

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

Organisation: Property Council of Australia

Date received: 24/10/2014

Revd. the Hon Fred Nile MLC
Chair
Select Committee on the Planning Process in Newcastle and the broader Hunter Region
Legislative Council
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

Friday, 24 October 2014

Dear Reverend,

Please accept this document as the submission from the Property Council of Australia to the Select Committee on the planning process in Newcastle and the broader Hunter Region.

Either myself or NSW Executive Director, Glenn Byres, would be happy to provide any further information to the committee.

ABOUT US

The Property Council represents the property investment industry in Australia.

Our members operate across the entire property investment spectrum, which includes all:

- Dimensions of property activity – financing, funds management, development, ownership, asset management and leasing;
- Major property types – offices, shopping centres, housing, industrial, tourism, leisure, aged care, retirement and infrastructure;
- All regions of Australia and international markets; and,
- Then four quadrants of investment – public, private, equity and debt

The property industry is a pillar of the NSW economy:

- Creates \$63 billion in flow on activity
- Generates almost 300,000 jobs – 1 in 10 workers
- Pays \$7.7 billion in State taxes to the NSW Government – the State's single largest taxpayer
- Provides \$16.6 billion wages to workers and their families
- Contributes \$44.5 billion directly to Gross State Product
- Levied an additional \$6 billion in local council rates and charges

In the Hunter, our members:

- Contribute \$8.3 billion to economic growth;
- Pay \$3.8 billion in wages; and,
- Generate 75,000 jobs.

The Hunter Chapter of the Property Council of Australia comprises key industry leaders from across the region with a long term interest in the economic prosperity of The Hunter. Attracting and accommodating growth, delivering infrastructure and achieving planning reform are issues of particular interest to our members.

They have advocated consistently and scientifically to build a future city, a truly world-class regional capital, which can support NSW's regional economic powerhouse. As far back as June 2005, the Property Council released *Initiatives for The Lower Hunter* – a public discussion paper which included recommendations on creating a vibrant city centre.

That report found the Newcastle to Broadmeadow rail link creates a barrier cutting the CBD from its harbour. A Property Council survey of over 800 businesses located in Newcastle indicated that the rail line was hindering business activity and its removal and replacement with a free frequent bus service would lead to a significant improvement in economic activity. Furthermore, respondents suggested that removal of the Newcastle to Broadmeadow link would result in greater business investment in the CBD.

In December 2012 we formed the Newcastle Renewal Taskforce – a local industry brains trust with expertise in the areas of urban design, architecture, transport planning, place making and mine subsidence – to respond to the NSW Government's strategy on revitalisation of the city centre.

The Taskforce was given significant resources and their work has included detailed submissions, underpinned by rigorous research and ground-truthed by extensive consultation, on the following draft Government policies:

- 2012 Newcastle Urban Renewal Strategy
- Revitalising Newcastle – Light Rail from Wickham to the Beach
- 2014 SEPP Amendment (Newcastle City Centre)
- 2012 Newcastle City Centre Development Control Plan Amendments

The Taskforce has also run a series of workshops and events over the past three years to foster an open exchange of ideas on what is the best urban design for the future of Newcastle.

This is in addition to being an active participant in the unprecedented level of community consultation the Government has carried out since December 2012.

THE INQUIRY

We have concerns relating to some of the assumptions behind the Select Committee appointed by the NSW Upper House on September 16 2014 “to inquire into and report on aspects of the planning process in Newcastle and the broader Hunter region”.

The final terms of reference, while very broad, are concentrated on strategic planning decisions for the future urban design of Newcastle’s city centre – specifically truncation of the heavy rail line at Wickham and delivery of light rail infrastructure from that point to Newcastle Beach. The inquiry will also capture a medium-density residential housing development in the suburb of Whitebridge which has had an extensive and exhaustive planning process that responded to community consultations.

We believe there are flaws in parts of the rationale for establishing the inquiry:

1. **BENEFIT** - A perception that the NSW Government is making a \$460 million investment in urban renewal projects and public transport infrastructure to benefit the property industry.

“ . . . Dr Mehreen Faruqi MLC, has called the announcement of the light rail route in Newcastle further confirmation that the truncation of the rail line is more about property development than public transport . . . this is just a land grab for property developers”

Newcastle Light Rail Route a Gift to Property Developers, Greens Media Release 23/05/2014

This submission does not attempt to detail the merits of the Government’s vision to open up ground breaking new connections from the city to the waterfront and launch fresh, vibrant precincts. Suffice to say that our members, the Hunter Business Chamber, Newcastle NOW, Tourism Hunter, the City of Newcastle, UDIA Hunter Chapter and countless other bodies support the Newcastle Urban Renewal Strategy (NURS).

These organisations are made up of local, qualified experts whose experience gives them key market insights. In their professional opinion, the NURS, in combination with light rail, will unlock \$2.5 billion worth of economic activity and transform the CBD into a more liveable city that can be highly competitive in the Asia-Pacific region.

They know that truncation of the heavy rail service and the delivery of light rail infrastructure is not about property development. It is about an integrated public transport solution that “frees the shackles” and allows the urban environment to be designed in such a way that people and places will be connected like never before.

This view is supported by the peak industry body for rail in Australia – the Australasian Railway Association. CEO, Bryan Nye OAM, has commended the NSW Government for investing in a modern public transport network which will create efficiencies for a growing population centre. In March 2014 he described the light rail route as “the ideal way to revitalise Newcastle”.

Critically, it will mean Newcastle’s city centre can accommodate the 6,000 extra residents and 10,000 new workers who will flood the peninsula within 20 years.

THE HEAVY RAIL CORRIDOR

The claim that developers are “eyeing off” the heavy rail corridor cannot be substantiated.

Construction of any commercial building in the corridor is simply not viable for a number of reasons:

- Existing buildings face north or south, meaning to undertake development between these structures would be akin to building in Sydney’s Pitt Street Mall.
- There is physically not enough space for required flow and services.
- Long held architectural principles and planning laws around setbacks and solar access would need to be broken.
- The final product would not be marketable and therefore impossible to finance.

Put simply, there is no feasibility study in existence to support the claim that commercial or residential development will take place on the heavy rail corridor once the line is truncated. Such claims are mere rhetoric and cheap slogans designed to distract Novocastrians from the substantive issues.

Notwithstanding, the Property Council’s policy position on future use of the heavy rail corridor has been unequivocal since receiving the recommendation of experts from the Newcastle Renewal Taskforce. The heavy rail corridor must be preserved as public domain and should be transformed into green space for pedestrians, cyclists and other active uses.

These are the things we say are not negotiable in terms of the heavy rail corridor;

- North-South connections at-grade to reconnect the city and waterfront
- Pedestrian and cycle friendly East-West Links
- Much more than a simple beautification program
- Activated Public Domain

2. CONSULTATION - A belief that the people of Newcastle were not consulted on truncation of the heavy rail line at Wickham.

"The people of the Hunter Region were never consulted on the decision to truncate the Newcastle rail line."

Newcastle's planning process to be properly examined, Greens Media Release 16/09/2014

"The plan to cut the Newcastle railway line came out of nowhere."

Newcastle Light Rail Route a Gift to Property Developers, Greens Media Release 23/05/2014

The Newcastle community has been having a conversation about truncation of the heavy rail line for at least 40 years, as this front page of the Newcastle Morning Herald & Miners Advocate testifies.



The issue has been a political football in Newcastle for decades and the subject of at least 30 separate Government reports which have recommended truncation.

Indeed, the Greens NURS submission, authored by Mr Shoebridge, acknowledges this in a Media Release issued just weeks later when it states truncation has been "a long standing position of both this and the former Government". In fact it was also policy of the Government before that, led by Premier Greiner.



2003 Character Sketch – Newcastle Transport Corridor



2009 HDC Newcastle City Centre Renewal Report – Heavy Rail Corridor Concept Sketch



2012 Newcastle Urban Renewal Strategy – artist impression of new waterfront connection

Over the past ten years, as the social and economic imperative for urban renewal has grown more urgent, so too has the calls of industry experts to take action. Below is a sample of the various Government reports which have recommended truncation and been the subject of community consultation;

- 2003 Lower Hunter Transport Working Group Report
- 2005 Lower Hunter Integrated Transport Strategy
- 2006 Public Transport in the Lower Hunter: A Five Year Plan
- 2006 Newcastle City Centre Plan
- 2008 Regional Cities Taskforce Civic Improvement Plan
- 2009 Hunter Development Corporation Newcastle City Centre Renewal Report
- 2010 Newcastle City Centre Bus Strategy
- 2012 Newcastle Urban Renewal Strategy
- 2013 Newcastle Light Rail Project

When the current Government announced their plans in December 2012, they also embarked on a process of unprecedented community consultation, attracting a total of 686 submissions.

Clearly, the claim that the people of Newcastle were never consulted is a furphy.

INFLUENCE

We also object to claims that the renewal strategy has exclusively been a pro-developer agenda. Listed below are some of our recommendations which have been rejected:

- A City Centre Grouting Strategy & Fund (supported by The Greens)
- Arbitrary mix of floor space for individual buildings
- Focus on achieving mix of uses within zones, rather than developments
- Defined landscape character of the Civic precinct
- West End acquisition plan to give landowners greater certainty
- Resolve conflicts between residential GFA and A-grade office space at Cottage Creek
- Definition of out-of-centre retail activities
- Reinstate Wickham as part of the Urban Renewal Precinct
- Tourist accommodation to be subdivided under strata schemes to facilitate funding
- Allow redevelopment of heritage sites beyond the established envelope
- Heights and FSR in the area bounded by King, Watt, Church and Newcomen Streets.

CERTAINTY

It is instructive for the committee to recognise that investors crave certainty. It increases their appetite for development by reducing risk.

When Government gives certainty to strategic priorities and supports them with legislated policy settings, a pathway to growth can be created.

Never has this been truer than in the city of Newcastle. The city has had a plethora of renewal plans in recent decades, but never the means for implementation.

The historic difference when the NSW Government released the Newcastle Urban Renewal Strategy (NURS) in December 2012 was the commitment of \$120 million.

A further \$340 million for light rail infrastructure was confirmed with the long term leasing of the Port of Newcastle.

The enabling planning frameworks have now been finalised.

This level of certainty and the attached infrastructure funding has unleashed an unprecedented wave of investment in the city.

This is not coincidence. This is cause and effect.

Since the NURS was released in December 2012, urban renewal projects worth \$1.049 Billion have commenced or received approval. These projects will provide the housing and workplaces for the next generation of Novocastrians.



May 2014 Property Council of Australia CBD Development Map

A decade of sustained policy development and community consultation has led to this position.

It represents a quantum leap in confidence and proves the value of the public and private sectors working together.

Our Newcastle Renewal Taskforce has now turned their focus to collaborating with Government on the most efficient Implementation Plan.

One that will create a more competitive and liveable city sooner.

Yours sincerely,

Andrew Fletcher
NSW Regional Director - Hunter

Glenn Byres
NSW Executive Director