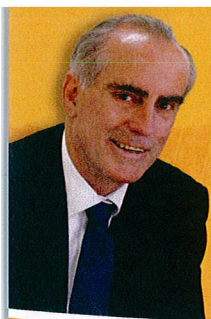


**INQUIRY INTO PLANNING PROCESS IN NEWCASTLE
AND THE BROADER HUNTER REGION**

Name: Mr Greg Piper MP

Date received: 24/10/2014



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Reverend the Honourable Fred Nile, MLC
Chairperson
The Legislative Select Committee on the Planning Process in
Newcastle and the Broader Hunter Region
Email: newcastleplanning@parliament.nsw.gov.au

Dear Reverend Nile

SUBMISSION FROM GREG PIPER, MEMBER FOR LAKE MACQUARIE

I am pleased to have the opportunity to contribute to the committee's deliberations on the planning issues under its terms of reference.

The past twelve months have been politically turbulent in the lower Hunter. Two State MPs have resigned from Parliament and another two have moved to the crossbench while the Independent Commission Against Corruption (ICAC) considers allegations against them. At the same time, the city at the heart of this region, the second city of NSW, is on the threshold of great change, a period of potential transformation as significant as any it has experienced in more than 200 years of white settlement.

The proposed changes have been controversial. In particular, the community remains divided on some of the key elements such as the decisions to remove heavy rail from the inner city, to route a new light rail service along Hunter Street and to increase building height limits in the CBD. Unfortunately, the irregular political environment has cast further shadow over decisions that many in the community had already found cause to question.

Revelations from the recent ICAC inquiry of collusion between business and political interests, and impropriety in the funding of election campaigns in government held electorates in the region, have fuelled suspicion that key decisions made in relation to the revitalisation of Newcastle have been unduly influenced by the pro-business, pro-development lobby.

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The Newcastle Herald, which has largely supported revitalisation, articulated this mood of suspicion and uncertainty when it wrote in August this year:

"The nagging sense that what is being presented is a hastily cobbled together lean-to of plans that suit particular players with their own special interests can't be allowed to persist, and must be swept away with a complete and transparent review."

I shared the view that a transparent review of key decisions was required to restore community confidence in the revitalisation process and in the same month called on the Premier in Parliament to instigate a probity audit. Recognising that there was a degree of review-weariness within the Newcastle community after decades of debate and commissioning of reports, I believed a probity audit, conducted by independent experts, was the best way to address the issue in timely manner. To that end, I advised Premier, Mike Baird that appropriate persons would perhaps be best found in the ranks of recently retired judiciary, including from the Land and Environment Court.

Whilst the Premier did not accede to that request, I am pleased the convening of this parliamentary committee now affords an opportunity for its members to 'run a rule' over strategic planning decisions affecting Newcastle's future and address scepticism in the community about the processes that led to these policies.

These decisions do not relate directly to areas within my electorate but neither are they without impact on my constituents. Newcastle is central to much of what occurs in the Hunter, and all in the region have a stake in the success or failure of its redevelopment.

Additionally, the fallout from the ICAC has significantly eroded the level of parliamentary representation of the region in State Parliament at a time when critical decisions are being made, so I feel it is incumbent on those of us remaining to speak in the interests of all in the Hunter community.

I offer the following comments on some of the issues within the terms of reference:

Newcastle City Centre Planning Controls

The Government has approved new planning controls for the inner city that substantially increase allowable building heights in some parts of the CBD. While the increased building height limits in the West End of the CBD seem to have been largely accepted by the community, the same cannot be said for the UrbanGrowth/GPT owned land in the historically sensitive East End, where the allowable building height has been doubled from 30 metres to 58.9 metres.

The initial proposal was, inexplicably, for an even higher limit of 69.5 metres. The Government subsequently amended this after public consultation, but the reduction in height limit (by approximately two storeys) was widely regarded as a token response to community concerns. The popular view is that the original height limit was something of an 'ambit claim' designed to make the subsequent revised height more palatable.

There is great concern within the community about the introduction of buildings of this height in the eastern part of the CBD and the impact they will have on the streetscape, in particular the iconic topography and urban form that sees the landscape sweep down to the ocean from the pinnacle of Christ Church Cathedral.

There is also concern about the insensitivity of buildings of such height to the surrounding heritage buildings. This is the second oldest site of white settlement in Australia, and the remaining physical evidence of this history should be preserved and celebrated, not dwarfed and overshadowed by residential towers or compromised by large contemporary buildings likely to conflict with, not complement, this locally and nationally important precinct.

The community does not accept the argument that the viability of the UrbanGrowth/GPT development relies on buildings of this height. No business case has been presented to support this proposition and the community remains unconvinced by the argument that a residential tower in the Hunter Street mall precinct can only be financially viable if it is 17 storeys high, given that the median price for an apartment in the East End is over \$850,000 and luxury apartments can sell for up to \$3 million. A significant number of apartment blocks complying with the former, far more modest, height limits have been built or refurbished in the East End over the past decade and proved financially successful for the developers.

In addition, and quite alarmingly, *The Newcastle Herald* reported on 24 October that advice from an independent expert panel of architects critical of the increased building height limits in the city's East End was not provided to city councillors or the public at the time the new planning controls were under consideration.

The advice reportedly criticised the new height limits for the planned towers on the GPT/UrbanGrowth site, saying there was no evidence the development would not be viable under the pre-existing height limits. The urban design consultative group reports to council under a State directive, and its advice should not have been disregarded in this way. This has only led to greater suspicion within the community that the consultation undertaken was not genuine and the outcome was predetermined to give GPT and UrbanGrowth a commercial advantage.

Heavy Rail Truncation

While the Government has made a decision on the cutting of the inner-city rail line, and set a Boxing Day deadline for the truncation to begin, I should put on record the ongoing concerns of people opposed to the loss of this public asset. There is a strong feeling among them that the community and cost benefit of replacing the rail line with light rail has not been clearly articulated, and a perception that the decision to terminate heavy rail was made to appease developers and others with commercial interests.

I believe the committee should review the decision to end heavy rail services and also address concerns about the timetable for truncation, in particular the long delay between the end of heavy rail services and the likelihood of light rail being operational. There are community concerns that it is premature to cut the heavy rail while light rail has not been properly planned and costed – and that business interests may have influenced the decision to do so to free up the rail corridor as quickly as possible for development purposes.

The Government has added weight to speculation of this nature by consistently refusing to rule out development on the heavy rail corridor post-truncation, despite strong community support for it to be retained as a public asset. I have attempted to address this uncertainty by introducing into Parliament the Newcastle Inner-City Rail Corridor Preservation Bill 2014, which aims to preserve the corridor for open space and recreational uses. It also provides that heavy rail can continue on the corridor – or light rail be introduced – if there is a change of policy about the removal of the heavy rail line or routing the light rail down Hunter Street.

At this point in time I note that the possibility of accepting my bill has not been ruled out by the Minister for Planning, the Honourable Pru Goward, MP.

Light Rail Route

The community has become increasingly suspicious of the motives behind the choice of the hybrid route over the original stated plan for light rail, which was to run the service along the existing corridor. The hybrid route runs partly along the existing heavy rail corridor before deviating into nearby Hunter Street for the majority of the journey, then into Scott Street to terminate. The option was introduced late in the debate and is, by the Government's admission, significantly more expensive than running light rail along the existing corridor.

The heavy rail corridor is believed to be largely free of the undermining issues that complicate building projects in much of the inner city and is a tract of land attractive to developers. The support of pro-development interests, including support from the former Lord Mayor, for a light rail option that leaves all or the greater part of the corridor open, has heightened concerns about the land being used for residential or commercial development once the heavy rail line has been removed.

I therefore believe the committee should review the justification for the hybrid route and the economic case for the Government's choice of this this option.

On 23 October I asked the following of the Minister for Planning as a Question on Notice:

1. Has the Government commissioned a cost-benefit study on the use of public funds for truncation of the Newcastle rail line, the Wickham interchange and the Light Rail? [apparently YES]
2. If so, has that study been completed and what is its current status? [to have been completed in Sept]
3. Will that study be released to the public, as was the case with the previous 2008 Urbis cost-benefit study, and if so when?

Point 1 of that question is very pertinent, with the use of public funds in the amounts being proposed to remove a rail line and then lay new rail down Hunter Street being inexorably pursued. These funds could be very well deployed in other areas in our region including creating a truly first class public transport system throughout the Lower Hunter.

Thank you again for the opportunity to contribute to this inquiry. I would be pleased, if requested, to appear before the committee to discuss aspects of this submission in person.

Yours sincerely



Greg Piper, MP
Member for Lake Macquarie