

A submission to

Greater Sydney Commission

commenting on

The Draft District Plan – West District (2016)

by

Penrith Valley Chamber of Commerce
(Advocacy Committee. Incorporating feedback from members.)

Prepared by: Gordon Henwood
info@penrithchamber.org.au

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Executive Summary

Greater Sydney Commission (GSC) is to be complemented on the work done to prepare the draft District Plans for Greater Sydney. The engagement process, in particular, has been thorough, welcoming and inclusive.

The Chamber generally agrees with the approach taken by the GSC, the Implementation measures and Actions. However, it is difficult to agree with some of the interpretation of statistics in the discussion. The greatest observation from the draft District Plan is the transformational shift in local employment sectors required over the next 20 years.

The importance of a Central City near the geographic centre of Greater Sydney, in Greater Parramatta and Olympic Park (GPOP), is accepted. Now is a once-in-a-lifetime opportunity to make it happen, but the District Plans fail to recognise the collateral damage that is being done in Strategic Centres like Penrith, Blacktown, Liverpool and Macarthur. Government jobs continue to relocate to GPOP, as do business regional offices, some of which have been in Strategic Centres like Penrith for decades. This is an inevitable consequence of the proximity of Parramatta, as a centre, rather than Sydney. This damage to the local economy is happening now and is evidenced by office vacancy rates and the statistics presented in the draft District Plan.

Conversely, new business sectors opportunities, following the development of Western Sydney Airport, are at least ten years away. So, existing business and government are relocating to Parramatta now and new industries will eventually replace them in ten years. This leaves an obvious short to medium term problem for West District.

Additionally, there is a social dimension to being 'dormitory' district. Absent parents, weak local economy and a failure to capture the spending of the local population affects the liveability and sustainability of a community.

The District Plan needs to recognise the GSC's role in working with Strategic Centres, in all Districts, to find solutions to the damage to local economies caused by the evolution of Greater Parramatta.

Discussion

The discussion in this submission will focus on the Productivity section of the draft District Plan (West District). This is not intended to be an exhaustive submission. Sufficient discussion is included to highlight areas of greatest concern in the draft District Plan.

Productivity

Possibly the most unfortunate statements in the GSC documents is one the Priorities, listed in the Overview Document for West District, under the heading “Achieving the Vision – Our Priorities”.

“Improve accessibility to jobs, goods and services provided in cities such as Parramatta and the new Western Sydney Airport”

Is this really the vision for West District? Better access to Parramatta?

The Chamber believes that local productivity is the key to achieving liveability and sustainability of the local communities in the District. The impact on families, where parents spending three hours per day in commuting to work, is well documented. The social consequence and local economic weakness, caused by extensive proportions of the community travelling great distances to work, are key detrimental elements to liveability. A ‘dormitory suburb’ is difficult to sustain economically.

Statistics

The statistics presented in the draft Plan tell an important story. However, the interpretation in the draft District Plan is misleading.

(page 31. Opening paragraph) *The West District’s economy is intrinsically linked to its natural landscape, which drives economic activity in terms of tourism and the area’s global brand.”*

The West District’s future may be linked to tourism, and that of Katoomba certainly appears to be, but this opening statement is simply incorrect. In the employment profile pie graphs of Figure 3.1, tourism does not even get a mention. Tourism is not the driver of economic activity in West District as a whole.

(page 31) *“Employment across the West District has grown from 89,600 jobs in 1996 to 133,100 jobs in 2016. This represented a faster rate than the average annual growth rate across Sydney (2.0% growth in the West District compared to 1.8% across Greater Sydney). However, the overall economy in the West District is relatively small compared to other Districts across Greater Sydney. It has also been growing more slowly; between 2011 and 2015 the West District’s economy grew by about 9%, compared to 13% for Greater Sydney.”*

The fact that the overall economy has grown slower than the Greater Sydney average, whilst the number of jobs has increased faster than the Sydney average, is evidence of

the drain of medium to higher end jobs from the district. It is proof of the over-representation of low paid jobs in employment growth in the District.

(page 33) "Between 1996 and 2016, the most significant proportional growth occurred in health and education (70%), followed by knowledge and professional services (61%), population-serving (43%) and industrial (27%). In terms of absolute employment, the greatest increase in jobs was in the population-serving sector (15,000 new jobs)."

The Chamber would argue that these statistics demonstrate how the local economy has failed to keep pace with population growth. The only job areas that have matched population growth are 'population serving'- including health and education, retail and hospitality. These are the jobs that any government would have difficulty removing from the area. It is further evidence of the drain of employment to other areas like Parramatta.

(page 33) "These trends reflect the importance of both the population serving and health and education sectors for future economic and employment growth in the District. A key challenge for the West District over the next 20 years will be to identify opportunities to diversify the economy as it grows."

Retaining existing sectors of the economy and diversifying into new areas is critical if the West District is to counter the centralisation of services, goods and entertainments to that Parramatta. City Deals is an important part of that work, setting the scene for the Western Sydney Airport. Infrastructure, as important as it is, is a minimum requirement to economic survivability for the District. For example, Blue Mountains Chambers of Commerce advise that, whilst the completion of the Highway has helped their tourism efforts, constraints in the rail network are limiting the areas ability to grow. Weekend track-work and over full trains, when trains do run, limits the ability to achieve growth.

One of the most important statistics presented is in section 3.1.1

(page 35) "3.1.1 Access to jobs. People living in the West District have access to a smaller proportion of Greater Sydney's jobs within 30 minutes than the average for Greater Sydney (as shown in Figure 3-4). Our research shows that during the morning peak, approximately 3% of Greater Sydney's jobs are accessible to West District residents within 30 minutes by public transport or private vehicle. Compared to the 16% average across Greater Sydney, the West District's residents have less choice about the location and type of jobs they wish to work in."

This matches evidence that 60,000 people leave the Penrith LGA daily to find work. Blue Mountains and Hawkesbury suffer similar problems. The importance of growing

the local economy, beyond the essential jobs, that cannot be relocated away from the district, could not be more clear. The over-representation of population-serving jobs in the employment growth statistics points to the weakness in the local economy.

Employment

(page 43) *“The West District is a popular destination for tourists, and we expect to see current visitation levels – 5.5 million visitors in 2016 – rising to 8.4 million visits a year by 2025. The industry accounts for 5% of the District’s jobs and about 4% of economic output.”*

It would be interesting to see the source of this statistic because the Chamber assumes it includes all hospitality, which serves the local population as well as tourists. This would make the interpretation misleading. At 4% of the economy, even if this sector were to double in size overnight, it could not be seen as the ‘saviour of the West’. That said, Western Sydney Airport is a real game-changer, as the GSC says. There is a largely untapped opportunity to capture tourists who avoid the centre of large cities.

One of the more alarming projections in the draft District Plan is in Table 3.3.

Table 3-3: West District job target ranges for strategic and district centres (2016-2036)

Centre	Centre Type	2016 Estimate	2036 Baseline Target	2036 Higher Target
Greater Penrith	Strategic	33,400	44,000	45,000
St Marys	District	8,300	10,000	11,500
Richmond-Windsor	District	10,300	12,000	16,500
Katoomba	District	2,700	3,000	5,500

Given the projected population growth, over the next 20 years, an expected jobs increase of about 14,000 shared amongst Greater Penrith, St Marys, Richmond-Windsor and Katoomba is a particularly bleak prospect. For many decades, Penrith has been the Strategic Centre serving the Blue Mountains and Hawkesbury areas. The relocation of government services and businesses to Parramatta has had a particular impact on the cost of doing business in these areas.

Tourism

The main vision of the draft District Plan centres on tourism. The Chamber agrees that this is one area where the new Airport could create significant opportunity.

(page 47) *“We have identified a gateway tourism corridor that could build on a number of cultural, recreational and entertainment assets along a north-south corridor including Castlereagh/ Mulgoa Roads:*

- *Sydney International Regatta Centre*
- *Joan Sutherland Performing Arts Centre*
- *Penrith Stadium*
- *Panthers World of Entertainment*
- *Nepean River*
- *Adventure tourism facilities such as white water rafting, Ifly and Cables Wake Park.”*

Tourism is generally low-end, low paid work, but it is an area of obvious growth. In the draft District Plan, this is one of the only real areas of opportunity. So, it must be developed as best is possible. There will be other spin-off opportunities from this activity.

Lead times can be long, especially in regard eco-tourism with many planning hurdles to overcome, exacerbated by the World Heritage Listing of the Blue Mountains. The suggestion that the GSC could take a lead in starting the local conversation is important. The Chamber looks forward to partnering with the GSC and other Chambers in West District to move this conversation forward.

Workforce

The Chamber feels a more in depth analysis of the current workforce of West District is essential. Reference is made to Table 3.4, which appears simplistic if we are to realise the true opportunities.

Table 3-4: Higher qualification attainment, West District vs Greater Sydney (2011)

	West District	Greater Sydney
Qualification	%	%
Postgraduate Degree Level	3%	7%
Graduate Diploma or Graduate Certificate Level	35%	28%
Bachelor Degree Level	11%	20%

Of more interest, would be data relating to the children of West District. Evidence suggests that a high proportion of local students become well educated. Too many are forced to leave the district on completion of their Degrees, both to find work and to avoid the three hours of commuting they witnessed whilst growing up in the area.

30-Minute City

A final comment relates to the concept of a “30-Minute City”. It is worth reiterating earlier comments regards Access to Jobs. Improvements to road and rail linkages are critical to future economic growth. The idea of a 30 Minute City is so foreign to people living in West District, that recent publicity of the concept achieved a laughing response in local media. It is an important concept when progressing Sustainability and Liveability.

The Chamber wants to make it clear that the ideals of a 30-minute city are not satisfied by a 30 minute drive on the M4 between the Nepean River and Parramatta, nor by increasing express train services to achieve 30 minutes between Penrith and Parramatta stations. Both of these scenarios would simply reduce the existing 90 minute commute to 60 minutes.

Conclusion

Statistical evidence presented, in the draft District Plan, highlights the difficulties of the West District. The shortage of local employment has a social cost with parents spending many hours a day commuting rather than with their children.

The proximity, and growing importance, of Parramatta in lieu of Sydney will exacerbate the situation over the next ten years. The relative growth of employment sectors that cannot be relocated out of the West District points to the continued weakening of the local economy.

The only solution offered by the draft District Plan is an airport which is planned to open in ten years. The Chamber agrees that this is a real ‘game changer’, as the rhetoric states, but the benefits are years away. The Chamber also recognises that other Districts will attempt to realise the same opportunities from the Airport.

The consequence of the above creates two real problems for West District, neither of which need to be addressed in the draft District Plan. Firstly, existing employment types will diminish as Parramatta rises, whilst new industries will evolve related to the airport. Secondly, the West District has to hold-its-breath for ten years between job losses now and new jobs in coming on line in ten years.

The Plan for Growing Greater Sydney needs to be more than a Plan for Growing Parramatta. The West District has real transitional problems, as inferred in the draft District Plan. The District would appreciate any assistance the GSC can offer in highlighting the fact, and in leading a conversation to assist the transition.