

**Submission
No 141**

**INQUIRY INTO PLANNING PROCESS IN NEWCASTLE
AND THE BROADER HUNTER REGION**

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SUBMISSION TO NSW LEGISLATIVE COUNCIL INQUIRY INTO PLANNING PROCESS IN NEWCASTLE AND THE BROADER HUNTER REGION

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Overview

This submission is limited to the role of the Department of Planning and Infrastructure (DP&I), Newcastle City Council, UrbanGrowth NSW and the Hunter Development Corporation (HDC) in the decision to truncate the Newcastle rail line at Wickham and to replace services with light rail.

Section 1 of this submission draws on media reports over the years to provide evidence of the pressure put on politicians and transport planners in the decision to cut the rail line at Wickham. Section 2 provides evidence that the subsequent rail line projects are inadequately specified, not sequenced optimally, confused in their justification and, as a result, their reporting lacks rigour. Moreover, public information provided by DP&I, HDC, Newcastle City Council and UrbanGrowth NSW as well as Transport for NSW (TfNSW) continue to conflate the transport projects with urban renewal, and as such are misleading.

This submission cannot shed light on whether laws were contravened in the lobbying by developer and business interests to have the rail line cut. Nevertheless, it argues that operational decisions have been adversely affected by lobbying, and that this has led to poorly scheduled and hastily specified transport projects.

It is my hope that the Inquiry will examine the basis for decisions which appear not to be operationally sound or in the public interest. These include the decisions:

- (i) not to release the business case or any cost-benefit analysis of the Light Rail project and the truncation of the heavy rail;
- (ii) not to release the estimated completion date of the Light Rail service to Newcastle Station;
- (iii) to cut rail services to Newcastle Station on Boxing Day, 2014 rather than on a date which minimises the period between cutting the line and opening light rail services.

1. The History of the Decision to Cut the Rail Line

1992-2006: To Cut or Not to Cut?

When the Honeysuckle Development Corporation was established in 1992, its Board adopted a Master Plan “premised on the removal of the rail line to Civic Station.”¹ However, removal only seriously surfaced as a proposition in 2003, when Michael Costa, as Minister for the Hunter and Minister for Transport Services, formed the Lower Hunter Transport Working Group. The terms of reference for this Group included “Investigation of the replacement of the rail line to Newcastle City with a dedicated transport corridor for a superior frequent bus service.”²

Part 1 of the resulting report stated: “The fact is that the Newcastle City heavy rail service: achieves extremely low patronage levels; shadows frequent, efficient bus services down Hunter Street; contributes to congested transport arteries between Newcastle City and the Lower Hunter; severely affects connectivity and accessibility between Newcastle City and the foreshore of Newcastle Harbour; acts as a genuine barrier to the continued urban and economic revitalisation of Newcastle.”³

While attempts were made to substantiate the claims of low patronage levels and shadowing of bus services, the other “facts” were based on subjective declarations such as:

“The four level crossings that cross the rail corridor currently create significant bottlenecks and safety hazards for pedestrian, cycle, and motor vehicle traffic.

¹*Honeysuckle Celebrating 20 Years*, p.24, published by the Hunter Development Corporation (HDC). In 2007/2008 Honeysuckle Development Corporation was renamed Hunter Development Corporation and its ambit extended.

² *Lower Hunter Transport Working Group First Report* 19/09/2003. Lead in this WG was Bill Dunbar, Executive Director NSW Premier's Department, Infrastructure Unit.

³ *ibid*, p29.

Improved pedestrian access between Newcastle City and Honeysuckle will make the facilities along the foreshore much more attractive to residents, workers and visitors - and will encourage walking and cycling.

Improved traffic flow and road access to Honeysuckle will also enhance the precinct and alleviate traffic congestion both in Honeysuckle and in Newcastle City. At present, the convergence of Merewether Street with the rail line and the Hunter Street traffic lights creates significant traffic congestion.

[Lower Hunter Transport Working Group First Report; p26]

In particular, the claim that the rail line was a “genuine barrier to the continued urban and economic revitalisation of Newcastle” was untested, although in future debates it was to be accepted as fact.

Minister Costa accepted the Working Group’s recommendation to truncate the rail line at Broadmeadow. An independent review⁴ commissioned by Newcastle City Council and the Lower Hunter Councils’ Transport Group identified weaknesses in the Working Group’s reports, which included failure to identify impacts on traffic flows and parking, and misrepresentation of secondary evidence. In February 2006 the Lemma government reversed the decision to cut the rail line.

2007-2008: Flawed Dreams, and the Rail Line Bogeyman

The years of the Global Financial Crisis were to see the Newcastle rail line increasingly come to represent decay and stagnation in the eyes of leading property developers.

The economic climate was rosy when the Global Property Trust (GPT) Group started acquiring CBD properties, having identified Newcastle as one of the most under-served retail markets in the country.⁵ By June 2007 their holdings were valued at \$67 million.⁶ Mid-August that year, the Newcastle Herald published an ‘exclusive’ under the headline *Resurrection of City Centre*:

“General Property Trust, which owns Charlestown Square, has confirmed that it will invest \$500 million in a site that runs almost the length of Hunter Street Mall from David Jones to Market Square. ... GPT hopes to have anchor tenants secured by the end of next month, followed by a land and works agreement with the council by December and a development application lodged by next July. [GPT retail chief] Mr Fookes said that if those targets were met, building would begin in the first quarter of 2009 with an opening date set for early 2011.”

[Newcastle Herald 15/08/07]

⁴ *Decision to Close the Newcastle Branch Rail Line – Independent Review of Transport Reports – Final Report*, G Currie, 2005.

⁵ GPT Project Director, Phil Heaney, interviewed by Jill Emberson, ABC Radio 10 June 2010.

⁶ 2009 Annual Report The GPT Group p132.

Unfortunately, GPT's Board had not approved the grand plans even in March 2008, when GPT held a public information session on its proposal for a large retail, entertainment and residential complex. At the briefing GPT's project developer, Phil Heaney, warned "the project was going ahead but the global credit squeeze had made money more expensive and the planners had to look closely at costs."⁷

Things were looking worse five months later as the global financial crisis heightened, but still there was no public mention of the rail line as a source of concern for GPT's investment:

A combination of global financial conditions and local geological problems have made things harder than expected for GPT's \$500 million redevelopment. ... Mr Fookes told The Herald this week that a number of problems had presented themselves in recent months. And while the board of GPT had supported the project so far, the final approval was yet to come. Mr Fookes was unable to say when the project would start, or even if it would start. ...

On the financial side, Mr Fookes said the global credit crunch meant developers such as GPT had to "prioritise their capital ..."
[Newcastle Herald, 15/08/2008]

During 2008, companies associated with the local developer, and future Newcastle Mayor, Jeff McCloy had bought properties in the western precinct of the city including Hannell Street, Wickham⁸. When he threatened to walk away from developing a stretch of these properties between 350 and 380 Hunter Street it was the Newcastle City Council which got the blame, not the rail line. Council had refused approval of a building which exceeded planning height limits.

Developer Jeff McCloy said yesterday he would walk away from a \$15 million to \$20 million proposal for redeveloping part of a dilapidated Hunter Street because the conditions set by Newcastle City Council were unworkable. Mr McCloy said yesterday the refusal was "a shame for Newcastle", which would miss out on a much needed boost to Hunter Street.

"The next stage is nothing," Mr McCloy said. "We will not pursue it any further. We'll simply retain those [buildings] and sell them off."⁹

The Rudd government had promised Federal funding to benefit regional cities¹⁰ and, to help Newcastle position itself, a Task Force was established by the NSW Office of the Coordinator General in late August 2008. The charter of the Newcastle CBD Task Force was to identify projects and development options which would stimulate private sector investment, economic growth and 'renewal' in the Newcastle CBD. Task Force members came from HDC (deputy chair), Newcastle City Council, and various NSW

⁷ 'Respect' in Mall overhaul Newcastle Herald, 11 March 2007.

⁸ *Think Big* Herald Weekender, 28 February 2009. Article posted on McCloy Group website mccloygroup.com.au.

⁹ Article attributed to the Newcastle Herald, 24 July 2008, available on McCloy Group website.

¹⁰ This was through the Major Cities Unit of the Infrastructure Australia, set up by the Rudd Government in April 2008. The Unit was closed in 2013.

government agencies¹¹. The NSW Coordinator General, as the Task Force Chair, said that although 'connectivity issues' in the city would be considered, the rail issue would not be revisited given the 2006 decision to retain the line.¹²

However, on the 12th of October 2008 the Newcastle Herald carried the headline '*Bombshell' opens up possibilities*.

The rail line debate that had lain dormant since 2006 well and truly reignited at a public meeting held yesterday to discuss the way forward for the State Government's City Centre Taskforce, when GPT dropped its bombshell. It said heavy rail through the CBD was a significant barrier and the rail corridor should be opened up. [Newcastle Herald 12/10/08]

GPT had put forward the notion of a rail interchange at Wickham. The Herald article went on to say "several participants at the private investors' meeting pushed for heavy rail in the city to be scrapped and the rail corridor opened up."

The following day, the Herald reiterated that "Under GPT's concept master plan, a transport interchange would be built at Wickham and the rail corridor turned into a green corridor", and it reported on a follow up interview with the Transport Minister, Mr Campbell, who was standing firm on retention of the line.

The divide between the State Government and The GPT Group over the developer's plans for Newcastle's CBD widened yesterday, with the Government adamant the rail line would stay in spite of a warning it could jeopardise \$650 million of investment. ...

"The Newcastle community has already spoken on this issue and they want the rail line to stay. Until Newcastle residents tell us otherwise the Government's position remains the same the rail line will stay in place," Mr Campbell said. "... There are good commercial and commuter reasons for keeping the rail line. While the taskforce welcomes all views, our commitment is to improve connectivity while keeping the rail line in place." [Newcastle Herald 13/10/08]

Four days later, the Herald carried a large illustration attributed to GPT and captioned *Vision for the city* which appears to show a heavily reworked waterfront near Wickham. The accompanying article was threatening:



¹¹ Newcastle CBD TaskForce Workshops Report, Key Insights, November 2008.

<http://www.hdc.nsw.gov.au/newcastle-cbd>

¹² Taskforce to steer Newcastle CBD development Newcastle Herald, 22 August 2008.

Declaring yesterday that it was crunch time for Newcastle, business leaders warned that the loss of the GPT project would, in their opinion, send the city into decay and decline. ... The Herald has reported GPT has said it could walk away from Newcastle if the Government did not commit within five months to cutting the line at Wickham. ...

Outspoken Hunter Land director Hilton Grugeon said he would not be surprised if the city lost the GPT opportunity. ... "For someone to come along with real money and a real idea and not to welcome them with open arms . . . is appalling," Mr Grugeon said. He said the rail line was like a Berlin Wall, but it would be important to preserve the corridor for other forms of transport, such as bicycles and buses. [Newcastle Herald 17/10/08]

The chief executive of the Hunter Business Chamber went further, claiming that "it would be an 'absolute disaster' if the group backed out of the city. The CBD would become empty and derelict."¹³

However, at a November HDC Board meeting, the Chairman, Paul Broad, said "Newcastle was seeing the impact of the global credit crisis in that negotiations with proponents on large development projects had been moving slowly with some proponents citing difficulties with raising funds."¹⁴ Paul Broad had been appointed Chairman in July 2007 and is described in a HDC biography as a "man of strong convictions, he was also known as a man not afraid to voice them, to challenge the status quo and to deliver real outcomes."¹⁵ Yet despite HDC's charter and its long involvement with development on the waterfront, Broad had not publicly pushed the rail line as an issue.

It is unclear why the rail line became a deal breaker for GPT in late 2008. GPT's Annual Report for 2009 stated that the timing for commencement of its Newcastle project was "dependent upon a decision being made in relation to the railway, which inhibits movement and access throughout the city centre, and the improvement of broader property market conditions."¹⁶ While the rail line lay between GPT's properties and the Hunter River foreshore, GPT did not own the row of buildings immediately adjacent to the rail line. No details were published on how "connectivity" to the river would benefit patrons of the retail, entertainment and leisure centre that GPT planned, and recent research on traffic flows suggest that patrons arriving by car or bus would not find the roads less congested because the trains were gone.¹⁷ And GPT's project director Phil Heaney bald assertion that "heavy rail doesn't allow the movement economy to prosper"¹⁸ does not fit with Newcastle City Council's advice that "The present

¹³ *Business leaders unite on CBD revival plan* Newcastle Herald, 17 Oct 2008.

¹⁴ Minutes of HDC Open Board Meeting, 7 November 2008.

¹⁵ *Honeysuckle Celebrating 20 Years*, HDC.

¹⁶ The GPT Group Annual Report 2009; p17.

¹⁷ *Review of Environmental Factors for the Wickham Interchange Project*. See discussion in section 2.

¹⁸ ABC Radio interview with Jill Emberson, 10 June 2010. However, Heaney said the question of what should replace heavy rail was a question for transport experts rather than him.

bus and rail accessibility to Hunter Street contribute significantly to the pedestrian movement economy.”¹⁹

With the rail line raised as an issue, the member for Newcastle and Minister for the Hunter, Jodi McKay, initiated an open internet survey. The consultants who ran the Newcastle Rail Removal survey²⁰ reported receiving “3,770 unique visitors who collectively left 2,806 comments. The survey on the site probably provides the best snapshot of opinions. It was responded to by 542 people 72% of whom favored moving the rail spur from the current location.”

GPT had also initiated a wide-ranging telephone survey of Newcastle residents through the Hunter Valley Research Foundation.²¹ The results were also released in December 2008. When asked “How important is removal of the railway when considering future development of the Newcastle CBD?” 56% of the 500 respondents said moderately to very important, while 63% agreed or strongly agreed that “removing the existing rail line to join the CBD and the Harbour Foreshore would help the future development of the city” given trains would be replaced by a “fast and modern bus transit system.”

Given this feedback, Jodi McKay “placed the line's fate in the hands of the Hunter Development Corporation.”²²

Citing changed community sentiment on the rail line, Minister for the Hunter and Newcastle MP Jodi McKay said yesterday that “the status quo with the rail line no longer applies. ... The only issue that is non-negotiable is that we maintain the rail corridor in public ownership.”

[Newcastle Herald 11/12/08]

McKay was further quoted as saying: “The Government's attitude to the line had changed because what is different now is that it is tied into the city's revitalisation,”²³ thus accepting the untested link between revitalisation and removal of the rail line.

2009-2011: The Economy Improves, But Action is Slow

As the economy slowly improved, momentum to remove the rail line grew. The link to ‘renewal’ had become accepted wisdom, and politicians and bureaucrats who stuck with the 2006 decision to retain the line were labelled indecisive.

¹⁹ *Hunter Street Revitalisation Strategy: Integrated Transport* prepared for Newcastle City council by Scape Strategy, December 2010.

²⁰ The consultants were Bang the Table, and, as usual in such internet surveys, unique email addresses were used to identify unique respondents who could be located anywhere in the world . The results were given on the Bang the Table Blog entry for 2 December 2008.

²¹ *Attitudes towards redevelopment of the Newcastle CBD* Hunter Valley Research Foundation November 2008. http://www.abc.net.au/reslib/200812/r319669_1422250.pdf

²² *End of Newcastle inner-city rail ‘status quo’* Newcastle Herald, 11 December 2008.

²³ *ibid*

The Herald Weekender of 28 February 2009 featured an article on Jeff McCloy, in which the reporter recounted being shown “the post-apocalyptic streetscape of Hunter Street West. It’s here McCloy has staked his latest claim. He has bought and is currently rebuilding a swag of properties including ... the rambling Lucky Country Hotel.” The article made no mention of the rail line, but focused on Council as a barrier: “the council consent maze can be confounding and wasteful, as the McCloy Group found with the old NIB site on Hunter Street. His wallet \$300,000 lighter, the developer walked away from the development proposal. He plans to sell the property.”²⁴

Perhaps McCloy knew he didn’t need to harp on about the rail line, for soon afterwards, on 18th. March 2009, HDC released the *Newcastle City Centre Renewal Report* which ensconced GPT’s vision for the city.

Following the CBD Task Force reports, HDC had engaged consultants to explore some of the issues raised there. This feedback, together with the City Centre Plan, formed the basis for the *Renewal Report*. In the new recommendations, removal of the rail line was couched entirely in terms of ‘connectivity’ and associated with broadly desirable notions like ‘liveability’ and ‘sustainability’:

The NSW Government recognise the importance of improving connectivity in the city by:

- a. recognising the need for an improved integrated public transport system in the city and connections to key regional facilities;
- b. committing to the detailed investigation and design work necessary for the removal of the rail line to Wickham and creation of a new terminus at Wickham;
- c. ensuring that the transport corridor remains in public ownership to be made available for public uses such as shared pathways and public domain spaces;
- d. allowing new north – south connections for vehicles, pedestrian, cyclists and all abilities through the corridor, to enable the city to reconnect to the waterfront, improving the liveability, safety and sustainability of the city.

[Newcastle CBD Integrated Transport Report, March 2009 p3]

GPT’s role in the Wickham ‘solution’ was acknowledged: “Acting general manager of the Hunter Development Corporation (HDC) Julie Rich said the GPT idea last year was a ‘catalyst’ for a series of four consultative workshops, held under the banner of the CBD taskforce in December.”²⁵ GPT’s proposal was said to have “highlighted the fact that the structure of the CBD needed to be looked at in terms of the way it operates, and what needs to be done in order to have the city revitalised.”

²⁴ *Think Big* Herald Weekender, 28 February 2009. Article on McCloy Group website mccloygroup.com.au.

²⁵ *Tram train option for Newcastle CBD* ABC Newcastle Online, 23 April, 2009

The *City Centre Renewal* report was accompanied by the *Newcastle CBD Integrated Transport Report*, prepared by Parson Brinckerhoff (PB)²⁶ and released at the same time. PB's report called for logical planning and caution, including the following recommendations:

6. The NSW Government revise its policy of retaining the rail line to Newcastle Station, subject to a Rail Operations Plan, Concept Design Plan and costing estimates for a new terminus at Wickham, west of Stewart Avenue being prepared.

7. Subject to the outcomes of Item 6 above, the NSW Government oversee the preparation of an Integrated Transport Action Plan that takes into account the changed circumstance around the implementation of the new terminus and the response required by other public transport modes such as the public bus system and commuter carparks. This Action Plan will include further detailed planning on appropriate locations for commuter car parks in key regional locations

But caution wasn't contagious. On the 23rd of March 2009 the Newcastle Herald carried a front page headline *\$1bn Newcastle building boom stalls* which had the rail line right up there with the global crisis:

NEWCASTLE'S billion-dollar building boom is in jeopardy with one of the city's most prominent developers downing tools indefinitely, just weeks after one of the central business district's richest property owners halted investment. As the global economic crisis bites hard, developers said Newcastle's rail line was also impeding the commercial facelift the inner-city desperately needed.

Hunter Business Person of the Year Jeff McCloy said his company, The McCloy Group, was not proceeding with any more commercial activity in Newcastle. It has put on hold ... a proposed redevelopment of a city block in Hannell Street, Wickham. It comes after The GPT Group put its \$650 million Hunter Street Mall project on indefinite hold after the company issued its annual results on February 27, including a loss of \$3.25 billion. GPT said the Newcastle rail line needed cutting at Wickham for the mall project to succeed.

Mr McCloy said government action would stimulate private investment. "Unless common sense comes into play and the commitment is made to remove the rail line, Newcastle is always going to remain a backwater," he said.

[Newcastle Herald 23/03/09]

Almost three months went without any government decisions, and Newcastle's power brokers again threatened decay and desertion:

²⁶ The nominated PB lead on this report, John Webster, had joined PB in January, three months before the report was released.

A campaign will be launched today urging government action on the Hunter Development Corporation's Newcastle City Centre Renewal Report.

Organisations including Hunter Business Chamber, Hunter Advantage, Newcastle Trades Hall Council, Newcastle Alliance and the Property Council are throwing their support behind the "Fix Our City"²⁷ campaign.

Hunter Business Chamber chief executive Peter Shinnick said ... if the Government did not endorse the HDC report developers would walk away and the region would "luck out".

Hunter Advantage spokesman Newcastle developer Jeff McCloy said it was imperative government action was taken now to stop the decay of "our great city."

[Newcastle Herald 13/08/09]

But government was slow to react, and on 8 June 2010 Fix Our City held a rally which was "an overwhelming success"²⁸ according to the Property Council. The Newcastle Herald reported "Fix Our City wants the state government to implement the Hunter Development Corporation's city centre renewal report, which recommends cutting the rail line, building a transport interchange at Wickham..."²⁹ This article quoted a Fix Our City spokesperson as saying "We don't support development on the rail line," according with the 2009 GPT concept.

Only on 23 August 2010 did GPT definitively announce it would exit Newcastle in order to free up capital. The CEO said in a Media Release that the decision followed a lack of commitment from the Government to fully endorse the Hunter Development Corporation 2009 Report. He went on, "A key component of the report endorsed creating a transit centre on the edge of the city and stopping the rail line at that point. The rail line cuts the city centre in half, creating a barrier between the city centre and the foreshore."³⁰

This news elicited exaggeratedly pessimistic predictions, despite it having been long expected. Paul Murphy, Chairman of lobby group Newcastle Alliance said, "The heart has been ripped out of the city and it's devastating" while the Hunter Business Chamber chief called it a "major, major disaster."³¹ The International Business Times reported that retailers were indignant at the state government's refusal to

²⁷ The Hunter Chapter of the Property Council was a key driver in Fix Our City, according to the Council web site. Fix Our City was also amongst community campaigns that Jeff McCloy funded with Mr Grugeon, according to the Sydney Morning Herald, 31 July 2014, which quoted McCloy as saying he "wanted to focus political will on Newcastle ahead of the 2011 poll." The Tinkler company Buildev also supported Fix Our City, and the campaign featured in the 2014 ICAC hearings when former Police Minister Mr Gallacher explained a call to Buildev executive Darren Williams as possibly concerning the Fix Our City rally in Newcastle [Daily Telegraph, 4 September, 2014].

²⁸ *Fix Our City Rally an overwhelming success* Property Council NSW, www.propertyoz.com.au, 9 June 2010.

²⁹ *Hundreds at rallies over Newcastle's future* Newcastle Herald, 3 June 2010.

³⁰ GPT website <http://www.gpt.com.au/News-Media/Announcements-Media-Releases/Media-Release-GPT-to-exit-Newcastle-and-redirect-c>

³¹ *Picking up the pieces* Newcastle Herald, 28 August 2008.

support the HDC report. "One retailer predicted that as a direct consequence of GPT's decision, the surrounding businesses would suffer and many people would lose their jobs. ... Hunter Business Chamber president Brett Darwin said that the NSW government must take responsibility for the GPT pull out for deliberately sitting on the HDC report."³²

Other property experts and business leaders, however, reportedly told the Newcastle Herald that GPT was using the rail line as an excuse. Hunter Valley Research Foundation research fellow Simon Deeming was quoted as saying that Newcastle needed more residents, more workers and more pedestrian traffic before GPT could justify putting \$600 million into the mall. "People might think these decisions are made subjectively, but they're not, it's the financial fundamentals that decide it."³³ The reality was that GPT was divesting itself of numerous properties to reduce its interest overhead and turnaround a \$1.2 billion loss in the first half of 2009 to a small profit in the first half of 2010.

Three days after the Newcastle announcement, an ASX investor advisory site, Open Briefing, carried an interview with GPT CEO, Michael Cameron, about the company's strengthening balance sheet. In response to the question "What drove the decision to cancel the \$600 million inner-city Newcastle development project?" Cameron responded that it was in the best interest of investors. "With a large pipeline and close to \$2 billion of capacity we apply a disciplines approach to developments: they must be earnings accretive and within our strategic guidelines and risk profile."³⁴

So GPT set about selling more than 18,000 square metres of its land around the Hunter Street Mall.³⁵ In June 2011, however, the company was disappointed that a sale contract had not been taken up by the buyer.³⁶ In a BRW article headlined *Newcastle CBD suffers further blow*, Nathan Tinkler explained that his Buildev Group had dropped out because of "uncertainty around major projects in NSW at the moment and the tight time-line of the project itself."³⁷

However, other developers were starting to spend. At the end of June the Herald reported that Jeff McCloy had started "turning the derelict Lucky Country Hotel site into a savvy \$6 million commercial and residential space." McCloy was said to blame "the state government's inaction over the rail line for stalling works he had planned in town." The article noted that "Mr McCloy had said he would down tools until the rail line issue was resolved, but he is forging ahead regardless."³⁸

Another company, Hunter King Developments, had lodged plans for a 17-storey 265-unit tower. A spokesman was quoted by the Herald as saying the company could have "work started by the end of the

³² *GPT exit on Newcastle development project disheartens many retailers* International Business Times, 24 August 2010.

³³ *ibid*

³⁴ *GPT Group (GPT): CEO on HY10 Result* www.openbriefing.com, 26 August 2010.

³⁵ *GPT Newcastle land sale generates interest from developers* ABC News Online, 8 December 2010.

³⁶ *Newcastle Sale Process Update*, GPT, <http://www.gpt.com.au/News-Media/Announcements-Media-Releases/Newcastle-Sale-Process-Update#sthash.QVRhD4wg.dpuf>, 17 June 2011

³⁷ *Newcastle CBD suffers further blow* Ainslie Chandler BRW, 20 June 2011.

³⁸ *Revival for CBD's derelict eyesores* Newcastle Herald, 29 June 2011.

year if the application was supported by Newcastle City Council. The developer has existing approval to build a retirement complex at the site, but Mr Chapman said that plan was no longer considered viable.”³⁹

On the rail line question, the Herald article observed enigmatically, “Premier Barry O’Farrell has always said Hunter residents would make the decision on the rail line and Liberal cohort and Newcastle MP Tim Owen wants the heavy line gone.”

The next day, the ABC reported on the amalgamation of “Newcastle’s Fix Our City lobby group, which has been lobbying hard to have the CBD rail line cut” with the Newcastle Alliance lobby group, which had an overlapping membership. Paul Murphy, as Chair of Newcastle Alliance, was reported as saying “Fix Our City will still continue to push for the new State Government to implement the city centre renewal report...”⁴⁰

Shortly after the O’Farrell government took office in April 2011, Infrastructure NSW had been set up under the Chairmanship of the former premier Nick Greiner. Greiner’s friend Paul Broad, who was still HDC Chairman, was appointed CEO. An article at this time noted that “it seems to be Broad’s nature to talk in concepts rather than details,”⁴¹ and quotes him as saying “The bureaucracy in NSW is pretty bruised and very risk averse.” As example of how this risk-aversion made investors lose confidence, Broad cited the “lack of decision about the Newcastle rail line” which had led GPT to “abandon its \$600 million Hunter Street mall redevelopment.”⁴²

This article further claimed Broad had “clashed with former Hunter minister Jodi McKay about her proposal to turn a section of Honeysuckle land into a park as a trade-off for public support for rail changes. He said the former government lacked the will to challenge “silly” bureaucratic cost-estimates for removing the line to Wickham.”⁴³

2012: Government Kick-starts the GPT Development and then Decides

But even with the change of government, nothing much appeared to be happening. In an address to the Hunter Valley Research Foundation at the start of May 2012, the Infrastructure NSW Chairman said, “So you’ve got a choice. You leave the CBD looking a bit like Beirut on a bad Friday night, or you get rid of the rail line. I do think it’s as simple as that.”⁴⁴

³⁹ *ibid*

⁴⁰ *Fix Our City to amalgamate* ABC News Online, 30 June 2011.

⁴¹ *Calling for a broad reach* Michelle Harris, p.6 Newcastle Herald, 2 July 2011.

⁴² *ibid*

⁴³ *ibid*

⁴⁴ *Newcastle ‘like Beirut’ says Infrastructure chief*, Newcastle Herald, 2 May 2012. This article noted “Maitland MP Robyn Parker and Upper Hunter MP George Souris, both in the audience yesterday, oppose the early termination of heavy rail services because of the potential inconvenience for commuters in their electorates, although it is understood Mr Souris’s opposition has waned more recently.”

Then, in the middle of June, after months of negotiation, a contract under which Landcom would buy two-thirds of the GPT Group city centre property holdings for \$20m⁴⁵ was completed. Greater focus was to be put on residential projects than in the original GPT plan, thus opening up the potential for retail development at Wickham. “Political sources said the new project was expected to enhance the business case for a city interchange with retail space, as part of potential transport changes.”⁴⁶ The Deputy General Manager of HDC, Julie Rich, who had been with the Corporation since its beginning, was appointed to manage the joint venture.

At this stage the fate of the rail line was not determined. “Planning Minister Brad Hazzard confirmed he was still considering the issue of the Newcastle rail line despite the deal going ahead.”⁴⁷ Nevertheless, the property development industry body, Urban Development Institute of Australia (UDIA), focussed on the rail line removal in reporting what should have been the good news of the Landcom-GPT collaboration.

UDIA NSW Chief Executive Stephen Albin said Newcastle would now have the opportunity to be one of the first major beneficiaries of Urbangrowth NSW’s charter⁴⁸ to drive development but that the heavy rail line that divided Newcastle’s CBD from the waterfront must be removed to maximise the opportunities for renewal. ... “We need to remove that rail line as a priority or risk losing this golden opportunity to capitalise on Landcom’s investment in the Newcastle CBD.”

[UDIA NSW website, 26/06/12]

The GPT development, at one time touted as the key to Newcastle’s future, was apparently no longer sufficient to trigger renewal. The rail had to go.

Despite no official decision on the rail line, The Urban Developer of 9 July 2012 reported “Demolition of the Lucky Country club has commenced, with construction due to start in February next year, which will see the site transform into developer Jeff McCloy’s \$6 million commercial and residential haven.” That month McCloy announced he was running for Lord Mayor as an independent promoting development of Newcastle CBD and Hunter Street.⁴⁹ In September he was voted in with about 40% of the large formal vote of 85,000, and was quickly pushing his views to NSW government.

He has yet to be declared lord mayor of Newcastle, but that has not stopped Jeff McCloy from pressing the flesh in Macquarie Street and putting the need to revitalise the city centre to

⁴⁵ The value of GPT’s CBD holdings was \$66 million in June 2007, according to the GPT Group 2008 Annual Report.

⁴⁶ *Land deal seen as new life for CBD* Newcastle Herald, 18 June 2012.

⁴⁷ *Land deal seen as new life for CBD* Newcastle Herald, 18 June 2012.

⁴⁸ Landcom was about to be recast as Urbangrowth NSW, with “primary objective to enable a thriving private sector development industry to deliver homes, workplaces, facilities and places needed for NSW citizens to enjoy a high quality of life.” UrbanGrowth NSW

http://www.dpc.nsw.gov.au/announcements/ministerial_memoranda/2013/m2013-01_urbangrowth_nsw.

⁴⁹ *McCloy's on a mayoral mission* 1233 ABC News Online, 25 July 2012.

ministers. The unofficial lord mayor elect spoke with Hunter MPs, Minister for the Hunter Mike Gallacher, Treasurer Mike Baird and Labor opposition leader John Robertson at state parliament, and with representatives of The GPT Group and Landcom in a whirlwind series of meetings yesterday. [Newcastle Herald 14/09/12]

The closure of the rail line for which McCloy had so long campaigned would have certainly been raised by him with these politicians. The Herald article said, "It is understood the subject has again been raised in state cabinet recently, with Planning and Infrastructure Minister Brad Hazzard visiting the Hunter Street mall recently and being told by residents and business owners to act on the rail line."

On the 13th of December 2012 the announcement was made: the rail was to be truncated at Wickham.

2. Replacing the Newcastle Rail Line (2013-2014)

A Confusion of Projects



BEFORE
Newcastle rail line currently in the CBD



AFTER
A revitalised Newcastle CBD with light rail

Almost two years on, and two months before rail services are to be cut, there has been no estimated completion date for the light rail to Newcastle, no announcement about the interim arrangements for travellers, no published plans or identified funding for new crossings over the rail line, and no mention of the disruption that faces road users and pedestrians. This is despite the government announcing in its June 2013 Budget that \$340 million would be spent "on a revitalised Newcastle that includes light rail" which would be "fast tracked through the lease of Newcastle Ports."⁵⁰ The before-&-after illustration below is from the supplementary Budget paper *Rebirth of Newcastle*.

Toward the end of September 2013 the Minister for Transport, Gladys Berejiklian, said that a contract had been awarded for "early scoping studies for the Newcastle Light Rail."⁵¹ Typical of all announcements on the project, and without any apparent justification, the Minister

⁵⁰ *Rebirth of Newcastle* NSW Budget 2013-2014, 17 June 2013.

⁵¹ TfNSW Media Release 24 September 2013. A closed competitive tender process had selected Newcastle-based firm GHD.

conflated the 2.7 kilometres of light rail with CBD renewal: “The NSW Government is getting on with delivering light rail in Newcastle, a project that will contribute to the transformation and renewal of the city centre.”

Two further contracts (PSC-2965 *Heavy Rail Truncation* and PSC-2967 *Light Rail Systems*) for engineering and operations technical advisors were awarded, to be completed at the end of August 2014.⁵² The calls for tender for these contracts had been advertised under the name *Newcastle Transport Initiatives*. The first paragraph in their short descriptions was extraordinary for such a request for tender:

In the context of the 2013-14 budget the NSW Government announced a strategy to drive the economic growth and renewal of Newcastle. Central to this strategy are two transport initiatives - removal of the heavy rail branch line from the Newcastle CBD and the introduction of a light rail system.

One can only assume that the purpose of this paragraph was to alert potential respondents to the fact that normal transport planning criteria might not apply.

The globally affiliated engineering firm URS Australia Pty Ltd won the \$3 million PSC-2965 contract to “provide engineering, urban design and environmental advice in relation to the truncation and removal of the Newcastle branch rail line, to develop a robust scope and full definition of the project.” But no report on this work has been released. Concerns about progress of the truncation project were raised⁵³ when a 12 month Project Manager position was advertised on 15 September 2014. The job was, inter alia, to “develop plans, engage with working parties and subject matter experts and develop and implement the project management plans and assist with the development and implementation of corporate strategy.”⁵⁴ The truncation project was still obviously at a very early stage.

The project to provide advice on the route of the light rail line⁵⁵ (PSC-2967) was awarded to another global company, Parsons Brinckerhoff, and the route between Wickham and Newcastle was announced in May 2014. Earlier, when PB had been working on the *Newcastle CBD Integrated Transport Report* for HDC, the company had reviewed and costed six options for the Newcastle rail line. The resulting report recommending truncation but cautioning that “the preferred rail service was not required **before** major revitalising developments commence, and joint investment in CBD major projects and the transport network needed to occur in an effective and committed sequence.”⁵⁶

Despite this sound advice, the transport projects are not being sequenced in an effective, common sense way. A contract to develop a business case for the project was awarded a full year after the

⁵² These and other details of competitive tenders and contracts are on *NSW E-tendering*, tenders.nsw.gov.au.

⁵³ <http://www.abc.net.au/news/2014-09-24/preparation-works-begin-on-newcastle-rail-line-truncation/5764926>

⁵⁴ <http://m.caddencrowe.com.au/job-details/query/project-manager-truncation-project-sydney-andamp-newcastle/in/newcastle-maitland-and-hunter/5881872/>

⁵⁵ Parsons Brinckerhoff Bulletin, Volume 59, May 2014

⁵⁶ *Newcastle CBD Integrated Transport - Identification of Preferred Scheme* Parsons Brinckerhoff, 2009, p iv.

decision to truncate the Newcastle rail line.⁵⁷ In announcing this, Planning Minister Brad Hazzard seemed to foreshadow the business case findings: “Truncating the heavy rail line, creating a fully accessible transport interchange at Wickham and introducing light rail will enhance and accelerate many renewal initiatives – helping bring jobs, residents and visitors into the Newcastle the city centre.”

This December media release also quoted the Transport Minister spruiking development (“A transport interchange at Wickham will help create a new business district within the emerging Newcastle CBD at the western end of Newcastle city centre”) before returning to her portfolio concerns with the contentious claim that “An interchange at Wickham will offer customers convenient public transport with direct access from trains on the Hunter and Central Coast lines.”

The findings of Ernst & Young on the business case for Newcastle Light Rail have not been released, on the grounds of being commercial-in-confidence.⁵⁸ Indeed, the business case findings have not even elicited a media release from the Transport Minister who usually promotes the project’s progress.

During 2014 TfNSW advertised four tender requests, each under the name *The Newcastle Urban Renewal and Transport Program*. One was for a program management office manager⁵⁹, another for legal advice concerning the Wickham transport interchange.⁶⁰ The other two contracts were to help gain planning approval for the *New Wickham Rail Terminus Project* (TPD-14-3654) and the *Light Rail Project* (TPD-14-3430).

According to the NSW Government Contracts Register⁶¹, the rail terminus contract was awarded to GHD for the period 23 April to 30 November 2014. In addition, registrations of interest for design and construction for the Wickham Transport Interchange Project (TPD-14-3767) were called for in the middle of 2014,⁶² shortly before the public release of the Review of Environmental Factors (REF) of the project. As discussed below, this REF was seriously flawed. Nevertheless, preparatory work moving utilities and the like in Wickham was announced in September 2014.⁶³

No award of the contract to assist with planning approval for Light Rail (TPD-14-3430) is recorded on the Government Contracts Register. However, in early September 2014 the Transport Minister (who is also the Minister for the Hunter) announced the award of a contract to conduct technical studies and prepare the environmental impact assessment needed for planning approval.⁶⁴

⁵⁷ TfNSW, 23 December 2013 <http://www.transport.nsw.gov.au/media-releases/light-rail-transport-newcastle-city-surf>. The contract was awarded to Ernst & Young.

⁵⁸ *Rail reports seen as too ‘commercially sensitive* Newcastle Herald, 6 June 2014.

⁵⁹ Contract 419717 awarded to Sydney-based firm McLachlan Lister.

⁶⁰ CAN 2014/T016 awarded to Sydney-based firm Allens .

⁶¹ <https://tenders.nsw.gov.au/>

⁶² This was deemed important enough to be mentioned in Urban Renewal Strategy (2014 update; p12).

“Expressions of interest were sought in June 2014 for the design and construction of the Wickham interchange as part of the NSW Government’s commitment to commence construction of the interchange by December 2014.”

⁶³ *Preparation works begin on Newcastle rail line truncation* ABC News Online, 24 September 2014

⁶⁴ TfNSW Media Release, 4 September 2014. The contract to GHD and Newcastle-based RPS Manidis Roberts was said to have been the result of a competitive open tender. It must surely therefore be TPD-14-3430.

And that is the progress of the Newcastle rail truncation and light rail implementation after nearly two years.

An Inadequate Review of Environmental Factors for the Wickham Transport Interchange

GHD's Review of Environmental Factors for the Wickham Transport Interchange Project (REF) was publically released at the end of July 2014. As usual, the review was commissioned to inform the decision as to whether the Wickham Transport Interchange Project proposal should proceed to construction. It would be expected to consider all identifiable matters likely to affect the environment, as required by the NSW Environmental Planning and Assessment Act 1979.

The "Transport Interchange" described in the REF was in fact a terminus for heavy rail. Patrons had to walk out onto the street to catch a shuttle bus to the CBD. A 2-vehicle siding on busy Stewart Avenue/Hannell Street was the only accommodation envisaged for (dis)embarking passengers and for bus layovers. There was very limited parking for taxis and cars, which had to transit a maze of narrow residential and industrial streets to and from the major thoroughfares. There was no light rail. Local buses had to be caught around the corner from the Interchange. Regional buses continued to load at the existing Newcastle station, apparently because that is *where their customers want to go*.⁶⁵ And the project allowed for no new roads or paths across the disused rail line.

Nevertheless the REF Executive Summary states as likely socio-economic benefit of the project "revitalisation of the city centre by providing opportunities for better connections to the waterfront and through the city centre" (p xv). Moreover, "improved accessibility (pedestrian and vehicle) between the Harbour and the city centre, including Queens Wharf and Honeysuckle Drive" is listed as a "Major beneficial" of the proposed project in the supporting Technical paper *Wickham Transport Interchange Project Social Impact Assessment* (SIA) Table 5.1.

A key problem for the REF's authors was that the project had to be presented as stand-alone, rather than the first stage of a larger project. The REF had to deal with this dual identity which, on the one hand, reduced the project to replacing train services with buses whilst leaving the rail line intact, and on the other hand made it the precursor to a light rail system for Newcastle. The consequence of this dual identity was inaccuracies and inconsistencies in the description of the Project in the REF and in its supporting Technical Papers, the SIA and the *Project Traffic Impact Assessment* (TIA)

Claims that the project involved "closing the railway and ceasing train services on the Newcastle Branch Line" (REF Section 1.1) and the construction and operation of a "transport interchange for heavy rail, local buses, taxis and private vehicles" (REF p ix) were erroneous, given what was described in the body of the report.

More worrying in terms of fulfilling the requirements of the EP&A Act were inconsistencies in defining the area in which environmental effects had been investigated. REF Section 2.2 stated: "The proposal

⁶⁵ Personal communication. TfNSW Community Engagement Manager, Aaron Klasen, August 2014.

site is located on the edge of the Newcastle city centre, about two kilometres to the west of the Hunter Street Mall. The site extends ... just to the east of Stewart Avenue, Wickham” (p8). The TIA considered impact on a wider area which includes local traffic areas adjacent to the proposed Interchange, while the SIA acknowledged that the proposal will impact a service catchment area which includes Maitland and Lake Macquarie.

The other striking problem with the REF was the paucity of research done into matters likely to affect the environment. A stark contrast in research depth and rigour is provided by the Environmental Review document prepared by the same firm, GHD, for a relatively minor railway station car park.⁶⁶

The REF failed to model traffic flows in construction and operational scenarios, and its modelling of the existing situation was rudimentary. What little modelling was reported in the Wickham Interchange REF suggested that congestion in the vicinity of Stewart Ave level crossing would not be reduced overall, given the closure of Railway St. This is even without considering the impact of the shuttle buses on traffic flows, which would be considerable (especially on exiting/entering the Interchange) as they are supposed to be frequent enough to provide “reliable, convenient and quick” transport of rail passengers (REF p x). Modelling requires elicitation of the types, timetabling and routing of shuttle buses, none of which were discussed. Yet the lack of research and the lack of clarity in the proposal did not hinder blithe predictions such as “closing the Railway Street level crossing is likely to be acceptable” (REF p xiii).

The car and taxi activity at the Interchange was not investigated, even though this would apply regardless of whether the final mode is to be light rail or buses. Recognition of the impacts on Wickham residents whose streets would become access roads to the Interchange was another significant omission.

Misleading Government Information

During the decades of debate described in the history (section 1), the transport solution offered to replace rail was quiet, modern, superior rapid transit buses or light rail that ran along a “green corridor” on the old rail thoroughfare. Traffic snarls caused by the level crossings would be gone. The CBD would be “renewed”, no longer inhibited by the barrier of the rail.

The transport solution offered in the current vision is a light rail system, running mainly on streets, which “will serve the main activity areas of the city and improve connections so locals and visitors can enjoy all that Newcastle has to offer”.⁶⁷ Improved traffic flows are no longer touted as a benefit of removing the level crossings, rather their removal is promoted as “making it safer to move around the city.”⁶⁸ The focus of “renewal” has moved from the CBD to “development around an emerging business

⁶⁶ Sutherland Multi-Storey Commuter Carpark -TAP 1609-UD-R-2400 2013.

⁶⁷ TfNSW Media Release, 4 September 2014.

⁶⁸ *Revitalising Newcastle: Light rail from Wickham to the beach* www.revitalisingnewcastle.com.au 11 March 2014

district at Wickham”.⁶⁹ The “green corridor” is no longer preserved⁷⁰ as UrbanGrowth NSW promises to “act as NSW Government’s agent to bring government lands to market.”⁷¹

Government information confuses the vision with reality. Thus Urbangrowth NSW on its website says that the *Newcastle Urban Renewal and Transport Program* will bring “a new multi-modal transport interchange at Wickham,” and DP&I’s *Newcastle Urban Renewal Strategy* promises “a light rail system that connects key activity areas.” Such misleading statement lead to misconceptions, as evidenced in a recent opinion piece by the Vice Chancellor of the University of Newcastle who writes: “The NSW government has committed to creating a light rail network for the Newcastle CBD, as well as a new transport interchange at Wickham for rail, light rail and buses.”⁷² The reality for the University students is that the Interchange as currently planned does not accommodate buses even if, at some future date, it does allow for light rail. And the light rail “network” is a straight run of 2.7 km, amongst the shortest anywhere in the world. The line ends less than 250 meters closer to the beach than the existing station, and does not terminate at the beach despite official suggestions it does.

The DP&I “fact sheet” *Revitalising Newcastle* claims that following “detailed analysis” the Government has made “key decisions to accelerate the vision for a revitalised Newcastle.”⁷³ These are listed as:

- Remove heavy rail between Wickham and Newcastle to reunite Newcastle city centre with the waterfront by delivering up to 11 new crossing points
- This would be a catalyst for urban revitalisation creating a more attractive, accessible environment for visitors, the community and businesses
- Construction of a modern, multi-modal and fully accessible transport interchange at Wickham for easy customer transfers within the Newcastle CBD
- Wayfinding and real time information to ensure smooth customer transfers and easy access
- Buses will provide access to the Newcastle city centre until the completion of light rail. The bus network will be restructured after light rail is delivered to create an integrated network.

The reality is that there has been no announcement as to how, when and where the new crossing points are to be made, or when the light rail will be running. The use of wayfinding and real time information can hardly be described as a “key decision,” nor could the use of buses as an interim measure. And Newcastle, its trains still running, is currently undergoing a revitalisation as a result of a combination of factors including improved economic environment, changing social values, and initiatives of the government.

⁶⁹ *Revitalising Newcastle: Light rail from Wickham to the beach* www.revitalisingnewcastle.com.au 11 March 2014

⁷⁰ *Newcastle light rail run finalised* Government News www.governmentnews.com.au/2014/05/newcastle-light-rail-run-finalised/ 27 May 2014

⁷¹ *Revitalising Newcastle: Urban Renewal* www.revitalisingnewcastle.com.au/projects/urban-renewal.aspx

⁷² *Newcastle Uni new city campus of the future* Caroline McMillan, Newcastle Herald, 19 September 2014

⁷³ <http://www.planning.nsw.gov.au/Portals/0/HousingDelivery/revitalisnewcastle/TfNSWNLFactsheet.pdf>

UrbanGrowth NSW, DP&I, HDC and the Newcastle City Council have partnered on the *Newcastle Urban Renewal and Transport Project* which is promoted on the website *RevitalisationNewcastle.com.au*. This and the agencies' individual media messages reinforce the grand vision expressed in the *Newcastle Urban Renewal Strategy*. Thus the claim that "Light rail in Newcastle will help unlock the city centre's potential as a diverse, vibrant and attractive place for locals and visitors" is echoed by HDC, Hunter Infrastructure Fund, TfNSW and other sites.

Of the benefits that light rail is claimed to deliver to Newcastle and the wider Hunter region on *RevitalisationNewcastle.com.au*, three points (providing a comfortable air conditioned ride, connecting people to Newcastle's great beaches and supporting the growth of residential communities in the city centre) are offered by the existing rail. New road and pedestrian crossings might also be made available with the existing rail, and the claim that light rail will "integrate easily with existing traffic and pedestrian spaces" is problematic. But the most contentious points are that the light rail will "support investment and development – bringing more jobs, residents and visitors into the city centre" and "promote development around an emerging business district at Wickham."

Revitalisation claims are supported by reference to international light rail implementations, including a similarly short line in Tacoma, Oregon which links the city to a large car park and station.⁷⁴ But how well-founded are these comparisons? The \$1.6b Sydney CBD and South East Light Rail project has been subjected to a cost benefit analysis. This estimated a return of \$4b over 30 years, of which almost 60% was from faster, smoother, more reliable journeys and only \$222m was wider economic benefit.⁷⁵

Conclusion

The submission has attempted to demonstrate that sustained lobbying by Newcastle property interests has not only influenced the decision to truncate the line, but has led to poorly scheduled and hastily specified TfNSW projects. Further, misleading information produced by HDC, UrbanGrowth NSW and DP&I has impacted on public perception and government planning.

No completion date for the overall project has been released because the project is in embryonic stages, and, one presumes, any reasonable guesses would be politically unacceptable. The date that rail services would end appears also to have been determined for political rather than operational reasons. This raises widely held concerns that the rail line will be cut while the promised light rail never materialises.

Reporting on the visit to Newcastle by the current Inquiry chair, the Rev. Fred Nile, the local Herald noted his concern about the imminent removal of the rail line. He was quoted as asking "What's the rush?"⁷⁶

This article elicited an opinion piece arguing that the decision to remove the rail was not rushed as it had "been debated for more than a decade."⁷⁷ The amount of time to decide to remove the rail line has, of

⁷⁴ *Revitalising Newcastle: Light rail from Wickham to the beach* www.revitalisingnewcastle.com.au 11 March 2014.

⁷⁵ *CBD and South East Light Rail Business Case Study* TfNSW 3 November, 2013.

⁷⁶ *Fred Nile backs call to delay halt to Newcastle train services until inquiry completed* Newcastle Herald, 3 October 2014.

⁷⁷ *Fred Nile has got it wrong on Newcastle rail* Robert Monteath, Newcastle Herald, 7 October 2014.

course, no bearing on the optimum time to cease rail services. One may ask, why take this action when the project is so underspecified and before any approvals have come through?

The Herald opinion piece went on: “This is not a matter of removing a piece of public transport infrastructure that very few people use for the sake of it, but a matter of making the CBD more liveable and accessible to all and providing an alternate form of public transport.” What is omitted here is recognition that the liveability of the city will be significantly reduced during the light rail construction, and the construction will be spread over a longer period than necessary if work is rushed through prematurely to satisfy the demands of lobbyists. Moreover, the claims of improved liveability remain unsubstantiated.

Whether or not replacing 2.7 km of heavy rail with light rail is essential to revitalise the city, the project requires the thorough planning recommended in the *Newcastle CBD Integrated Transport Report*. If there had been a cost benefit analysis for the entire project, if construction-phase transport options and road closures had been announced, and if a completion date for the Newcastle Light Rail was given -- as it has been for the Sydney’s Light Rail -- then announcing the end date for heavy rail services would make sense.