

# Introduction



## Introduction

---

Newcastle is the second largest city in NSW and is the economic and social heart of the Hunter Region. The city has a wealth of high quality metropolitan and regionally significant infrastructure focused around transport, government, health and education facilities and is strategically very important to NSW in planning terms.

The city centre of Newcastle enjoys a unique combination of attractive natural attributes associated with its location on a peninsula between the Pacific Ocean and the Hunter River. The city's natural setting is characterised by varied topography and complemented by an existing built form that is rich in character, defined by a distinctive mix of historic and character buildings lining pedestrian-scaled streets.

Newcastle city centre has a range of city attributes and primary functions available, including higher order commercial, retail, entertainment, cultural, educational and transport services. The compact size of the city centre, combined with its attractive natural setting, makes it a uniquely walkable and liveable city that contains the positive attributes of a city with few of the disadvantages normally associated with larger urban centres.

Newcastle has experienced a series of events over the past three decades (such as the global economic recession of the early 1980s, the 1989 earthquake, closure of BHP in 1999, and the 2008–2012 Global Financial Crisis) that have impacted on the physical, economic and social fabric of the city. Despite these external influences and the continued economic restructuring of the region, Newcastle has

successfully evolved beyond its industrial origins to a more economically diverse regional city. The fundamental attributes that make Newcastle a great city remain intact.

The Hunter region is experiencing sustained population and economic growth, which in turn will drive growth in greater Newcastle as well as the city centre.

The government has announced its decision that bus services will replace rail services from a new transport interchange at Wickham. This will allow for improved functioning of the city centre as well as supporting its growth and renewal. This strategy refers to the land between Wickham and Newcastle Station as the rail corridor.

In the context of a growing city and regional population and economy, the renewal of the city centre will support Newcastle's evolution into a sustainable, liveable and resilient city. Providing more jobs and houses in the city centre is consistent with current state, regional and local planning policy. It will have a range of economic, environmental and social benefits that contribute to the key goals of NSW 2021, and the objectives, jobs and housing targets of the Lower Hunter Regional Strategy.

Urban renewal that encourages a more compact, dense urban form and a vital city centre will achieve ecologically sustainable growth by balancing the economic, social and environmental aspects of development for the benefit of current and future generations.

---

The economic benefits of urban renewal of the city centre include:

- economic diversification, including encouraging new retail uses within the city centre
- supporting the role of the city centre as an educational hub
- making more efficient use of existing infrastructure
- reducing the cost of providing new infrastructure
- reducing vehicle kilometres travelled and the consequent loss of worker productivity
- encouraging more profitable business due to increased pedestrian and cyclist activity
- clustering of business, resulting in proven agglomeration economies
- reduction of pressure on productive agricultural and mining lands.

This strategy shows that residential development in mixed use forms is more feasible in the current market. Accommodating this growth through a revised planning framework will encourage additional residents in the city centre, helping to stimulate the city centre economy and revitalise the public realm. The strategy also shows the

need to provide for sufficiently zoned land to cater for future employment growth. The recommendations protect land for commercial development, particularly in the west end, and amend existing planning controls to minimise stand-alone residential uses in the commercial core zone. The proposed planning framework also caters for a variety of uses, which promotes economic initiatives and diversification.

The social benefits of urban renewal of the city centre include:

- improving health by encouraging pedestrian and cyclist activity through a range of measures, including the Hunter Street cycleway
- providing greater convenience for an increasing number of residents by locating services such as shops in close proximity
- providing more opportunities for community activity and casual social interaction through improvements to the public domain, particularly Hunter Street Mall and Wheeler Place, which will contribute to greater vibrancy and community cohesiveness
- reducing negative impacts from car travel, contributing to a more comfortable environment and public domain



- 
- providing for a greater mix and number of housing types, leading to increased housing affordability and greater diversity in the population
  - increased safety due to more after-hours activity by a higher residential population.

The environmental benefits of urban renewal of the city centre include:

- encouraging use of public and active transport forms, which will contribute to the reduction of greenhouse gas emissions
- reducing pressure on vegetation, which provides wildlife habitat, scenic and recreation values, and acts as a filter for cleaner air
- increasing street tree planting, which reduces urban heat island effects
- protecting and enhancing key natural landscape corridors (Cottage Creek) and significant public open spaces, including Wheeler Place and Birdwood Park.

Encouraging urban renewal in the city centre will have a range of positive local and regional land use impacts. The proposed planning framework, combined with current market factors, aims to

encourage and support a range of development in the short-term. Focusing development on activity hubs at the east end, Civic and west end that are aligned with public transport will result in increased jobs and housing within a more sustainable urban form.

Hunter Street will be reshaped as the city centre's main street through changes to the planning framework and comprehensive upgrades to the public realm, thereby encouraging greater activity and vibrancy. The revitalisation of Hunter Street will also be supported by the promotion of the Honeysuckle precinct as a business park with A-grade office accommodation. Improved pedestrian and cycle connections between Honeysuckle and Hunter Street will encourage workers to visit Hunter Street, enhancing the viability of retail premises.

Maintaining the existing concentration of commercial core zoning in the west end will support its role as the city's emerging CBD.



---

Refocusing commercial core zoning in the civic precinct as well as introducing a package of public domain improvements to Wheeler Place will strengthen Civic's role as the city's primary municipal, educational and cultural hub.

Revitalising Hunter Street Mall and providing appropriate controls for key redevelopment sites in the east end will facilitate the continued evolution of this part of the city as a mixed retail, leisure, entertainment and residential precinct. This includes the retention and adaptive re-use of the city's significant heritage building stock for alternative uses such as hotels and dwellings.

Introducing new areas of higher density residential-zoned land at the edge of the city centre, including adjoining National Park, will increase the local resident population, which in turn will increase demand for local services and facilities.

Recommended zoning changes to facilitate land use changes will be supported by a range of complementary measures. Simplified Floor Space Ratio (FSR) controls will enhance the clarity of the planning framework and increase the mixed use FSR across the city centre. Amendments to the Development Control Plan (DCP) are proposed, including special area controls to

provide greater clarity about the desired built form and future character outcomes. Other measures include providing improved transport connectivity and accessibility, with clearer guidance on development constraints such as mine subsidence.

Regionally, the encouragement of additional housing and jobs in the city centre will reduce pressure on areas less suitable for accommodating population growth, such as those identified for greenfield housing release or out-of-centre non-residential development, which are less well-served by infrastructure.

In addition to water, sewerage and roads, the city centre is well-provided for with a range of social and cultural infrastructure, including an art gallery and regional library.

This infrastructure can easily accommodate increased worker and residential population without the need for major new infrastructure because:

- no new areas of land will be released for urban development
- rezoning will restructure existing spatial allocations without significantly altering the current balance of zones in the city centre
- changes to the planning framework will restrict significant increase in development scale.

---

Rather, urban renewal of the city centre will result in more efficient use of existing infrastructure and will relieve pressure for the provision of infrastructure to service new greenfield urban release areas. Viability and effectiveness of government service delivery will be enhanced.

The strategy recommends a range of infrastructure improvements involving the road and bus network and public domain, including across the rail corridor. A range of initiatives will improve the city centre economy. Improvements to infrastructure will be funded by local and state government. Enhancement of the city centre public realm will be funded largely through the existing section 94A contribution plan (updated to reflect the new schedule of works) and grants from government and other sources.

As the Newcastle city centre continues to develop and mature, it is strategically well-placed to accommodate growth in employment, retail and housing and to capitalise on the endowment of its natural setting, quality built environment, and existing economic capacity. Urban renewal has the capacity to deliver this growth as well as a range of economic, social and environmental benefits for the city and region. The recommendations of this strategy provide the framework to enable Newcastle to realise its potential as a vibrant and captivating regional city, and will deliver renewal for the benefit of Newcastle and the Hunter region.





## Part one

# Strategic context

1.1	Regional location	10
1.2	Strategic importance of Newcastle	11
1.3	Policy context	12
	The State Environmental Planning Policy (Urban Renewal) 2010	
	Precinct Outcomes Brief	
	New South Wales 2021	
	The Lower Hunter Regional Strategy	
	City Centre Vision	
	Newcastle 2030	
	Hunter Street Revitalisation Master Plan	
	Other Government Policies	
1.4	City of Newcastle planning framework	18
	Zoning	
	FSR	
	Height	
	Other key controls	

## 1.1 Regional location

Newcastle is located at the northern end of the Greater Sydney Metropolitan area (GSM). Figure 1.1 shows the location of Newcastle relative to the GSM.

Newcastle forms part of the Lower Hunter Region. Figure 1.2 shows the location of Newcastle in the Lower Hunter Region.

In addition to Newcastle, the major settlements in this region are Maitland, Cessnock and Raymond Terrace. The Lower Hunter Region forms part of the larger Hunter region focused around the Hunter Valley, which stretches from Newcastle in the east to Muswellbrook and Scone in the west.



Figure 1.1 Greater Sydney Metropolitan Area

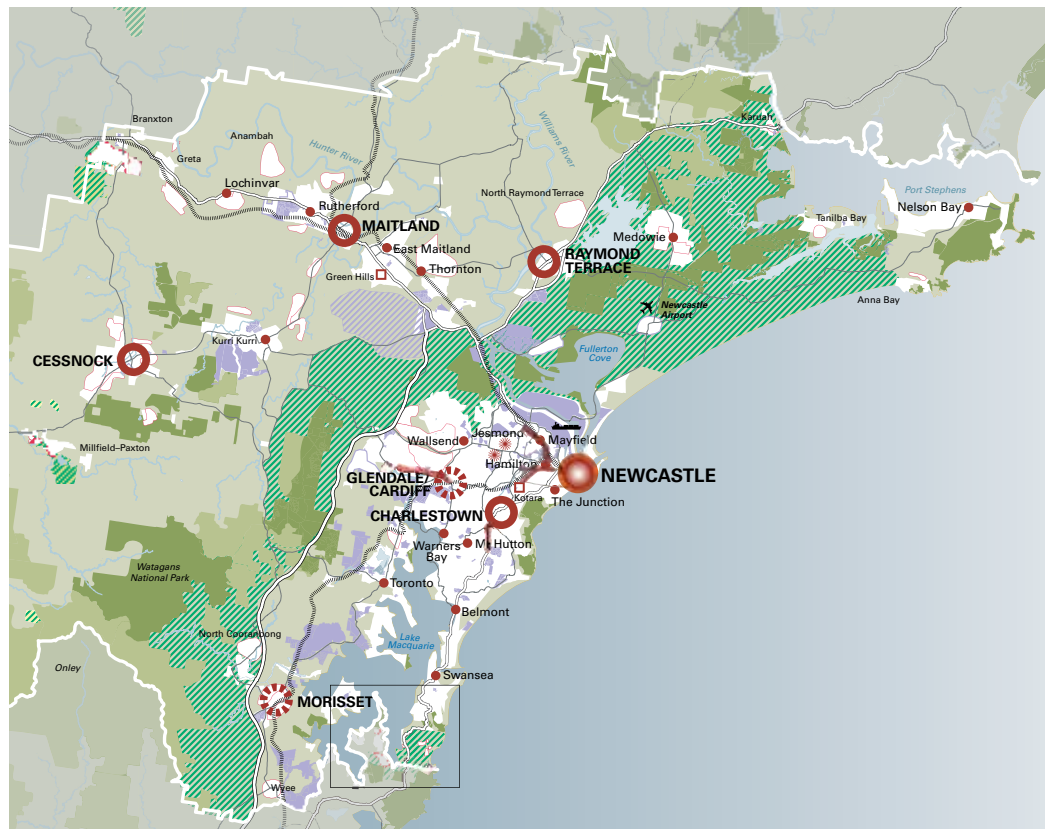


Figure 1.2 Lower Hunter Region

## 1.2 Strategic importance of Newcastle

Newcastle is the second largest city in NSW and is the major centre for the Hunter region.

Newcastle supports a range of significant state infrastructure that is focused around transport, education and health. Key facilities include:

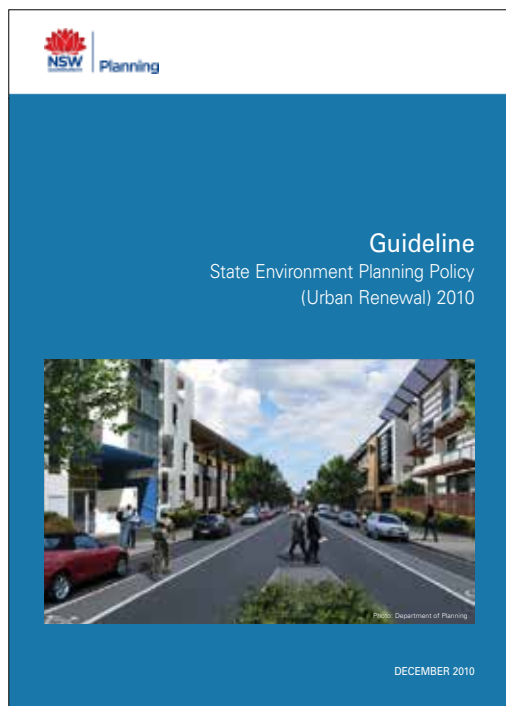
- The Port of Newcastle, which is one of the world's largest coal export ports and a significant source of economic advantage for the state
- Newcastle airport, which provides regular services to and from Sydney, interstate capitals and regional NSW
- The John Hunter Hospital, which is the main hospital for Newcastle and much of northern NSW
- The University of Newcastle, which is a leading national university.

The strategic importance of Newcastle is reinforced by government policy, including the Lower Hunter Regional Strategy.



## 1.3 Policy context

A number of state, regional and local environmental planning instruments apply to the city centre. This section outlines the key components of these instruments. This strategy has been prepared with regard to the provisions of each of these planning instruments.



### ***The State Environmental Planning Policy (Urban Renewal) 2010***

The Urban Renewal SEPP was made on 15 December 2010. It is supported by a guideline that assists interpretation.

The Urban Renewal SEPP enables the Minister for Planning to nominate potential precincts for urban renewal. The Newcastle city centre is one of three precincts to which the Urban Renewal SEPP currently applies.

The key principles of the Urban Renewal SEPP are to:

- integrate land use planning with existing or planned infrastructure
- create revitalised local communities
- provide greater access to public transport
- supply a broader range of housing and employment options.

The Urban Renewal SEPP provides an opportunity for the city centre as a potential urban renewal precinct to be studied to determine its suitability for urban renewal and the appropriate land use and development controls for the precinct. In accordance with clause 9 (2) of the Urban Renewal SEPP, the Director General of the Department of Planning & Infrastructure has prepared this strategy.

It addresses:

- the planning significance of the city centre
- the suitability of the city centre for any proposed land use, considering environmental, social and economic factors, the principles of ecologically sustainable development, and any applicable State government, regional or metropolitan planning strategy
- the implications of any proposed land use in the city centre for local and regional land use, infrastructure and service delivery
- the Precinct Outcomes Brief issued by the Director-General on 14 July 2011.

---

### ***Precinct Outcomes Brief***

In arranging this urban renewal strategy to be undertaken, the Director General issued a Precinct Outcomes Brief (refer Appendix 1), which sets the parameters and desired outcomes for the Newcastle potential urban renewal precinct and guided the preparation of this strategy. It established the overall objectives and provided direction for land use, urban design, public domain and other key considerations.

This strategy has been prepared in accordance with the Precinct Outcomes Brief.

### ***NSW 2021***

NSW 2021 is the NSW Government's 10-year strategic plan to deliver economic growth and prosperity to NSW. The plan sets immediate priorities for action, and guides NSW Government resource allocation, in conjunction with the NSW Budget. It contains 32 strategic goals and over 180 individual targets.

Urban renewal of the Newcastle city centre is consistent with a number of NSW 2021 goals, including:

- Building liveable centres
- Growing patronage on public transport by making it an attractive choice.



---

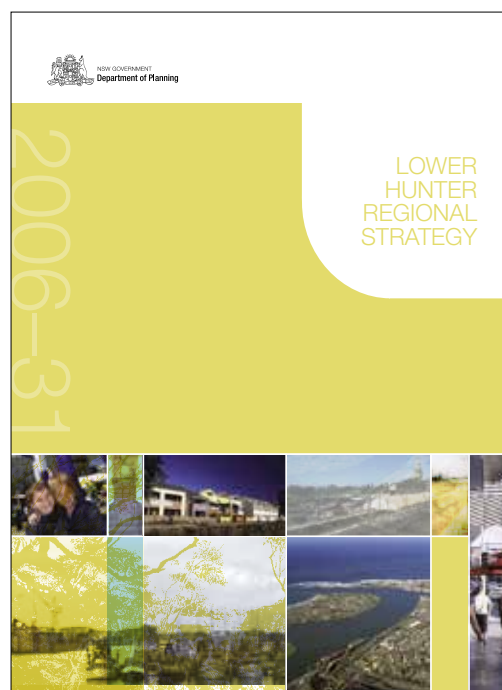
## ***The Lower Hunter Regional Strategy***

The Lower Hunter Regional Strategy 2006-2031 establishes a 25-year planning framework to guide the growth and spatial development of the Lower Hunter region. The strategy has a particular focus on increasing the supply of housing, particularly affordable housing, in the region. It also aims to maintain the Lower Hunter region's economic growth and prosperity, while simultaneously protecting areas of conservation significance.

The regional strategy establishes a centres hierarchy, with Newcastle being the only regional city in the Lower Hunter, supported by major regional centres at Charlestown, Cessnock, Maitland and Raymond Terrace, emerging major regional centres at Morisset and Glendale–Cardiff as well as lower order specialised centres.

The strategy indicates that Newcastle will provide higher order administration, education, health, cultural and recreational services and higher density commercial and residential uses. The regional strategy establishes aspirational jobs and housing targets, and envisages an additional 10,000 jobs and 4,000 dwellings for the city centre by 2031.

A comprehensive review of the strategy has now commenced and a new regional strategy will be prepared during 2013. A discussion paper will soon be released as the first step towards preparing a renewed strategy for how the Lower Hunter will grow to 2031 and beyond. The discussion paper will invite people who live and work in the Lower Hunter to think about their priorities both now and for the future. This input, along with new research, will inform a new draft Lower Hunter Regional Strategy. It is expected that the draft strategy will be exhibited during 2013.



---

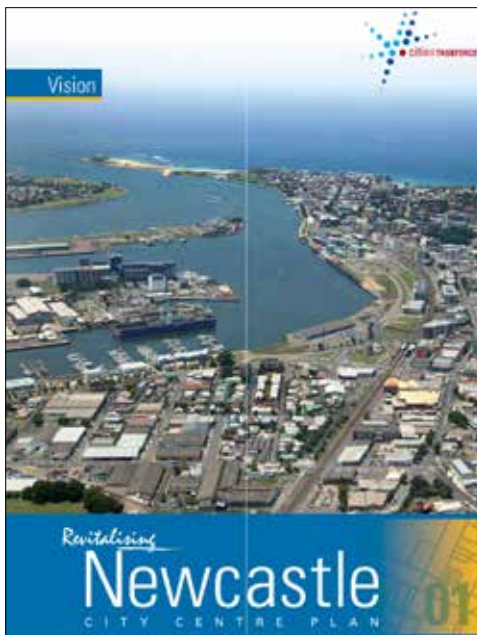
## City Centre Vision

In 2006, the department's Cities Taskforce undertook a comprehensive planning and urban design investigation for the city centre. This culminated in the release of a City Centre Vision and Civic Improvement Plan (CIP), and the subsequent gazettal in 2008 of a supporting LEP and DCP.

The City Centre Vision confirms:

*As the regional capital, Newcastle will be a globally competitive and sustainable city serving the Lower and Upper Hunter and parts of the Central Coast, and will be the major city in the northern part of an integrated Greater Metropolitan Region. The city centre plan accommodates 10,000 new jobs and 6,500 new residents. The form of the city will reflect Newcastle's unique setting.*

The vision established strong directions for growth and revitalisation of the city centre, most of which remain valid. It introduced a planning framework that supports significant growth.



Key vision directions include:

- Creating a living city
- Increasing economic diversity
- Revitalising the retail sector
- Increasing commercial investment
- Strengthening public transport
- Revitalising Hunter Street Mall
- Enhancing community use of the waterfront
- Emergence as a tourist destination
- Celebrating the special character of Newcastle
- Establishing Newcastle as a learning centre
- Creation of a new commercially focused CBD in the west end
- Improving the natural environment
- Improving safety throughout the city centre
- Improving the quality of the public domain
- Improving the quality of new buildings
- Ensuring human-scale development at the pedestrian level

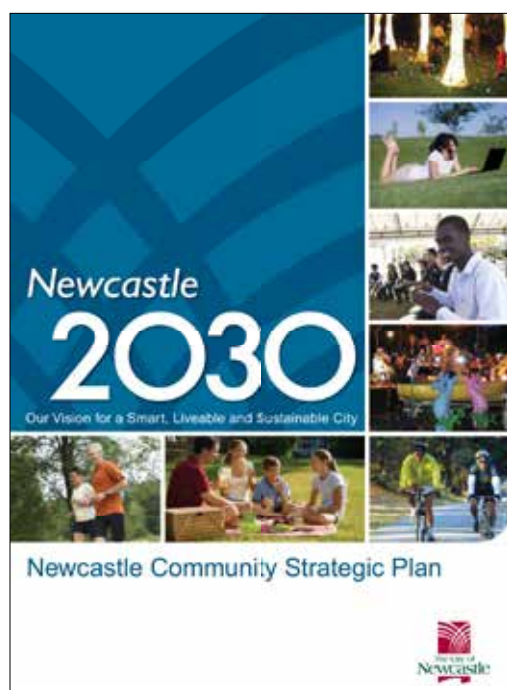
---

## ***Newcastle 2030***

Newcastle 2030 is the shared community vision developed by the City of Newcastle and key stakeholders. It is a visionary document to guide and inform policies and actions by the City of Newcastle and state and federal government agencies throughout Newcastle for the next 20 years.

There are seven key strategic directions for Newcastle contained within Newcastle 2030:

- Connected city
- Protected and enhanced environment
- Vibrant and activated public spaces
- Caring and inclusive community
- Liveable and distinctive built environment
- Smart and innovative city
- Open and collaborative leadership.



---

## ***Hunter Street Revitalisation Master Plan***

Following an extensive community engagement process, the City of Newcastle adopted the Hunter Street Revitalisation Master Plan in 2010. The intent of the Master Plan is to seek to improve the economic, social, governance and environmental vitality of Hunter Street.

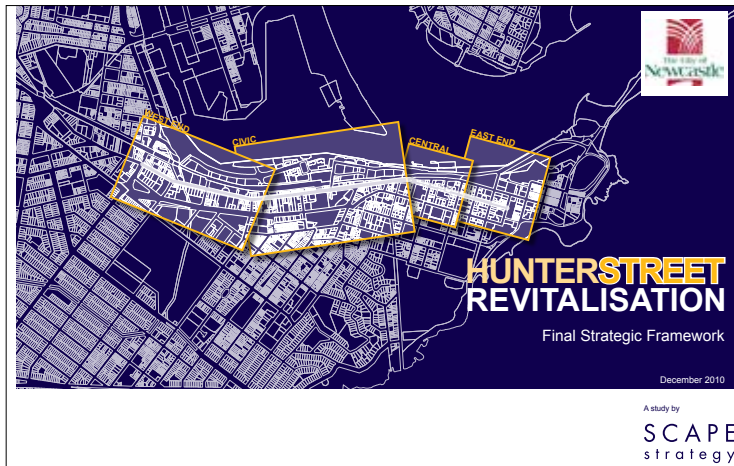
The Master Plan contains a number of key themes that form the basis for action:

- Enterprise
- Integrated transport
- People and place
- Green ways.

Priority actions are arranged under these themes. Actions include:

- Develop a night-time economy policy to encourage small bar and café business operations
- Explore the reallocation of road reserve space away from private car priority along Hunter Street
- Continue to prioritise and implement a place making program
- Develop a new street tree planting plan for Hunter Street with canopy cover targets.

The key directions of the Master Plan are being progressively implemented by the City of Newcastle.



---

### ***Other government policy initiatives***

In August 2008, the former NSW Government formed a Newcastle CBD Taskforce to research and plan for the revitalisation of the city centre. This culminated in the publication of a Newcastle City Centre Renewal Report (Hunter Development Corporation, 2009), which outlined a number of actions and catalyst projects to contribute to the revitalisation process, and a 15 - 20 year blueprint for the city centre.

The Newcastle Centre Renewal Steering Committee was then established to co-ordinate and implement the various projects arising from this Renewal Report. The committee's membership comprised a number of state agencies, including the Hunter Development Corporation (HDC), Transport for NSW (TNSW), NSW Treasury, and the Department of Planning and Infrastructure. The City of Newcastle and the University of Newcastle were also represented on this committee. The committee met during 2009 and 2010.

Key achievements of this Committee include encouraging the establishment of a justice precinct and the expansion of the university presence in the city centre, in particular, preparing a submission to Infrastructure Australia in support of the university.

## 1.4 City of Newcastle planning framework

The City of Newcastle has a planning framework that guides development in the city centre:

- The Newcastle LEP 2012 is a legally enforceable document that includes land in zones, regulates the permissibility of land uses and provides principal development standards and other key controls
- DCPs for the east end, west end and Wickham that support the LEP and provide policy guidance and more detail for built form and urban design matters
- A Civic Improvement Plan (CIP) that provides for a suite of public domain improvement measures
- Section 94A Plan that levies a contribution from development for public domain improvements.

This framework is largely based on the work undertaken by both the NSW Cities Taskforce and the City of Newcastle and provides a land use and planning framework that encourages large-scale commercial and residential development in parts of the city centre, particularly in the west end. It was introduced in 2008 to support projected jobs and housing growth in the city centre, and was transferred into the Newcastle LEP 2012.

### **Zoning**

Zoning guides the spatial location of land uses through either encouraging or discouraging uses in certain locations. Figure 1.3 shows the current zoning for the city centre.

Under the current plan, the majority of land in the city centre is included in the B4 Mixed Use zone. Three areas of B3 Commercial Core zoning are located at the west end, Civic and the east end.

The largest concentration of commercial core zoning is located in the west end focused on the intersection of Hunter Street and Stewart Avenue (the Pacific Highway), and the western end of Civic focused on Hunter and King Streets between Steel and Worth Streets, and stretching south to National Park between Ravenshaw and Union Streets. Despite its traditional role as the heart of the city centre, the commercial core in the east end is relatively small and is focused on the southern side of the Hunter Street Mall.

A small area of land included in the R3 Medium Density Residential zone is located at the eastern edge of the city centre around Pacific Park and the foreshore parklands. Areas of land included in the RE1 Public Recreation zone are distributed throughout the city centre, and recognise land currently used for public open space purposes. The SP2 Infrastructure zone includes the railway corridor, the western part of Hunter Street and those parts of Hannell Street and Stewart Avenue forming the Pacific Highway.

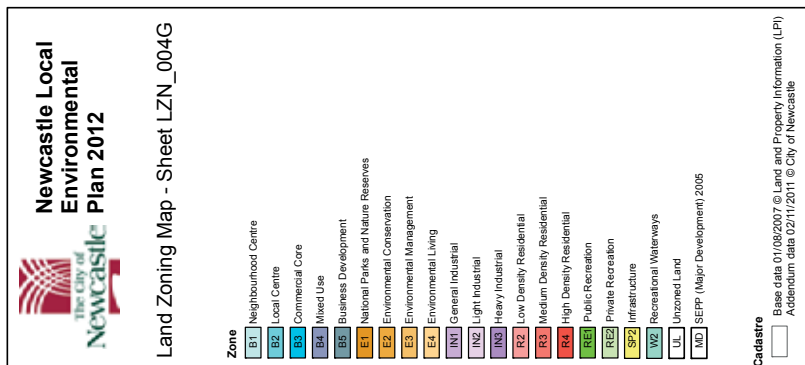


Figure 1.3 Current city centre zoning map

---

## FSR

Floor Space Ratio (FSR) is used to control development density and building bulk and scale.

Maximum FSRs in the city centre range from 1:1 to 8:1. Figure 1.4 shows current maximum FSRs for the city centre.

The highest maximum FSRs (8:1) are located in the west end focused around the intersection of Hunter Street and Stewart Avenue. A second concentration of high FSRs (7:1) is located in the civic precinct, focused in the block bounded by Steel and Auckland streets. Relative to the west end and civic precinct, and consistent with its higher level of constraint due to mine subsidence, heritage and urban design considerations, the east end has a lower range of maximum FSRs (1:1 and 4:1).

Although the LEP maps specify maximum FSRs, determination of the relevant FSR that applies to a particular site is based on consideration of a range of other factors:

- Zone
- Areas A, B and C on the map (refer Table 1 below)
- Site area
- Development type
- Building height.

The FSR controls currently give a greater emphasis and incentive for commercial development in the west end of the city and a small section of the Hunter Street Mall, educational and cultural development in the civic precinct, and tourist development in the east end and Honeysuckle.

Maximum FSRs for other building types, including mixed use, are based on a formula that results in FSRs less than what is shown on the FSR map.

Area	Location	Development type
A	West end, southern side of the Hunter Street Mall in the east end	Commercial only
B	Parts of Civic	Educational activity, cultural activity and/or public administration activity only
C	Parts of the east end	Tourist activity only

Table 1 FSR bonuses

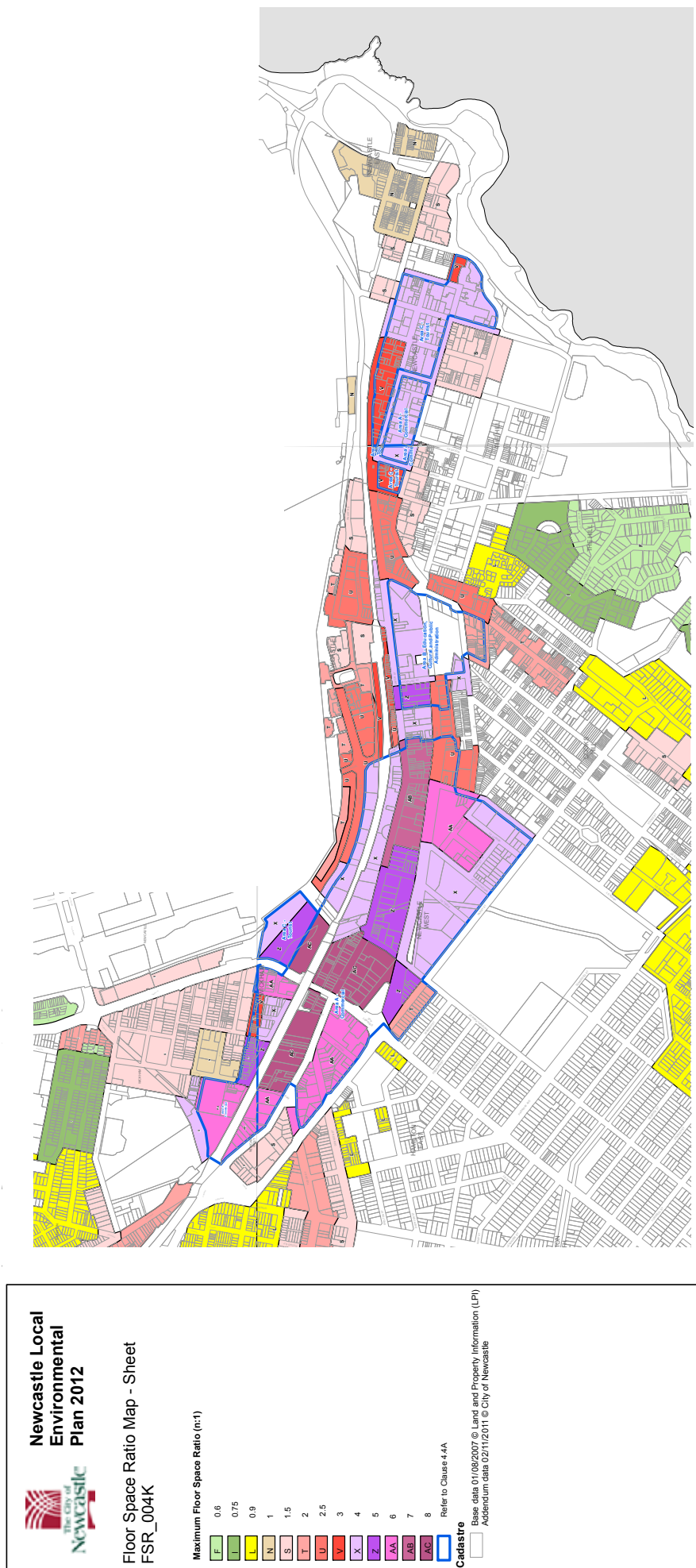


Figure 1.4 Current city centre FSR map

---

## ***Height***

Maximum building heights in the city centre range from 10 to 90 m. Figure 1.5 shows current maximum building heights for the city centre.

The highest maximum building heights (90 m) are located in the west end, with a smaller concentration of taller buildings located in Civic, focused in the block bordered by Steel and Auckland Streets (60 m). In general, maximum building heights are lower in the east end. There are some moderate building heights (30 – 35 m) at the eastern end of Hunter Street and adjacent to Newcastle Beach. These taller building heights largely reflect existing building forms as well as the desire to encourage greater activity, in particular tourist and visitor accommodation, adjoining the beachfront. Building heights are also generally lower adjacent to areas of public open space adjoining the Hunter River waterfront.

---

## ***Other key controls***

In addition to zoning and the principal development controls of FSR and height, the LEP includes a number of other key clauses that influence development in the city centre. These clauses include:

- Allowing residential flat buildings in the commercial core zone where part of a mixed use development
- Requiring that development in the commercial core zone has at least one street frontage of 20 m or more
- Requiring development that is higher than 45 m to have a minimum separation distance of 24 m
- Requiring active frontages for development in the commercial core zone
- Requiring design excellence for certain types of development, and the undertaking of a design competition for buildings above 48 m in height or having a capital value of greater than \$1 million on key sites
- Facilitating the development of the Wickham Redevelopment Area at the far north-west end of the city centre for medium density mixed use development, including the provision of additional laneways and public open space.

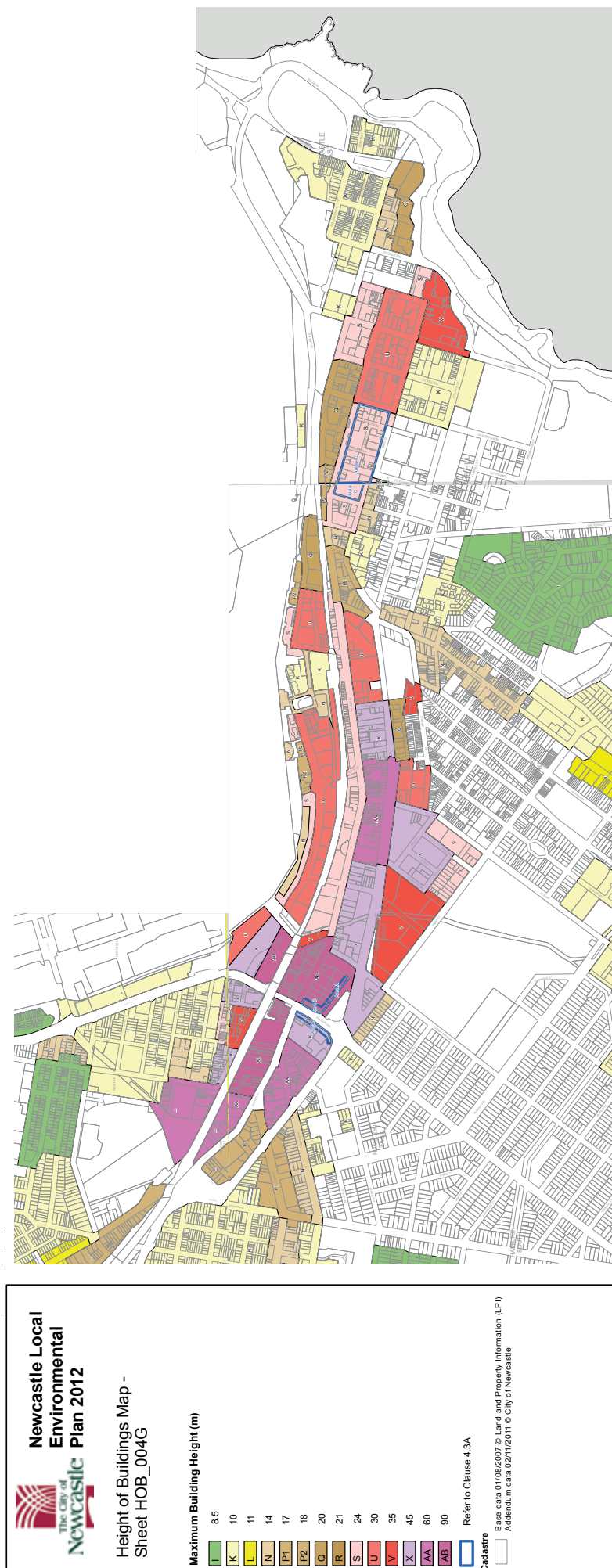


Figure 1.5 Current city centre heights map