

## Clause 4.6 Variation Request

Proposed Serviced Apartments, Ground Floor Commercial Tenancies and  
Basement Carparking  
21-25 Woodriff Street, Penrith

September 2018

Astina Apartments



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## 1 Introduction

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The NSW planning system provides flexibility in planning controls by providing the ability for a council to vary development standards in certain circumstances.

Stimson & Baker Planning has been engaged by Astina Apartments to prepare a request to vary two development standards in respect of its proposed serviced apartment building at 21-25 Woodriff Street, Penrith. The proposal is currently being assessed by Penrith City Council and this request accompanies amended plans that have been separately submitted to Council.

The amended plans propose a breach in the *height of building* and *floor space ratio* development standards and this submission aims to address those aspects of the application.

The proposed breach in height is considered to be minor, with only those parts of the building located on the roof extending beyond the LEP height limit. These areas relate to common areas, a conference room, a gym and a swimming pool – all being amenities and facilities offered for the use of guests of the serviced apartment building.

The breach in floor space ratio arises because of a recently approved subdivision undertaken on the site by Council. At the outset it is noted that when the Development Application was lodged, the floor space ratio was compliant.

It is considered there are sufficient environmental planning grounds to support the variations. These include the proposal earning a waiver from the Architectural Design Competition from the NSW Government Architect thus demonstrating that design excellence could be achieved, the development provides for a surplus of parking on the site, additional off site parking will be provided as a result of the development with Council having the option to retain this if so required, and the development directly responds to an identified need for the Penrith LGA in terms of short stay accommodation – this being identified in the Council's own Synopsis Report for the Short Term Commercial Accommodation Study.

## 2 Variation Consideration

The NSW Land and Environment Court has resolved a number of matters that have guided the way in which requests to vary development standards are to be considered by the consent authority.

### 2.1 NSW Land and Environment Court: Case Law (tests)

The key elements are outlined below.

#### Winten v North Sydney Council

The decision in *Winten v North Sydney Council* established the basis on which the former Department of Planning and Infrastructure's Guidelines for varying development standards was formulated.

The questions that needed to be considered included:

- Is the planning control in question a development standard?
- What is the underlying object or purpose of the standard?
- Is compliance with the development standard consistent with the aims of the Policy, and in particular does compliance with the development standard tend to hinder the attainment of the objects specified in section 5(a)(i) and (ii) of the EP&A Act?
- Is compliance with the development standard unreasonable or unnecessary in the circumstances of the case (and is a development which complies with the development standard unreasonable or unnecessary in the circumstances of the case)? and
- Is the objection well founded?

#### Wehbe v Pittwater [2007] NSW LEC 827

The decision in *Wehbe v Pittwater [2007] NSW LEC 827* expanded on the findings in *Winten v North Sydney Council* and established a five (5) part test to determine whether compliance with a development standard is unreasonable or unnecessary considering the following questions:

- Would the proposal, despite numerical non-compliance be consistent with the relevant environmental or planning objectives;
- Is the underlying objective or purpose of the standard not relevant to the development thereby making compliance with any such development standard is unnecessary;
- Would the underlying objective or purpose be defeated or thwarted were compliance required, making compliance with any such development standard unreasonable;
- Has Council by its own actions, abandoned or destroyed the development standard, by granting consents that depart from the standard, making compliance with the development standard by others both unnecessary and unreasonable; or
- Is the "zoning of particular land" unreasonable or inappropriate so that a development standard appropriate for that zoning was also unreasonable and unnecessary as it applied

to that land. Consequently, compliance with that development standard is unnecessary and unreasonable.

*Four2Five Pty Ltd v Ashfield Council [2015] NSW LEC*

In the matter of *Four2Five Pty Ltd v Ashfield Council [2015] NSW LEC*, it was found that an application under Clause 4.6 to vary a development standard must go beyond the five (5) part test of *Wehbe v Pittwater [2007] NSW LEC 827* and demonstrate the following:

- Compliance with the particular requirements of Clause 4.6, with particular regard to the provisions of subclauses (3) and (4) of the LEP;
- Whether there are sufficient environment planning grounds, particular to the circumstances of the proposed development (as opposed to general planning grounds that may apply to any similar development occurring on the site or within its vicinity);
- That maintenance of the development standard is unreasonable and unnecessary on the basis of planning merit that goes beyond the consideration of consistency with the objectives of the development standard and/or the land use zone in which the site occurs; and
- All three elements of clause 4.6 have to be met and it is best to have different reasons for each but it is not essential

*Moskovich v Waverley Council [2016] NSWLEC 1015*

The court further reflected on the recent Four2Five decisions and noted:

- Clause 4.6(3)(a) is similar to clause 6 of SEPP 1 and the *Wehbe* ways of establishing compliance are equally appropriate. One of the most common ways is because the objectives of the development standard are achieved.
- Whereas clause 4.6(4)(a)(ii) is worded differently and is focused on consistency with objectives of a standard. Consequently, a consideration of consistency with the objectives of the standard required under clause 4.6(4)(a)(ii) to determine whether non-compliance with the standard would be in the public interest is different to consideration of achievement of the objectives of the standard under clause 4.6(3).
- The written request should address the considerations in the granting of concurrence under clause 4.6(5).



**2.2 What is the name of the environmental planning instrument that applies to the land?**

Penrith Local Environmental Plan 2010.

**2.3 What is the zoning of that land?**

The subject site is zoned B4 Mixed Use.

**2.4 What are the objectives of the zone?**

- *To provide a mixture of compatible land uses.*
- *To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.*
- *To minimise conflict between land uses within the zone and land uses within adjoining zones.*
- *To create opportunities to improve public amenity.*
- *To provide a wide range of retail, business, office, residential, community and other suitable land uses.*

The proposed development is consistent with the objectives in that:

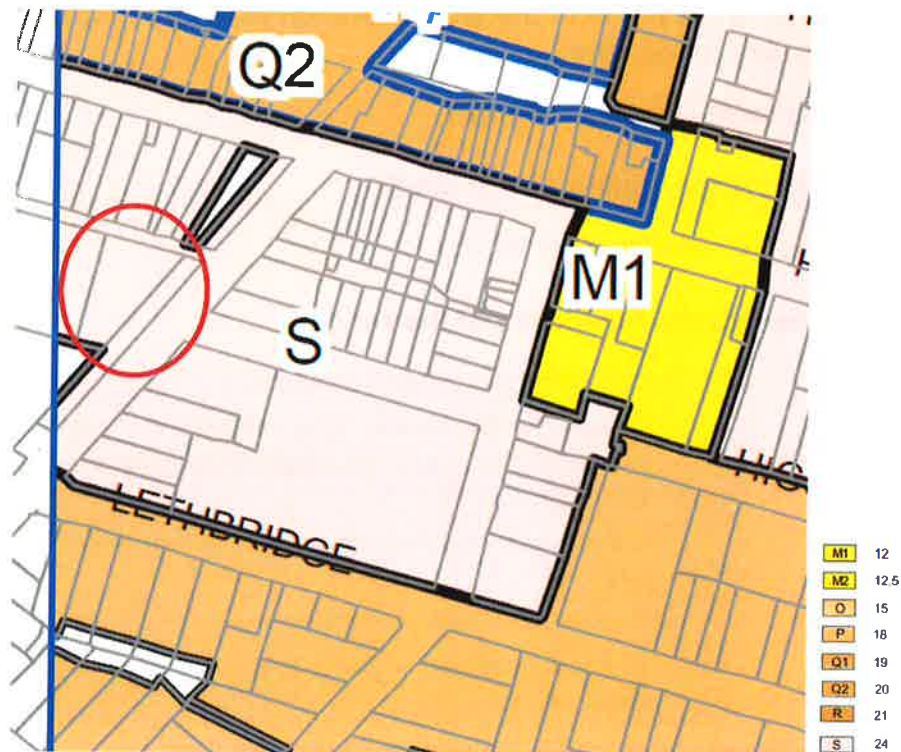
- The proposal provides for a mix of land uses, being serviced apartments and ground floor commercial/retail tenancies.
- The location of the proposal is an accessible position within close proximity to transport options and within walking and cycling distances of many services and facilities.
- The development has been designed to minimise conflict between itself and adjoining land uses.
- Landscaping proposed as part of the development will significantly improve the visual amenity of the locality. Activation of the street frontage will also be a result of the development.
- The proposal represents a suitable development from a land use perspective in this location of the Penrith CBD.

**2.5 What is the development standard being varied?**

Height of Building and Floor Space Ratio

**2.6 Under what clause is the development standard listed in the environmental planning instrument?**

Clause 4.3 Height of Building.



Clause 4.4 Floor Space Ratio.





## 2.7 What are the objectives of the development standard?

Clause 4.3 Height of Building objectives include:

- (a) *to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of the locality,*
- (b) *to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development and to public areas, including parks, streets and lanes,*
- (c) *to minimise the adverse impact of development on heritage items, heritage conservation areas and areas of scenic or visual importance,*
- (d) *to nominate heights that will provide a high quality urban form for all buildings and a transition in built form and land use intensity.*

Clause 4.4 Floor Space Ratio objectives include:

- (a) *to ensure that buildings are compatible with the bulk and scale of the existing and desired future character of the locality,*
- (b) *to minimise the adverse impact of development on heritage conservation areas and heritage items,*
- (c) *to regulate density of development and generation of vehicular and pedestrian traffic,*
- (d) *to provide sufficient floor space for high quality development.*

## 2.8 What is the numeric value of the development standard in the environmental planning instrument?

The maximum building height is 24m. The maximum floor space ratio is 3:1.

## 2.9 What is proposed numeric value of the development standard in your development application?

The proposal exceeds the building height at varying heights across the building to accommodate the design and to fully utilise the building envelope.

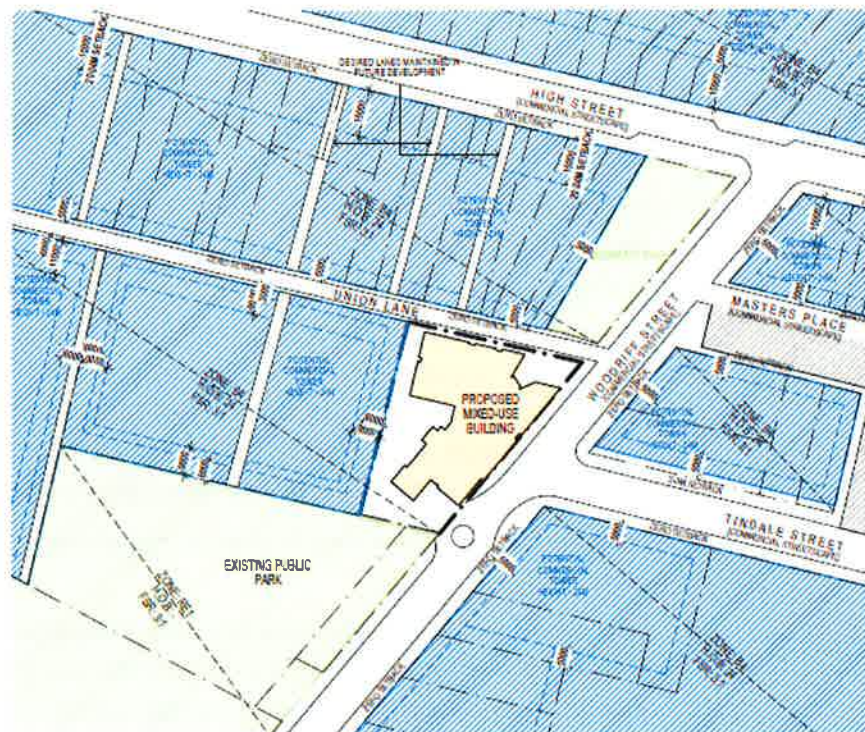
The top of the rooftop structures exceeds the 24m height limit by 2.3m, while the tallest (lift) element exceeds the limit by 3.2m, being 27.2m.

The proposed FSR is 3.31:1 (based on a current site area of 2,471sqm, and final GFA of 8,191.29sqm).

## 2.10 What is the percentage variation (between your proposal and the environmental planning instrument)?

The maximum variation to the height of building control (top of lift) is 13.3%. The variation to the FSR control is 10.3%.





**SITE CONTEXT & ZONING DIAGRAM - FUTURE**  
1:1000

- The proposal does not impact on the visual amenity, reduces views or minimises loss of privacy or solar access.
- There is no heritage item on the site.
- The proposal provides a high quality urban form and provides a building that can contribute to a varying skyline given the recent increase in height limit in this area.
- The high-quality form of the proposal has been supported through the waiving of an Architectural Design Competition (see attached Design Competition Waiver from the NSW Government Architect). The development is able to achieve design excellence.
- It is unreasonable to apply the height limit across the site in this case as the proposal does not impact on the visual amenity nor does it reduce views or minimises loss of privacy or solar access. The orientation of the building, the stepping of the building and façade treatment minimises shadow impacts with the majority of the shadow falling on car park or open space to the south.
- The proposed development meets the objectives of the zone and the height of building clause, it contributes to the provision of necessary land uses within the Penrith City in locations in close proximity to services and facilities.

Given the spatial context of the building, the proposed encroachment will not present as a perceptible element. It is considered that the proposal is in the public interest and strict compliance with the standard in this instance is both unreasonable and unnecessary.

### 2.11.2 Floor Space Ratio

Strict compliance with the FSR control is both unnecessary and unreasonable in the circumstances of this application. It is unnecessary because of the same reasons cited for the breach of height limit;

- The proposal does not impact on the visual amenity, reduces views or minimises loss of privacy or solar access.
- There is no heritage item on the site.
- The proposal provides a high quality urban form and provides a building that can contribute to a varying skyline given the recent increase in height limit in this area.
- The high quality form of the proposal has been supported through the waiving of an Architectural Design Competition (see attached Design Competition Waiver from the NSW Government Architect). The development is able to achieve design excellence.

Requiring compliance would be unreasonable based on the history of the site area. In this regard the following is noted.

- When lodged, the site area was indicated by the architect as being 2,732sqm. With some 8,391sqm of GFA being proposed, the resultant FSR was 3.07:1. It is noted that the current GFA proposed of 8,179.01sqm would have resulted in an approximate compliant FSR of 3:1.
- The site area had been determined by Council through the acquisition process.
- At the time Council indicated they wished to proceed with the subdivision, and based on their draft subdivision plan, 8,092sqm of GFA was proposed on a proposed site area of 2,583sqm, the resultant FSR being 3.13:1.
- The Council proceeded with the subdivision, despite the proponent's requests to wait for the DA to be finalised, with a further reduced site area of 2,471sqm. The resultant FSR has now been calculated as being 3.31:1.
- Of particular interest is the version of the proposal that was approved by the Government Architects Office for the Design Competition Waiver, which based on the original site area of 2,732sqm, proposed an FSR of 3.1:1. The Design Competition Waiver was awarded on that scheme.



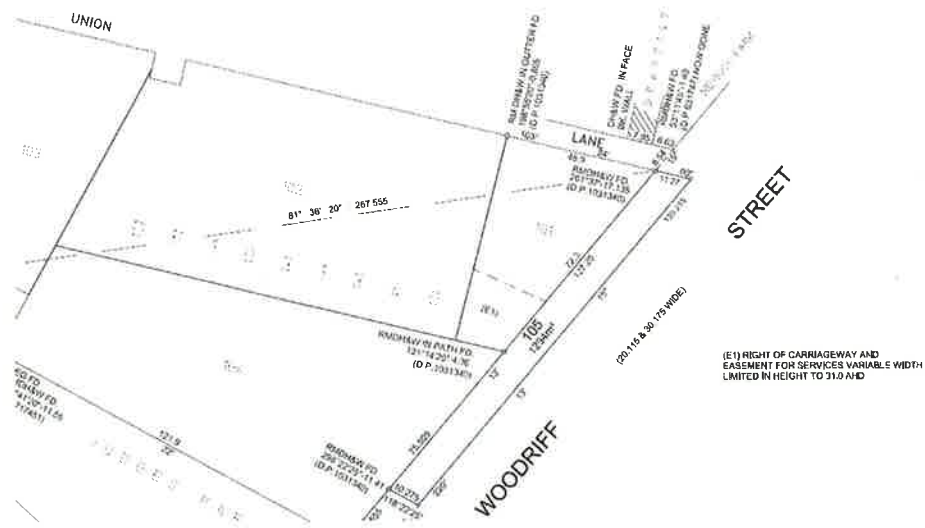


Figure 3 Site Survey at time of DA lodgement

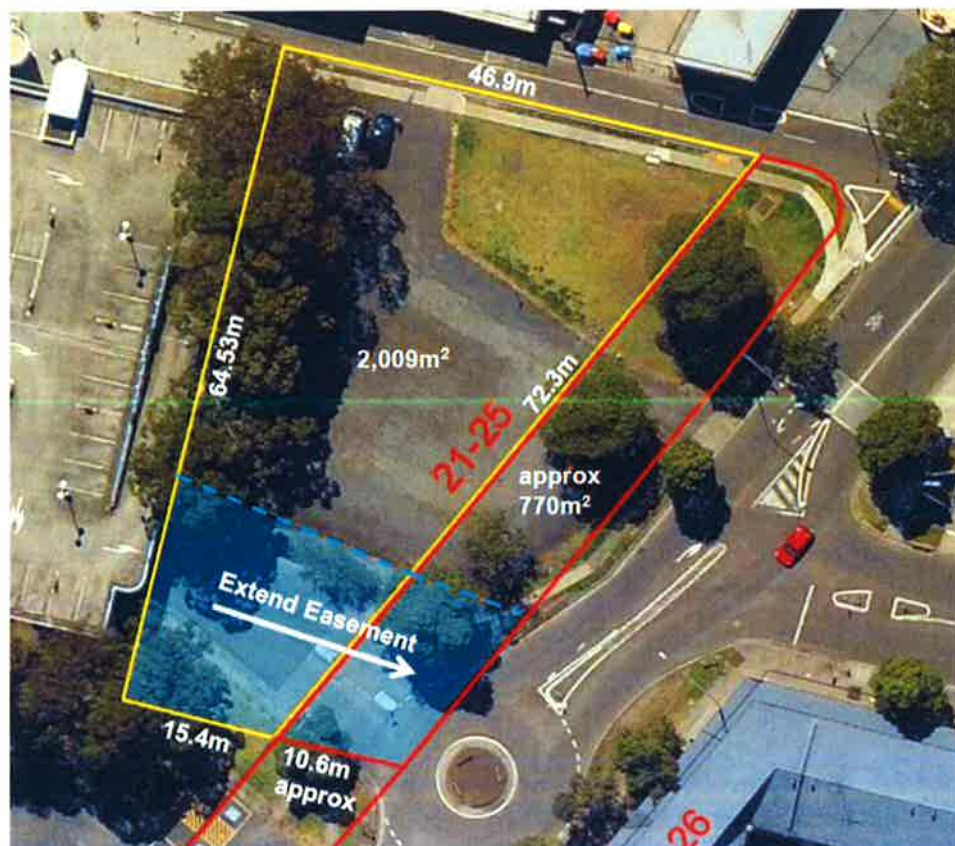


Figure 4 Original property dimensions provided by Council



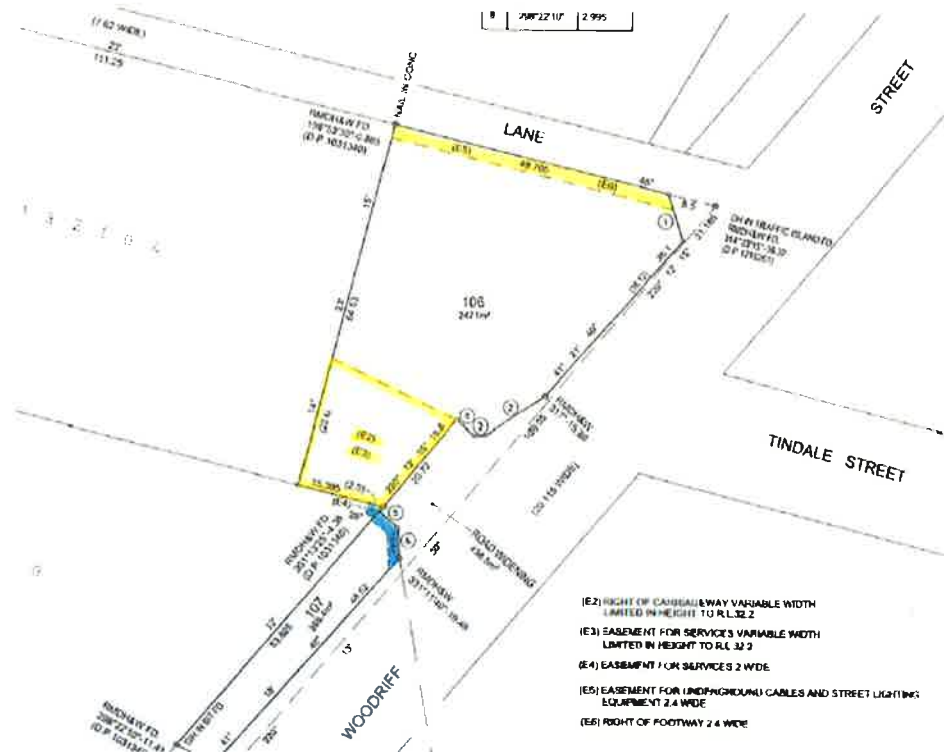


Figure 5 Current site survey (showing final site boundary locations)

The final design of the proposed building that was acceptable to all relevant parties (UDRP, Council assessment staff at the time) has a GFA of 8,179.01sqm. On the original site area, as noted above, it would have been a complying FSR at 3:1. It is submitted that requiring compliance with the FSR standard is simply unreasonable given the current site area was determined by Council part way through the assessment process, and after the design and size of the building had been negotiated. The final site area determined by Council allows for areas of land that would have otherwise been required to be dedicated to Council post-consent (ie corner splay and splays around the entry to the existing roundabout), land that would have reasonably been considered as part of 'the site' in any other scenario. To require the proponent to redesign the development on this issue at this point in the process would result in considerable financial impact for the proponent and jeopardise the viability of the project, without any discernible improvement on the built outcome.

## 2.12 How would strict compliance hinder the attainment of the objects specified in Section 5(a)(i) and (ii) of the Act?

Section 5(a)(i) and (ii) of the *Environmental Planning and Assessment Act 1979* provide:

*The objects of this Act are:*

(a) to encourage:

- (i) the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water,

- cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
- (ii) the promotion and co-ordination of the orderly and economic use and development of land,*
  - (iii) the protection, provision and co-ordination of communication and utility services,*
  - (iv) the provision of land for public purposes,*
  - (v) the provision and co-ordination of community services and facilities, and*
  - (vi) the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
  - (vii) ecologically sustainable development, and*
  - (viii) the provision and maintenance of affordable housing, and*
  - (b) to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
  - (c) to provide increased opportunity for public involvement and participation in environmental planning and assessment.*

It is submitted that the height encroachment still maintains an appropriate bulk and scale, and also maintains the objectives of the clauses within the LEP that relate to the zone and the height of building. The objects of the Act are not hindered through the proposed variation being supported.

Complying with the height will not alter the outcome in relation to visual bulk, scale, amenity and solar access and it is considered the proposal provides a good planning outcome. To require compliance with the height limit, an entire level of apartments would need to be deleted.

It is against the objects of the Act and not in the public interest to comply with the 24m height limit as this would not be orderly and economic use of the land and its would reduce the opportunity for short stay accommodation in close proximity to service and facilities, Penrith City Centre and employment opportunities. The height encroachment is considered to be imperceptible in the context of the overall development and surrounding locality.

Similarly, full compliance with the FSR would not result in any discernible outcome on the built form or amenity of the project.

## **2.13 Is the development standard a performance-based control?**

No, they are prescriptive.

## **2.14 Would strict compliance with the standard, in your particular case, would be unreasonable or unnecessary?**

### **2.14.1 Height of Building**

Strict compliance with the standard in this particular case is unreasonable and unnecessary as the variation sought as part of this development application is considered appropriate in the context and setting of the site. The proposed development meets the objectives of the zone, it meets the

objectives of the height of buildings clause and it is considered that the objectives of the Act would not be undermined by supporting the variation.

It is submitted that the development standard is unnecessary given the negligible resultant environmental impacts arising from the proposal, and is unreasonable given the numerous benefits that the development as proposed would bring to the City of Penrith, over a strictly compliant development.

In supporting the variation, it is noted that the public interest is retained in that some key objectives of the planning controls have been achieved as a result of the development. Those include:

- Connection to Memory Park
- Building Alignment to existing context - Preparing for future context and potential neighbouring buildings
- Active Street Frontages - Bringing the scale of the building down and focusing on the human scale
- Connectivity to the Laneway and reactivation through pathways through the site
- Extensive landscaping throughout
- Minimal Shadow Impacts as it has predominately car parking and open space to the south
- Positioning of that part of the building above the height limit to the northern part of the floor plate

### 2.14.2 Floor Space Ratio

Requiring compliance would be unreasonable based on the history of the site area. In this regard the following is noted.

- When lodged, the site area was indicated by the architect as being 2,732sqm. With some 8,391sqm of GFA being proposed, the resultant FSR was 3.07:1. It is noted that the current GFA proposed of 8,179.01sqm would have resulted in a compliant FSR of 3:1.
- The site area had been determined by Council through the acquisition process.
- At the time Council indicated they wished to proceed with the subdivision, and based on their draft subdivision plan, 8,092sqm of GFA was proposed on a proposed site area of 2,583sqm, the resultant FSR being 3.13:1.
- The Council proceeded with the subdivision, despite the proponent's requests to wait for the DA to be finalised, with a further reduced site area of 2,471sqm. The resultant FSR has now been calculated as being 3.31:1.
- Of particular interest is the version of the proposal that was approved by the Government Architects Office for the Design Competition Waiver, which based on the original site area of 2,732sqm, proposed an FSR of 3.1:1. The Design Competition Waiver was awarded on that scheme.

The final design of the proposed building that was acceptable to all relevant parties (UDRP, Council assessment staff at the time) has a GFA of 8,179.01sqm. On the original site area, as noted above, it would have been a complying FSR at 3:1. It is submitted that requiring compliance with the FSR standard is simply unreasonable given the current site area was determined by Council part way through the assessment process, and after the design and size of the building had been negotiated. The final site area determined by Council allows for areas of land that would have otherwise been required to be dedicated to Council post-consent (ie corner splay and splays around the entry to the existing roundabout), land that would have reasonably been considered as part of 'the site' in any other scenario. To require the proponent to redesign the development on this issue at this point in the process would result in considerable financial impact for the proponent and jeopardise the viability of the project, without any discernible improvement on the built outcome.

## **2.15 Are there sufficient environmental planning grounds to justify contravening the development standard?**

There are a number of positive environmental planning grounds that arise as a result of this development, and specifically the breach in the height limit, as follows.

1. The development has been granted a waiver from an architectural design competition by the NSW Government Architects Office. In specific reference to the height limit breach, the following was noted:

*The building height above the allowable building envelope is limited to approximately half of the rooftop and is only marginally visible from street level. The proposed building height is compatible with the desired future height, scale and bulk of surrounding development. It also does not reduce views, result in loss of privacy or adversely affect solar access to neighbouring sites.*

In providing this advice the NSW Government Architects Office recognises both the negligible impacts that are unlikely to arise as well as the quality of the design process that has been followed to date. The advice is appended to this submission.

2. The proposal results in a surplus of on site parking for the various land uses. We calculate a parking demand of 65 spaces (1/accommodation unit, 1/100sqm commercial GFA, 1/30sqm retail GFA) with some 58 being provided. These are detailed in the accompanying plans.
3. The proposal requires temporary access and parking arrangements adjacent to the site and the existing Council parking areas. The proponent, in conjunction with Council staff, have identified an appropriate method of managing traffic and parking throughout the construction period – this obviously being paid for and delivered by the proponent. The wider community benefit of this is that Council will have an option, once the development is completed, to retain these additional spaces and reconfigured car park. Despite the site being identified as a development site for some years it currently accommodates casual public parking that will be displaced as a result of the development. The additional off site parking provided by the proponent will benefit the Council and the community is they are to be retained.

4. In 2016, Penrith Council produced a Synopsis Report for the Short Term Commercial Accommodation Study. It provided the following comments in relation to demand for short term accommodation in the City.

In terms of an existing accommodation audit it noted:

- *the under representation of various forms of accommodation in Penrith and potential for new product;*
- *in Penrith, whilst motels are also the most common form of accommodation (44%), caravan parks are the second most common form of accommodation (22%); and*
- *the vast majority of accommodation appears to be at 3 - 3.5 star quality rating or lower.*

In terms of demand it noted:

- *During periods of peak visitation, there is inadequate overnight accommodation capacity. This is particularly the case during major sporting events, conferences etc.*
- *There is currently a preference by operators to introduce mid-range 3-star commercial accommodation to hit a price point in the market which is seen to be more competitive and which matches many current visitor market needs.*
- *There is significant growth potential in sporting-based events and activities. Because of the lack of accommodation, many sporting event visitors either stay out of the region or travel back and forth to Penrith over competition days.*
- *There is significant growth occurring in the Penrith health and wellbeing sector, including expanded hospital facilities. Penrith is recognised as the health hub for greater western NSW.*
- *Western Sydney University is also growing, with major education and technology-based development potential.*
- *The development of Western Sydney Airport<sup>4</sup> (as Sydney's second international airport) could present further growth potential for Penrith (through strong road and rail links) as an airport accommodation precinct and adventure - entertainment hub.*
- *There is benefit for Penrith acting as an overnight commercial accommodation hub for day visits into the Blue Mountains and into the surrounding Hawkesbury area as well for various food and wine tours, equine events etc.*
- *There is interest from existing adventure and activity operators in Penrith (such as iFLY, Cables, Penrith Whitewater Stadium) and others to package up their*
- *various products. This will necessitate developing two days or more of activity experiences and will require more commercial overnight accommodation capacity.*
- *The business and meetings market are looking for new locations where there are recreational facilities to be used and not too far from the Sydney CBD.*

In specific reference to serviced apartments, it noted:



### **Hotels/Serviced Apartments**

*Whilst mid-range hotel and serviced apartment facilities importantly fill a gap in the market, there is a need to support higher quality hotel rooms and serviced apartment facilities to help grow different visitor markets than those which are visiting currently.*

*The conference, Meetings, Incentive, Conventions and Exhibitions (MICE) and functions/events market, for example, are often higher spending and, if facilities are offered to meet these niche market needs (e.g. four star), there is potential to grow this market niche more strongly and quickly.*

The key findings of the Study concluded:

- *Though the focus is clearly the Penrith local government area (LGA) the potential exists for Penrith to act as a short-term commercial accommodation hub for visits into the Blue Mountains and into the surrounding Hawkesbury area as well as for the Penrith LGA.*
- *Penrith's largest accommodation property is the Mercure Hotel, which has 216 rooms. It is the largest property (by number of rooms) across the neighbouring Hawkesbury and Blue Mountains LGAs as well.*
- *The vast majority of accommodation appears to be at 3-3.5 star quality rating or lower.*
- *A number of properties utilise an unofficial self-rating assessment which anecdotal feedback suggests may be higher than what would be given if an official rating was to be applied.*
- *Whilst mid-range hotel and serviced apartment facilities currently fill an important niche in the market mix, every effort should be undertaken to support higher quality hotel and serviced apartment facilities which can help stimulate higher yielding visitor markets than those which are visiting currently.*
- *The location of Penrith to quality recreational sites in the Blue Mountains, the Nepean River catchment, and the neighbouring Hawkesbury area, as well as its potential easy access to the proposed Western Sydney Airport, make Penrith a particularly compelling location for an accommodation precinct which can support a wider region.*

There is no doubt this proposal will result in a significant contribution to the City's identified shortage of short term accommodation. Whilst other serviced apartment buildings have been approved in Penrith, it is likely given the clients existing presence in the City that this will be the first to be constructed, particularly in the Penrith CBD. The additional overnight visitors will greatly contribute to Penrith's night time economy and provide substantial street activation within the central CBD location. These significant benefits justify the relatively minor breach in height and the resultant additional accommodation.

The Study is appended to this submission.

### 3 Specific consideration of cl4.6(4) of Penrith Local Environmental Plan 2010

A recent decision of the NSW Land and Environment Court (*Initial Action Pty Ltd v Woollahra Municipal Council*) further clarified the correct approach to the consideration of Clause 4.6 requests. This included clarifying that the Clause does not require that a development that contravenes a development standard must have a neutral or better environmental planning outcome than one that does not.

Clause 4.6 of a standard instrument LEP permits a consent authority to grant development consent for development that would contravene a development standard where the consent authority is satisfied that:

- cl4.6(4)(a)(i): a written request from the applicant adequately demonstrates that compliance with the development standard is unreasonable or unnecessary (cl4.6(3)(a)), and that there are sufficient environmental planning grounds to justify the contravention (cl4.6(3)(b)), and
- cl4.6(4)(a)(ii): the proposed development will be in the public interest because it is consistent with the objectives of the development standard and the objectives for development within the relevant zone.

To clearly consider this case and its applicability to the proposed development, the clauses have been tabulated below, and considered against the above Court case, the proposal, and this very submission.

Penrith Local Environmental Plan 2010	21-25 Woodriff Street, Penrith
(4) Development consent must not be granted for development that contravenes a development standard unless:	
(a) the consent authority is satisfied that:	
(i) the applicant's written request has adequately addressed the matters required to be demonstrated by subclause (3), and	<p>Subclause (3) requires the following to be demonstrated for the purposes of this consideration:</p> <p>(a) that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case, and</p> <p>(b) that there are sufficient environmental planning grounds to justify contravening the development standard.</p> <p>In respect of the <b>floor space ratio</b> variation, the reasons why compliance is unreasonable or unnecessary are provided in Section 2.11.2.</p> <p>In respect of the <b>height of building</b> variation, the reasons why compliance is unreasonable or unnecessary are provided in Section 2.11.1.</p> <p>We also note that the objectives of the standards have been achieved notwithstanding the non-compliance with those standards (<i>Wehbe v Pittwater Council</i>) as follows:</p>

#### Floor Space Ratio

- The proposed building is compatible with the scale and bulk of the desired future character of the locality as demonstrated in the accompanying architectural plans.
- There will be no negative impacts on the heritage item to the north (Memory Park), indeed Council feedback to date is that the function and design of the proposed development complements this public space.
- The density of development and traffic/pedestrian generation is not considered to be excessive, and this has never been raised by Council throughout its assessment as an area of concern.
- The proposed development is able to achieve design excellence, as evidenced by the Government Architect's Office Design Competition Waiver, and the support received from Council's own Urban Design Panel.

#### Height of Building

- The height, bulk and scale of the proposal is consistent with that of the desired future character of the locality, as demonstrated in the accompanying architectural plans.
- There will be no loss of views to or from public areas, nor any loss of solar access. The presence of this building will result in a positive visual element in the Woodriff Street streetscape, and it is also considered that its design and function will contribute positively as a 'bookend' element to Memory Park.
- There will be no negative impacts on the heritage item to the north (Memory Park), indeed Council feedback to date is that the function and design of the proposed development complements this public space.
- The height proposed is considered to result in a building that will present as a high-quality architectural element in this locality, represents a scale and bulk generally consistent with the desired future character.
- The proposed development is able to achieve design excellence, as evidenced by the Government Architect's Office Design Competition Waiver, and the support received from Council's own Urban Design Panel.

The objective of each of the development standards can be satisfied through this development as proposed.

It follows that this aspect of Clause 4.6 has been satisfied.

As to there being 'sufficient environmental planning' grounds to justify the variation, the focus of cl 4.6(3)(b) is on the aspect or element of the development that contravenes the development standard, not on the development as a whole, and why that contravention is

justified on environmental planning grounds. In this context the following is submitted in relation to the two development standards:

#### Floor Space Ratio

The position we submit has been (we believe) adequately presented in section 2.11.2 of this report. Put simply, the site area when the DA was lodged was 2,732sqm and the development as proposed now (in terms of GFA) would have had a compliant FSR of 2.99:1. The subsequent reduction in site area by the Council, including areas of the site that would otherwise normally be dedicated post approval (corner and roundabout splays), has directly resulted in the non-compliance now present. We believe that we have adequately addressed this matter.

#### Height of Building

The position we submit has been (we believe) adequately presented in sections 2.11.1 and 2.15 of this report. In summary, strict compliance of the development standard would limit the amount of much needed short-term accommodation for the City (as detailed in the appended Study) which is economically negative for the wider region. The benefits outweigh the non-compliance, noting the non-compliance is limited to small areas of the buildings roof, and there being no perceptible impacts arising as a result. We also note the ability for the proposal to achieve design excellence as demonstrated by the Government Architect's Office Design Competition waiver, and the positive comments from Council's own Urban Design Panel. We believe that we have adequately addressed this matter.

(ii) *the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out, and*

The proposed development is consistent with both the development standards that are proposed to be varied, as well as the objectives of development in the zone. The development is therefore in the public interest (see para 27 of the judgement).

(b) *the concurrence of the Secretary has been obtained.*

Penrith Council to obtain concurrence.

Given the assessment above, it is considered the Clause 4.6 is well founded and can be supported in the context of this most recent court case.

## **4 Conclusion**

---

This submission provides the required form requesting a variation to the height of building development standard within the LEP. It is considered that the proposed variation is warranted, and that the development as proposed provides a better planning outcome as detailed in this request.

Compliance with the development standard in relation to the maximum height of building control is unnecessary and unreasonable in the circumstances of this development and there are sufficient planning grounds to justify the variation. It satisfies the consideration required under Clause 4.6 of the LEP and can be supported on that basis.





## Appendix A

Architectural Design Competition Waiver



Office of the  
Government  
Architect

Level 24, 320 Pitt Street  
Sydney NSW 2000  
T 02 9373 2819

Nominated Architect Peter Poulet ARN 5754

Mr Warwick Stimson  
Director  
Stimson and Baker Planning  
PO Box 1912  
Penrith NSW 2751

Dear Warwick,

**DESIGN EXCELLENCE COMPETITION REQUEST FOR WAIVER  
21-25 WOODRIF STREET, PENRITH**

I refer to your letter of 20 October 2016, seeking a waiver for the design excellence competition requirement for a proposed development at 21-25 Woodriff Street, Penrith.

I have considered your request for exemption, the accompanying drawings prepared by architects Morson Group, Statement of Environment Effects and the letters from the Penrith City Urban Design Review Panel. In this instance I consider it suitable to waive the design competition requirement, pursuant to Clause 8.4 of the Penrith Local Environmental Plan 2010. Consideration of the following matters led to this decision:

- It is a mixed use building with retail/commercial on the ground floor and greatly needed short term accommodation above.
- The building height above the allowable building envelope is limited to approximately half of the rooftop and is only marginally visible from street level. The proposed building height is compatible with the desired future height, scale and bulk of surrounding development. It also does not reduce views, result in loss of privacy or adversely affect solar access to neighbouring sites.
- The floor space above FSR allowable is minimal and achieves efficient planning and good amenity for users
- The proposal has received qualified support from the Penrith City Urban Design Review Panel
- A design review approach has been proposed in lieu of a design competition

In granting this exemption it is requested that development application approval be conditioned to ensure that the serviced apartments are not converted to residential apartments. Furthermore that all recommendations of the Penrith City Urban Design Review Panel are acted upon.

I also require that the Penrith City Urban Design Review Panel continue to review the project. This is consistent with the approach taken for other similar requests across NSW. It is proposed that the Panel's role in ensuring design excellence for the project would continue up to completion of construction to ensure the issues and recommendations of the Panel are taken into account in the design development, detailed design (including materials and finishes) and in the delivery of the project. To this end, it is imperative that the design team (Morson Group) maintains an ongoing role throughout the project. All costs of the Panel to be borne by the developer.

I note also that future requests for waiver will be required to provide evidence of the reputation of the nominated architects in delivering buildings of the highest quality.

Should you have any further enquiries about this matter, I have arranged for Olivia Hyde to assist you. She can be contacted by email at [olivia.hyde@planning.nsw.gov.au](mailto:olivia.hyde@planning.nsw.gov.au)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Poulet', with a stylized, flowing script.

Peter Poulet  
NSW Government Architect

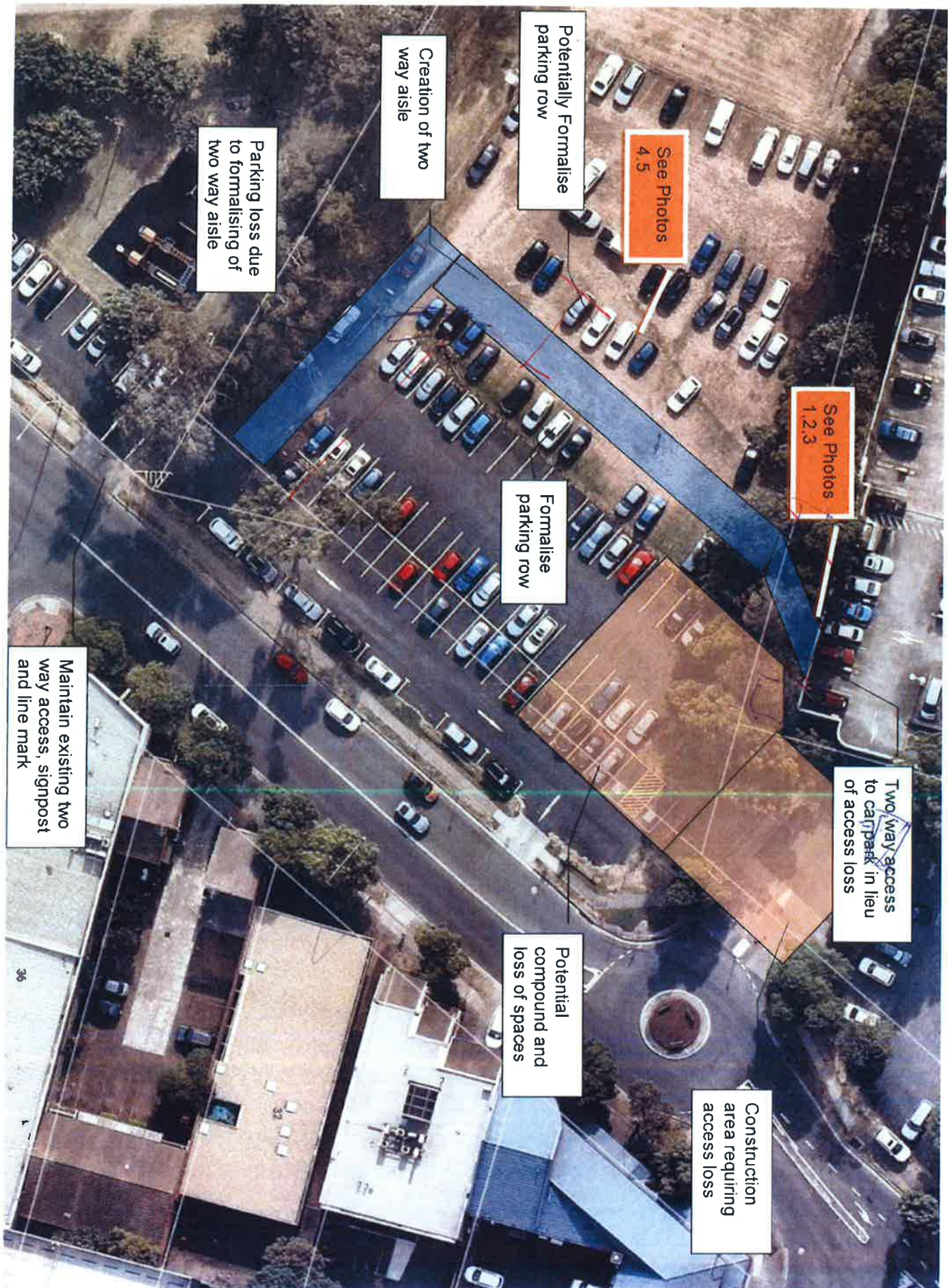
Date: 5<sup>th</sup> December, 2016



## Appendix B

Alternative Access Arrangements and Additional Public Car Parking





See Photos  
4.5

See Photos  
1.2.3

Two way access  
to carpark in lieu  
of access loss

Construction  
area requiring  
access loss

Potential  
compound and  
loss of spaces

Formalise  
parking row

Potentially Formalise  
parking row

Creation of two  
way aisle

Parking loss due  
to formalising of  
two way aisle

Maintain existing two  
way access, signpost  
and line mark

36

37



## Rebecca Sherman

---

**From:** Michael Alderton <Michael.Alderton@penrith.city>  
**Sent:** Monday, 25 July 2016 5:11 PM  
**To:** Warwick Stimson  
**Cc:** Cindye Russell  
**Subject:** Engineering Comments - Woodriff Street - Traffic Diversion Plan  
**Attachments:** JudgesPlaceCarParkAdjustments.pdf  
  
**Categories:** Email and Attachment to Client File

Dear Warwick

Please find attached a draft mark up for your consideration. As I understand at this stage, your proposal is still preliminary and subject to a formal offer to Council, including time frames and scope of work.

I am happy to discuss this further with the view of formalising the proposal in the near future.

Please feel free to call to discuss.

Regards

Michael Alderton  
Development Engineering Coordinator

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**PENRITH  
CITY COUNCIL**



**From:** Warwick Stimson [mailto:[warwick@stimsonandbaker.com.au](mailto:warwick@stimsonandbaker.com.au)]  
**Sent:** Sunday, 10 July 2016 9:23 PM  
**To:** Michael Alderton  
**Subject:** FW: Woodriff - Traffic Diversion Plan

Gday Mick, as per our recent discussions, please find attached proposed plan re the Woodriff St/Judges Place car park temporary entry. Can you please review and provide comments/markups if required?

Thanks in advance.  
Warwick

**Warwick Stimson**  
Director



Stimson & Baker Planning  
Suite 5, 488 High Street, Penrith  
108 Brisbane Street, Tamworth

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**From:** Elliot Oxley [<mailto:elliott@morsongroup.com.au>]

**Sent:** Friday, July 8, 2016 5:32 PM

**To:** Warwick Stimson <[warwick@stimsonandbaker.com.au](mailto:warwick@stimsonandbaker.com.au)>; Natasha Baker <[natasha@stimsonandbaker.com.au](mailto:natasha@stimsonandbaker.com.au)>; Peter Morson <[peter@morsongroup.com.au](mailto:peter@morsongroup.com.au)>

**Subject:** Woodriff - Traffic Diversion Plan

Warwick,

Please see the attached traffic/car parking plan.

Feel free to provide feedback and recommendations. If we need any changes made before you present to council, I can attend to them on Monday.

Kind Regards,

**Elliot Oxley**  
Graduate Architect

**Office:** 02 9380 4946  
**Address:** Suite 13.02, 66 King Street, Sydney, NSW 2000  
**Postal:** Po Box 170, Potts Point, NSW 1335

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NOMINATED ARCHITECT: P ■ Morson (8100)

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**From:** Michael Alderton  
**To:** [Warwick Stimson](#)  
**Cc:** [Cindy Russell](#)  
**Subject:** Engineering Comments - Woodriff Street - Traffic Diversion Plan  
**Date:** Monday, 25 July 2016 5:10:53 PM  
**Attachments:** [image001.jpg](#)  
[image002.jpg](#)  
[image015.png](#)  
[image016.jpg](#)  
[image017.png](#)  
[image018.jpg](#)  
[JudgesPlaceCarParkAdjustments.pdf](#)

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Please feel free to call to discuss.

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**Michael Alderton**  
Development Engineering Coordinator

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image



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**Warwick Stimson**  
Director



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<[natasha@stimsonandbaker.com.au](mailto:natasha@stimsonandbaker.com.au)>; Peter Morson <[peter@morsongroup.com.au](mailto:peter@morsongroup.com.au)>

**Subject:** Woodriff - Traffic Diversion Plan

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Kind Regards,

**Elliot Oxley**  
Graduate Architect

**Office:** 02 9380 4946  
**Address:** Suite 13.02, 66 King Street, Sydney, NSW 2000  
**Postal:** Po Box 170, Potts Point, NSW 1335

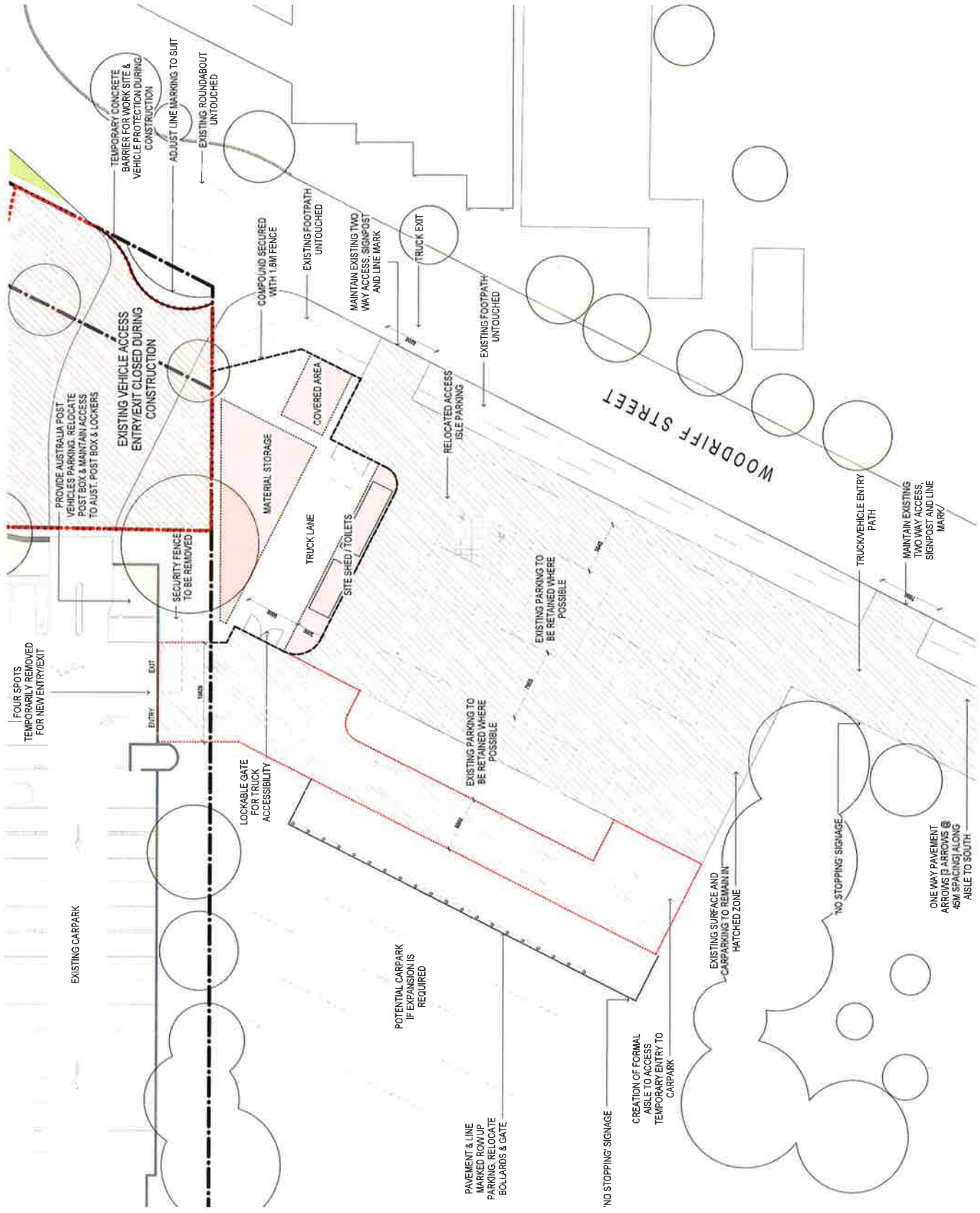
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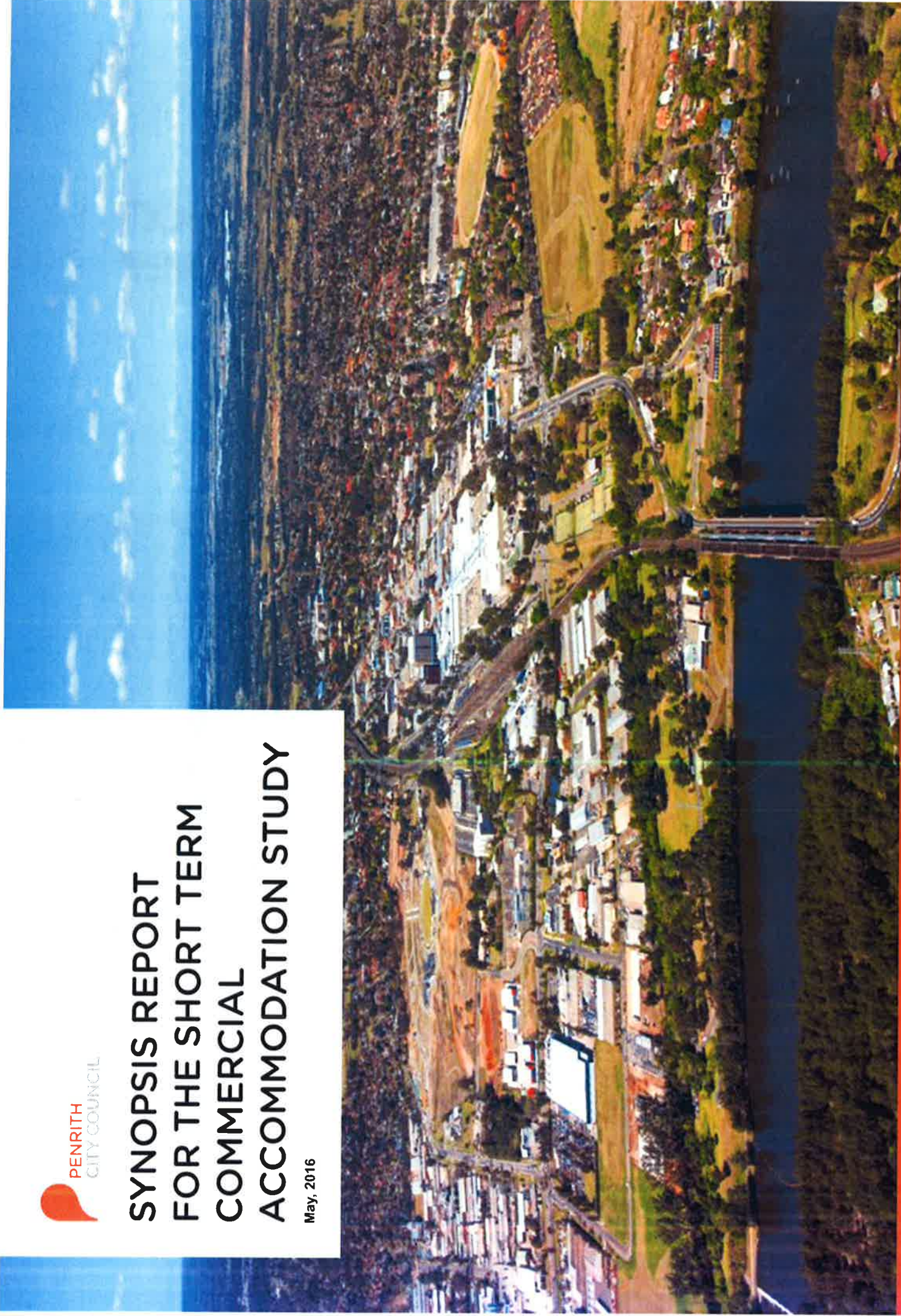
## Appendix C

PCC Synopsis Report for the Short Term Commercial Accommodation Study



# SYNOPSIS REPORT FOR THE SHORT TERM COMMERCIAL ACCOMMODATION STUDY

May, 2016







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# INTRODUCTION

## 1.1. PROJECT OVERVIEW

The Stafford Group (The Group) was commissioned by Penrith City Council (Council) to undertake a Feasibility Study to support short-term commercial accommodation in Penrith. The purpose of the Feasibility Study was primarily to assess market demand for investment and to identify mechanisms to help encourage appropriate development to occur.

## 1.2. KEY FINDINGS

The following are the key findings from the research, analysis and consultation undertaken.

- Though the focus is clearly the Penrith local government area (LGA) the potential exists for Penrith to act as a short-term commercial accommodation hub for visits into the Blue Mountains and into the surrounding Hawkesbury area as well as for the Penrith LGA.
- Penrith's largest accommodation property is the Mercure Hotel, which has 216 rooms. It is the largest property (by number of rooms) across the neighbouring Hawkesbury and Blue Mountains LGAs as well.
- The vast majority of accommodation appears to be at 3-3.5 star quality rating or lower.
- A number of properties utilise an unofficial self-rating assessment which anecdotal feedback suggests may be higher than what would be given if an official rating was to be applied.
- Whilst mid-range hotel and serviced apartment facilities currently fill an important niche in the market mix, every effort should be undertaken to support higher quality hotel and serviced apartment facilities which can help stimulate higher yielding visitor markets than those which are visiting currently.
- The location of Penrith to quality recreational sites in the Blue Mountains, the Nepean River catchment, and the neighbouring Hawkesbury area, as well as its potential easy access to the proposed Western Sydney Airport, make Penrith a particularly compelling location for an accommodation precinct which can support a wider region.





# TOURISM IN PENRITH



## 2.1. A SNAPSHOT OF PENRITH

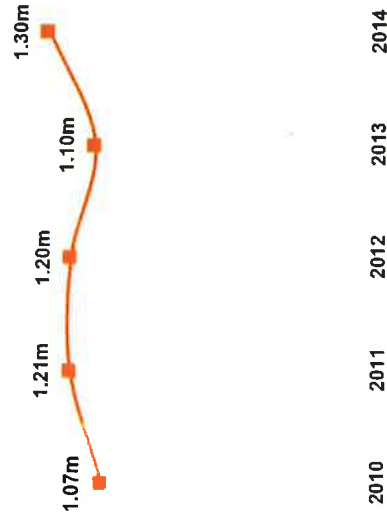
Penrith LGA, situated in Western Sydney, has a population of just over 190,000. The LGA is one of the main service centres of greater western Sydney, providing a range of amenities, jobs, services and infrastructure to a wider catchment of over 500,000 residents. Penrith LGA is well recognised as one of the major growth centres in Western Sydney.

Over the past 10 years, the LGA's population has continued to grow strongly and this trend is expected to continue, necessitating the need for more tourism and recreational facilities to meet local demand.

## 2.2. VISITATION TO PENRITH

Penrith LGA receives approximately 1.3 million visitors per annum (see Figure 1). The majority (78%) of visitors are day trippers, visiting the LGA for primarily leisure (including visiting family and friends), attending events (sporting and cultural) and for business. Domestic overnight visitors account for just over 20% of visitors. International visitation is small (2%), with visitors primarily coming from NZ (27% of all international visitors) and the UK (21%).

FIGURE 1: HISTORIC VISITATION TO PENRITH 2010 – 2014<sup>1</sup>



Natural assets such as the Nepean River and the Penrith Lakes Scheme have potential to be stronger drivers for increased visitation when able to be activated.

Penrith is situated on the well-worn domestic and international visitor route to the Blue Mountains. Though it is currently perceived as more of a gateway to the Blue Mountains, potential exists to capture many of these travellers so more of them stop and stay in Penrith.

The potential exists to develop Penrith as a strategic visitor hub to service not only Penrith based tourism attractions and experiences, but to act as an overnight hub for those visiting to also explore the Blue Mountains, the Hawkesbury and potentially further afield. The point of difference for Penrith is its positioning as the "adventure capital of NSW" with industry and Council working collectively to strengthen this.

Significant urban expansion out into parts of the Penrith LGA (and broader Western Sydney region) for residential development has also impacted on the way the LGA is perceived; often seen more as a major dormitory suburb for greater Sydney with large industrial parks and less well known as a tourist destination in its own right, though this perception is changing.

Being very close to such a large urban catchment area (Sydney), makes the LGA highly accessible not only to the local domestic market but also the inbound international market which primarily flies into Australia via Sydney.

<sup>1</sup> Special data request to Destination NSW. Data reflects June YE periods.

## 2.3. CURRENT ACCOMMODATION PREFERENCES

Figure 2 and 3 demonstrate that over two-thirds of overnight (domestic and international) visitors to the LGA stayed with friends and relatives, as opposed to staying in commercial accommodation (motels, hotels, resorts, caravan parks etc.).

FIGURE 2: TOP ACCOMMODATION USED BY VISITORS TO PENRITH 2014 FY – DOMESTIC OVERNIGHT<sup>2</sup>

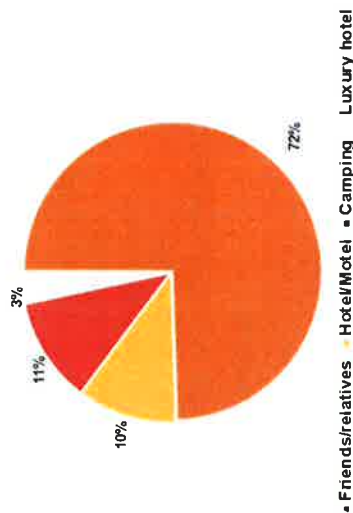
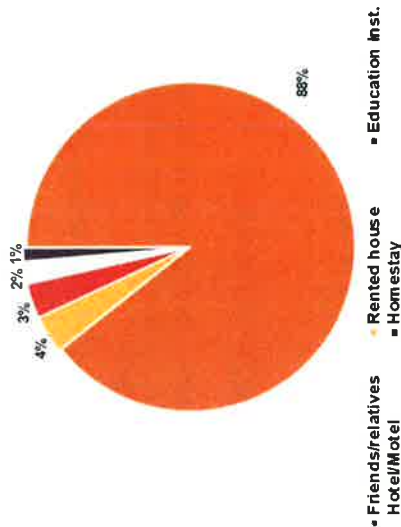


FIGURE 3: TOP ACCOMMODATION USED BY VISITORS TO PENRITH 2014 FY – INTERNATIONAL OVERNIGHT<sup>3</sup>



<sup>2</sup> National and International Visitor Surveys, YE June 2014, Tourism Research Australia

The Destination Management Plan (DMP) undertaken in 2015 highlighted a lack of accommodation during peak periods, an insufficient range of accommodation and variable quality, at times.

Stakeholder feedback gathered during the DMP highlighted the need for additional 3.5 – 4.5 star quality rooms to enable industry to package up attractions and experiences (with accommodation) and to offer additional venues for corporate and family (life event) functions.

Potential was also seen for a wider range of commercial accommodation, including glamping and one or more major destination holiday parks to support the caravan and camping sector (within Penrith Lakes or near the Nepean River).

Introducing new accommodation supply is likely to change the percentage balance of accommodation types used in the future and help support the growth in adventure operators and other tourism attractions.

## 2.4. PENRITH'S POINT OF DIFFERENCE

Whilst Penrith is currently positioned as one of the three major growth centres in Western Sydney, from a tourism perspective, it is developing its unique point of difference as the adventure capital of NSW building on the Regatta Centre, White Water Centre and various soft and hard adventure operators already well established in the LGA.

The major natural features which can provide this unique point of difference are mostly water based; via the future activation of Penrith Lakes and the Nepean River. No other LGA in Greater Sydney (excluding those on the coast or harbour) can offer these major natural features. Importantly however, Penrith Lakes and the Nepean River require activation for "tourism development" to change these water based assets from merely passive features to working sustainable attractions. Tourism's needs however are

<sup>3</sup> National and International Visitor Surveys, YE June 2014, Tourism Research Australia

importantly in harmony with environmental and sustainability needs for these waterways.

These water based assets, coupled with the growth in new visitor experiences, are seen to potentially support a number of new tourism investment opportunities and to provide further recreational amenities to a wide local catchment.



### 3.1. THE SITES ASSESSED

The following section offers analysis on the various sites which have been identified by Council and subsequently reviewed by The Group.

Whilst there are a number of sites which have been identified, the focus is now on sites which:

- offer the shortest pathway to activating new commercial accommodation;
- fit best with existing Council planning guidelines for areas; and
- are the catalyst for a number of other economic related Council initiatives.

The sites identified include:

- Carpenters site and Woodriff Gardens (Council owned);
- City Park site (Council owned);
- Log Cabin site (privately owned);
- Panthers site (privately owned);
- Penrith Lakes – the Muru Mittigar site (State Government owned);
- Penrith Lakes – the Church site (State Government owned);
- Penrith Lakes – the River site (State Government owned);
- Nepean River site (privately owned); and
- Thornton Multi User Depot (MUD) site (privately owned).

#### 3.1.1. The Carpenters Site

This site is currently zoned for tourism orientated and related uses and recreational purposes. Council is looking to create a master plan to guide future development at the site.

Ideally the site could accommodate major visitor attractions, larger scale hotel and serviced apartment facilities, conference facilities, mixed use development and supporting infrastructure.

Council are keen to encourage development of a higher quality to avoid scenarios where lower or basic mid-range level accommodation is suggested for the site.

#### 3.1.2. The City Park Site

The City Park site allows for various forms of commercial development adjacent to the site. The site (owned by Council) could be suitable in the medium term, for a mixed owner occupied and serviced apartment complex where short-term accommodation is able to be developed in tandem with residential owner-occupied apartments.

#### 3.1.3. Panthers Site

The potential exists to develop an accommodation precinct to support existing activities and proposed activities, not only in Penrith, but for surrounding regions. This could also link to the need for a dedicated accommodation precinct to support the Western Sydney Airport. The link to the neighbouring Penrith Panthers site is an important consideration, noting the existing visitor attractions within the Panthers site, the 216

room Mercure Hotel and the yet-to-be-developed serviced apartment complex within the overall site.

A precinct which links the River site, Panthers and the Carpenters site could be considered as a staged development to offer a unique cluster of complementary tourism and recreational elements on a scale not found in other parts of greater Sydney.

#### 3.1.4. The River Site

The River site comprises a number of separate privately owned parcels of land fronting the Nepean River, next to the Coffee Club and close to the Penrith Panthers site. The use of the River site for tourism activity is already noted within the planning designation for this area. Due to the flood-prone nature of parts of the land, it may be more appropriate to actively encourage a destination holiday park where moveable accommodation (motorhomes, RVs etc.) can easily be removed from the site, reducing risk.

#### 3.1.5. The Log Cabin Site

The site is zoned for tourism orientated development and lends itself to smaller scale development.

Any proposed development needs to respond to its location and setting, adjoining residential properties and the proposed Nepean River Green Bridge.



### 3.1.6. The Lakes Site

It is understood that the NSW State Government, via the Department of Planning and Environment, will create a designated planning scheme just for Penrith Lakes. The Lakes site would be suitable for a destination holiday park development.

### 3.1.7. The Thornton MUD Site

The site is zoned for defence purposes. The site would be suitable for a mixed use development which could encourage the development of serviced apartments or a hotel, however, this would require a change in zoning.

### 3.1.8. Site Summary Comment

Tourism often works more effectively when different tourism elements are able to be clustered together. The ability to potentially cluster tourism activity on the Carpenters site adjacent to Penrith Panthers and along further to the River site is an exciting possibility. The greater level of certainty and focus on tourism which Council is able to offer investors and developers, the stronger the level of serious interest which is likely to be generated.

Whilst some sites are closer to the hospital precinct and the education precinct (Western Sydney University), we consider it preferable from a tourism planning and development perspective, to attempt to cluster short-term accommodation closer to the Penrith City Centre and the existing tourist attractions and amenities such as those along Mulgoa Road and within Penrith Lakes. In the medium to longer term, the focus can grow beyond these areas.

FIGURE 4: SITE SUMMARY







### 3.2. THE PRIORITY SITES

There are a number of potential sites which could be designated for short-term commercial accommodation. Through the site assessment undertaken, the following have been identified as the priority sites.

TABLE 1: THE PRIORITY SITES

Type	Site	Comment
Hotel Development	Carpenters site	As the site is sufficiently large, the potential exists to include commercial accommodation with a possible conference venue as well as an additional visitor attraction(s) as a composite cluster of tourism related facilities.
Holiday Park Development	<ul style="list-style-type: none"> <li>Primary: Penrith Lakes</li> <li>Secondary: River site</li> </ul>	<ul style="list-style-type: none"> <li>Primary site being the Muru Mittigar site within the Lakes precinct. If this is not feasible, consideration should be for the River site</li> </ul>

#### 3.2.1. The Carpenters Site

The greatest opportunity identified as part of this Study is for a larger scale and branded hotel facility on the Carpenters site. This site has been selected as the priority hotel site for the following reasons:

- it is owned by Council and strategically located opposite Council's civic precinct which includes the Joan and Westfield,
- Council can designate the quality of hotel it wishes to encourage to offer greater certainty to investors;
- the site is large enough to encourage a variety of development elements so activities could be clustered;
- it could be a fully master planned site to include a hotel, conference centre, major visitor attraction and other mixed use retail/commercial development components;
- it is large enough to cater for possibly 2 staged major hotels or a serviced apartment/hotel mix;
- it is close to the Panthers site so could potentially leverage off visitation;
- it is on a major road so easily accessible and has high visibility;
- it has surrounding land uses which are compatible and easy to integrate or, if need be, the site is large enough to create wide vegetated buffer zones; and
- it could attract an investor syndicate/consortium to potentially undertake the development of all elements.

For the Carpenters site, which is zoned for tourism orientated and recreational purposes, there is potential to have this developed as part of a wider, short-term accommodation precinct and to be master planned for this purpose so that other forms of visitor attractions and conference facilities can also be established.

There is also the potential for this site to potentially be the core of a commercial short-term accommodation precinct to support Western Sydney Airport as well as other Penrith-based requirements.

FIGURE 5: CARPENTERS SITE





### 3.2.2.2. The Lakes Site

We have also assessed the potential for a high quality destination park and we note there is significant pent up demand within greater Sydney for destination parks and as identified in the Penrith DMP, Penrith could provide an ideal location, being on the fringe of greater Sydney for a high quality destination park to be a base for many visitors to Sydney.

There are various locations within Penrith Lakes for such a development. The land adjoining Murr Mittigar has been selected as the priority site for the following reasons:

- the site is well located next to the Lake and offers an attractive outlook whilst being close to other visitor amenities which could be leveraged off;
- the site already has much quality infrastructure in place including electricity, sewer, water, roads etc.;
- existing uses of the surrounding area are highly compatible with a destination holiday park;
- it could be designated just for a destination holiday park under the proposed planning guidelines which the State Government will establish for the lakes area;
- the site offers easy and good access to main roads;
- it is sufficiently large to develop a highly attractive and private destination holiday park on; and

- as the site is completely owned by Penrith Lakes Development Corporation, there is no need to consolidate separate land parcels.

The site activation as a destination holiday park is dependent on zoning of this area by State Government. Council will need to work with Penrith Lakes Development Corporation and State Government to have this site zoned specifically for tourism development use.

If this is not feasible, consideration should be given to the River site which could fit alongside the Panthers development and create a river bank tourism focused precinct with Panthers and ideally Carpenters as a composite larger tourism precinct.

FIGURE 6: THE LAKES SITE



### 3.3. THE SECONDARY SITES

Whilst a number of the other sites identified also have potential for short term accommodation development, they are not considered as optimal as the primary sites though all have high market appeal. After the primary sites are developed, development for these secondary sites can then be considered so development happens in an orderly fashion.

The secondary sites and their preferred uses are outlined below.

#### 3.3.1. The River Site

The River site (land directly adjacent to the river) is already zoned for tourism oriented purposes. It would be beneficial to have short-term commercial accommodation, particularly in the form of destination holiday parks as a preferred development use for this area. This is seen as totally compatible with the proposed restaurant/café cluster expansion proposed for the Coffee Club site and it also links appropriately to the Penrith Panthers site.

#### 3.3.2. City Park Site

Land adjoining the City Park site, is primarily zoned B3 Commercial Core (which permits certain forms of short term commercial accommodation development).

The site lends itself to a mix of residential and serviced apartments. Offering a serviced apartment complex as part of a mixed use development would be a useful project to stimulate further economic development in this area and act as a catalyst for other surrounding commercial land to be redeveloped as well.

It is noted that a planning proposal seeking to rezone the land bounded by Station Street, Henry Street, Allen Place and Woodriff Street from Commercial Core to mixed use, is currently being considered.

#### 3.3.3. The Thornton MUD Site

The Thornton MUD site is currently not designated specifically for tourism related development though some uses are permissible. Potential exists to develop part of this site for a hotel or serviced apartments.

#### 3.3.4. The Log Cabin Site

The Log Cabin site is zoned for tourism oriented development. For a smaller scale development, it offers an attractive river frontage and is well located to main roads and the CBD.

#### 3.3.5. Non-Specific Site Requirements

For all of the sites identified above, it is important that the planning controls for tourism development are able to be sufficiently flexible to enable developers-investors to create development on site which can allow for sufficient rooms.

A number of sites offer the potential for mixed use development which could include a mix of hotel and serviced apartments as well as potentially owner-occupied apartments. Being at a higher level enables expansive vistas and views for some sites over the Nepean River and out towards the Blue Mountains as well as other attractive landscapes.

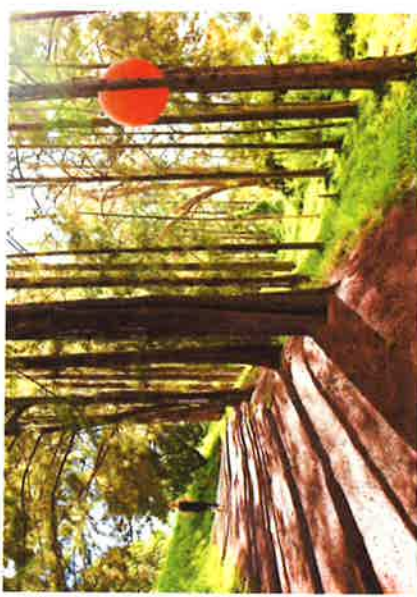
### 3.4. TIMING AND STAGING

The development of a new 4 – 4.5 star internationally branded hotel and a high quality destination park will likely satisfy peak season demand for the short – medium term.

The establishment of new visitor attractions and a conference centre, as well as mixed use commercial development, however, could stimulate increased visitor demand however and necessitate the need for additional accommodation.

Introducing additional short term commercial accommodation in the medium term (3-5 years) post the opening of the priority

new development proposed could potentially meet additional market demand.





# 4

## MARKET DEMAND

### 4.1. EXISTING ACCOMMODATION AUDIT

Table 2 provides a summary of an accommodation audit undertaken as part of this Feasibility Study. This provides a useful context regarding the number of accommodation providers which currently operate in Penrith LGA, as well as the neighbouring Hawkesbury and Blue Mountains LGAs.

TABLE 2: ACCOMMODATION AUDIT SUMMARY

	Blue Mountains	Hawkesbury	Penrith	Total
	#	#	#	#
Motel	22	7	8	37
Caravan Park	4	6	4	14
Hotel	15	4	3	22
Serviced Apartments	nil	nil	2	2
Campus (Uni) Accommodation	nil	nil	1	1
Backpackers	1	1	nil	2
Cabins	3	3	nil	6
Total	45	21	18	84
	100%	100%	100%	100%

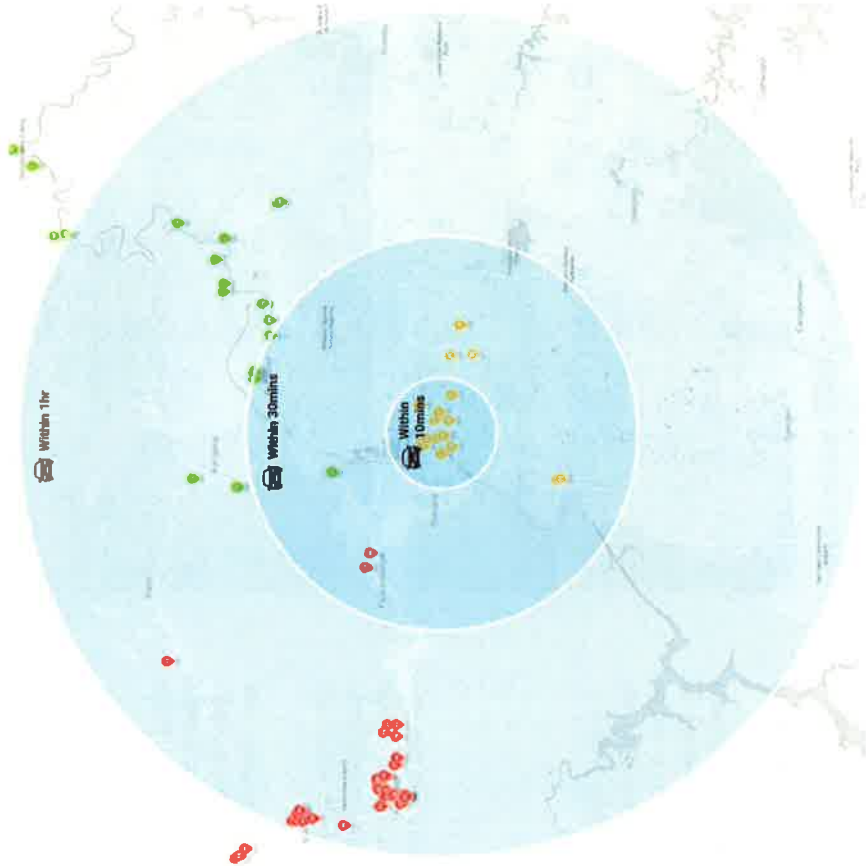
This demonstrates that:

- the under representation of various forms of accommodation in Penrith and potential for new product;
- in Penrith, whilst motels are also the most common form of accommodation (44%), caravan parks are the second most common form of accommodation (22%); and
- the vast majority of accommodation appears to be at 3 - 3.5 star quality rating or lower.

The introduction of new, quality accommodation can be useful for setting a higher quality benchmark and encourage others to improve the quality of accommodation provided.

Figure 7 maps current accommodation properties and illustrates driving time from Penrith CBD where most of the sites are located. Importantly, Penrith is strategically located within easy reach of all of western Sydney and just beyond an hour's drive from the Sydney CBD and Sydney's Kingsford Smith International Airport.

FIGURE 7: ACCOMMODATION WITHIN 1 HOUR



## 4.2. DEMAND FOR ACCOMMODATION IN PENRITH

It is evident that there is pent-up demand for commercial short-term accommodation. The research and analysis undertaken highlights the following.

- During periods of peak visitation, there is inadequate overnight accommodation capacity. This is particularly the case during major sporting events, conferences etc.
- There is currently a preference by operators to introduce mid-range 3-star commercial accommodation to hit a price point in the market which is seen to be more competitive and which matches many current visitor market needs.
- There is significant growth potential in sporting-based events and activities. Because of the lack of accommodation, many sporting event visitors either stay out of the region or travel back and forth to Penrith over competition days.
- There is significant growth occurring in the Penrith health and wellbeing sector, including expanded hospital facilities. Penrith is recognised as the health hub for greater western NSW.
- Western Sydney University is also growing, with major education and technology-based development potential.
- The development of Western Sydney Airport<sup>4</sup> (as Sydney's second international airport) could present further growth potential for Penrith (through strong road and rail links) as an airport accommodation precinct and adventure - entertainment hub.
- There is benefit for Penrith acting as an overnight commercial accommodation hub for day visits into the Blue Mountains and into the surrounding Hawkesbury area as well for various food and wine tours, equine events etc.
- There is interest from existing adventure and activity operators in Penrith (such as iFLY, Cables, Penrith Whitewater Stadium) and others to package up their

various products. This will necessitate developing two days or more of activity experiences and will require more commercial overnight accommodation capacity.

- The business and meetings market are looking for new locations where there are recreational facilities to be used and not too far from the Sydney CBD.
- There is a recognised need to support the fast growing motor home, caravan and camping industry looking for major destination holiday parks on Sydney's fringe. Penrith can act as the hub for various day excursions into different locations and a base for RV/caravan visitors.

## 4.3. QUALITY RATING

### 4.3.1. Hotels/Serviced Apartments

Whilst mid-range hotel and serviced apartment facilities importantly fill a gap in the market, there is a need to support higher quality hotel rooms and serviced apartment facilities to help grow different visitor markets than those which are visiting currently.

The conference, Meetings, Incentive, Conventions and Exhibitions (MICE) and functions/events market, for example, are often higher spending and, if facilities are offered to meet these niche market needs (e.g. four star), there is potential to grow this market niche more strongly and quickly.

### 4.3.2. Destination Holiday Parks

Higher quality destination holiday parks now offer chalets, caravan and camping sites (as well as potential glamping), and the increase in companies now providing these, reflects a stronger level of market interest and recognition of the financial returns possible. It is important to focus on short-term (rather than permanent) stays only as the major gap is in the tourist/leisure market, rather than the longer term and potentially discounted permanent stay market. Higher quality destination parks offer a number of amenities which various

visitor markets are wanting to see and are prepared to pay for.

FIGURE 8: DESTINATION HOLIDAY PARKS



Adventure Whitsunday Resort, QLD



Renmark Riverfront Holiday Park, SA

<sup>4</sup> Previously referred to as Badgerys Creek Airport

#### 4.4. COMPETITION

Penrith has a number of unique selling features. The positioning of Penrith as the state's adventure destination, its proximity to recreational sites in the Blue Mountains, the Nepean River, and the neighbouring Hawkesbury area, as well as its potential easy access to the proposed Western Sydney Airport, makes Penrith a particularly compelling destination.

A number of councils on the Sydney fringe are keen to encourage higher quality destination holiday parks, though Penrith is better positioned than most with its extensive water ways and access to a good mix of built and natural attractions.

Competition will occur from those able to offer attractive sites that can be activated in the short to medium term, in particular. The Penrith Lakes and/or the River site (which would require consolidating privately owned parcels of land), potentially offer the preferred sites for one or more quality destination holiday parks.

#### 4.5. WHAT IS THERE DEMAND FOR?

Based on the information gathered during the creation of the Destination Management Plan (DMP) and the discussions with various stakeholders for this study, there is current demand for:

- a 4 - 4.5 star, 160-240 room hotel;
- a destination holiday park offering 100 sites for RV/motorhome sites, 100-120 campsites, up to 25 chalets and a variety of supporting amenities; and
- a quality serviced apartment complex of 100-150 suites.

The greatest "leverage" factor is the supply of available land. Most councils in greater Sydney no longer have sites to allow for major hotel or related development including holiday parks.

#### 4.6. PENRITH'S STRATEGIC ADVANTAGE

The strategic advantage for Penrith is:

- the desire of Council to actively want to encourage short term commercial accommodation development;
- the size of some of the Council-owned sites such as Carpenters, which could encourage the development (potentially in stages) of higher quality, short-term commercial accommodation, a conference centre, major visitor attraction and other forms of tourism-related commercial mixed use development as an integrated development project;
- the growing number of adventure and activity operators and attractions which have established at Penrith and which provide a ready visitor market to leverage from;
- the ability to work with State Government to ensure that the Penrith Lakes site is able to be activated for holiday park development;
- the potential for Council to work with private land holders in the River site to help consolidate land holdings for destination holiday park development;
- potential for possible rezoning of sites such as the City Park site for short term accommodation development as a preference;
- the ability to leverage off Penrith's strategic position as the accommodation hub for a far wider catchment and which allows easy access to visitor sites in the Blue Mountains and the Hawkesbury as well; and
- recognition that there are very few locations in greater Sydney able to offer the size and mix of commercial accommodation development options which Penrith can support.





# THE CATALYST BENEFITS

## 5.1. OVERVIEW

Other than the obvious benefits in supplying Penrith with new short-term commercial accommodation facilities, there are wider benefits which the development of higher quality short-term accommodation is able to offer.

The following provides a list of the various benefits which will accrue from new short term commercial accommodation and which support Council's commitment to encouraging this. These various benefits provide quadruple bottom-line factors covering economic, environmental, social and cultural benefits.



## 5.2. ECONOMIC BENEFITS

The following economic benefits will accrue from the introduction of new short-term commercial accommodation.

- The direct, indirect and induced benefits from the supply of various goods and services.
- Significant downstream benefits during the construction phase through the supply of goods and materials with many expected to be sourced locally.
- The ability to support, not only construction jobs, but many ancillary service providers required for the construction phase of hotels, destination parks etc.
- The improved value which new short-term commercial accommodation is likely to generate, not only for the site being developed, but its flow-on effect into surrounding sites and areas.
- The ability of short-term accommodation development to positively impact, not only on surrounding property values, but as a catalyst for further investment into various industry sectors.
- The ability to attract new skilled labour into new jobs to be created through the operations of a short-term commercial accommodation facility and ancillary development, such as a conference centre etc.
- The ability to support the viability of other major tourism attractions which will leverage off the ability to provide overnight accommodation and which can support greater levels of overall visitation to surrounding businesses.
- The flow-on economic benefit into improved marketing and demand for not only the existing visitor attractions which exist in Penrith, but new developments or

expansion that many of these businesses are contemplating, and which they require increased overnight commercial accommodation to support visitor growth.

- Providing links to hospitality and related training providers to build synergistic relationships with local universities and TAFE.

## 5.3. ENVIRONMENTAL BENEFITS

There are a variety of environmental benefits which will accrue from the development of short-term commercial accommodation.

The various environmental benefits include the following.

- The creation of a variety of walkways and cycle ways, particularly in surrounding flood prone areas (the Carpenters site is but one example).
- The opportunity for high quality landscaping to provide a further visual amenity to support the locations identified.
- Environmental benefits will be seen in the rejuvenation of surrounding areas.
- On some sites, the opportunity may exist to either relocate high voltage power lines or potentially position them underground where it is practical.
- Potential changes to traffic patterns and may allow for traffic calming techniques to be introduced.
- The ability to provide pedestrian overpasses and/or underpasses to improve connectivity between sites, particularly looking at large areas such as the Carpenters

site and the potential to link to the Penrith Civic Precinct, Joan Sutherland Centre and Westfield.

- The ability to enhance the landscape in areas such as Penrith Lakes.
- The ability to encourage the creation of vegetated buffer zones between potential short-term accommodation development sites and surrounding residential areas.
- The ability to create short-term accommodation of a size and scale which does not dominate the landscape but, rather, adds considerable environmental value through the quality of the built facilities and related design and which can help raise awareness of environmentally appropriate building techniques.
- The ability to encourage, where appropriate, the use of green building technology in short-term commercial accommodation development, and the ways and means of recycling grey water, etc.

#### 5.4. SOCIAL AND CULTURAL BENEFITS

As well as the obvious improvements generated through the economy and through the visual enhancements to the environment, which short-term accommodation can stimulate, a variety of social and cultural benefits will also be created including the following.

- It will act as catalyst to stimulate gentrification of surrounding areas which may, in turn, result in improved social environments for locals including safer and more desirable areas for recreation (walkways, cycle ways etc.).
- The creation of recreational facilities for locals and visitors as part of short-term commercial accommodation development such as playgrounds, picnic areas and other community assets (exercise stations etc.).
- The supply of new function and meeting rooms to cater to local lifestyle family events such as weddings, major birthdays etc. will be supported.
- Through the ability of short-term commercial accommodation operators to support various community programs by providing facilities for functions and events as well as other forms of in-kind support and funding and sponsorship.
- Through actively supporting ongoing training for the hospitality sector in particular and through offering workplace positions for work experience, particularly for students (high school as well as TAFE-based and university).
- Through providing venues (external) to support a variety of new food markets, night time entertainment venues and other initiatives where offering overnight accommodation is important for stimulating greater local and visitor demand.
- Through offering new facilities to support existing community-based events and additional events which are now possible through the increase of short-term, overnight accommodation facilities.





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