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LEADING BUSINESS

# Hunter Business Chamber

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*NSW Government*

*Newcastle Urban Renewal Strategy*

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## Introduction

The Hunter Region has long held the reputation as the powerhouse of the NSW economy and ranks highly as one of the most valued, diverse and resilient regions in Australia.

The Hunter Business Chamber is the largest regional business chamber in Australia and is now over 127 years old. The Chamber represents over 1000 member businesses to all levels of government. The Hunter Business Chamber is experiencing a period of unprecedented growth and is the peak industry association in the Hunter which represents all sectors of business in the region.

The Chamber welcomes the opportunity to provide a brief submission to the Newcastle Urban Renewal Strategy (NURS) 2012.

We commend the NSW Government's vision in regard to the revitalisation of the Newcastle Central Business District.

The Hunter Business Chamber has long been an advocate for urban renewal, improved connectivity and an appropriate transport system for our city and broader region. There is endless potential to unlock within the Newcastle CBD and this draft strategy sets in place the right framework to achieve the appropriate level of urban renewal and growth.

Newcastle, as the second largest city of NSW and the capital of the Hunter, has the ability to be a world class city, given its coastal location and close connection to the resource engine room of the Hunter Valley and the emerging Gunnedah Basin.

This potential is being constrained by the decline in the traditional Newcastle CBD area and has resulted in large tracts of empty and derelict buildings, vacant land and loss of public amenity.

Connecting this area of the city to the transformed areas along the city's waterfront by removing the heavy rail 'barrier' will be the catalyst to revitalising the city and will ensure the CBD retains its rightful place as capital of the Hunter.

This strategy will be vital to providing a complete vision, streamlined planning framework and incentives to attract greater investment to our CBD. Thinking outside the box to facilitate the right type of economic development and provide investment certainty must become an entrenched philosophy if our city is to successfully reinvent itself.

Unlike previous plans, visions or strategies for the Newcastle CBD, this time we have a firm commitment from the NSW Government to provide an initial \$120 million towards city renewal with the potential to seek an additional \$100 million from the Federal Government. This aspect is crucial to actioning, rather than just talking about, the broad scale renewal of our city centre. It will also be vital to attracting private investment to the city during the next 20 to 30 years.

The Chamber understands the strategy is multi faceted and has a number of key aspects;

- An amended and realistic planning framework to promote growth
- A vibrant place making approach to the city's development
- Physical improvements to the CBD's public domain
- Achievable economic initiatives to underpin urban renewal
- A transport strategy that promotes both accessibility and connectivity
- An implementation plan, with clear project timelines and accountability

This submission will broadly address these overarching initiatives and provide comment on a number of key issues as outlined in the Strategy. It is not the intention of this submission to provide commentary on the feasibility of planning controls and frameworks, knowing that other organisations in the development industry will refer to this matter in greater detail.

The Chamber acknowledges that the NURS sets the high level strategic direction for the urban renewal of the city centre and that more work is already underway on feasibility, implementation and scheduling aspects that will be vital to successfully underpinning the strategy.

The Chamber would be also pleased to engage with the NSW Government, if required, to expand on the points contained within this submission.

## Place-based initiatives

The Hunter Business Chamber recognises the need to establish a number of city precincts, each with their own character and experiences that will define them as unique.

These precincts were broadly defined in the 2006 *Newcastle City Centre Plan*, which set out to establish a strong direction for the renewal of the city and unfortunately, fell a long way short of advancing this goal. The 2006 Plan was not underpinned by seed funding and had a range of problematic planning controls, hurdles and inconsistencies, which unfortunately, became a clear deterrent to investment.

It will be vital to incorporate the lessons learned from the 2006 Plan in the current Strategy.

The 2012 Strategy clearly outlines the actions required to bring each precinct to life. The Chamber is supportive of the intention to promote the following precincts;

- **West end** as the city's future CBD, particularly providing an ongoing source of opportunities for office space development and revitalising public amenity
- **Civic precinct** to be the main educational and cultural centre, centred on Wheeler Place
- **Hunter Street mall and East end** to be the speciality retail, entertainment, leisure and residential precinct.

It is acknowledged that each precinct within the CBD will have both opportunities and challenges in regard to the best way to revitalise the main character areas.

Heritage, mine subsidence and flood areas are well known issues within our city centre. Each of these concerns brings with it a particular challenge to renewal that has often been documented.

For instance, heritage buildings within our CBD are an integral asset to our city and should be preserved by adaptive reuse where appropriate. Investment in heritage buildings can often be a difficult prospect and tangible incentives to attract investment in this regard will be necessary to ensure that our valued heritage buildings do not become marooned and then deteriorate over time, which has occurred all too regularly in our CBD.

The Chamber acknowledges the attention to landscape, topography and view corridors and notes that most of the constraints in this regard have been discussed. It is encouraging to see recognition of the urban structure of the city including the unique issue of linearity and how this particular issue unfortunately exacerbates the unmistakable disconnect between the harbour and the city.

It is noted that the adoption of a staged approach to reconnecting the city to the harbour will be the best manner to achieve sensible connectivity over time.

It will also be vital to ensure seamless public access to the waterfront and that this area is activated as a vibrant public space that is a renowned attraction for both visitors and the local community.

***The Chamber recommends that further refinement of many aspects of the place making initiatives may be necessary during the life of the Strategy and encourages the process of regular review in this regard.***

## Economic initiatives

Geographically, the area represented by the Newcastle Urban Renewal SEPP is comparable to both the Melbourne and Sydney CBD's, yet the latent capacity that this area represents will not be fully realised unless strong incentives to investment can be provided.

Incentives can include creating the right framework and environment to foster investment, in addition to catalyst developments, such as the new law courts which attract complimentary private investment.

The Hunter is the most diverse regional economy in Australia and even in difficult economic times the resilience our region has developed cannot be denied. The Strategy needs to adapt to the influences of the times and remain relevant during the course of its 25 year life time.

It is noted that the Strategy recognises the importance of ensuring diversity of the CBD's economic base as integral to future success of the city.

The Chamber acknowledges and commends the NSW Government focus on key educational uses and cultural industries that will play an important role in stimulating economic growth in the Newcastle CBD. Equally the emerging prominence of service and knowledge based industries will be vital to both the CBD and the region.



**Educational uses:** the Chamber welcomes the focus on the Newcastle CBD having a strong tertiary education presence in the city. The relocation of some elements of certain university functions will complement the already strong presence by Hunter TAFE already in the city. There may be as yet unexplored opportunities for tertiary institutions to collaborate and resource share in the city, particular in regard to shared social amenity for staff and students.

**Cultural industries:** Cultural endeavours are an important component in activating a vibrant city centre. If developed correctly there are significant opportunities to maximise existing cultural infrastructure and ensure activation of the CBD for the community beyond commercial usage.

**Commercial development:** It has long been the case that commercial office space development in the Newcastle CBD is primarily driven by demand for A grade office space in the Honeysuckle precinct. It is important to note that much of this demand has been driven largely by businesses that have relocated existing operations from other parts of the city centre. If new businesses are to be attracted to Newcastle to provide an additional 10,000 jobs the development of a strong economic development and investment strategy will be vital.

**Retail and residential:** Attracting the right mix of retail and residential usage in the Newcastle CBD will be crucial to promoting a lively and activated centre. The Strategy recommends the development of Business Improvement Plans (BIPs) (page 116). The Chamber notes that Newcastle Now is effectively the Business Improvement Association (BIA) with similar aims and responsibilities as the proposed BIP. Over time, it is anticipated Newcastle Now will play a greater role in regard to marketing and branding of the city centre.

It will be important to build the right type of residential development in the CBD which provides a mix of accommodation options for a broad cross section of the community. Whilst the opportunity to provide student accommodation is noted in the Strategy, it is certainly not the only type of residential development that needs to occur.

**Developer Contributions systems:** The development industry has long expressed a range of concerns in regard to the disconnect between the aims and the administration of this scheme.

The current structure of development contributions under a section 94A plan has not delivered the aim of front loading public domain and social infrastructure projects as desired. The Chambers understands that this system is under reconsideration as part of the NSW Government Planning review. This matter must be addressed if the Strategy is to deliver the key aim of attracting private investment to the CBD.

The Chamber notes and welcomes the intent to require payment at occupation certificate (OC) stage rather than construction certificate (CC) stage will be a tangible incentive for developers and provide some relief in terms of cash flow and holding costs.

***The Newcastle Urban Renewal Strategy must become a cornerstone plan with its ongoing aims to make the most of the opportunities our city provides, attract investment and assist the city to ride out the peaks and troughs of global economic trends.***

## Transport related initiatives

The Hunter Business Chamber welcomes the decision by the NSW Government to utilise a bus rapid transit system (BRT) to replace heavy train services on the Wickham to Newcastle rail spur. The creation of a transport interchange at the western end of the CBD near Wickham is also welcomed as a vital element of urban renewal.

The Chamber acknowledges that further detailed work is underway in regard to the provision of an integrated transport system, staging of works and the development of the interchange. The Chamber commends the intention to leverage the existing transport network to ensure that greater efficiencies can be achieved. It is also acknowledged that further work will be undertaken in regard to the efficiency of the road network, car parking requirements and constraints, cyclist and pedestrian networks.

In particular, it is noted that the City Centre Transport Study (AECOM 2012) recommends the introduction of three key strategic bus corridors that connect the city centre with the broader Newcastle area. The Chamber recommends that a more detailed analysis be conducted of how these three corridors could connect with a loop style Bus Rapid Transit (BRT) system for the city centre as proposed in the *Newcastle Central* paper.

In September 2012 the Chamber released a discussion paper, *Newcastle Central* which proposed a transport solution that would be immediately achievable, yet not inhibit further development or expansion as population demands dictate.

This paper provides a realistic, affordable and incremental transport solution to the debate that has waged for many years over the Newcastle rail spur. Under this proposal the Hunter Region community will not experience a reduced level of public transport services, instead they will be able to travel on a more efficient system to more destinations within the Newcastle Local Government Area.

The Chamber proposal provided a strong basis for increased and relevant public transport services both to the CBD and nearby inner city centres. Importantly, it also establishes the right type of investment climate that the Newcastle CBD desperately needs to achieve continued urban renewal now. It is a 'win win' solution, deliverable immediately and championed by the Hunter Business Chamber and its member businesses.

***The Hunter Business Chamber commends the NSW Government on the decision to utilise a BRT system to replace the heavy rail service to Newcastle. It is noted that detailed work will now need to occur in regard to the NSW Long Term Transport Master plan, the Hunter Regional Transport Plan and the final versions of the Newcastle Urban Renewal Strategy.***

## Planning framework

It is vital that the planning framework contained in the Newcastle Urban Renewal SEPP is clearly aligned with each key initiative in the NURS.

The Chamber understands that a number of factors such as car park ratios, complexity of floor space ratios, zoning, heights and set backs are under review.

In this regard, the Chamber defers to the development industry to test and analyse the feasibility and economic viability of each of these areas of concern.

## Implementation

The implementation plan will be crucial to the ongoing success of the NURS. The Chamber notes that an effective mix of initiatives, short, medium and longer term, will be imperative in order to activate the city centre in the manner outlined in the Strategy.

The Chamber agrees that some initiatives will have a noticeable stand-alone impact, whilst others will act as catalysts with a longer term flow on effect.

The need for all levels of government, industry and the community to collaborate will be essential, yet it is important to establish a clear framework and accountabilities for each agency required to deliver projects within the NURS.

It should be clearly understood that funds to deliver all projects within the NURS will not be immediately available and as such, the Chamber believes it will be important to rank projects from those currently essential to those desirable, but non-essential, in the short term.

***The Chamber recommends that a prioritisation plan be developed that ranks NURS projects in order of importance to the activation of the city, and further, that progress is regularly reviewed and updated where required.***

## Conclusion

The Hunter Business Chamber appreciates the opportunity to provide this submission to the NSW Government.

The latent capacity of the Newcastle CBD is significant and if unlocked in the appropriate manner, will prove to be an increasingly important centre for the region and for NSW.

Establishing the right framework to underpin growth is fundamental to renewing this city in a sustainable and dynamic way. The prospect of our CBD accommodating 12,600 new residents in 6,000 new homes with 10,000 new jobs is exciting.

The Hunter Business Chamber applauds the NSW Government for developing a vision that seeks to deliver all of the above aims, whilst providing a better transport solution which supports the urban renewal of the CBD.

The Chamber will continue to work with the NSW Government in order to advance the aims of the Newcastle Urban Renewal Strategy.

The Chamber would be also pleased to engage with the NSW Government, if required, to expand on the points contained within this submission.

## Contact

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