

**Submission
No 157**

INQUIRY INTO DEVELOPMENT OF THE TRANSPORT ORIENTED DEVELOPMENT PROGRAM

Organisation: Penrith City Council

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Our reference: InfoStore
Contact: Carlie Ryan
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28 March 2024

Sue Higginson MP
Chair – Portfolio Committee No. 7
Inquiry into Development of the Transport Oriented Development Program

Sent via online portal:

Dear Chair

**Submission in response to the Inquiry into the Development of the
Transport Oriented Development Program**

Thank you for the opportunity to provide formal submission in response to the Inquiry into the Development of the Transport Oriented Development Program.

Our submission was endorsed by Council at its Ordinary Meeting on 25 March 2024 and is attached for your consideration.

If you have any questions about this matter, please contact me at
or on .

Yours sincerely

Carlie Ryan
City Strategy Manager

Attachments:

1. Penrith City Council's endorsed Submission in response to the NSW Government's Transport Oriented Development Program

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Submission

Parliamentary Inquiry into the development of the Transport Oriented Development Program

March 2024

Penrith City Council welcomes the NSW Government's Parliamentary Inquiry into the development of the NSW Government's Transport Oriented Development Program (TOD) and makes this submission in line with the Terms of Reference as they relate to Council.

Whilst we appreciate the Government's aim to leverage Sydney's transport networks for increased housing supply, certain aspects of the development of the TOD Program are concerning. The proposed SEPP in particular pre-empts Council's established strategic planning framework and may jeopardise the long-term vision for St Marys.

This submission is to be read in conjunction with Council's detailed submission to the NSW Department of Planning, Housing and Infrastructure (DPHI) outlining potential issues related to the applicability and implications of the proposed TOD SEPP for the St Marys Town Centre (copy attached). That submission asks:

- *That Council's St Marys 2041 strategic planning pathway be recognised as the appropriate pathway to deliver the Government's TOD objectives, including additional dwelling capacity within 400m radius of the station.*
- *That St Marys be removed from the list of 31 'tier two' stations to which the SEPP will apply, pending Council's Town Centre Master Plan and implementation of a considered place-based response to the land use outcomes in this locality.*
- *That the application of the TOD SEPP not apply to the MUI Zone to ensure St Marys achieves a balance of jobs and housing in support of its role as a strategic centre in Western Sydney.*
- *That the Government facilitate early development of State Government owned sites in St Marys to stimulate redevelopment in the Town Centre.*

In addition, this submission requests the Legislative Assembly Committee on Planning and Environment undertaking the Inquiry to consider the following:

Established strategic planning frameworks

Council acknowledges the Government's ambition to leverage Sydney's transport networks to increase housing supply. However, the introduction of the TOD SEPP which overrides Council's local planning controls, is being pursued in a manner that pre-empts Council's strategic planning for St Marys and will place the long-term vision for the town centre at risk. There is also concern that Part 2 of the TOD Program, including St Marys, pre-empts the NSW Government's own commitment to deliver planning and land-use reforms that will make housing supply more responsive to demand over time.

There needs to be greater recognition of local strategic plans that already address the intent of the proposed reforms. To this end, Council's own land use strategies support increased density in close proximity to high amenity areas with good access to public transport, with the intent to boost housing supply, diversity and affordability. With regard to

St Marys, Council is currently undertaking a nuanced, evidence and place-based approach (St Marys 2041) to ensure growth occurs that is supported by infrastructure.

St Marys 2041: Strategic planning model

In 2021, Council commenced St Marys 2041 – a proactive strategic planning response to position St Marys as a strategic centre in Western Sydney, leveraging opportunities created by the Western Sydney International Airport and its direct link to St Marys via a station on the Sydney Metro – Western Sydney Airport line. Following extensive community engagement, a Structure Plan was endorsed in late 2022 and a Master Plan is on track for public exhibition later this year.

We ask that the TOD Program and proposed SEPP gives recognition to allowance for, significantly progressed local strategic planning. The top-down approach by Government of imposing planning controls pre-empts Council's St Marys 2041 strategic planning model and may jeopardise the long-term vision for St Marys.

Council wants to work with government to progress the St Marys 2041 model to deliver a nuanced, evidence and place-based approach to ensure growth occurs that is supported by infrastructure. Council would like to continue working with Government as we replicate the planning model in other centres in the fullness of time.

Station selection and infrastructure to support growth

The TOD Program should be driven by fully integrated economic, social and environmental vision and objectives contained in regional, district and local strategic land use plans. The TOD Program should equally prioritise liveability and affordability, maintain robust planning processes and ensure that local councils and communities are consulted so that development responds to local context.

The selection of stations for the TOD Program on the basis of “enabling infrastructure capacity close to transport stations” assumes that the housing supply will be supported by existing infrastructure already embedded in the town centres. However, through our work on the Structure Plan and Master Plan, Sydney Water has not yet been able to confirm plans to service growth in St Marys beyond what is already planned.

‘Enabling infrastructure’ is more than just water and wastewater capacity, which appear to be the only infrastructure assessed to inform the Program. Through its work on St Marys 2041, Council is undertaking a comprehensive infrastructure assessment beyond water and wastewater, considering stormwater, transportation, and social infrastructure including open space. Our expectation is that State Planning policies should replicate this same level of infrastructure provision and that selection of sites for the TOD SEPP would be grounded in evidence that considers these matters.

Collaboration and consultation

The proposed TOD SEPP will have significant implications for parts of St Marys and Council's development of a Master Plan for the town centre. However, the document describing the proposed changes does not contain sufficient detail for Council Officers to fully understand and respond to changes. Furthermore, the timeframe for implementation (April 2024) does not enable Council sufficient time to comprehensively respond to the TOD Program – ie. propose an alternative strategy through its Master Plan. We welcome the

opportunity to work with Government to deliver a comprehensive planning model for St Marys that takes into account the necessary infrastructure to meet growth.

Council's St Marys Town Centre Structure Plan was developed through extensive community consultation and has established an ongoing Collaboration Group including several state agencies, including the Department of Planning, Housing and Infrastructure, that continues to provide input to the Master Plan. This established and ongoing forum is a model of effective information-sharing and risk mitigation that could have helped inform the TOD Program if it was made aware.

It is essential that the NSW Government works in collaboration with local councils and communities to deliver nuanced, place-based approaches to transport oriented development, founded in evidence and linked to infrastructure delivery.

Infrastructure to support growth

The TOD SEPP is underscored by the assumption that the housing supply will be supported by existing infrastructure already embedded in the town centre. However, as noted above, the only 'enabling infrastructure' assessed appears to be water and wastewater capacity. Council's work on the St Marys Structure Plan and Master Plan has highlighted that existing stormwater and wastewater infrastructure does not have any capacity beyond existing zoned land.

Significant intersection upgrades would also be required to manage the impacts of the scale of density enabled by the proposed TOD SEPP in the current R2 Zone to the west of the station. Furthermore, new and upgraded open space and social infrastructure would be required to meet the needs of the additional population.

Transport oriented development is more than just a planning response. Increasing housing supply is an infrastructure issue, requiring commitment and funding by Government. Council emphasises the importance of collaboration between Councils and State Government to appropriately deliver the TOD Program, including addressing infrastructure gaps identified in the local planning process.

Local infrastructure funding

Support for densification, especially from the community, is reliant on the provision of adequate infrastructure. There has been no background data on the infrastructure assessments undertaken for the TOD SEPP provided to Council. The review and preparation of contributions plans relies on extensive supporting documentation and a fully costed works program with demonstrable nexus to the increased demand.

Council does not currently have a suitable contributions framework in place to support growth in St Marys if the TOD SEPP is successful in generating development. Council does not have a Section 7.12 plan in place for St Marys. There is a 7.11 plan for regional/local open space and community infrastructure. If the TOD SEPP is successful in delivering housing beyond what is already planned, Council will not be able to capture any contributions towards matters such as roads and stormwater infrastructure. It is premature of Government to 'upzone' land without a suitable contributions framework in place to support the anticipated growth.

Council's work towards the Master Plan includes consideration of an Infrastructure Delivery

Plan and Funding Strategy that describes the infrastructure requirements to support the planned growth and outlines approaches to funding and sequencing. A contributions plan will be prepared as part of Council's planning package to implement the Master Plan.

The success of TOD Program will rely on adequate infrastructure, supported by a robust contributions framework. The NSW Government must ensure local councils have the necessary plans in place to capture contributions for infrastructure improvements.

Jobs for local residents

Transport oriented development is not just about housing, its jobs too. A key objective of Council's strategic framework is to focus new housing in transit-oriented neighbourhoods within walkable catchments of existing and planned rail stations in order to maximise access to jobs and services. Council is committed to ensuring that as much as possible, housing and jobs are inextricably linked through strategic planning.

The introduction of the TOD reforms, while not proposing to rezone employment land, appears to prioritise only housing and does not enable Council to support jobs growth or carry out detailed planning to ensure that the land use planning framework around the St Marys town centre is orientated towards providing jobs to support the growing population. As an example, Council may seek to introduce a mixed-use zone for St Marys with minimum commercial floor space requirements as a result of detailed planning analysis. If the reforms enable the rapid residential development of town centres, there is a risk that land that could have been used to create vibrant and activated town centres with a land use mix will be lost to dormitory residential suburbs focused on commuters.

Council emphasises the importance of a balanced focus on housing and job creation for vibrant communities. The TOD Program should integrate job-oriented planning to ensure sustainable growth. Council is committed to local job creation aligned with housing growth.

Focus on Government owned opportunity sites

Early intervention is needed to ensure a balance of jobs, amenity and infrastructure for the community. The TOD Program presents an opportunity to direct focus towards State Government owned opportunity sites for housing and jobs to stimulate collaborative growth.

The TOD SEPP should adopt a holistic 'centres approach' and direct Government focus towards Sydney Metro opportunity sites for housing and jobs to stimulate collaborative growth. This site currently occupied by Metro represents a significant opportunity to realise not only housing, but also create a focal point for the town centre, with local amenities, activation and through site links. The success of these initial projects could establish market confidence that incentivises other landowners to redevelop.

A pipeline of housing

Addressing the housing crisis needs a deliverable pipeline of housing, in the right places at the right time. Penrith has a significant pipeline of housing and is undertaking extensive strategic work to inform this growth. Council is keen to ensure this pipeline responds to the need for additional growth in the right locations, at the right time. Planning changes should

align with local needs and strategic growth plans. A phased approach and detailed planning analysis are crucial for successful outcomes.

Proposed TOD SEPP

The proposed one-size-fits-all approach to transport oriented development does not respond to the unique and specific contexts of town centres, and in the case of St Marys where existing controls already in place largely exceed the TOD SEPP, the program will have limited benefit. Levers beyond height and FSR need to be considered to catalyse development.

Council is also concerned with the inability to 'wind back' the planning controls within the TOD SEPP once they are put in place may further limit the viability of land use outcomes by artificially raising expectations regarding development outcomes.

The blanket approach of the TOD SEPP needs refinement to address unique town centre contexts. Our built form modelling indicates potential issues with the proposed controls in St Marys, necessitating a more nuanced approach to achieve desired outcomes. A flexible approach to planning controls within the TOD SEPP is needed, allowing adjustments based on local conditions, site constraints, and built form modelling outcomes.

We ask that the TOD Program and proposed SEPP gives recognition to allowance for, significantly progressed local strategic planning. The top-down approach by Government of imposing planning controls pre-empts Council's St Marys 2041 strategic planning model and may jeopardise the long-term vision for St Marys.