the future Aerotropolis or Mamre Road precincts. We strongly believe this is a sound approach that will support resilient and diversified local jobs in the immediate future, prior to the regionally significant precincts being realised in the decades to come.

UDIA also supports your target of between 85,000 and 109,000 new jobs within the local government area. While this target is aspirational, we believe the Draft Strategy is supported by sound evidence and has practical and realistic actions which can make this happen.

While UDIA supports the intent of the Draft Strategy there are areas where we believe it could be improved to ensure that the desired outcomes are achieved.

In this regard UDIA recommends:

- 1. The Draft Strategy should seek to further support mixed-use development on employment lands. This is consistent with the desire to have resilient and productive retail, commercial and industrial lands creating vibrant precincts, with a sense of place and connection for the community and the green grid.**
- 2. Residential development should be considered where it is complementary to the employment focus, and it supports improved viability and social outcomes having regard to impacts and risk, especially flood risk.**
- 3. The focus for existing industrial and commercial areas should not be 'protection' but rather on planning for their desired future strategic outcome. The plan should reframe**

this objective to focus on outcomes and not outdated naming conventions or historical conflicts.

- 4. The Draft Strategy should identify how existing employment lands will be transitioned to the new Employment Zone Framework including where opportunities exist to transition underutilised industrial land to a productivity support or mixed-use zone.**
- 5. Industrial lands should be re-evaluated once the Greater Sydney Commission has undertaken a review of its industrial lands policy in accordance with the Productivity Commission's recommendations and that any outcomes be incorporated into a revised strategy.**

This submission has chosen to comment only on sections of the Draft Strategy or policy areas where the UDIA believes there are opportunities for improvement or significant concerns which warrant immediate attention.

Mixed Use Development

UDIA strongly supports mixed use development as a means of delivering productive employment lands while supporting viability. Mixed use development supports vibrancy and improved amenity on a site or within an area or broader precinct creating a sense of place for workers, residents and visitors. The Draft Strategy highlights the desire to improve amenity and vibrancy within employment lands and mixed-use development is an opportunity to deliver upon this intent. UDIA NSW strongly recommends that Council investigate and support opportunities for mixed use development through zoning, land use permissibility and facilitatory development controls.

Changing business practices and technology are reducing the environmental impacts once associated with certain land uses. This is resulting in the organic operation of once competing land uses within the same area, a point which is highlighted within the Draft Strategy. Council is encouraged to support businesses to locate on land which they deem fit to support their successful operation. Outdated concepts of competing lands uses should be reassessed as impacts can be managed appropriately to provide a safe and productive environment with high amenity and vibrancy.

Implementation of the New Employment Zone Framework

The Draft Strategy is silent on the introduction of a new employment zone framework which was exhibited by the NSW Department of Planning Industry and Environment (DPIE) in May 2021. The introduction of the new framework will have significant impact on the realisation of the priorities and actions outlined within the Draft Strategy. Council should identify how existing zones will transition to the new framework and deliver on their desired strategic intent.

The intent of the Draft Strategy to provide greater flexibility on employment lands aligns neatly with that of DPIE's Employment Zone Framework and there are significant opportunities to deliver improved productivity and place outcomes. Council should consider opportunities to transition away from overly restrictive zones to more flexible zones such as mixed use.

GSC Review of the Retain and Manage Industrial Lands Policy

The Greater Sydney Commission (GSC) has been tasked with undertaking a review of its existing retain and manage industrial lands policy to determine if greater public benefit could be delivered to the community through an amended or new policy. UDIA views the existing policy as restrictive and at odds with the intent to support productive and vibrant employment lands. Council should ensure that the outcome of this review is incorporated immediately into a revised strategy to ensure that any public benefits can be delivered to the community without delay.

Land Supply and Zoning Mix

Industrial Land

The Strategy identifies that 96% of Penrith's Industrial Land stock is zoned IN1 General Industrial and recognises that this broad application has risks. The new Employment Zone Framework recently exhibited by DPIE recognised that this zone has had inconsistent application across Local Environmental Plans and has charged Councils with applying zones, which truly support the existing and desired strategic intent of the land.

The examples used within the draft Strategy of an auto repairer in Jamisontown in close proximity to dance schools, reflects an outdated view of land use conflict and separation. There are many instances throughout Sydney and NSW where auto repair shops are located within or close to residential neighbourhoods and operate successfully, supporting the community without undue risk or impact to residents. In fact, this co-location supports a more resilient and vibrant community in line with the intent of the Draft Strategy.

Business Land

The Draft Strategy notes that as of January 2021, B7 Business Park zone makes up 13% of the overall employment land stock in Penrith. It further acknowledges that the uptake of land in Business Parks has been extremely slow since at least 2016. This is consistent with the view of DPIE and their new Employment Zone Framework which removes a standalone zone for business parks and rather looks for this land to transition to a more flexible productivity support zone or mixed-use zone. It is noted that Action 9 under the Draft Strategy considers light industrial as an appropriate zone to act as a buffer for industrial areas. UDIA would encourage Penrith to consider transitioning this land to a more flexible land use zone, which maintains the strategic intent of the zone, but provides greater flexibility and vibrancy.

Market Trends

Industrial

The Draft Strategy states that "in the Penrith LGA, 17% of all industrial floor space is occupied by non-traditional users, and in Jamisontown alone, 57% of all industrial floor space is occupied by non-traditional users". This is consistent with trends throughout greater Sydney and reflects the changing nature of employment lands and contemporary business models. Rather than seeking to restrict these new uses which are creating jobs and supporting the community, Penrith is encouraged to consider supporting improved outcomes through greater flexibility for permissible land uses and/or rezoning the land to a more facilitatory employment zone.

The Draft Strategy recognises that greater flexibility on industrial lands may be required to allow new hybrid boutique food and beverage manufacturers which combine retail, wholesale and services in the one location. This should be a key consideration when seeking to rezone land or draft new development controls.

Enabling Flexibility in the Planning Framework to Allow for Innovation

It is commendable for the Draft Strategy to acknowledge that greater flexibility can bolster underutilised employment land and further support the desired employment and productivity outcomes. As stated above Council should consider opportunities to rezone land to accommodate this. Local provisions such as the requirement for ground or first floor commercial, as implemented by Penrith Council, can be successful mechanisms to retain the intent of the zone, while bolstering

feasibility and improving flexibility, vibrancy and amenity. Council should seek to promote flexibility through zoning and land use permissibility and deliver strategic intent through other available planning mechanisms such as local provisions.

The Draft Strategy acknowledges the changing nature of employment and increase in flexible work arrangements, including work from home as a result of the COVID-19 pandemic. Flexible zoning and development controls can further support employment, by planning for diverse precincts where people can live, work and play.

Strategic Directions and Actions

The directions and actions within the Draft Strategy are appropriate and supported by UDIA. There are however opportunities to make the actions more specific and measurable. This would give greater certainty to industry that the intent of the strategy will be delivered and not lead to another round of studies and long-drawn-out planning processes.

For example, Action 4 - Identifying and advocating for upgrades to the State arterial road network upgrades to improve access to the future Western Sydney Freight Line and intermodal terminals, would benefit from stating the advocacy actions that will be undertaken and timeframes for this to be done. This would enable industry to support Council to undertake the advocacy actions and deliver beneficial outcomes.

Action 9 - Considering zoning for more light industry for low impact businesses near centres and as a buffer between residential and industrial areas, would also benefit from more specificity. Committing to a timeframe for when a review of permitted uses across areas will be undertaken will provide much more confidence to industry that this Action will eventuate, and that rezoning's will occur where benefits have been identified.

Conclusion

UDIA NSW is encouraged by the intent of the Draft Strategy and commend Penrith City Council for its desire to facilitate more flexible employment lands within their LGA. We look forward to continuing to work with Council to support improved outcomes for your employment lands and across NSW.

Yours sincerely,



Steve Mann
Chief Executive
UDIA NSW