

# Building Better Cities/Newcastle

A Case Study in Renewal







Nov 09

This report has been prepared by  
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Hunter Development Corporation (HDC).

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# 1 Executive summary

This report examines the outcomes and impact of Honeysuckle and its environs Urban Renewal Project securing Building Better Cities funding over the period 1992 to 1996.



In 1992, the Honeysuckle Development Corporation successfully secured \$100 million of Building Better Cities funding. Newcastle was fortunate to be well equipped in terms of having a Concept masterplan in place for the redevelopment of 50 hectares of harbourside redundant rail and port related lands. Newcastle was the only regional city to secure such funding.

When the Federal Government's Building Better Cities was conceived, the capital of the Hunter Region had been experiencing a steady decline in the number of people that lived, worked and played in the city. Its leaders and the community recognised that the 50 hectares of redundant rail and port related lands was a significant opportunity to revitalise and create a new energy in the city.

The program ensured a strong focus on six key areas: economic; social; environmental; transport; stakeholder and financial. Striving to achieve a balance in all these areas continued beyond the life of the funding program and to this day influences the decisions made regarding the Honeysuckle Urban Renewal Project.

Evidence of these outcomes is highlighted in this report and include:

- provision of affordable housing in the city;
- significant improvement in the Throsby Creek waterway;
- restoration of heritage buildings and their adaptive re-use;
- remediation of former rail and port related lands;
- provision of significant infrastructure, such as Cowper Street bridge;
- commitment toward public art and placemaking;
- delivery of landuses that contribute to the economy yet not necessarily highest and best use such as the Crowne Plaza hotel;
- provision of continuous waterfront pedestrian and cycleway access;
- relocation of a struggling Fishermen's Co-Operative to a thriving business, adding significantly to a new recreational Marina Precinct;
- creation of a new commercial office precinct that has raised the bar in office accommodation standards in the city;
- consistent strong support for the Project by the community;
- creation of over 4,800 direct and indirect jobs and an economic impact of approximately \$1.335 billion.

At the time the Building Better Cities program and funding came into effect, the fundamentals were not there for the private sector to become involved in the Project.

The program and its funding enabled significant infrastructure and detailed planning work to be carried out. This provided a platform to encourage private sector investment. It is evident that government intervention at this early stage was warranted. The significant direct and indirect private sector investment that has resulted is testament to maintaining a holistic view on the economic, social, environmental and governance outcomes as prescribed in the Building Better Cities program.

Over the first 4 years of the Honeysuckle Project, the public sector investment was the clear driver. In the past five years, the story is reversed as demonstrated below:

- Government spent some \$115 million (\$2007 / 2008) by 1996 and leveraged \$27 million in private sector investment. This combined investment generated a total economic impact of \$265.8 million over that period representing a return on government investment of approximately 130%.
- Over the first 10 years of the project, government invested some \$174.9 million leveraging another \$162.4 million in private sector investment and a total economic impact of \$620.9 million or a 256% return on government's investment.
- Over the last 5 years, government has played a much smaller role in terms of the level of its investment, spending some \$45.5 million and generating \$227.3 million of private sector investment.
- Over the 16 years reported by the Hunter Valley Research Foundation, the Honeysuckle Project has generated an economic impact of \$1.335 billion. Once the Project is completed, it is estimated that the Project will have generated an economic impact of over \$2.1 billion.

With the benefit of hindsight it is clear that the Building Better Cities program and the milestones it set out for the Honeysuckle Project and its environs were ambitious. In any future funding program such as Building Better Cities we would recommend that such ambition be maintained. Of course, not all of its ambitious goals were achieved, however, the significant change that has resulted and the way the community now perceives its waterfront is a testament to the Building Better Cities program.

The preparation of this report is also timely, given the recent release of the Newcastle City Centre Renewal Report. The latter report has been prepared given widespread acknowledgement that whilst the Honeysuckle Project and the investment made through the Building Better Cities Program has been a success, it has not been the panacea to all the city's issues. Further change is required and the work of government is not over. There is a strong and exciting case to be considered for government to again invest in the future of Newcastle both for what could be achieved at the local level and importantly what would be contributed to the nation.



## 2 Background and context

"The BBC Program was a sound and successful investment by the State and Federal Governments"

### 2.1 Introduction

It is some twenty years since Brian Howe brought the issue of urban planning and the importance of cities back on the Federal Government's agenda. It has also been at least twenty years since Newcastle first began to address the decline of its CBD.

Howe's agenda and vision was brought to life in 1992 through the Building Better Cities (BBC) program. It came at a time critical in the evolution of Newcastle which, fortunately, was in many ways ahead of the game. It was facing sustained, and likely spiralling decline, its leaders and community shared a vision, developed a plan and presented an opportunity to government. With a Concept masterplan in place for the redevelopment of redundant rail and port lands and the revitalisation of the CBD, Newcastle was in an excellent position to secure support, funding and momentum from the Federal Government which leveraged State Government and private sector investment.

While some critics of the BBC program labelled it 'picking winners', the reality for Newcastle is that the BBC Program was a sound and successful investment by the State and Federal governments.

The Honeysuckle Redevelopment has largely been a success. It has been a success, not just because of the quality of the outcomes it produced but because it would not have happened without government intervention and funding. This report will demonstrate not only the way in which investment in the Honeysuckle Redevelopment slowly but surely turned around the decline of population, jobs and investment in the CBD, improved its liveability, environment and the attractiveness of the inner city, but put the case that such interventions are necessary in regional contexts as part of a national policy on cities.

Over the last 17 years Honeysuckle has made important, positive and significant changes to the economic, social, environmental and governance character and trajectory of the city's CBD, but the work of government is not over.

There is a strong and exciting case to be considered for government to again invest in the future of Newcastle both for its local outcomes and, as importantly, for its contribution to the nation.

This report will consider the key objectives of the Honeysuckle Urban Renewal Project, describe the conditions and trends dominating the economic, social, environmental and governance environments at the time, describe the BBC interventions and report on the same trends and conditions some two decades on. The report will also attempt to provide some insight from the Newcastle perspective on the lessons to be learnt from BBC and experiences which could be built upon. It also recognises that the task of renewal in Newcastle is not complete.





## 2.2 Background

In 1991, when the Honeysuckle Concept masterplan was developed and adopted by the New South Wales Government and Newcastle City Council, the Newcastle CBD and inner suburbs had suffered two decades of decline, population loss, physical degradation and sustained job losses. Jobs and people were increasingly moving to the suburbs. Regional retail complexes had caused the demise of the CBD's retail attraction. Many of its heritage buildings were falling into disrepair; the former rail yards lay abandoned, unkempt and contaminated. Much of the city was cut off from the harbour and the impact of heavy vehicles around the southern side of the port created tension and traffic. The harbour was the sole domain of industry and shipping. Cottage and Throsby Creeks were little more than polluted channels. Empty wool stores lined the bank of Throsby Creek. Unemployment exceeded the NSW average and the employment base was dominated by secondary industry jobs, which were facing global and technological challenges.

In 1978/79 both the NSW Planning and Environment Commission and the Newcastle City Council recognised the problems facing the CBD and stated in a report to Council that "this decline is undesirable in terms of maintaining the regional role of the CBD, minimising journey to work times and distance, utilising to the fullest extent the existing public utility services and infrastructure and promoting an effective transport system."

Ten years later in 1987 in another report to Council following the release of the 1986 census data, the Planning Service Division again stressed that this decline had continued and called on government to invest in housing strategies, to develop a Social Strategy Plan, to make appropriate changes in human service provision and development controls and institute more coordinated planning.

The success of the Bicentennial Newcastle Foreshore project completed in 1988 opened the community's mind to the potential of opening the city to the harbour. The possibility of extending the foreshore promenade east and redeveloping the under used rail yards and shipping yards for urban uses was conceived and nurtured. The Honeysuckle Project provided the hope that the CBD could begin to attract retail and office developments lost over decades; that the inner city could be rebranded as an attractive and vibrant residential alternative; that the harbour could become a place for people as well as industry; that improved public transport could open the city to both the harbour and to the potential of relocated public and private sector employment; that the combination of access, affordability, harbour views and heritage buildings might be enough to attract investment and people back to the CBD.



Honeysuckle concept masterplan

"Newcastle became the only non-metropolitan city to secure BBC funding in 1992. The project is nearing completion, but the task of fully revitalising the city centre is far from over."



## 2.3 Honeysuckle Urban Renewal Project area

The NSW Government provided \$2 million through the Property Services Group and, with the support of Newcastle City Council, began the consultation and investigations that resulted in the development and adoption of the ambitious Honeysuckle Concept masterplan.

While surveys showed high community support for the Concept masterplan the project was basically unfunded. Moreover, extensive ground work was needed to establish the costs of remediation, the suitability of the site for higher density development, the cost and complexity of heritage restoration and the feasibility of specific land uses. It was also clear that the market did not have an appetite for large scale investment in Newcastle. The financials would not 'stack up' without investment in planning and site preparation by government.

Paralleling Newcastle's focus on the Honeysuckle Project, the Federal Government was also focused on urban growth and renewal. The Commonwealth was looking for new approaches, for more efficient, ecologically sustainable and socially just urban growth and change. The Commonwealth's argument that efficient, sustainable and liveable Australian cities were a key factor in maintaining growth, investment and competitiveness of the nation rang true in Newcastle. If the Commonwealth's fundamental intention was to demonstrate how greater economic, environmental and community benefits could be achieved by taking an integrated, strategic and whole of area approach to development, Newcastle was ready for the challenge.

The Concept masterplan became the basis of the NSW Government's application to the Federal Government for Building Better Cities (BBC) funding.

Newcastle became the only non-metropolitan city to secure BBC funding in 1992. The project is nearing completion, but the task of fully revitalising the city centre is far from over. BBC, through the Honeysuckle Project, has laid the platform for the continued revitalisation of Newcastle's city centre. In the state and national context Newcastle continues to be an important economic driver, cultural centre, environmental leader and lifestyle alternative.

The Honeysuckle Urban Renewal Project covers some 50 hectares of waterfront land extending for a 3 kilometre strip along the southern and western edges of the Port of Newcastle. It reaches from the end of the 1988 Bicentennial Foreshore Park through what was under utilised and redundant port and rail lands to the suburbs of Carrington and Wickham east and west of Throsby Creek.

Off site projects, located in the inner suburbs, were facing similar change and decline including Tighes Hill, Wickham and Hamilton.



The seven precincts of the 50 hectare Honeysuckle Urban Renewal Project 1992





## 2.4 Honeysuckle Project funding

The \$100 million allocated under the BBC agreement was made up of \$71 million from the Federal Government and \$29 from the State Government over a four year period 1992/93 to 1996/97.

The \$100 million funding can be broken down into community works including housing, site preparation works and expenditure by other agencies in relation to the project. Expenditure, which was provided under these categories, is indicated below:

<b>Community works: approximately \$64.8 million</b>	<ul style="list-style-type: none"> <li>• 170 homes in community ownership (\$25 million)</li> <li>• Dredging and reclamation of Throsby Creek</li> <li>• Open space landscaping</li> <li>• Heritage building restoration</li> <li>• Repair and stabilisation of seawalls</li> <li>• Reconstruction of Cowper Street bridge</li> <li>• Relocation of the Fishermen's Co-Operative</li> <li>• Construction of a transport interchange at Newcastle station</li> <li>• Feasibilities into transport, oil farm reuse, Stewart Ave overpass</li> </ul>
<b>Site preparations works: approximately \$29.0 million</b>	<ul style="list-style-type: none"> <li>• Decontamination and remediation</li> <li>• Removal of structures</li> <li>• Roads and services</li> <li>• Flood works</li> </ul>
<b>Works by other agencies: approximately \$5.8 million</b>	<ul style="list-style-type: none"> <li>• Newcastle Port relocation to the Basin freeing up Lee and Throsby wharves</li> </ul>

Since 1997 the then Honeysuckle Development Corporation and subsequently the Hunter Development Corporation has been self funded.



The fountain at Harbour Square



## 2.5 Building Better Cities Area Strategy

The endorsed masterplan for the Honeysuckle Project became the platform for the BBC Area Strategy. In addition, the Area Strategy took a more comprehensive approach to revitalisation of the CBD than portrayed in the masterplan including both Honeysuckle and its 'environs' under its umbrella. BBC then provided the up-front funds necessary to "breathe life into the 20 year urban renewal program set out in the masterplan."

The NSW Government, in preparation for the joint agreement with the Federal Government on funding, established the Honeysuckle Development Corporation (HDC) in May 1992 under the Growth Centres (Development Corporations) Act 1974. In March 1993, the Minister for Planning formally authorised the Board to implement the 'scheme' under the Growth Centres Act. Together with the Area Strategy this empowered the HDC to implement the masterplan.

The broad objectives of the Honeysuckle and Environs Area Strategy were to:

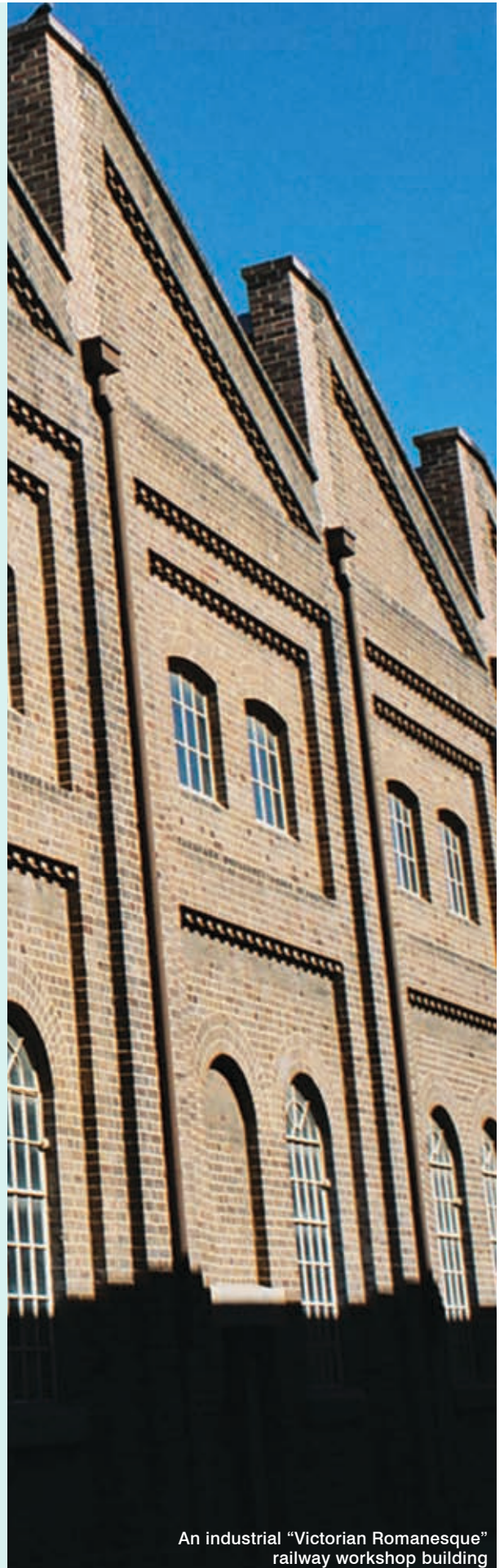
- Revitalise the Newcastle CBD and develop the city into an effective capital of the Hunter Region
- Develop a mix of housing choices, including for lower income households
- Stimulate and reinforce development on adjacent lands
- Improve employment opportunities and diversify the economic base of Newcastle and the Hunter Region
- Improve the quality of life within the city and inner suburbs, open up community access to the harbour and enhance the attractiveness of the city
- Help improve the use of existing transport and other infrastructure in the CBD and inner suburbs, and
- Encourage reduced car usage by local residents.

The BBC Agreement set out six area outcomes for the project:

- Better integration of physical planning, social planning, economic development, infrastructure investment and environmental management
- Accelerated urban consolidation
- Reduced reliance on private cars
- Reduction in regional structural unemployment
- Effective demonstration of integrated consolidation strategies applied in a regional centre context, and
- Improved urban environment compatible with heritage.

To provide assurance on the achievement of the six outcomes, a set of 55 milestones were agreed for the four year period and progress against the milestones was reported regularly.

The agreement also required a Demonstration Program to inform the community, private sector and government decision makers about the intention, progress and success of the project.



An industrial "Victorian Romanesque" railway workshop building



## 2.6 Building Better Cities objectives

The Honeysuckle Development Corporation formulated six key objectives for the Honeysuckle Urban Renewal Project, which were confirmed in March 1993 pursuant to the Growth Centres (Development Corporations) Act 1974.

<b>Economic</b>	To act as a catalyst for the economic revitalisation of the City by creating a focus for investment, new business and employment which will have maximum economic benefit to the wider City and the state as a whole.
<b>Social</b>	To bring life into the City by making Honeysuckle a vibrant, people friendly, community place where people will want to live, work and recreate. To improve the quality of life by providing employment, entertainment, cultural, health and recreational facilities for the people of the region.
<b>Political</b>	To maximise commitment to implement the project by all three levels of government, and develop strong local community support for Honeysuckle by ensuring the benefits and returns are distributed to all stakeholders.
<b>Environmental</b>	To contribute to the environmental sustainability of urban development both locally and in the wider state context by reducing the demands for urban sprawl in Newcastle and Sydney and ensuring environmentally sensitive planning and design within the project.
<b>Transport</b>	To facilitate the development of a more effective and efficient public transport system, which better links the CBD and the suburbs and provides a more comprehensive CBD network for commuters.
<b>Financial</b>	To optimise the long term returns on surplus government land in a way which maximises the economic and social benefits in the widest sense to the local and regional community.



"...Making Honeysuckle a vibrant, people friendly, community place where people will want to live, work and recreate."

## 2.7 Methodology

The next section of this report begins the process of reporting and assessing the impacts of the BBC program in Newcastle. There are, however, some conceptual and practical difficulties associated with this evaluation which should at least be acknowledged up-front:

- the breadth and diversity of the program's objectives, for example including health reform as an objective of an urban development program, make it very difficult to isolate and apportion cause and effect;
- the long lead times involved with area strategy planning and implementation compared with the relatively short time to show results under the program;
- the program's approach to realising benefits through demonstration projects of better urban development rather than a direct approach to solving the problems across the board;
- the difficulty of linking the program's interventions with the outcomes in the areas, given that BBC is only one of many influences on the city over that same time;
- the limited availability of baseline data against which to measure program impacts; and
- the fact that the benefits of the program are expected to become apparent in two stages: the first is the direct achievements of the area strategies and the second is the wider use of the lessons learned from the strategies in other areas of urban management and planning.

These difficulties should be acknowledged but they do not undermine the integrity of the program or the projects. More importantly they point to improvements which should be made in subsequent national and state policies and programs for cities' funding and interventions.

Much of the historic data necessary to complete this work has not been readily available. Changes to ABS collector districts and suburb definitions have made this more difficult. The numbers presented in this document, while as accurate as possible within the scope of this project, are not meant to reflect absolutes but to demonstrate trends and quantum of change.

Further, because many of the desired impacts target areas of perceptual change, character, liveability and attractiveness, their measures are highly subjective and often better reflected in 'stories' and 'anecdotes' than facts or figures.



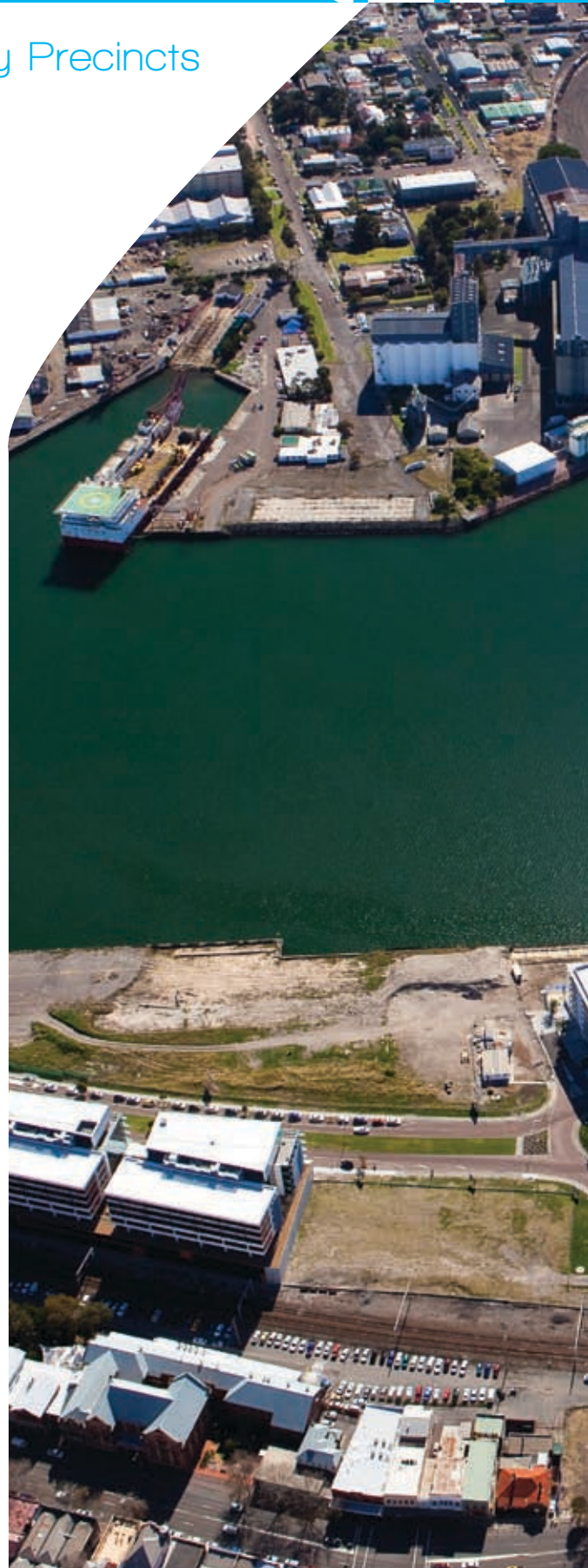
## 3 Overall assessment

"Linwood and Carrington are today home to residents in 400 homes, 7 hectares of foreshore parkland, a mangrove walkway, new seawalls and a healthy waterway"


### 3.1 Overview Assessment by Precincts

Both the Concept masterplan and the BBC Area Strategy proposed a wide range of interventions and desired outcomes. Later sections of this report review these interventions, outcomes and impacts across a quadruple bottom line. This section of the report takes a more spatial approach to assessing what was proposed, what was achieved and what was outstanding in the renewal process of Newcastle's city centre and inner suburbs.

The Honeysuckle project area has been divided into a number of precincts as defined in the following plan. Each has a special character and function; all relate to one another and the communities around them to create an integrated and coordinated whole. The following table provides a summary and is supported by a series of photographs of each of the project's precincts. The table sets out briefly the planned outcomes, and indication of achievements and comments in terms of outstanding actions or where there has been a lack of real success.







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## 3.2 Carrington Precinct

CARRINGTON		
Planned outcome/Impact	Achieved	Outstanding
Reconstruction, widening and elevation of the Carrington Bridge	Completed 1993	
Deepening and narrowing of Throsby Creek	Completed (east and west banks and dredging) 1995	
Reclamation of dredged material as parkland	Stage one 1993	
Ensure linkages to CBD	Pedestrian and cycle path to CBD	
Increase supply of housing	93 residential units delivered 1994-97	
Ensure links and relationships to surrounding area	<ul style="list-style-type: none"> <li>• Street grid</li> <li>• Path ways</li> <li>• Double-siding of Garrett Street</li> </ul>	
Generate investment in surrounding area	\$14.7 million additional residential investment and \$28.2 million mixed used development	
Provision of new open space	4 ha landscaped open space	
Development of place making features	<ul style="list-style-type: none"> <li>• Development of Mt Carrington</li> <li>• Gateway presentation of Carrington Bridge</li> </ul>	
Ensure environmental improvements	<ul style="list-style-type: none"> <li>• Dredging of Throsby Creek</li> <li>• Restoration of mangrove communities</li> <li>• Maintenance of seawalls</li> <li>• Landscaping with native species</li> <li>• Management of storm water run off</li> </ul>	
Provision of community facilities	<ul style="list-style-type: none"> <li>• Refurbishment of Community Hall</li> <li>• Development of s94 plan for developer contributions</li> </ul>	
Engagement of local community	<ul style="list-style-type: none"> <li>• Involvement of school and local community in openings and planning processes</li> <li>• Community Ideas Competition for housing development</li> </ul>	



Mudflats at Carrington 1993



New public promenade and parkland at Carrington is enjoyed by cyclists, pedestrians and families



The old bridge to Carrington in 1991



The new Carrington bridge and promenade extension underneath which connects the Linwood foreshore with the Marina Precinct



### 3.3 Linwood Precinct

LINWOOD		
Planned outcome/Impact	Achieved	Outstanding
Provision of new housing supply	300 dwellings	
Provision of demonstrated innovation housing	Over all diversity plan to ensure a range of housing choices in terms of size, design and affordability	
Ensure connection to the surrounding area	Recreation of street grid by extension of street and view corridors from Wickham/Maryville	
Creation of a community hub	Subsidy for a café and local store for over 10 years	
Realignment of Hannell Street	<ul style="list-style-type: none"> <li>Complete 1994</li> <li>Landscaping and gateway treatment of Elizabeth Street bridge</li> <li>Sound mounding for residential community</li> </ul>	
Deepening and narrowing of Throsby Creek	Complete western bank works 1995	
Provision of open space	4 hectares landscaped space and cycle/pedestrian path	
Environmental improvements	<ul style="list-style-type: none"> <li>Water quality in Throsby creek restored for human use and biodiversity increased</li> <li>EDS requirements in all new housing</li> <li>Recycling of demolished wool store timbers for landscaping street furniture and sale</li> </ul>	
Relocation of gas pipeline	Complete	
Provision of place making elements	<ul style="list-style-type: none"> <li>Drop in the Ocean children's playground involving local artist</li> <li>Beacon landmark (public art)</li> </ul>	
Quality urban design	Overall urban design collaborative developed with NCC and specified on tender and land sales	
Stimulus for surrounding area	Significant development of residential develop in private sites west of Hannell Street	

Top right: Linwood and Carrington precincts in 1992.  
Note the abandoned timber wool stores lining the Linwood foreshore

Bottom right: The Linwood and Carrington precincts are today home to residents in 400 homes, 7 hectares of foreshore parkland, a mangrove walkway, new seawalls and a healthy waterway













New residential development at Linwood replaced the abandoned wool stores



## 3.4 Marina Precinct

MARINA		
Planned outcome/Impact	Achieved	Outstanding
Expansion of fishing fleet	49 new moorings completed	
Relocation of Fishermen's cop operatives	Private development of 180 berth marina, vessels up to 20 m	
Development of Yacht Club	Club house offices and function space complete	
Development of marine workshop and associated uses	Noakes Marine Chandlery Commercial outlets & offices	
Residential development	Mariner apartments 42 units	
Landscaping	Complete including gateway sculpture	
Pedestrian access	Complete	



Boats undergoing repair work at Noake's Boatyard in the redeveloped Marina Precinct

"The Marina Precinct has been completely transformed into a genuine harbour asset complete with high quality moorings, a variety of marine commercial enterprises, restaurants, cafes and a residential community".



The Marina Precinct in 1993



The Marina Precinct promenade 2007





The Marina Precinct 1990



The Marina Precinct 1993



The Newcastle Cruising Yacht club 2009 in the Marina Precinct





The Marina Precinct 2009



## 3.5 Cottage Creek Precinct

COTTAGE CREEK		
Planned outcome/Impact	Achieved	Outstanding
Opening up of the creek	50m wide open space corridor preserved in LEP	Construction to be concurrent with private sector development or commercial sites
Storm water management	Hunter Water Corporation installation of litter and sediment catchment traps	Further works proposed as part of landscaping improvement plan
Provision of open space	DCP includes Plans for Cottage Creek north and south	In time with surrounding development this open space park and plaza will be development
Realignment of the road	Over half the work of realigning the full 12km of Honeysuckle Drive is complete	Work remains to be done as part of "Wickham Urban Village"
Removal of cargo facilities	Complete 2000 24,000ms of hard stand developed at the Basin	
Opportunity for cruise ships	40 naval and 18 cruise ship visits	More permanent and use specific facilities are required
Development of a ferry wharf	No action	Proposed in 2009 Urban renewal strategy
Provision of office space	45,000m <sup>2</sup> provided	Sites available for approximately and additional 125,000m <sup>2</sup> mixed commercial use
Provision of residential accommodation	Provision of residential accommodation	Limited residential as well as hotel accommodation proposed for future stages on the precinct
Preservation and treatment of historic Fig tree	Fig tree protected and surrounding park landscaped with interpretive information	Park to be completed with subsequent developments
Provision of services	<ul style="list-style-type: none"> <li>Contamination and mine subsidence issues managed</li> <li>All services provide and augmented as necessary</li> </ul>	
Protection of heritage buildings	Wickham Urban Village heritage building protected	
Creation of viable development lots	Collaboration with RTA and NCC to organise land title to achieve viable commercial lots for redevelopment	
Landscaping	Progressively being completed	Landscaping to parallel development
Urban design framework	Strong urban design guidelines and place and supported by NCC	



The Cottage Creek precinct 1994



The Hunter Water, Sparke Helmore and PricewaterhouseCoopers buildings, Cottage Creek 2008



## 3.6 Honeysuckle Precinct

HONEYSUCKLE		
Planned outcome/Impact	Achieved	Outstanding
Community uses and cultural uses	Railways workshops used as markets, for events and performance space 1995 to 2008 2010 opening of relocated Newcastle Regional Museum	
Hotel	Crowne Plaza opened 175 rooms in 2003	
Link to water	Harbour Square and wharves	
Links to cultural precinct	Landscaping and pedestrian plans links Honeysuckle workshops buildings through to Wheeler place and cultural precinct	
Provision of open space	Open space provide as harbour promenade, Harbour Square, heritage building curtilage	
Entertainment facilities	<ul style="list-style-type: none"> <li>Workshop buildings and Harbour Square regularly used as community cultural events</li> <li>Maritime Museum in Lee Wharf Building A</li> <li>10 new eating establishments opened along the Boardwalk development</li> </ul>	
Housing	Approx 460 new dwelling units completed	
Car parking	<ul style="list-style-type: none"> <li>On site provision development</li> <li>Temporary parking for 200 cars</li> </ul>	400 planned Each develop has provided limited parking
Adaptive reuse of heritage buildings	Buildings used for a range of uses including commercial offices, show rooms, function space, gym, markets and cultural spaces (museum)	
Restoration of heritage buildings	Complete restoration in accordance with Burra Charter	
Interpretation of heritage	Public Domain strategy based on interpretation of heritage Bollards through Workshop way developed under public art program and reflect local heritage	
Connection to Hunter Street		Not achieved
New commercial floorspace	<ul style="list-style-type: none"> <li>46,500m<sup>2</sup> commercial</li> <li>5,100m<sup>2</sup> retail</li> <li>4,500m<sup>2</sup> restaurant</li> <li>12000m<sup>2</sup> hotel</li> </ul>	



Honeysuckle Precinct road re-configuration 1995



Dilapidated railway workshop buildings behind Civic Railway Station 1990





Dilapidated railway workshop and cargo shed buildings in Honeysuckle 1990



Refurbished railway workshop buildings 2006





The restored Divisional Engineer's cottage



## 3.7 Hunter Street Precinct

HUNTER STREET		
Planned outcome/Impact	Achieved	Outstanding
Links to Honeysuckle		Not achieved
Redevelopment of sites	Sites cleared and offered for sale	
Office space	3,000m <sup>2</sup> completed	
Residential	90 apartments	
Community facilities	Newcastle Community Health Centre	
Educational uses	Existing TAFE facility expanded	No new educational uses attracted
Commercial	Ibis Hotel completed 2002	



Kuwumi Place, Hunter Street



The Ibis Hotel in Hunter Street, one of several re-developed lots in Hunter Street



## 3.8 Area Strategy

Planned outcome/Impact	Achieved	Outstanding
Cargo relocation	Completed 2000	
Interchange at Civic Station		Not achieved
Termination of the rail at Civic		Not achieved
Opening up of the harbour to the city east of Civic		Not achieved
Growth of retail floor space and offer		Decline continued
Net autonomous investment in office space		Not achieved
Newcastle as an alternative location to Sydney and the central Coast		Not achieved
Vibrant and active urban place	<ul style="list-style-type: none"> <li>Activity increased</li> <li>Live Sites program implemented</li> </ul>	Community safety an issue of concern
Provision of housing	In excess of 960 dwellings completed	
Development of innovative delivery mechanisms	Recognised	
Provisions of community housing	79 HDC dwellings 91 BBC dwellings	
Strengthening of the mall as a retail focus		Not achieved
Employment growth and diversity	Equivalent of 4,844 new jobs	
Economic impact and multiplier effects	In excess of \$1.3 billion	
Population growth	Decline reversed and modest growth occurring	
Private sector investment	Estimated \$507 million	
Increase modal split to public transport		Not achieved
Development and delivery of an integrated transport plan	Plans developed	Implementation not achieved
Community support and investor confidence	Community attitude survey show support for the project and increased business confidence	
Provision of open space contribution to the greening of the inner city	17 ha 34% of total project area	







Honeysuckle Precinct early 1990s



The Honeysuckle Precinct 2008



# 4 Economic impacts

“Employment in the CBD dropped from around 25,000 in the 1970s to an estimated 15,000 in 1991”

## 4.1 Pre BBC economic position and trends

The Honeysuckle masterplan describes the economic health of the CBD in 1991 and clearly paints the picture of a city in decline. It states that “employment in the CBD has dropped from around 25,000 in the mid 1970s to an estimated 15,000 in 1991” (page 13). It goes on to say that CBD employment represents about 7% of the regional workforce acknowledging that this is extremely low when compared to other regional centres. At that same time, Sydney CBD employed 13% of its regional catchment, Adelaide 14%, Brisbane 14% and Perth 24%. The 1996 ABS Journey to Work Data released several years later confirmed this steady decline reporting the 1981 CBD workforce at 15,761 and the 1991 workforce at 13,917 persons. In the 15 years between 1976 and 1991 the Central Business District’s employment level fell from almost 45% to approximately 27% as a percentage of the total employment in the Local Government Area (see table below).

### Employment in CBD and LGA

	1971	1976	1981	1991
CBD		25,000	15,761	13,917
LGA	59,320	55,725	57,309	51,738
CBD % of LGA		44.86%	27.5%	26.9%

ABS: Census and Journey to Work Data

Through the 1980s and into the 1990s the CBD was characterised by low levels of investment in new commercial floor space, continuing reductions in retail floor space, insignificant new residential investment, reduced visitation associated with decline in the number of jobs, comparatively poor retail offer and relocation of government services (State Office Block, Energy Australia, Regional Postal service). The relatively low levels of investment are reflected in DAs approved by NCC over the period and shown in the next table.

### Development Applications Approved by NCC 1992 to 1995

Land use	1992	1993	1994	1995
Accommodation \$m	0.5	0.3	3.2	0.7
Units (number)	5	3	14	28
Other investment \$m	19.5	6.1	8.5	9.8
Total investment \$m	19.5	6.4	11.7	10.5

Development Applications approved by NCC 1992-1995

According to the PCA survey most office space was classified as B or C Grade and was concentrated in either the heritage area surrounding the Mall or around the Civic Precinct. The city suffered a lack of both large floor plate buildings or sites to accommodate new large floor space buildings. Growth in office space was slow and vacancy rates relatively high. See the following table provided by the Property Council of Australia which began an office market survey in 1992.





## Office Market Report Summary (extract)

Year	Total m <sup>2</sup>	A Grade m <sup>2</sup>	B Grade m <sup>2</sup>	C Grade m <sup>2</sup>	A Grade % of total	Annual growth in total floor space
January 1992	163,839	n/a	n/a	n/a	n/a	
January 1993	168,488	n/a	n/a	n/a	n/a	4,649m <sup>2</sup>
January 1994	172,026	30,008	85,609	56,409	17.4	3,538m <sup>2</sup>
January 1995	172,860	34,562	90,394	47,904	19.9	834m <sup>2</sup>
January 1996	174,260	34,562	90,394	49,304	19.8	1,400m <sup>2</sup>
January 1997	177,249	34,562	81,689	60,998	19.4	2,989m <sup>2</sup>

### Property Council of Australia: Office Market Report

In 1971 the city fruit and vegetable markets relocated from Steel Street in the CBD to Shortland taking tremendous activity and visitation from the city centre. In the next twenty years to 1991 the CBD had lost many other iconic businesses: the Newcastle Store (1981) in Hunter Street, Grace Brothers and Waltons Department Store, the Newcastle Post office closed in 1981 as regional sorting centre, many smaller retail businesses, cafes, hotels and movie theatres had closed their doors or relocated to regional and subregional retail and business centres across the Lower Hunter.

The city centre took another big hit when the corporate regional headquarters of Shortland Electricity (Energy Australia) relocated from King Street to Wallsend in 1987. Finally, the Royal Newcastle Hospital closed in 1991 and relocated to the John Hunter site at Lambton taking with it a huge workforce, the nurse's quarters and daily visitors. As all these institutions closed or relocated the city centre lost not only the daily presence of many hundreds of workers but the thousand more who came to town to use their services and related activities.

In the wider context, 1987 also saw the closure of the State Dockyard at the same time as shipping containers and larger coal loaders meant fewer people were needed to work at the port and many port related activities moved to the northern side of the harbour. It was, in fact, many of these changes that meant that lands and buildings around the railway and southern and western wharves were no longer needed and the vacated land became the opportunity for redevelopment in the form of Honeysuckle.

The Port of Newcastle still operated some berths on the southern side of the harbour at Throsby and Lee wharves. In 1990/91 224,715 tonnes of bulk, containers and break bulk cargo were handled at Throsby 1 and Lee Wharf 5. To the east of these wharves at the end of Merewether Street the commercial fishermen's fleet and cooperative store were located. The port was dominated by commercial export business. Recreational and passenger vessels were not often seen.

Access to the port was via Hannell Street, which varied between one and two lanes and funnelled heavy vehicles across the narrow, low level timber bridge at Carrington.

The railway yards of the Honeysuckle Project area were an unkempt, contaminated waste land with a collection of seriously deteriorating heritage buildings which had suffered even further during the 1989 earthquake.

Public transport was poorly coordinated with trains terminating at Newcastle station, buses at Parnell Place east of Newcastle and no dedicated interchange for private buses and coaches.

The region's employment was still dominated by secondary industry. Tourist numbers were low and focused on visiting friends and relatives. Accommodation was limited to a small number of hotels and motels with little new investment in the previous 20 years.

The region was characterised by lower than state average professional qualifications. Many students, having completed an education at the TAFE or University, went to Sydney to gain employment. Unemployment significantly surpassed the state and Sydney average.



## 4.2 BBC interventions and economic impacts

### 4.2.1 Employment

Within the first decade of development at Honeysuckle employment in the city centre had begun to grow. The table below shows growth in the area generally referred to as the city centre from 13,917 in 1991 to 16,787 in 2001. However, the number of people employed in the city centre as a percentage of employment in the LGA was continuing to fall.

#### Inner city and LGA employment

	Newcastle Inner SLA 2001	Newcastle LGA 2001	Inner SLA as % of LGA
<b>Total persons employed</b>	16,787	73,497	22.8% of total LGA employment
<b>Fulltime employees</b>	11,110 (66%)	46,778 (63.6 %)	23.7% of FT LGA employment
<b>Part time employees</b>	5,454 (32%)	25,534 (34.7%)	13.6 % of PT LGA employment
<b>Industry sector</b>			
<b>Commonwealth Govt</b>	1,607	5,024	31.9%
<b>State Govt</b>	3,071	12,028	25.5%
<b>Local Govt</b>	550	985	55.8%
<b>Private Sector</b>	11,474	55,068	20.8%

Source: ABS 2001 Working Profile overview of employment and broad industry sector of the Newcastle Inner SLA compared to the Newcastle LGA. Provide by NCC.

While statistical information about the changing nature of regional, LGA and city centre employment is not comprehensive, the Honeysuckle Project's contribution to employment has been recorded.

Since the earliest days, the Honeysuckle Development Corporation has engaged the Hunter Valley Research Foundation (HVRF) to monitor and evaluate the economic and employment impacts of BBC and ongoing public and private sector investment in the project area. The table below provides a summary of the employment impacts measured by the HVRF from 1992/93 to 2007/08. Over that 16 year period an estimated 4,844 equivalent full time jobs have been created as a direct and or indirect result of that initial BBC funding. It is important to recognise the jobs generated from the investment by the private sector which have been significant. It was the Honeysuckle Project's ability to kick start employment that has been beneficial over a long period of time.



## Economic impact of Honeysuckle Project

Year	Initial jobs created due to public spending	Initial jobs created due to private sector spending	Flow-on jobs as a result of public and private sector spending	Total employment impact
1992/1993	64	0	31	96
1993/1994	172	95	130	397
1994/1995	221	0	104	326
1995/1996	84	21	49	154
1996/1997	100	0	47	147
1997/1998	58	0	29	88
1998/1999	38	35	37	110
1999/2000	32	46	37	115
2000/2001	37	122	74	233
2001/2002	29	381	190	600
2002/2003	26	509	248	782
2003/2004	63	233	137	433
2004/2005	42	312	164	519
2005/2006	36	35	33	104
2006/2007	31	351	177	559
2007/2008	75	48	58	181
<b>Total (all years)</b>	1108	2188	1545	4844

- 1: Due to rounding, the "Total" column may not exactly equal the sum of public, private and flow-on jobs.  
 2: A "job" in IO analysis lasts for 1 year and is full-time 3: Compared with previous estimates of employment, some of the public and private initial expenditures have been changed. This is a direct result of the changed public / private expenditures as provided to the HVRF in the sourced dataset. These figures were different from those previously supplied to the HVRF.



The table over has also been developed by the HVRF for the Corporation and records public and private sector investment in the Honey suckle Project, the flow on and total economic impacts.

Year	Public Sector Investment \$million	Private Sector Investment \$million	Flow-on investment \$million	Total Economic Impact \$million	Cumulative Public Sector Investment \$million	Cumulative Private Sector Investment \$million	Cumulative Flow-on investment \$million	Cumulative Total Economic Impact \$million
1992/1993	\$11.6	\$0.0	\$11.7	<b>\$23.2</b>	\$11.6	\$0.0	\$11.7	\$23.2
1993/1994	\$38.6	\$22.1	\$52.3	<b>\$113.1</b>	\$50.2	\$22.1	\$64.0	\$136.3
1994/1995	\$48.0	\$0.0	\$41.2	<b>\$89.2</b>	\$98.2	\$22.1	\$105.2	\$225.5
1995/1996	\$16.8	\$4.9	\$18.5	<b>\$40.2</b>	\$115.0	\$27.0	\$123.7	\$265.8
1996/1997	\$21.2	\$0.0	\$17.7	<b>\$38.8</b>	\$136.2	\$27.0	\$141.4	\$304.6
1997/1998	\$12.8	\$0.0	\$10.9	<b>\$23.7</b>	\$149.0	\$27.0	\$152.3	\$328.3
1998/1999	\$8.6	\$8.1	\$14.0	<b>\$30.6</b>	\$157.6	\$35.1	\$166.2	\$358.9
1999/2000	\$5.3	\$10.7	\$13.6	<b>\$29.5</b>	\$162.9	\$45.8	\$179.8	\$388.5
2000/2001	\$7.0	\$28.3	\$28.8	<b>\$64.1</b>	\$169.9	\$74.0	\$208.6	\$452.5
2001/2002	\$5.0	\$88.3	\$75.1	<b>\$168.4</b>	\$174.9	\$162.4	\$283.7	\$620.9
2002/2003	\$4.0	\$118.0	\$98.1	<b>\$220.1</b>	\$179.0	\$280.4	\$381.8	\$841.1
2003/2004	\$12.4	\$54.2	\$53.8	<b>\$120.4</b>	\$191.3	\$334.5	\$435.6	\$961.5
2004/2005	\$7.5	\$72.4	\$64.6	<b>\$144.5</b>	\$198.8	\$407.0	\$500.2	\$1,106.0
2005/2006	\$6.0	\$8.1	\$12.0	<b>\$26.1</b>	\$204.8	\$415.1	\$512.2	\$1,132.1
2006/2007	\$5.4	\$81.4	\$69.9	<b>\$156.6</b>	\$210.2	\$496.5	\$582.1	\$1,288.8
2007/2008	\$14.1	\$11.2	\$21.5	<b>\$46.8</b>	\$224.3	\$507.7	\$603.6	\$1,335.5
<b>Total (all years)</b>	<b>\$224.30</b>	<b>\$507.70</b>	<b>\$603.70</b>	<b>\$1335.30</b>				

Modified on 25 August 2008 by Andrew Searles

Note: all figures have been based in 2007/08 dollars. Therefore, dollar amounts for the years 1992/93 to 2006/07 have been inflated to this base year. For this reason these amounts will be larger than when this analysis was last conducted. Dollar comparisons over time cannot be made unless a common base year is used. It is essential to cite the base year when publishing these figures. Note, some of the financial figures public and private expenditure, as provided to the HVRF, have changed from previous datasets. For this reason the output impacts and employment impacts, even for earlier years have been revised.



## 4.2.2 Overall economic impacts

Over the first 4 years of the Honeysuckle project the public sector investment was the clear driver as indicated below.

- Government spent some \$115 million (\$2007/08) by 1996 and leveraged \$27 million in private sector investment. This combined investment generated a total economic impact of \$265.8 million over that period representing a return on government investment of approx 130%.
- Over the first 10 years of the project government invested some \$174.9 million leveraging another \$162.4 million in private sector investment and a total economic impact of \$620.9 million or a 256% return on government's investment.
- Over the last 5 years government has played a much smaller role in terms of the level of its investment spending some \$45.5 million and generating \$227.3 million of private sector investment.
- Over the 16 years reported by the HVRF, the Honeysuckle Project has generated an economic impact in the order of \$1.335 billion.

This lag between initial public sector investment and comparable and additional private sector investment is important. Renewal is a slow process. Often too slow for the private sector to sustain financially. The HDC's initial investment in Carrington between 1992 and 1994 drew a 'quick' response from the market in the form of Mirvac development of 93 residential units. The Corporation had to spend the money upfront on community engagement, planning, infrastructure, remediation, reclamation and landscaping to attract a market.

The process for precincts such as Cottage Creek and Honeysuckle were far more complex, lengthy and costly. There were far greater urban design, public domain and access, mine subsidence, contamination, land title, heritage and services issues and requirements. The Corporation was not able to bring a substantial number of sites to the market until after 2000/1, more than eight years after its initial establishment. It is unlikely that in a small market such as Newcastle that the private sector would have been able to achieve this gestation period for relatively meagre returns.

The figures captured and recorded by the HVRF provide an overview and focus on the economic and employment impacts of investment directly on the Honeysuckle Project site. The Building Better Cities program and Honeysuckle Project have, however, generated far wider economic and employment impacts than those able to be captured in these tables. Much of the significance of BBC and Honeysuckle is revealed in its individual stories.



The Sparke Helmore Building



Boats docked at the Marina

### 4.2.3 Newcastle Port Corporation activities

Perhaps one of the lesser known interventions or initiatives of the BBC program in Newcastle was the relocation of the Newcastle Port Corporation's (NPC) operations from Lee and Throsby wharves on the southern, city side of the harbour to the northern side at the Basin.

BBC provided the \$4.6 million necessary to relocate the NPC on shore activities at the Basin and funded the construction of some 24,000 m<sup>2</sup> of hard stand cargo storage area. The relocation took several years to complete. The Newcastle Port Corporation leased wharfage from HDC up until 2000. Funds were also provided through BBC for the beautification of Dyke Point including new sandstone seawalls and lighting. This enhanced the visual amenity of the port area, in particular the outlook from the southern side northwards. The new Crowne Plaza and the numerous residential apartments developed on Wharf Road and Merewether Street certainly benefit from this investment.

The broader economic impacts of the relocation and expansion of the port's general cargo handling facilities at the Basin are significant. In 1990/91 224,715 tonnes of bulk, containers and break bulk cargo were handled at Throsby 1 and Lee Wharf 5. East Basin wharves were already in use with 133,225 tonnes of break bulk general cargo (timber, steel, aluminium and lead) being handled. There was 214,610 tonnes bulk and general cargo handled at Western Basin 4. The Basin masterplan was developed in 1991 to allow the orderly development of the Basin area for general cargo. There was a progressive transfer of cargo handling activity to the Basin area over the following years. Bulk activity was to be transferred to Kooragang bulk berths. In 1998-99 Lee Wharf and Throsby handled 288,257 tonnes of general cargo while Eastern Basin handled 120,787 tonnes and Western Basin 409,769 tonnes (134,169 tonnes bulk). When Eastern Basin Development Company accepted a lease of E1/E2 all general cargo activity was transferred to these wharves with W4 used as overflow berth and project cargo. In 2007-08 Eastern basin cargo handling had grown to 556,232 tonnes.



Newcastle Harbour early 1990s





The Lee Wharf Pontoon, Honeysuckle

#### 4.2.4 Hotel/tourist development

While the HVRF data has captured the economic impact in dollar and jobs terms for the development and construction of the particular projects it is the stories around these numbers that perhaps give a clear idea about their impact. For example, the relocation of the Fishermen's Co-Operative and Police Wharf mentioned earlier also freed up the site which is now the location of the Crowne Plaza Newcastle hotel.

The Manager of the Newcastle Visitor and Convention Bureau believes that "the advent of the Crowne Plaza Newcastle has meant that we have been able to attract a whole lot of new business to the city that we were not able to before – both in conferencing and leisure tourism. Short breaks on the weekends have become quite popular in Newcastle with most weekends accommodation being booked out – not just at the Crowne Plaza Newcastle – but it has spread to other CBD hotels. "

From a statistical point of view the evidence shows that after the Crowne Plaza opened in March 2003 there was a steep rise in the guest arrival figures in the Newcastle LGA (Source: ABS Survey of Tourist Accommodation with 5 rooms or more). It also shows that although there was a minor 'blip' in the occupancy rates with a one quarter drop immediately when it came on line bringing with it an additional 175 rooms; from then on there has been a continued rise in occupancy levels and guest arrivals.

Statistics kept by the Newcastle Visitor and Convention Bureau (NVCB) supports the view that the Crowne Plaza has been very important to the sector generally. When you compare the financial year 2003/04 (Crowne Plaza's first year) with the financial year 2005/06 there was an increase of 14% in the level of enquiries handled by NVCB, 64% increase in the number of confirmed pieces of business and approximately 100% increase in the value of that confirmed business. Over a longer period from 2003/04 to 2007/08 the impact appears even greater with a 42% increase in the number of enquiries and a 119% increase in confirmations. During this period - 2003 to 2008 - no new hotel rooms came on the market in the CBD.

The manager of NVCB also stressed that Newcastle won the right to host the Meetings Industry Association Australia Conference in 2003 and that this would not have been possible had the Crowne Plaza not been coming on line that year. They report that the Crowne Plaza's role was integral to that bid win and enabled the NVCB to showcase the city to many other industry buyers and really set the platform for growth that has occurred since.

Furthermore, the impact of the Crowne Plaza development on Newcastle's economy, particularly the strength of the conferencing market, was in no way an accident nor an unplanned outcome. Right from the earliest days of the

development of the Honeysuckle Project masterplan the Merewether Street site had been earmarked for hotel development. While the NVCB and the Council's Tourism Board had been working on strategies to attract hotel investors and operators to the city no new hotels had been built since the late 1970s. Studies had been done identifying pent up demand and specific opportunities but the market did not have an appetite for a new hotel product in the city. Feasibility analysis of the site clearly demonstrated its "highest and best" use in commercial terms was for residential accommodation. The HDC made a strategic decision to offer the site to the market explicitly for hotel use knowing this would provide the government with a lesser financial return as compared with the possibilities of a sale for residential use. The justification was clear that the economic impact for the city would be far greater from a tourist oriented development.

While there will always remain critics of the 'Becton' development of the Crowne Plaza hotel on urban design grounds, the positive impact of the development on the tourist and conferencing market cannot be questioned. Newcastle's supply of hotel accommodation has increased by an additional 300 rooms in the 3 months to June 2009. There will be an additional 80 rooms by September 2009 (Chifley) and another 80 by December 2010 (Mirvac Sebel). Honeysuckle itself has accommodated 350 new hotel rooms since 2002.

Much of the city's ability to grow this market must be linked to the strategic decision to target and support the development of a hotel at Merewether Street back in 1991 and the commitment to that strategy through to finalisation of contracts in 2001. The value offered for the apartment site was in the order of \$3 million, however, the value offered for the designated hotel site was closer to \$1 million. It is clear that the market alone would not have lead to a hotel outcome unless specified by HDC and government.

"The advent of the Crowne Plaza Newcastle has meant that we have been able to attract a whole lot of new business to the city that we were not able to before"

Top right: The Ibis Hotel in Hunter Street, one of several re-developed lots in Hunter Street

Bottom right: The Honeysuckle promenade outside the Crowne Plaza





## 4.2.5 Cruise ship industry

The relocation of cargo handling facilities from the Lee and Throsby Wharves has had other significant economic benefits. Apart from freeing up land for public open space, residential and commercial uses the substantial investment in wharf space has been able to be utilised by passenger and naval vessels. In 2002, a project team including the Hunter Economic Development Corporation, Newcastle Council, Newcastle Port Corporation, Hunter Tourism and the then Honeysuckle Development Corporation secured funding to begin promoting the port as a destination for visiting naval vessels and cruise ships. The title Cruise Hunter was given to the project responsible for marketing the region as a cruise destination and facilitating ship visits.

In the six years from 2003 to 2009, the harbour, including Throsby Wharf in the Honeysuckle Project area, has hosted over 40 navy vessels and 18 cruise ship visits. These visits have contributed an estimated \$20 million to the regional economy, based on historical reports and national cruise industry economic modelling.

In September 2008 peak industry body Cruise Down Under released its annual National Economic Impact study. It estimated the economic value of the cruise ship industry to Newcastle and the Hunter for 2007-08 at \$2.3 million. This was a 283% increase on the value for 2006-07. The reason for the significant growth, despite only one additional ship visit from the previous year 2006-07, was the utilisation of an NPC berth that could accommodate cruise ships too large to navigate to, or safely berth at, Throsby Wharf.

In March 2009 leading domestic cruise operator Carnival Australia, which operates the P&O Cruises ships in the Pacific Region and Australia, announced that it would trial using

Newcastle as its home port for six visits over a two month period starting September 2010 season. Put simply, a home port is where a cruise ship starts and finishes its voyage.

Based on economic modelling by Carnival Australia, these six visits in 2010 are estimated to have an economic value in the order of \$3 million to the Hunter Region economy in passenger, crew and cruise line expenditure. It should be noted that berth and land infrastructure to facilitate home port visits is significantly different to the requirement for current day visits by cruise ships. Depending on the success of this trial additional investment in infrastructure will be required to secure Newcastle's role in the regional cruise industry.

The majority of cruise ships booked to visit Newcastle in the coming years are larger vessels unable to navigate to, or safely berth at, Throsby Wharf. Alternative berths will need to be sought to service the current and next generation sized cruise ships deployed to Australia.

While it cannot be argued that the development of the cruise ship industry in Newcastle is solely attributable to the BBC program, it is clear that the Newcastle Port Corporation, on sound economic grounds, had logically preferred cargo vessels at its wharves over passenger ships. It was only when Throsby wharf was made available through the relocation of cargo activities to the Basin that cruise ships were actively welcomed to the harbour.

The NPC now hosts and financially supports the office of Cruise Hunter and since its inception in December 2007 a marked increase in cruise ship bookings has been attained. Over 20 cruise ships are booked to visit Newcastle in the coming years with some bookings as far forward as 2012. In total, tens of thousands of visitors will come to Newcastle injecting millions of dollars into the regional economy.

### Summary of direct expenditure by cruise ships visiting Newcastle 2007-8 (Cruise Down Under Economic Impact Study 2008)

Port year	Visit days	Passenger days at port	Crew days at port	Direct Expenditure				In-direct expenditure	Total direct and Indirect
				Passenger	Crew	Operator	Total		
Newcastle 2007-8	6	7164	3674	\$0.7m	\$0.1m	\$0.4m	\$1.3m	\$1.0m	\$2.3m
2006-7	5	1232	950	\$0.1m	\$0.2m	\$0.1m	\$0.4m	\$0.2	\$0.6m
2005-6	1	686	373				\$0.1		



A cruise ship visits Newcastle Harbour



## 4.2.6 Newcastle Commercial Fishermen's Cooperative

A similar example of the economic power of the BBC funding, which often goes unrecognised, is the development of the Newcastle Commercial Fishermen's Cooperative (NCFC). The original Fishermen's Co-Op was located on the wharf near the intersection of Argyle Street and Wharf Road, the current location of the Breakwater Apartments .



The old location of the Newcastle Commercial Fishermen's Cooperative



The Marina Precinct 1993



The new Newcastle Commercial Fishermen's Cooperative

BBC funded the relocation of the NCFC so that the Co-Op building was located with the fishing fleet and structured the progressive development of a 'fishing' precinct. The Co-Op building is now the core of a precinct which is vibrant and thriving. It accommodates ship repairs, chandlery, retail outlets, several seafood restaurants, the Co-Op food processing facility retail store, a range of commercial offices and some 150 fishing vessels. A recreational marina, seed funded through BBC, was also developed adjacent to the commercial fishing fleet.

The growth of the NCFC is directly and significantly related to the decision, as part of the the Honeysuckle Project, to relocate the Co-Op to Hannell Street. BBC funding provided the catalyst and the site for the Newcastle Fishermen's Co Op store, processing plant and commercial offices. The first stage was realised in 1998 with the completion of the Co-op building and store. In the years since the new Fish Co-Op store opened retail sales through that facility alone have grown by 219% (NCFC records).

It is true to say that there was significant reticence on behalf of all parties to relocate at the time, however the funding provided by BBC was catalytic to incentivise the move that otherwise might not have happened.

The table below shows the growth in sales from the Newcastle, Hannell Street Co-Op store.

Year ended	Sales gross revenue	Year ended	Sales gross revenue
1998	\$1,909,640	1999	\$2,766,522
2000	\$3,220,267	2001	\$3,596,943
2002	\$4,199,912	2003	\$4,918,490
2004	\$4,669,184	2005	\$4,581,313
2006	\$4,856,637	2007	\$5,711,668
2008	\$6,092,428		

Source: Newcastle Commercial Fishermen's Co-operative Limited





### 4.2.7 Transport interchange

The original masterplan provided for the termination of the rail at Civic Station, the construction of an interchange and parking station and the opening up of the city to the harbour beyond this point. Funds were provided for the first stages of this plan through both the NSW Government and BBC. The preparation of an Integrated Transport Plan was commissioned and completed. Preliminary designs and costing were completed for both the interchange and an overpass at Stewart Ave.

In 1995 the NSW government changed its policy position on removal of the rail and committed to its retention to Newcastle station. With this decision BBC funds were allocated towards the construction of an interchange for tourist buses, trains and local buses at Newcastle Rail Station. Prior to this investment the city did not have a formal interchange. Local buses terminated some 200 metres further east from the station at Parnell Place, and private regional buses and tourist coaches only had the unsatisfactory option of on road stops. Anecdotal evidence from City Rail and Newcastle Tourism strongly supports a co-located facility.



Newcastle City Centre Office Market Report Summary Table 1992 to 2009

	Total stock M²	Annual growth M²	Development on HDC sites M²	Total vacancy M²	A grade M²	A grade % of total	B grade M²	C Grade M²	D Grade M²
Jan 1992	163,839			13,594	n/a		n/a	n/a	
Jan 1993	168,488	4,649		15,397	n/a		n/a	n/a	
Jan 1994	172,026	3,538		21,883	30,008	17.44%	85,609 (49.76%)	56,409 (32.79%)	
Jan 1995	172,860	834		27,041	34,562		90,394	47,904	
Jan 1996	174,260	1,400		22,649	34,562		90,394	49,304	
Jan 1997	177,249	2,989		25,367	34,562		81,689	60,998	
Jan 1998	180,639	3,390		21,248	34,562	19.13%			
Jan 1999	189,995	9,356		23,444	41,114		78,360	64,466	6,055
Jan 2000	188,716	-1,279		17,242	43,314				
Jan 2001	203,953	15,237		19,718	49,202	24.12%	83,121	65,458	6,172
Jan 2002	200,462	-3,491		16,652	49,202				
Jan 2003	200,203	-259	10,400	12,248	54,541				
Jan 2004	202,331	2,128	0	114,668	54,541				
Jan 2005	199,723	-2,608	3,000	11,215	57,513				
Jan 2006	212,595	12,872	10,600	12,257	66,550				
Jan 2007	218,655	6,060	5,000	15,209	69,950				
Jan 2008	220,219	1,564	2,889	13,263	59,241				
Jan 2009	244,167	23,948	14,000	24,410	75,530	30.93%	(34.6%) 84,517	(28.87%) 72,946	(4.57%) 11,174
<b>Total 1992 - 2009</b>		<b>80,328</b>	<b>45,889</b>		<b>45,522</b>				

Source: derived from Property Council of Australia Office Market Report Jan 2009



## 4.2.8 Office accommodation

Despite the sustained interest in the decline of CBD employment there is no comprehensive time series data on commercial floor space across the CBD. In 1992 the Property Council of Australia (PCA) began measuring and reporting on major office space (Grades A to D): this provides the most useful comparative insight into the market. Notably the survey does not measure ground floor retail space or office accommodation that fails to meet the Grade criteria for their survey.

Following the 1991 masterplan and the 1992 Newcastle Central Area Strategy, Kinhill Pty Limited were engaged to do a status report which provided a snap shot at that stage of the market in 1998. In 2001 NCC conducted a comprehensive report, the "City Centre Floorspace and Employment Survey", the summary of which is provided in the table below. This survey has not been repeated so most of the analysis in this report has relied on the PCA reporting.

### City Centre Precincts

	Floor Area (m <sup>2</sup> )	Employment	Businesses
<b>City West</b>	225 929	3 655	332
Civic	147 204	3 161	234
Darby Street	20 432	840	103
<b>City East</b>			
- Heritage	135 389	2 973	298
- The Mall	57 033	983	158
- Tower	66 634	1 186	187

### City Centre Business Sectors

	% of Total Floor Area	% of Total Employment	Employment density (m <sup>2</sup> /job)
<b>Property &amp; business services</b>	12	23	27
<b>Government &amp; administration</b>	11	20	22
<b>Finance &amp; insurance</b>	6	11	25
<b>Education</b>	3	1	84
<b>Transport &amp; storage</b>	4	2	52
<b>Retail</b>	18	18	50
<b>Health &amp; community</b>	6	8	37
<b>Accommodation, cafes &amp; restaurants</b>	7	6	52
<b>Culture &amp; recreation</b>	4	2	87
<b>Households</b>	6	-	-

Source: NCC City Centre Floorspace and Employment Survey

In the 17 years from 1992 to Jan 2009 total office space in Newcastle's CBD has grown from 163,839m<sup>2</sup> to 244,167m<sup>2</sup> - a net increase of 80,328m<sup>2</sup> or 49% (6% average pa). Closer analysis shows the impact of Honeysuckle has been significant contributing 45,889m<sup>2</sup> or more than half of the absolute growth in floor space and the equivalent of all the growth in A Grade space.

Between 1992 and 2002 office space in Newcastle grew organically from 163,839m<sup>2</sup> to 200,462 m<sup>2</sup> (36,524m<sup>2</sup>) or an average annual increase of only 2.2%. This occurred without any net addition from Honeysuckle projects. A Grade office space grew from 30,008m<sup>2</sup> to 49,202m<sup>2</sup> (19,284m<sup>2</sup>) over that period. The first office buildings were opened on Honeysuckle in 2003 and had a total floor space of 10,600m<sup>2</sup> of A Grade space. The Honeysuckle Project began the transformation of the office market in Newcastle.

The scale, character and general presentation of the Honeysuckle Project has greatly improved over the last decade to the point that it represents a new and viable commercial area of the city. The Honeysuckle Project area is now home to the headquarters of NIB Health Fund, Sparke Helmore Lawyers, PricewaterhouseCoopers, Hunter Water Corporation, Buildev Group, JSA Financial Services, GHD Consulting and a range of government departments. All these businesses occupy state of the art, green accredited, large floor plate offices with harbour views, easy access, parking near by and outdoor staff spaces.

These organisations attest to the positive impacts and the benefits of their decisions to relocate to the Honeysuckle Project.

In June 2009 many of the principal tenants of office accommodation on Honeysuckle completed a survey in regard to their decision to relocate to the Honeysuckle site and the impacts of that decision on the business, their staff and their customers.

Their responses to the statement "Our firm's decision to relocate to a new building on Honeysuckle was most importantly driven by" were as follows:

- 70% said a preference for a Honeysuckle location was important or very important in their decision making
- 50% indicated their move to Honeysuckle was an important or very important strategic investment decision
- 80% rated improved customer services as important or very important in their decision to relocate to Honeysuckle
- 60% identified cost savings associated with the move as important or very important
- 90% identified attractiveness to staff and clients/customers as important or very important to their decision to move to Honeysuckle.

Their responses to the statement "Our relocation to Honeysuckle has provided our business with the following benefits" showed significant positive outcomes from their decision as seen below:

- 90% of respondents agreed or strongly agreed that they had benefited from increased staff satisfaction
- 60% agreed or strongly agreed that it improved productivity
- 60% reported that the move maintained or reduced their cost of business
- 70% agreed or strongly agreed that it improved their ability to attract and retain quality staff
- 90% reported that it improved their capacity to grow the business
- 80% reported that it increased their capacity to expand services and functions
- 90% agreed or strongly agreed (50% strongly agreed) that it improved customer service and satisfaction
- 90% agreed or strongly (80% strongly agreed) their move improved market/community presence.

Several respondents also independently nominated the ability to employ and showcase sustainability principles in water and energy use in a new building as a powerful motivator and advantage.

The quality of the work environment at Honeysuckle is impacting on the wider employment market. Many university graduates looking to start their careers, or professionals returning from working in Sydney or overseas often do not want to work in a small, old building, with a rickety lift, no view, no parking and poor services. "By and large, this new generation of professionals prefer everything to be new and shiny and want the same from their workplace. They also want that workplace to be close to funky, fun watering holes" according to Murray Corbett of Connect Personal Newcastle. They want the trappings of new modern facilities and the right location: "Newcastle doesn't have any significant pockets of cool, funky heritage buildings and office space close to amenities that interest young people. Honeysuckle is the only area that holds interest as a fun work precinct in the CBD."

Angus Klem from CBRE also made this point in announcements about the 2008 Market View report compiled by his company; "We're now heading into a much more active period as businesses recognise the need to provide better quality office accommodation for staff. There is a shortage of skilled labour in Newcastle and skilled labour will go to employers of choice and part of that is accommodation."

The story of growth of office space in Newcastle, specifically at Honeysuckle, over the last two decades is a complex one. Much of the new A Grade office developed on the Honeysuckle Project land (almost 80%) has not been for new businesses but accommodates the growth and expansion of existing Newcastle based business. The downside of this is that the Honeysuckle Project has not appeared to have generated a market for office accommodation outside its existing regional market. That is, it has not been able to attract new businesses from capital cities or the Central Coast as was originally proposed.

On the positive side, the opportunity to relocate and expand at the Honeysuckle Project has stemmed, if not stopped, the loss of CBD jobs to other sub-regional and regional centres. The survey showed that in the case of 30% of the major tenants at Honeysuckle it has provided them with a viable alternative to their relocation or expansion outside the CBD. These respondents agreed or strongly agreed to the statement that "If Honeysuckle had not been available as an option, our likely preference would have been to relocate outside the CBD". Others indicated that their preferred option would have been to maintain or downsize a presence in the CBD and expand/relocate at a non CBD location.

The space vacated by these significant regional corporates has provided an opportunity for other businesses to move up from C Grade to B grade space, for developers to refurbish and redevelop property and generate a process of overall renewal. The PCA survey has shown that through time vacancy rates in poorer office space have continued to increase whilst the vacancies remained stable or improved for A and B Grade space. The overall effect has been to provide a wider range of office accommodation at a range of price points.

"By and large, this new generation of professionals prefer everything to be new and shiny and want the same from their workplace. They also want that workplace to be close to funky, fun watering holes"



There remains a significant amount of vacant lower grade office space in the CBD, much of which is not captured by PAC figures but which is obvious in the streetscape. Development in the market is still led by pre-commitment. A recent exception is Stage 2 of the HQO development, which continued without pre-commitments in place but where space was taken up by GHD and others. It is fair to say, however, that supply is not inducing demand. Perhaps this is where the direct intervention of government in assisting and demonstrating relocations is required.

The office market is not homogeneous. While larger organisations are in need of large floor plate corporate purpose designed facilities there is also a latent demand for smaller business. The Boardwalk development provided strata titled office space and was snapped up in record time by this smaller end of the market. While large areas of office space were not required by individual businesses, quality well located and serviced space was. This trend continued with residential apartments in Lee Wharf Stage 3 being retro-fitted into commercial start spaces and sold quickly.

Threats to the continued growth of the CBD are emerging from Steel River, Portside and Warabrook estates which are all relatively close to the CBD but can offer cheaper rents. This is a further indication of the need for the application of consistent and supporting policy at the state and local level if CBD renewal is to continue.

"Newcastle doesn't have any significant pockets of cool, funky heritage buildings and office space close to amenities that interest young people.

Honeysuckle is the only area that holds interest as a fun work precinct in the CBD."



The NIB Health Fund's new headquarters in Honeysuckle Drive, Cottage Creek



The Cottage Creek precinct 1994



The Hunter Water Corporation, Sparke Helmore and PricewaterhouseCoopers buildings, Cottage Creek 2008



## 4.2.9 Retail

The City Centre Floor Space and Employment Survey (FSES) was conducted by Council for the first time in 2001. The findings of the FSES confirmed that the gradual thirty-year decline in City Centre employment numbers has been arrested and there has been a turnaround in the permanent residential population.

This detailed snapshot of the size and use of all the buildings in the City Centre provides a baseline from which to analyse trends as the city changes over time. It provides data on the number, distribution and type of establishments as well as how many employees are engaged on average in various types of businesses.

The total amount of retail floor space in the City Centre is almost three times as much as in the major shopping malls at Kotara or Charlestown. Arguably it is not the amount of floor space on offer but its individual design, location size and quality that affect its performance.

The BBC program and the Concept masterplan for Honeysuckle deliberately did not address the decline in retail floorspace or product offer in the CBD. The strongly held view of the Council at the time was that the Mall area should remain the focus for retail and that with the growth in inner housing and office accommodation retail would, over time, naturally regenerate in that area.

By 1998 when Kinhill Pty Limited did a status report it was clear that retail was still on the decline and intervention was needed. Council and HDC prepared and began implementation of initiatives such as the Shop Top Housing Policy, The Merchandising Plan and the Targeted Tenancing Strategy. The Precinct Committee and The Alliance used special benefit rates and businesses' contributions to market the city centre to customers and businesses and undertook many amenity improvement and safety programs.

All the time retail, both in terms of floorspace and turnover, has declined. The message is clear, while policies, programs and planning frameworks are important they do not achieve success to the extent direct intervention does. To compete and capture new trade and escape expenditure to Sydney it needed a large integrated and managed commercial retail offering. This could not happen in a city where there was no one site capable of delivering such product except perhaps on Honeysuckle. GPT has provided the alternate opportunity to achieve this growth in retail by amalgamating sites and developing an overall development around the Mall.

## City Centre Precincts

	Floor Area (m <sup>2</sup> )	Employment	Businesses
<b>City West</b>	225,929	3,655	332
Civic	147,204	3,161	234
Darby Street	20,432	840	103
<b>City East</b>			
- Heritage	135,389	2,973	298
- The Mall	57,033	983	158
- Tower	66,634	1,186	187

## City Centre Business Sectors

	% of Total Floor Area	% of Total Employment	Employment density (m <sup>2</sup> /job)
<b>Property &amp; business services</b>	12	23	27
<b>Government &amp; administration</b>	11	20	22
<b>Finance &amp; insurance</b>	6	11	25
<b>Education</b>	3	1	84
<b>Transport &amp; storage</b>	4	2	52
<b>Retail</b>	18	18	50
<b>Health &amp; community</b>	6	8	37
<b>Accommodation, cafes &amp; restaurants</b>	7	6	52
<b>Culture &amp; recreation</b>	4	2	87
<b>Households</b>	6	-	-

## 5 Social Impacts

"The CBD had lost its families and its young adults (15 to 25 year olds). It had lost its vibrancy, its attraction, its diversity and much of its character..."



### 5.1 Pre BBC social position and trends

All the statistic, reports and stories reinforce the fact that the population of the Newcastle's CBD and inner suburbs had been declining for decades. In its heyday the Newcastle LGA had a population in the order of 146,000 people. By 1986 this had dropped to 129,460 people. The table below shows this steady decline.

Statistics and reports from the time indicate that there was only a small drop in the number of dwellings, from 1,134 in 1981 to 1,122 in 1991. However the occupancy rate, reflective of the ageing demographic profile of the CBD, was falling sharply. The CBD had lost its families and its young adults (15 to 25 year olds). It had lost its vibrancy, its attraction, its diversity and much of its character.

#### Population of Newcastle LGA, CBD and some inner suburbs 1947 to 1991

Population	1947	1971	1976	1981	1986	1991
LGA	127,000	146,009	138,718	135,207	129,460	131,309
CBD		4,176	3,396	3,074	2,822	2,647
Carrington		2,122	1,907	1,690	1,431	1,480
Wickham				4,100		3,378
The Hill				3,251	3,087	2,910

Source: variously sourced ABS stats. Not all information available.

Population	1971	1976	1981	1986	1991
CBD		25,000	15,761		13,917
LGA	59,320	55,725	57,309		51,738
CBD % of LGA		44.86%	27.5%		26.9%

Statistics are sparse but the then Department of Planning, the regional planning organisation and the City Council were all reporting to government and the community about the slide in inner city population since the late 1970s - as evidenced below:

*Hunter Regional Planning Committee, Regional Planning Directors Report November 30th 1978* opened with the following comment - "Important to achieving this strategy (the Hunter Regional Plan) is the objective of curtailing or at least reducing the loss of residential population from the older, inner suburbs of the City of Newcastle" This issue dominated the Director's report at that time.

*The Report of the Town Planner Newcastle City Council June 19th 1979* - This report reflects the above concerns of the Hunter Regional Planning Committee and states that "This decline is undesirable in terms of maintaining the regional role of the Central Business District, minimising journey to work times and distances, utilising to the fullest extent public utility services and infrastructure and promoting an effective public transport system." Two decades later these arguments persist.



Ten years after these concerns were raised, the Newcastle City Council Report from the *City Planner November 30th 1987* shows no improvement - "Preliminary 1986 census results are available for Newcastle. They show a continuing population decline and decrease in dwelling occupancy across the City. Further action is required to deal with the implications of these trends and to attempt to offset the decline."

These reports attributed the loss of inner city population to a range of issues including:

- The much higher residential amenity of new outer suburbs over the accessibility advantages of the inner suburbs
- The impact of industrial zones and uses on inner city living
- Negligible amounts of vacant zoned land for residential use
- Social changes to the make of household, i.e. aged and single parent households
- The reduced reliance on the CBD for employment
- The attraction of suburban shopping centres and commercial districts

In qualitative terms, as places to live, the CBD and inner suburbs of Newcastle West, Maryville, Wickham and Carrington were also on the decline. They had missed the process of gentrification witnessed in suburbs like Merewether, Cooks Hill and Hamilton South. Housing stock was old and reinvestment in these suburbs was low. The CBD was cut off from the harbour by the rail line, fences and wharves. Hundreds of trucks a week moved through Newcastle West, Wickham and Carrington to and from the Lee and Throsby wharves. Provision of open space particularly in the CBD was poor. The Foreshore promenade had been completed from Nobbys to west of Queens Wharf in 1988 but ended abruptly at Lynch's prawn shop.

BHP and the associated heavy industries that grouped around the port were polluting both the air and waterways. Washing hung out at the wrong time of the day suffered from fall out and a summer north easterly brought particulates and smell rather than relief from a hot summer's day.

The earthquake of 1989 badly affected the local performing and visual arts communities. Many artist studios, performance spaces and developmental spaces once provided for in older buildings were closed down or demolished after the quake. Landlords keen to rebuild after the earthquake saw little opportunity in their former low rent tenants.

In 1991 several of the city's important heritage buildings stood damaged after the earthquake, or suffered decades of deterioration from non-investment, or had been unsympathetically altered for modern uses. Some of these lay within the jurisdiction of the Honeysuckle Development Corporation including:

- The Wickham School, where Mark Twain once spent time in 1895 and who referred to Newcastle as "one long street, a graveyard at one end and, at the other, a gentleman's club with no gentlemen in it."
- The collection of railway workshop buildings including the Crane Building, the Perway Store, the New Erecting Shop and the Engineers Cottage and the Lee Wharf Buildings A and C.
- The Railway Institute building on Hunter Street.
- Newcastle had a reputation as a dirty, industrial city dominated by steel making, coal mines and the port. Images of the city shown on television news-casts and magazines reflected images of an unattractive city.

Throsby Creek was a wide, shallow, tidal mud flat of dubious water quality, which was not attractive as a community asset nor easily accessible by foot because of the barrier formed by the wool stores and their fencing and by water because of the low clearance height of the Carrington Bridge.



The Carrington (left) and Linwood precincts foreshore reclamation and dredging

## 5.2 BBC interventions and social impacts

### 5.2.1 Housing and population growth

Housing was a strong and obvious objective of the BBC program in Newcastle. The housing component of the Area Strategy had focussed on the following:

- Direct provision of housing
- Development of sites for private sector housing
- Targets and requirements for affordable housing
- Improved amenity to attract housing

Directly and through the BBC Affordable Housing Committee, the then Honeysuckle Development Corporation funded the construction of 170 community housing units in inner Newcastle. In the mid 1990s HDC began discussions with Newmacq<sup>1</sup>, which over time lead to it becoming the vehicle for the ongoing management of these units. There are now 90 Affordable Rental properties located in the inner Newcastle areas of Maryville, Tighes Hill and Hamilton owned by Compass Housing .

Through its social housing program, Compass Housing targets individuals and families living in housing stress. Housing stress is broadly defined for the lower 40% of income earning households in Australia, as paying over 30% of income for housing. To quote Compass Housing themselves: "This program has been part of a hugely successful renewal of the Honeysuckle Project precinct and surrounds of inner Newcastle as well as providing affordable housing and being a catalyst for market regeneration and growth."

Another example of direct intervention was the restoration and conversion of the damaged Wickham School into student housing. The heritage building was restored under HDC management in 1994 providing 22 units. It was later transferred to the BBC Housing Committee and is now owned by Newcastle City Council. The unused land at the rear and west of the heritage building was also developed providing an additional 36 units by the end of 1995. Perhaps one of the most powerful BBC interventions has been the development of sites for housing.



New homes on the foreshore at Linwood

<sup>1</sup> Newmacq became Compass Housing in October 2007. It is a not for profit, corporate organisation originally established in 1984.



## Housing projects complete on Honeysuckle Project sites 1991 to 2009

Location	Development	units	residents (est)
<b>Carrington</b>	Honeysuckle Grove	93	186
<b>Linwood</b>	Regatta Quays	86	172
	Linwood stage 1	70	140
	Linwood stage 2	70	140
	Linwood Shores	81	162
<b>Marina</b>	Mariner Apartments	42	84
<b>Honeysuckle</b>	Breakwater Apartments	43	86
	The Boardwalk	33	66
	Lee Wharf 1-5	385	770
<b>Hunter Street</b>	The Cove apartments	60	120
<b>Total May 2009</b>		<b>963</b>	<b>1926</b>

Source: HDC

The table above shows that HDC has developed and sold sites that have led to the development of almost 1,000 new dwellings by the private sector providing housing for 1,900 new residents. While the most recent ABS figures are not available the table below shows the trend of population decline across the LGA and particularly in the CBD and inner suburbs has been turned around.

	1971	1976	1981	1986	1991	1996	2001	2006
<b>LGA</b>	146,009	138,718	135,207	129,460	131,309	133,686	137,307	141,752
<b>CBD</b>	3,973	3,268	2,943	2,647	2,647	2,704	2,961	3,061
<b>Cooks Hill</b>	2,456	2,030	1,930	2,332			2,536	2,930
<b>Carrington</b>	2,122	1,907	1,690	1,431	1,480			
<b>Maryville</b>							1,033	1,391
	3,564	2,988	2,670	2,307				
<b>Wickham</b>					3,378		661	893

Source: Various ABS Reports

Figures provided by NCC show that the City Centre and selected surrounding suburbs have seen some significant population and dwelling growth over the past decade. Growth has been predominantly in medium and high density dwellings.

"There are now 90 Affordable Rental properties located in the inner Newcastle areas of Maryville, Tighes Hill and Hamilton owned by Compass Housing."

## Population and dwelling growth

	2001		2006		Change 2001-06
	Pop.	Dwellings	Pop.	Dwellings	
<b>Newcastle (CBD)</b>	1,821	848	1,737	1,112	+ 264 dwellings (31%); - 84 persons (-9.9%)
<b>Newcastle East</b>	954	524	975	605	+ 81 dwellings (15.4%); + 21 persons (4%)
<b>Newcastle West</b>	156	72	349	242	+ 170 dwellings (242%); + 193 persons (123%)
<b>Wickham</b>	661	365	893	482	+ 117 dwellings (32%); + 232 persons (63.5%)
<b>Maryville</b>	1,033	536	1,391	699	+ 163 dwellings (30.4%); + 358 persons (34.6%)
<b>Cooks Hill</b>	2,536	1,373	2,930	1,597	+ 224 dwellings (16.3%); + 394 persons (15.5%)
<b>The Hill</b>	1,956	1,110	2,101	1,149	+ 39 dwellings (3.5%); + 145 persons (7.4%)
<b>Total</b>	9,117	4,828	10,376	5,886	+ 1,058 dwellings (34%)` + 1,259 persons (13.8%)

Source: NCC

Residential approvals for the CBD and inner suburbs provided later in this report demonstrate that the take up of sites for development for residential use and the market's appetite for inner city living has returned and strengthened since 1998. The Mirvac development of 93 units at Carrington at that time was considered courageous. However, since that time the attractiveness of Carrington as a residential location has increased significantly and led to the development of approximately an additional \$15 million investment in residential accommodation.

While stopping and turning around the trend of inner city population decline was a major priority directly attacked through the provision of accommodation and residential development sites, the approach to social revitalisation of the inner city was much broader. BBC also focused on creating a liveable and vibrant inner city that would attract people to live and to recreate.



New architect designed homes at Linwood



### 5.2.2 Performing and visual arts facilities

Much of the early modelling of the Honeysuckle Urban Renewal Project was based on the experiences of successful urban waterfronts in Northern America – places like Boston, Vancouver, Seattle and Baltimore. These cities developed, planned and facilitated urban water front areas around a set of cultural and entertainment anchors such as markets, performing and visual arts facilities and museums and had strong place activation programs. Newcastle had the soft infrastructure in terms of strong arts and cultural community and a hinterland of wonderful produce and culinary products. It lacked the venues to focus these resources, the management to deliver them and the marketing to attract visitation. HDC began to develop partnerships which might fill these gaps and build on the region's comparative strengths.

The Honeysuckle heritage buildings at Merewether Street stood out as an obvious opportunity for the development of a community focus for food, entertainment, crafts and arts. HDC facilitated meetings with the performing and visual arts communities. These groups formed alliances to focus their efforts and develop submissions to government for funding and facilities. Two strong groups emerged – Performing Arts Newcastle (PAN) and Contemporary Arts Action Newcastle (CAAN). The establishment of both organisations can directly be attributed to the Honeysuckle Project. While it is fair to say that both the visual and performing arts communities were very strong in Newcastle and had been delivering product locally and to the national stage for many years, there was not a unified and politically influential voice that could represent the sector as a whole. Further they were not recognised as a valuable economic sector or potential driver for the revitalisation of the inner city. The Honeysuckle Development Corporation supported their creation, took them seriously, sought their input and investigated

their proposals. While not all were funded by the government they had many successes and built the platform which is now delivering strongly for the city and the sector.

PAN is an arts success story and a role model. It has been successful in securing a performing arts production space in the heart of the cultural precinct close to the Honeysuckle heritage buildings. This building in Auckland Street provides space for the development of performance in drama, comedy, circus skills and dance. While Newcastle has a range of venues including the 1,500 seat Art Deco Civic Theatre, the 205 seat Civic Playhouse, the Music Conservatorium, the Concert Hall in the City Hall complex and numerous outdoor venues, it lacked production, training and development spaces to be able to fill these venues with locally developed product. The Pan building helped fill this void.

PAN was also integral to the successful development of the 'Shoot Out' 24 hour film festival held annually in Newcastle. Members of PAN worked with officers of HEDC and successfully sought seed funding from the NSW government for the festival which has attracted 20,000 participants and generated 3,000 short films over the last ten years. It has been franchised in Australia, America (Bolder) and Holland (the Hague) and New Zealand and attracts national film industry leaders and corporate sponsorship. PAN and others have also used the large unformed space of the New Erecting Shop for a number of specialised productions and events including circus dinner theatre, travelling street performer's festival, school holiday acting and performance classes, theatre in the round, bands and Latin American dance shows to name a few. These performances have helped build audiences, a renewed performance culture and have activated the precinct prior to permanent uses being established.



Street performers on the Honeysuckle promenade as part of the Livesites place activation program



### 5.2.3 Activation programs

Activation of the city centre has been a relentless focus of HDC. From its earliest days the Corporation paid for live bands to play at the Foreshore, engaged schools in openings, plantings and information days, conducted tours and heritage walks. HDC partnered with NCC and the Newcastle Alliance in the implementation of a place activation program called Live Sites. Live Sites is now run by NCC with funding and management input from HDC.

Live Sites involves cultural events held in public spaces in the heart of the city including Hunter Street Mall, Civic Park, Wheeler Place, Pacific Park, Honeysuckle Promenade, Harbour Square and Brake Block Park. Each year, Live Sites produces over 100 days of events and provides many days of arts employment. These include outdoor performance, installations, concerts, open air cinema and mass public dance classes – the program

is diverse and varies from month to month with events happening constantly all around the city – sometimes in several venues at once. Events are mostly free of charge and include a variety of cultural activities and entertainment to attract a broad range of people. Live Sites' vision is to enliven the inner city – making it a vibrant, exciting and a safe place in which to live, work and play. The management structure of the Live Sites program is innovative and leading whereby joint grant, rate, developer contributions and business sector funding is managed by a Board hosted by Council for the overall benefit of the inner city and its surrounding communities.

“Each year, Live Sites produces over 100 days of events and provides many days of arts employment. These include outdoor performance, installations, concerts, open air cinema and mass public dance classes...”



The Honeysuckle promenade near the Breakwater Apartments



The Winter Heat event outside The Boardwalk in the Honeysuckle Precinct





Christmas at Honeysuckle's Harbour Square 2008

## 5.2.4 Public Art

Also well ahead of its time, HDC engaged nationally renowned public art expert Pamille Berg to develop a Public Art Policy for the project area. This ensured that street furniture, public spaces, the treatment of the public domain generally, wherever possible, engaged the skills of artists. The process also protected the integrity and intellectual capital of the artist.

An early example of the success of this policy and its implementation was made clear by Ms Berg as the Keynote Speaker at the Groundswell Conference in 2002. Ms Berg said:

*"At Newcastle, on a project I coordinated in 1995 - 96, the urban design of the public plaza and local roadway through this historic waterfront area required the provision of 128 pedestrian bollards to delineate the roadway and pedestrian zones. As a result of our Policy development and background research, rather than procuring "off-the-shelf" standard pedestrian bollards for this area, we convinced the Honeysuckle Development Corporation to allow us to take the usual budget for such items, around \$600 each for a high-quality bollard with a removable base sleeve, and instead commissioned three local Newcastle artists to prepare a special bollard design arising from this historic site, with the requirement that it could still be fabricated for the same price as a standard "off-the-shelf" item.*

*The design of sculptor and designer/maker Matthew Harding was selected for further development, during which he worked incredibly hard with local Newcastle foundry Treloar and specialist hard-anodised coating company Hawker de Havilland in Sydney to find a way to sandcast the complex shape of the bollard in a seldom-used hard aluminium alloy, and to obtain a uniform surface finish in hard-anodising, which until now has only been used for industrial coatings.*

*The results have been on site for the past six years and are a superb example of local place-making. Matthew hand-finished each casting to give it the patina and care worthy of the industrial traditions of this remarkable place, and eighteen special images are cast into the bollards, which he cast from remaining machinery elements in the Workshops and, while working with local indigenous artists, from significant elements characterising the Aboriginal middens and important flora and fauna from hundreds of years of habitation in the area. Each tells a subtle story, yet the bollard design is also visually drawn from the architectural and historical scale and character of this place.*

*Visitors and daily users cannot fail to take in, whether subliminally or through overt interest, that this place is prized by its community, that its resonance is not forgotten, and that this site will continue to have meaning in the life of this community.*

*Within this simple commission, the "experiment" as originally defined has been proved to be successful: with only the addition of the artists' design fees and our coordination fees, these place-specific bollards have been produced for the "off-the-shelf" price of generic bollards out of a catalogue. What is more, through an astonishing process of determination and collaboration, the artist, the foundry, and the anodiser have also completed a huge amount of research and development through this project".*

The HDC developed its own "Public Art and Placemaking Strategy" and has been integral in its site releases to the private sector.

The success of the HDC public arts policy and program was recognised more widely and was subsequently endorsed by NCC for the wider city and other Councils across the state. Building on this platform and policy Newcastle has emerged as a leader in locally based and driven public art. A most recent example of this innovation and growth can be seen in the Back to the City project - a series of temporary urban art interventions which took place in the inner city in January and February 2008. Sixteen collaborative teams of artists, architects and landscape architects produced a series of site-specific installations in the city centre. The aim of the project was to investigate contemporary and relevant crossovers between the disciplines, as well as testing and experimenting with new forms of collaboration, bringing into focus the revitalisation process of Newcastle's city centre. This was a collaborative project funded and managed by HDC, NCC and the University of Newcastle with numerous other supporters.

There have been many significant individuals who have shown leadership and passion which has continued to grow and stretch Newcastle's public art programs. It should be acknowledged that its roots lie in the initiatives of HDC some 18 years ago.

Penelope Finnigan was President of CANN back in the early and mid 1990s. Penelope recalls how hard it was to get developers and government to see and appreciate the contribution the art community was making and could make to the city's renewal. Despite the often long and frustrating meetings and negotiations, the steps forward and the setbacks, the promises and the let downs, public art in Newcastle has come a long way. In 1991 public art was little understood, undervalued, seen as a 'tack on' and often required deliberate effort and sometimes argument to bring to fruition. Today public art is essential and integrated in the development of the city. Its value is rarely questioned, its contribution celebrated and development continuous.







The Forum Health and Wellness Centre in an adaptively re-used railway workshop building



### 5.2.5 City Markets

Community expectation that the Honeysuckle Project would take up the lead of other waterfront renewal projects and accommodate food and craft markets was very high. The collection of railways buildings at Merewether Street appeared to lend themselves to large public gatherings and events. The buildings had costs in excess of \$5 million to refurbish and fit out with amenities and services. Their asset preservation and maintenance costs were high and only basic finishes were completed. Despite several rounds of calls for expressions of interest the market did not produce an entity capable of activating the buildings with markets that were commercially sustainable for a private concern.

The Corporation took a strategic decision to subsidise the cost of the use of the buildings for markets for a period as part of activating the precinct until a sustainable longer term use could be found. In 2000 an operator was found and markets started monthly and over time developed to a regular 3 day a week feature of the precinct. Initially the spaces were used for performance events, major dinners and balls alternately with the markets. The markets sold local organic and fresh produce such as: fruit and vegetables, poultry, dairy products, breads, wines, jams and preserves, gourmet fast food, and was well known for its curry selection. Performance was very much part of the character of the space. Stall holders also sold crafts, jewellery, book, clothing and accessories such as bags, scarfs and shoes. The strong theming and coordination led to the development of a relatively small but quality with a strong regular patronage and attracted the growing weekend visitor market.

With the successful opening of the Crowne Plaza Hotel, the Breakwater Apartments and the Boardwalk commercial development in 2003 and 2004 the Honeysuckle Precinct was beginning to take a more final form and character. In 2004 the Corporation decided to test the market again to find more sustainable and 7 day a week uses for the heritage buildings. Around this time NCC had called for an operator for markets in the Hunter Street Mall and new regional produce markets were opening at the Newcastle Showground. After 8 years the Honeysuckle markets closed in March 2008. For those 8 years the Honeysuckle markets acted as a vibrant and interesting 'holding use' for the Honeysuckle heritage buildings.



Left: The Honeysuckle Markets were a popular temporary activation of the historical heritage railway workshop buildings  
Right: The Honeysuckle Markets



## 5.2.6 Cultural facilities

The closure of the Honeysuckle markets, although an undoubted loss to the inner city in many ways, also heralds the beginning of a new and exciting use for the buildings. In 2005 the HDC announced that NCC had been successful in a public Expression of Interest process for the buildings. Council proposed the development of a new and invigorated Regional Museum (NRM). The Museum which had been operating at Wood Street in the CBD's west end since it opened in 1988, was suffering falling attendance levels due to inappropriate spaces, lack of access and exposure, isolation from other cultural and entertainment facilities and needed a new home and a new look. With the BHP legacy, planned fund raising and the sale of its existing premises the NRM won the support of the HDC to relocate and revamp its facility in the heritage buildings.

The proposal included the Museum operating 7 days a week with evening programs and outdoor displays and programs. The NRM would provide:

- The Museum of Newcastle in the Blacksmiths shop
- Supernova and Technology Centre in the Boiler ship
- A touring exhibitions space in the Craven Crane Exhibition Space
- Newcastle Works gallery incorporating the BHP story in the New Erecting Building
- A link building will connect the three structures and provide additional exhibition, public meeting and entry spaces
- A café and kitchen will service the venues
- Railway square will be used as an outdoor exhibition spaces for the more robust items in the collection



An artist impression of the new Newcastle Regional Museum

The new NRM is programmed for an opening in 2010. It will strengthen the Civic and Cultural core of the inner city. It will provide the link between the cultural facilities of the Lovett Gallery; Central Library, Newcastle Region Art Gallery, Civic Theatre and Playhouse focused on Civic Park and the newly opened Maritime Museum in Honeysuckle's Lee Wharf A building. The opening of the museum will fill the void in this north south cultural axis which will draw people from Civic Park and Wheeler place to the harbour's edge at Harbour Square.

The strength of this cultural product is tightly focused in one precinct and is expected to deliver a vibrancy and energy that will generate benefits greater than the sum of its parts. It has only been through the strength of vision, the commitment to creating a community focus and the resources of government that has achieved this outcome. HDC has facilitated the activation of these buildings but held them in public ownership and care for 18 years despite some community pressures to "get on with it" and commercial opportunities to deliver commercial/ office uses. Without BBC funding for restoration and fitout, without commitment to the masterplan, without an agenda to use the buildings for community use, and without tri-level government funding these buildings and this opportunity surely would have been lost in the open market place.

Similarly, the creation of the Newcastle Maritime Centre in the Lee Wharf A building is a demonstration of the power of government led urban renewal to deliver cultural facilities with positive community and commercial outcomes. The vision for the centre is to become a centre of excellence for maritime related education and recreation. The President of the Newcastle Maritime Museum Society, the Hon. Peter Morris, says, "We have charted a course to become a heritage and tourism beacon for the Hunter region. Inside the building we have created world standard exhibitions of the best of our maritime past, something of the present and a selection of future technologies together with appropriate interactive units. We have incorporated the workings of the port in telling the story of the continuing role that seafarers, shipping and the sea has played in the development of our community since 1804."

Adjacent to the west of the building will be a small boatshed/ workshop and to the east a cluster of masts that were a common site in the harbour at the end of the 19th Century. As funds become available, a new wharf will be constructed to accommodate HMAS Newcastle and historic vessels like the James Craig. The Maritime Centre, although a community run facility, would not have been possible without the support of government and the commitment since the masterplan to bring a critical mass of cultural facilities together in the precinct.

"Inside the building we have created world standard exhibitions of the best of our maritime past, something of the present and a selection of future technologies together with appropriate interactive units."



The restored Lee Wharf A building makes an excellent home for the Newcastle Maritime Centre



### 5.2.7 Public Domain

Perhaps one of the most striking outcomes of the BBC funding and ongoing development of the Honeysuckle Project has been in the area of the public domain. More than the physical change from unused, inaccessible, post industrial wasteland the development of the public domain has provided the community with a new way to view and use their city. While difficult to quantify, the social benefits are significant.

The first step in the development of the public domain was the narrowing and deepening of Throsby Creek. The plan involved the construction of bund walls to create a narrower deeper channel and to use the dredged material from the creek to fill over the bund and widened the public foreshore areas. The Carrington community had always 'backed' on to the tidal mud flats of Throsby Creek. With the completion of the dredging Carrington now 'fronted' a renewed waterway. Fill was also used to construct Mount Carrington at the southern end of the newly created park and for the first time the community could get an elevated view of where they lived. The landscaping plan included picnic areas, bird viewing platforms, a bicycle and walking path connected to the road network and newly built Carrington Bridge.

The elevated new bridge made a proud statement and gateway to the suburb heralding its growing importance in inner city renewal. With deeper more regularly flushed water, fish and fishermen returned, the elevated bridge allowing access to the water by boat. So too new forms of recreation are now possible on Throsby Creek and it is home to both skulls and dragon boat rowers. The Newcastle Rowing Club will shortly begin construction of a new club on the Carrington foreshore.

BBC delivered Carrington a new address, new open space opportunities and a new connection to the rest of the inner city. It is increasingly popular for first home buyers, new businesses have opened in the main street and school enrolments are on the increase for the first time in a decade.

The public domain on the western side of Throsby Creek was also improved using BBC funding and later developer contributions. The process of reshaping the Creek channel augmented the land available at Linwood ensuring that there were not only viably sized development sites but also a continuous linear park and shared way for pedestrians and cyclists from Elizabeth Street roundabout to Fig Tree Park and eventually to the heart of the City. Dilapidated timber wool stores, fences and exposed dirt have been replaced with homes, gardens, grass, beaches, pocket parks, pathways and people. Old and young alike share this space as residents of the adjoining homes, walkers striding out from the CBD at lunch or after work, or those visiting to enjoy lunch or fishing. The sense of community in Linwood is very strong. The degree to which Linwood has taken off as a preferred inner city location is perhaps reflected in the increase of housing prices from around \$180,000 to \$230,000 in 2000/2001 to in excess of \$550,000 to \$800,000 in 2003/2004.

The Marina as well as being an economic driver adds to the visual interest, recreational and social opportunities available in the area. It is one of the many hubs of activity along the 5 km walk or ride from Linwood to Nobbys. The path, only formed in plans in 1991, is now a reality and a highly valued and used community asset. It passes through the marina area, through Fig Tree Park, will soon connect along Cottage Creek and join the waterfront walk to Harbour Square and through the heritage buildings, meeting the 1988 Foreshore walk near the Boardwalk Apartments.

Continuous along this stretch are public art installations, furniture, bollards, play areas, water features, and signage many of which were developed with local artists and reflect the city's past and aspirations for the future.



A charity fun run on the Honeysuckle promenade



Crowne Plaza Hotel, Harbour Square and The Boardwalk in the heart of the Honeysuckle Precinct



The Brake Block Park in the Honeysuckle Precinct





The view to Nobbys Headland from the Honeysuckle promenade



The Boardwalk in the Honeysuckle Precinct is an extremely popular dining strip





The promenade is an ever popular walking and cycling route



## 5.2.8 Heritage restoration

One of the earliest outcomes of BBC funding was the documentation, and restoration of a suite of heritage buildings on the site. These included:

- Civic Railway Workshop Buildings including:
  - Blacksmith's and Wheel Shop
  - Locomotive Boiler Shop (Victorian Romanesque Architecture)
  - New Erecting Shop (Architecture reflects early 20th century style)
  - Locomotive Machine Shop (Industrial Version of Victorian Romanesque Architecture)
  - Per Way Store (Victorian Romanesque Architecture)
  - Divisional Engineer's Office (Domestic Victorian Architecture with Gothic Influence)
- Lee Wharf Buildings:
  - Building A
  - Building C
- The Wickham School

Typically heritage buildings are difficult and expensive to redevelop, particularly in a regional context. It would be a fair contention that these buildings would not have been restored and adaptively reused if not for BBC funding. As further demonstration of this point, it is worth noting the number of equally, if not more, important privately owned buildings in disrepair such as the iconic Newcastle Post Office building.

Moreover, each of these buildings has been adapted and effectively reused as demonstration of their potential and value. Diverse uses include a Gymnasium and Wellness Centre in the Perway Store, office, show room and call centre in the Divisional Engineers Cottage and the Locomotive Machine Shop, markets and museum all adding to the diversity of experience within the inner city while protecting and recording the community's history.



Inside a railway workshop building



Once refurbished, the Blacksmith's Shop (railway workshop building) is a venue for functions



Dilapidated railway workshops and wharf buildings in Honeysuckle, 1990



The Divisional Engineer's Office – one of several restored railway heritage buildings at Honeysuckle





The Wickham School required extensive repairs



The restored Wickham School

"the Wickham School  
is one of many heritage  
buildings brought  
back to life by the  
Honeysuckle project"



The Wickham School in 1993



The Wickham School today



### 5.2.9 Community facilities

As well as cultural, residential and commercial facilities Honeysuckle has delivered or supported the development of community facilities within the city centre such as the Forum Wellness Centre and Gymnasium, the Hunter Area Health-Newcastle Community Health Centre and the new child care facilities in the NIB building.



The Victorian Romanesque Perway Store, built in 1881, is restored and adaptively re-used as a gymnasium

Developer contribution plans developed and managed by NCC mean that each new development in the inner city contributes to the ongoing provision of a wide range of community services from car parking, to frail aged, youth and recreational facilities.

## 5.2.10 Public Transport

An improved public transport system, increased patronage, greater connectivity, shorter commutes, and a reduced reliance on the private motor vehicle for journeys to work were all aims of both BBC and the Honeysuckle Concept Masterplan.

Few benchmarks were taken and series data is scarce and difficult to interpret. However, since 1991 the analysis of transport issues has been comprehensive and repeated but little agreement about the findings and little change has resulted. The ABS Journey to Work data below helps tell the story. The only significant change being the number of people who appear to use neither a private vehicle nor public transport suggesting pedestrian and bicycle modes have increased. This could well be associated with the increase in inner city dwellings and population.

### Journey to work data

Newcastle CBD	1981	1986	1991	1996	2001	2006
% private vehicle	72.5	76.4	79.7			69.1
% train	4.3	4.8	4.9			4.48
% bus	14	9.1	7			5.65
% other	9.1	9.8	8.3			20.76

Source:ABS

While the proposal of the Concept Masterplan in terms of termination of the rail and the development and implementation of an integrated transport solution has not occurred, some action has been taken in regard to improving public transport and promoting it patronage. Achievements include:

- Implementation of a Late Night Transport Strategy
- Operation of a fare free bus zone in the inner city
- Extended platform and reduced traffic delays at Stewart Ave
- Improvements to pavements at level crossings

During the almost 14 years since the NSW Government changed its policy position and committed to the retention of the rail to Newcastle Station, dozens of significant studies and reports have been prepared and discussed. The resources of both the government and the community have focused on the issue of public transport to and around the city centre. Options varied from constructing additional crossings through to terminating at Woodville Junction. There have been options to replace the rail with light rail and hybrids. The most recent analysis completed by Parsons Brinckerhoff on behalf of the Hunter Development Corporation concluded that termination of the rail should be a Wickham west of Stewart Ave. The detail of transport issue is covered in this report.



The heavy rail line looking east to Newcastle Station



The Stewart Avenue level rail crossing



### 5.2.11 Public Perceptions

Newcastle's teenagers today do not remember the Honeysuckle of 1991. In fact when they reach Year 8 in high school they actually study the "Changing Face of Newcastle" in compulsory geography (HSIE). Many are amazed at the before and after pictures of the change they had taken for granted. Not only has Newcastle's public face changed very largely through the investments and planning of HDC and BBC funds but so too has the way Novocastrians feel about themselves and how they are portrayed to the world.

More work is planned in this area and it is potentially a very important dimension to the development of policies for urban renewal in Australia's major cities.



## 6 Environmental Impacts

"For decades the city had turned its back on the working port. Too many people worked at BHP or at the port so it was not part of the city's social or recreational culture, just its 'daily grind'"

### 6.1 Pre BBC environmental position and trends

In terms of environmental awareness, environmental quality and environmental controls, Newcastle was a very different city 20 years ago than the place it is today. This can probably be said for most Australian urban centres - while environmental issues were important they were less well recognised and managed than they are today.

During the 1970s much of urban Australia was being rebuilt. The famous green bans pioneered by Jack Mundy epitomised the growing awareness at the sharp end of the learning curve that occurred in Australian cities. While Australia's major cities and many regional centres were being rebuilt over the 1970s and 1980s Newcastle and the Hunter were buoyant on the back of minerals, steel, coal and energy. The CBD stayed very much the same physically as it had always been, at a time when heritage buildings across the nation were being torn down for glass office buildings. The Hunter's environmental focus was on the valley, coal and steel not on the city where development was largely stagnant. The positive outcome of this was the preservation of the city's low level, stone, heritage character lost in many other places.

For decades the city had turned its back on the working port. Too many people worked at BHP or at the port so it was not part of the city's social or recreational culture, just its 'daily grind'. Urban design was important to the city but it did not focus on the harbour until the mid 1980s. With the removal of the Zara Street Power station in 1979 and the remediation of its site the City began to realise the potential of replacing industrial port related uses on the southern side of the harbour with urban and recreational facilities. The opening of the Foreshore Park in 1988 provided a new opportunity and the stimulus for the City to renew its relationship with the water. However, the Foreshore Park only went part of the way there. It connected the eastern end of the CBD to the harbour for 2 kilometres from the Lynchs prawn shop to Nobby's. Acres of semi disused industrial and contaminated land lined the 3 kilometres of the harbour's edge from Lynchs to the Elizabeth Street roundabout.

While the idea of recreational uses on the harbour began to seem possible and people began to enjoy the environmental quality of the harbour the lower reach of Throsby Creek was a wide tidal, heavily polluted mud flat. During the 19th Century a slaughterhouse, a brewery, and various other industries were established adjacent to the creek and its tributaries and eventually the creek became known as a "...degraded, evil smelling drain." In the 1960s fishing was banned in the creek because of the dangerous levels of pollution in the water.

In 1989 tests again showed "dangerous levels of heavy metal" (iron) and the ban was maintained and more signage erected. Testing in the early 1990's indicated concentrations of organochlorines in oysters which exceeded National Food

Authority levels (TCM report 2001). Hunter Water Board often reported high levels of faecal coliforms following heavy rain and more generally unacceptably high levels of hydrocarbons and heavy metals. Mangroves near the Elizabeth Street bridge were dying and had become traps for the high levels of litter in the creek.

At a clean up day on 4 June 1989 some 400 volunteers pulled over 56 tons of rubbish from Throsby Creek. For two decades local community action groups lobbied various levels of government, initiated clean up days and undertook planting and beautification works. In 1990 community groups began the Throsby Creek Regatta which featured the "Hardly on Throsby Dry Land Regatta". Throsby was famous for the 'mythical two headed fish!' The prospect of wanting to live by Throsby Creek, the wisdom of casting a line in from the banks or the possibility of letting children play at the water's edge were, for a long time, inconceivable.

The waterway of Throsby Creek back in 1991 was perhaps the most obvious target for environmental programs. However, BBC and subsequent government funding was needed to deal with remediation issues such as mine subsidence, site contamination, failing seawalls and the removal of dilapidated buildings and structures. Further, if the Honeysuckle Project was to deliver broader environmental outcomes associated with urban consolidation it needed to put in place frameworks to support ESD principles in development approvals, which simply did not exist in local planning documents and regulations at the time.



The Cottage Creek Precinct in 1994 was a contaminated wasteland



## 6.2 BBC environmental interventions

### 6.2.1 Urban infill

The holistic underpinning of the Honeysuckle Project was renewal. The aim was to curtail green fields growth on the city's western edge and reuse spaces close to employment, services and facilities; to provide increased densities of dwellings which offered shorter journeys to work; to take up the embedded energy in infrastructure; and minimise growth in the city's environmental footprint. In short, for every person accommodated within the Honeysuckle Project meant one less need to convert non urban land to residential estates at the city's fringe.

The Honeysuckle Project has directly provided a living alternative for close to 2,000 residents and opened a whole new market for inner city housing freeing up houses in existing suburbs and reducing demand for new subdivisions. Broadly speaking, the literature comparing the costs of fringe development and consolidation shows that net savings (on a QBL model) can be made by accommodating more households in infill and redevelopment situations. Many of these savings are in terms of environmental externalities. Fringe development when compared to urban infill is more costly in terms of travel related pollution and congestion, undermining of the viability of public transport, land consumption, construction costs and the provision of infrastructure. While not specific to Newcastle, national and international calculations of the ecological footprints show significantly higher calculation for new greenfield stand-alone

housing as compared with medium density urban infill. At a more detailed level there are four key elements that have underpinned the Honeysuckle Project project:

- Biodiversity Conservation;
- Sustainable Quality of Life;
- Pollution Minimisation; and
- Resource Conservation.



### 6.2.2 Throsby Creek

The rehabilitation of Throsby Creek which improved the local habitat for fish and bird life, led to the reestablishment of mangroves and their sensitive ecosystems and improved water quality of the Creek so that it was fit for human use, contributed to the Corporation's objectives in terms of biodiversity conservation, sustainable quality of life and pollution minimization. The project in conjunction with the Hunter Catchment Management Trust and later the Throsby Landcare Group involved the construction of bund walls on either side of the creek and the dredging of tonnes of material, which was tested and when appropriate used to fill reclaimed lands created by the bunds. In all, 7 hectares of new parkland was created and the creek deepened and narrowed to improve flushing and water quality.

By 1993, when the eastern bank work had been completed, water testing was so significantly improved that the Throsby Creek Regatta was for the first time able to be held on the water. Anecdotes from the Landcare Group, residents and fishermen all tell of the return of bird and fish life, that the foul smell at low tide has gone, and of the families with small boats, fishing lines and picnic rugs that make their way to the Creek each day.

Throsby's water quality has also been enhanced by the improvement to stormwater run off management made by the Corporation as part of the Carrington residential project. Stormwater now collects in natural filtration basins prior to discharge into the river system.



Throsby Creek in 1993 was dirty, shallow and not inviting for recreational uses





A rehabilitated Throsby Creek with improved water quality, mangroves and public open space on its banks



### 6.2.3 Pollution minimisation

Other pollution minimisation strategies implemented by the Corporation under BBC and subsequently include the following:

<b>Land rehabilitation</b>	Environmental assessment reports have been done to determine the existing conditions and remediation strategies for all land under the Corporation's control.
<b>Transport oriented development</b>	A 4 km cycleway and promenade, public walkways, streets, squares and 10 hectares of open spaces integrate existing and future developments with the adjoining areas. All new residential areas are connected to CBD by public transport.
<b>Energy conscious building design and construction</b>	<p>Restoration of the Wickham School and Hannell Street affordable housing projects have been designed to specific energy efficient design criteria. Further elements of design include internal climate control, cross flow natural ventilation, heat pump electrically boosted hot water systems, and low energy fluorescent light fittings.</p> <p>Energy conscious building design means that buildings within the Linwood Residential development are designed to maximise:</p> <ul style="list-style-type: none"><li>• energy efficiency</li><li>• good orientation and sun control</li><li>• natural ventilation</li><li>• water and waste recycling</li><li>• non-polluting technologies</li><li>• the use of low embodied energy materials and the use of recycled materials.</li></ul>





## 6.2.4 Resource conservation issues

Resource conservation issues addressed include: water recycling, energy conservation and adaptive reuse of buildings. Some examples of the Corporation's initiatives in this regard include:

- Use of plantation and forest managed timbers – Wickham and Hannell Street precinct affordable housing project.
- Adaptive re-use of existing buildings – restoration of Lee Wharf buildings.
- Restoration of Wickham Public School and redevelopment of Honeysuckle Railway Workshops.
- Re-use of materials – demolition materials from disused railway sites used to create the 'Mount Carrington' landscape feature; timber from demolition of woolstores in Hannell Street precinct sold for re-use in furniture and housing fit outs
- Soil remediation and conservation – soil remediation, river bank stabilisation and reclamation in the Carrington and Hannell Street precincts.



## 6.2.5 Sustainable Quality of Life

Sustainable quality of life is a high level priority for both the BBC program and the Corporation. To achieve this HDC has focused on open space, transport, accessibility, urban amenity, diversity, safety and socio-economic well being. Some examples of the positive outcomes achieved in regard to these areas include:

- Protected general accessibility of the former Railway Workshop buildings rather than allowing them to be developed for exclusive and private uses;
  - Protection and interpretation of the historic fig tree in Hannell Street as a community icon and meeting place;
  - Successfully supported initiatives of Throsby Landcare to clean up Throsby Creek; Newcastle Rowing and Dragon Boats clubs to build new facilities and hold regular events; the Commercial Fishermen's Co-Operative to relocate and expand; Newcastle Cruising Yacht Club to develop the marina and club facilities; Newcastle Ferries to relocate; Cruise Hunter to attract naval and cruise ships to Newcastle all increasing the quality and sustainability of inner city living;
  - Construction or planned a minimum of a 6 metre wide foreshore promenade some 4 kilometres in length;
  - 20 hectares of parkland;
  - Numerous access points for people to get down to the water where access was once restricted; and
  - Over 17 hectares or over 30% of the 50 hectares under HDC control will be established as waterfront open spaces and promenades, plazas, reserves and parklands.
- Boulevarding of Hannell Street – to create a gateway to Newcastle CBD which replaced the often narrow, ill formed road with little landscaping or lighting;
  - The protection and landscaping of Fig Tree Park to ensure gateway views from Hannell Street up the harbour to Nobby's;
  - Realignment of Honeysuckle Drive to ensure views of Nobby's were maintained and characterised the precinct's pedestrian and vehicular routes and the public and private recreational and entertainment spaces at the Boardwalk development;
  - The creation of locally named 'Mount Carrington' in the reclaimed Carrington foreshore park;
  - Construction of the new Cowper Street bridge as a gateway to the suburb heralding its importance in the renewal of the inner city;
  - Often against financial pressures, persisting with ensuring that the Railway Workshop buildings were maintained in public use as a cultural focus point for the city; and
  - Aesthetic outcomes of the Throsby Creek dredging project have added to the community's sense of pride and association with the area.







### 6.2.6 ESD Policy

The Honeysuckle Project has demonstrated a sensitive and responsible approach to issues of ecologically sustainable development. In 2001 it established a code of development on HDC lands to embed ESD principles.

In 2006 HDC also issued Environmental / Energy Efficiency Measures for New Commercial / Mixed use Buildings on its sites. This document established both mandatory and desirable requirements for new buildings which exceeded earlier requirements and those in place by Newcastle City Council. They formed part of the Corporation's tendering package for new projects.



The Glasshouse commercial building, Marina Precinct





### 6.2.7 Contamination remediation

After years of industrial type usage of large sections of the Honeysuckle Project's 50 hectares, the amount of contaminated material on the site was extensive. This issue was recognised early in the Building Better Cities phase of the project and significant resources were devoted to identifying the scope of the issue.

BBC funding enabled a sound grasp of the extent of the contamination issue to be identified. The latter part of the 1990s and into the 2000s the issue has been addressed through by the development of remedial action plans. As sites have been prepared to be released to the market, HDC often undertook to remediate the land to ensure greater certainty around its final use.

The remediation of the Honeysuckle Project area has been an ongoing task since BBC funding was secured through to this day. Such a task would have been that much greater and more difficult without funding being dedicated to it through the BBC program.



### 6.2.8 Restoration of Seawalls

When the Honeysuckle Project area was originally conceived, inheriting delapidated seawalls around the full length of the redevelopment area was a part of the equation.

Again a proportion of BBC funding was dedicated to gaining an overall understanding of the extent of deterioration. Further monies were spent on creating new seawalls in the Carrington, Linwood and Marina precincts in the life of the BBC program. Life cycle maintenance programs were also developed in the same period for these same seawalls.

The seawall construction varies throughout the Honeysuckle Project area and as such a blanket solution has not been able to be applied. Thus the need for a strategic approach and the ability to invest in this infrastructure well before a return on developable land is made could only, arguably, have been sustained by government in this instance. The BBC program was therefore vital for the ongoing program to restore and maintain seawalls for the Project area.







## 7 Governance Impacts

"For many years leading up to the establishment of the HDC, the Council and the community had plans for inner city renewal but never before was there an organisation charged with the responsibility and given the resources to ensure they were carried out"

### 7.1 Pre BBC governance position and trends

In 1992, at the outset of the Honeysuckle Project's BBC funding the governance structure and accountabilities appeared to be quiet simple and clear. The NSW Government moved the then Honeysuckle Advisory Board into a Corporate environment under the Growth Centres (Development Corporations) Act 1974. The Corporation's Board was comprised of business and community representatives appointed by the Minister. Its staff reported to the Board via the Director General of the NSW property Services Group by whom they were formally employed. Funding was limited to the endorsed agreement by the NSW and Federal Governments and confirmed in an agreement which was to be monitored quarterly against a set of 55 milestones and reported annually to both governments.

Through community consultation and stakeholder engagement the NSW Government and NCC had endorsed the Honeysuckle Masterplan 1991 as the basis for the project moving forward. The NCC was to remain the consent authority for development applications on the site. HDC and NCC had worked collaboratively at an operational level but no formal structure or accountabilities were in place. Disagreement remained around components of the masterplan including the termination of the rail, the link between the Honeysuckle Project area and the retail district of the mall, the role and purposes of the railway workshop buildings.

No formal structure or policy framework was in place to manage elements of the implementation of the Masterplan, such as consultation, delivering on housing affordability, public art, transport planning, the handover of assets to Council on completion, or the development of urban design guidelines.

Little work had been done on community attitudes and information/statistics about the CBD's economy, demographics and environmental quality were scant. For many years leading up to the establishment of the HDC, the Council and community had plans for inner city renewal but never before was there an organisation charged with the responsibility and given the resources to ensure they were carried out.



Left to Right: Honeysuckle General Manager Robert Zullo (1992-1996), Honeysuckle Chairman David Le Marchant (1992-2007), Deputy Prime Minister Brian Howe, Newcastle MP Allan Morris, Newcastle Lord Mayor John McNaughton.



## 7.2 BBC and subsequent governance initiatives

### 7.2.1 Communications

With the masterplan launched in 1991 the Hunter Valley Research Foundation undertook a Community Attitudes Survey in March 1992. The survey found 80% of Newcastle and Lower Hunter residents “favour or strongly favour” the proposed mix of land uses as described in the Honeysuckle Concept Masterplan. These Community Attitude surveys became a hallmark of the project taking the role of informing decision making and reflecting community satisfaction. This focus on communications has always been important to the Honeysuckle Project especially because BBC had such a strong focus on the demonstration and flow on impacts of its projects.

In an independent review of the project in 1998 the author, Mark Lynch, stated:

*“The HDC has been active in promoting its information, public relations and publicity strategies. Media coverage of its plans and achievements were generated by press briefings, press releases, and special newspaper supplements, openings of completed projects, launching of plans and reports, and publicity surrounding prominent visitors to the Honeysuckle Project.*

*Information was provided by way of a range of publications including BBC Newsletters, information updates, “Honeysuckle at a glance”, fact sheets and status reports and updates. ... HDC also provided guides for groups visiting the Honeysuckle Project site. On special occasions bus tours were provided for the public and conferences. “Heritage Walks” were also conducted....*

*Community members were provided with opportunities to participate through attendance at consultations for Precinct Plans and Development Control Plans. ...Intensive workshops such as that which enabled Wickham residents to join professional participants in developing the concept of a Wickham Urban Village had not been previously undertaken in Newcastle and generated considerable enthusiasm for both the process and the ideas generated....*

*Local involvement was also encouraged by inviting entries from individuals, school and community groups in 1992 Community Ideas Competition on the development of the Hannell Street and Carrington residential areas. ....”*

Many thousands of students, professional and community groups have had the opportunity to learn about and inform the project over its 18 year history. The web is full of conference papers, speeches, study guides newspaper and journal articles on the project. All the General Managers, senior staff and the two Chairmen of the Corporation have had a passion for the project and taken every available opportunity to spread the message of the project, its process, outcomes and future. The Honeysuckle Project and the role of BBC has been presented to local regional, state, national audiences as well as to the International Waterfront Conference in Washington DC and New Orleans.

Records kept of briefings during the initial years of the BBC funding show the Corporation’s commitment to communication and providing a demonstration effect: The Corporations’ Annual report for 1993/94 indicates that some 4,258 people were briefed or given tours. This number increased in 1994/95 to 8,538. Numbers varied but still ten years after the announcement of BBC funding the HDC was still briefing in excess of 1,000 people in 2001/02.

In fact, in its early days the Honeysuckle Development Corporation and BBC was criticised for communicating too much and building expectations about delivery which were impossible to achieve. While the community and business, confronted by high unemployment, the continued decline of the CBD and low levels of investment, were loud in their calls for “more action and less reports” it was clear that a huge amount of work, investigations, documentation, planning and negotiations were needed before real progress could be made.

An important lesson is the need to bring the community along with the project. While it is important to paint the picture of the end state, the community also needs to have an understanding of the steps and stages, the investigations and planning that goes into good outcomes. Vision and money are not enough: good outcomes require planning and process and this is the basis of good governance.

**“80% of Newcastle and Lower Hunter residents favoured or strongly favoured the proposed mix of land uses described in the Honeysuckle Concept Masterplan”**

## 7.2.2 Policy and planning framework

What BBC funding did allow was the development of a series of policy and planning documents which became critical to the future of the project. The following are some of the more significant of these and reflect the integrated and holistic approach that needed to be taken:

- Development of a Lower Hunter Integrated Transport Study 1995
- Development of an Affordable Housing Strategy 1994
- Establishing the BBC Housing Committee
- Development of targets for medium density housing on and off site and rezoning of appropriate sites
- Development of the Newcastle Housing Design Manual to encourage innovative and affordable housing design and ESD principles
- Preparation of urban design guidelines for each precinct
- Development of a Public Domain Plan and individual landscaping plans
- Documenting infrastructure and pricing policy for the area and endorsement of a Section 94 plan
- Development of precinct plans and documentation for the necessary rezonings, land transfers and title consolidations
- Development of business plans for the railway workshop buildings
- Supporting the development of business plans for Contemporary Arts Actions Newcastle and performing Arts Newcastle
- Establishment of performance monitoring tools such as community attitude surveys, users surveys, economic impact modelling
- Producing a Human Services Strategy and the Inner Newcastle Social Impact Assessment and Social Infrastructure Study
- Undertaking servicing investigations, documentation and augmentation plans
- The Wickham Urban Village Study
- Investigation into feasibility of remediation and redevelopment of the Hannell Street Oil farms
- Investigations into the cost and technical issues around the construction of a rail overpass at Stewart Avenue
- Development of the Wickham Streetscape and Traffic calming study
- Development of a Public Art Policy and program

The demand on the Honeysuckle Project to contribute to the wider planning and development context had not abated over time. Some of the more recent contributions include:

- Civic and Cultural precinct masterplan
- Live Sites
- City Centre Vision
- University of Newcastle research partnership

These governance, community planning and communication roles were quite unexpected but very important outcomes of the initial BBC funding. It is in the governance areas on innovation, delivery process and planning framework that the Honeysuckle Project has set a bench mark and clearly performed its role as a demonstration project. Also of note and demonstrated in the list of studies and reports above is the holistic and integrated approach BBC took to the Honeysuckle Project and renewal in Newcastle.

According to Ms Susan Holliday, (former Director General of NSW Planning) *"the BBC methodology.....as applied at Honeysuckle constituted a fundamental shift in the way urban planning was approached in NSW, entailing a move away from single solution approaches to managing urban space. The area approach emphasised the creation of integrated places, recognising that urban problems are multi-dimensional, complex and interrelated and demonstrating the need for 'place-specific' rather than 'portfolio-specific' (or function specific) management of urban programs.*

*BBC was ahead of its time in the emphasis on the integration of policies across sectors to provide strategic solutions to economic, social and environmental problems. BBC recognised that the tendency for specialised agencies (eg. roads, housing and community services) to pursue functional interests and objectives in isolation from broader urban objectives can lead to expensive and sub-optimum outcomes. The same cross-functional approach is now actively promoted across other policy areas by the Blair Government in the United Kingdom (among others) through recognition that joined up problems need joined up solutions".*

The 2009 City Centre Renewal Report has adopted this 'joined up' approach to this recommended strategy.

**"BBC was ahead of its time in the emphasis on the integration of policies across sectors to provide strategic solutions to economic, social and environmental problems."**



### 7.2.3 Consistent and contextual approach to achieving outcomes

Despite the integrated and multi-dimensional approach taken by BBC with the Honeysuckle Project other important Commonwealth and State programs and policies were not identified or reviewed and aligned to the principles of BBC to ensure a consistent and optimal approach. For example, as noted by the Australian National Audit Office:

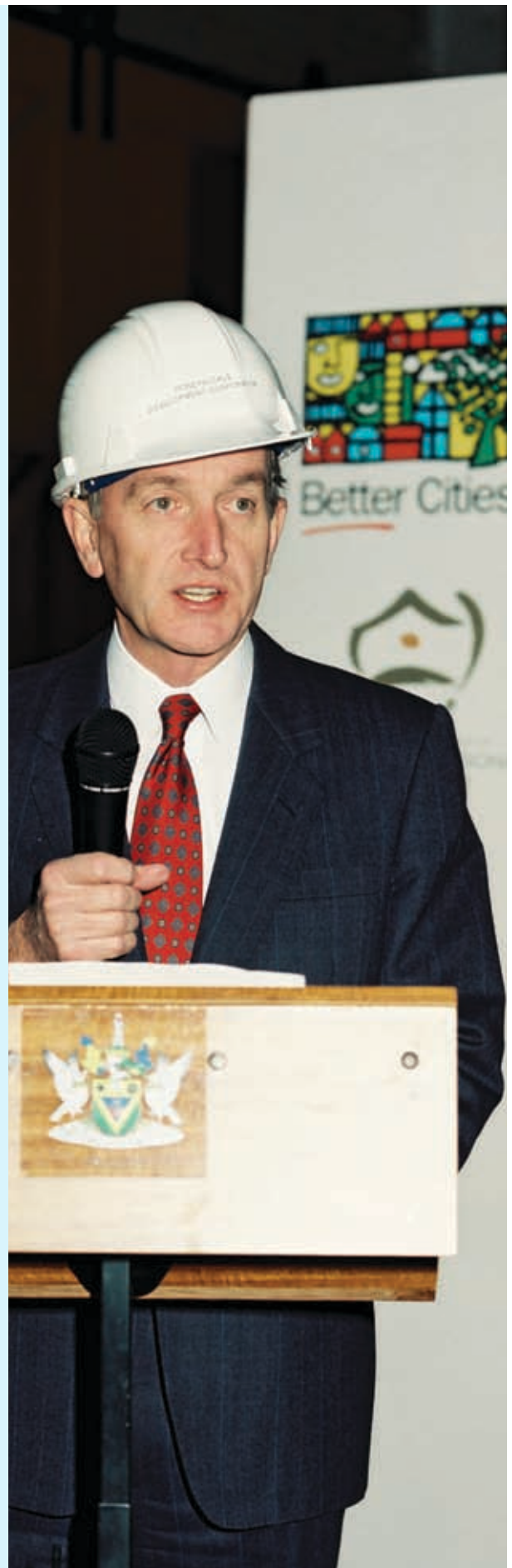
“Demonstrating affordable housing was a major element in BBC’s aim to promote improved social justice...However, the work funded appears to have had little impact on Commonwealth programs that directly support housing affordability.”

The lack of a corresponding ‘whole of Government’ approach at the Commonwealth level meant that many opportunities to amplify the scope and potential benefits of BBC were not taken up.

Two particular and important examples of this lack of consistent approach and its negative impacts in Newcastle relate to transport and office accommodation. Earlier sections of this report demonstrated the positive impact on BBC through the Honeysuckle Project on the provision and growth of A grade office space and the ability to retain major corporate office functions which had outgrown their existing CBD accommodation. But the fact remains that BBC and the Honeysuckle Project failed to achieve their bigger aim of developing a market for autonomous new office space for relocating businesses and government agencies thus reducing the pressure on Sydney and the Central Coast and providing the necessary jobs boost to Newcastle. Part of this failure relates to parallel government policies which were not realigned to support this outcome. Neither State nor Federal Government considered the long term policy impacts of its own office space needs in terms of regional opportunities nor did they review taxation or pricing to support private sector relocations.

Similarly, while the State Government supported the Honeysuckle Concept Masterplan as the basis of receiving \$71 million Federal funding and this plan clearly called for the termination of the rail and the development of an improved bus system, the NSW Government in 1995 reversed its support for termination of the rail at Civic and instructed HDC to amend its plans accordingly.

At a local level despite endorsing the BBC program and the subsequent regional plans both Newcastle and Lake Macquarie councils have continued to support developments which directly undermine the growth of Newcastle’s city centre and the regional central business district. The expansion of Charlestown Square and Westfield Kotara, the development of Energy Australia’s head office at Wallsend are all cases in point.



Honeysuckle Chairman David Le Marchant

## 7.2.5 Management

As community, business and government expectations of what the Honeysuckle Project could deliver grew, the complexities of its management structure and environment did also. The management structure was set out in the BBC agreement. In summary it was as follows:

- Local coordination responsibility was vested in the BBC Newcastle Area Strategy Technical Coordination Committee (the Area Committee);
- This was chaired by the Regional Director of Planning;
- The members were the General Manager of HDC and representatives of NCC and the Department of Transport;
- Other agencies were to assist the Area Committee including the Department of Housing, Maritime Services Board and the Catchment Management Trust;
- The committee was assisted by a project planner in the Department of Planning;
- The General Manager and staff of HDC were employed by the NSW Property Services Group (PSG);
- Planning and PSG staff reported to different ministers – Minister for Planning and the Minister for Local Government and Co-Operatives;
- The agreement described the HDC as the Project Manager but did not spell out the role clearly.

BBC also provided for the establishment of several working groups, including the Oil Tank Farm Relocations Working Group, the Hunter Integrated Transport Strategy Group, the Human Services Strategy Committee, the Housing Strategy Implementation Committee, later the BBC Housing Committee, the Built Environment Advisory Team and S355 Committee of NCC to manage Wickham School.

There was often a blurring of lines of responsibility and accountability due to a lack of detailed definition, the multiple layers of decision making, the number of committees and groups and different ministerial portfolio responsibilities particularly in relation to offsite projects. Some offsite projects were directly managed by other agencies. The Committee did provide a mechanism for the different activities to be drawn together but was cumbersome. The General Manager had multiple reporting lines to the Board, the Minister for Planning the Minister for Local Government and Co-Operatives and the Federal BBC Coordinating Unit. The Honeysuckle Project, like other NSW projects, did not have a Federal Government representative on the committee which did cause delays in decision making, understanding and timeliness on occasions. A Newcastle innovation was that the Area Committee Chair briefed State and Federal Members of Parliament and the Lord Mayor regularly which proved helpful to keep those individuals and their stakeholders informed and able to support the project in government. During 1993/4 a government restructure meant that Planning and PSG all reported to the Minister for Planning and Housing which simplified reporting and communications.



Left to Right: Newcastle MP Allan Morris, Deputy Prime Minister Brian Howe, Newcastle Lord Mayor John McNaughton and Honeysuckle Chairman David Le Marchant (1992-2007)



Deputy Prime Minister Brian Howe







## 8 The role of BBC and Honeysuckle in Newcastle's renewal

"It is clear that the up-front investment in planning, research, provision of infrastructure, restoration of heritage buildings, consolidation and clearing of sites, and decontamination ...would not have been sustained by the private sector"



### 8.1 Overall role

There are those who argue that if the BBC funding had not been available the Honeysuckle Project would still have developed through private sector investment. There is, however, no evidence to support this proposition. In fact, evidence would suggest quite the opposite.

For over a decade jobs, investment and residents had been leaving the CBD. Vigorous efforts were made by Newcastle City Council and the New South Wales Government to attract significant investment to the Honeysuckle Project. Pre-feasibility work and marketing packages were prepared and senior officers and the Lord Mayor made advances to major retail operators and development companies trying to interest them in purchasing and or developing Honeysuckle Project lands. The NSW Property Services Group initiated talks with major development firms with a view to 'giving' them the land and buildings for redevelopment. All these failed.

The facts were simple. Newcastle's CBD had been losing residents, jobs and retail floor space. Investment in residential and commercial development was small at a time when the region was growing and changing. The Honeysuckle Project site was undisputedly an opportunity but it was not 'ready' for redevelopment. Its redevelopment would not be easy, quick or cheap. Some of the obstacles included:

- almost a 100 years of industrial use and the resultant contamination
- a collection of heritage building which had fallen into disrepair from neglect and also suffered the impact of the 1989 earthquake
- a dearth of information about the conditions of the site, the location of services, etc
- the site was extensively undermined and suffered subsidence
- several roads lead to no where and were not connected to the rest of the CBD
- the rail line divided the main body of the site from the rest of the CBD
- areas suffered flooding and drainage had been neglected for decades
- disused buildings, railway waste, overburden and unused stockpiles and equipment littered the site
- the community had high expectations about the future of the project and wanted significant input and 'immediate action'
- Council, while supportive of the project, was concerned in terms of its perceived loss of power
- many of the specific projects funded required significant levels of coordination and communication with numerous agencies which had not developed a working relationship
- the national investment and property market were unaware of the opportunities in Newcastle, risk averse to untried markets, were negative to investment outside the Sydney market or had already left the Newcastle market
- other government policies e.g. housing, decentralisation, government office accommodation, transport were not supportive of the outcomes being sought at the Honeysuckle Project
- Inner city population and CBD workforce was on a sustained decline.

The HVRF statistics (section 4.2.2) help tell the story. It took the best part of ten years for private sector investment to begin to match public sector investment. It is clear that the up-front investment in planning, research, provision of infrastructure, restoration of heritage buildings, consolidation and clearing of sites, and decontamination as well as market positioning and community liaison would not have been sustained by the private sector.

The table also shows the significant impact of the Honeysuckle Project led investment in the CBD and Inner suburbs which peaked in 2004 at \$274.7 million.

The lag evidenced in this report between initial public sector investment and comparable and additional private sector investment is important. Renewal is a slow process. Often too slow for the private sector to sustain financially. While the HDC's initial investment in Carrington between 1992 and 1994 drew a 'quick' response from the market in the form of Mirvac development of 93 residential units, the Corporation had to spend significant amounts of money upfront on community engagement, planning, infrastructure, remediation, reclamation and landscaping to attract a market.



The development process for precincts such as Cottage Creek, Marina and Honeysuckle were far more complex, lengthy and costly. There was a far greater number of urban design, public domain and access issues to plan; more significant mine subsidence, contamination, land title, heritage constraints and expensive and difficult services issues and requirements. The Corporation was not able to bring a substantial number of sites to the market until about 2003/4, more than ten years after its initial provision of BBC funding. It is unlikely that in a small market such as Newcastle that the private sector would have been able to sustain this gestation period for relatively meagre and delayed financial returns.

Just as the private sector would not have been able to achieve the same investment and economic outcomes that BBC has enabled Honeysuckle to achieve, the private sector would have been unlikely to have delivered to the same extent the significant social outcomes delivered through BBC. Arguably, this would not have included:

- Development and implementation of a Public Art and Place Making Policy and Program that has been embedded across the project
- Realignment and landscaping of Hannell Street and reconstruction of the Carrington Bridge
- Provision of 170 Affordable dwellings
- Funding and implementation of a place activation program, Live Sites
- Seawall reconstruction and ongoing maintenance for 18 years
- An extensive community engagement and brands communications program
- Financial, professional and management support for off site projects (housing) investigations (The Oil Tank Farm rehabilitation), planning (CCP and Maritime Museum) activities (conferences and Maritime Festival) policy development (Housing and Social Planning)

The following sections look briefly at each of the project precincts and consider the direct and attributable role of BBC in creating change.



Value of Development Application (over \$1m) 1999 to 2008 in CBD and Inner City - \$m

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
<b>CBD</b>											
Residential		42.0		26.0	2.5						
Commercial	2.0	12.0	15.8	85.0	3.2	13.5	11.0	3.0	16.3	7.0	
Mixed	1.7	139.0	10.0	29.0	60.1	247.3	5.6	26.3	29.2	145.7	
<b>TOTAL</b>	<b>3.7</b>	<b>193.0</b>	<b>25.8</b>	<b>140.0</b>	<b>65.8</b>	<b>260.8</b>	<b>16.6</b>	<b>29.3</b>	<b>45.5</b>	<b>152.7</b>	<b>933.2</b>
<b>DoP State Approvals (Honeysuckle, Wickham)</b>											
Residential						3.8	6.3				10.1
Commercial						3.9	3.0				6.9
Mixed						4.4			73.3		77.7
<b>TOTAL</b>						<b>12.1</b>	<b>9.3</b>		<b>73.3</b>		<b>94.7</b>
<b>WICKHAM</b>											
Residential			6.7		8.1						14.8
Commercial		3.6							1.2		4.8
Mixed								8.0	4.2		12.2
<b>TOTAL</b>		<b>3.6</b>	<b>6.7</b>		<b>8.1</b>			<b>8.0</b>	<b>5.2</b>		<b>31.6</b>
<b>CARRINGTON</b>											
Residential				10.5			1.2			3.0	14.7
Commercial		2.0	1.5			1.8	1.1	4.6	13.2	4.0	28.2
Mixed											
<b>TOTAL</b>		<b>2.0</b>	<b>1.5</b>	<b>10.5</b>		<b>1.8</b>	<b>2.3</b>	<b>4.6</b>	<b>13.2</b>	<b>7.0</b>	<b>42.9</b>
<b>MARYVILLE</b>											
Residential	1.2	1.3	4.9	28.2							35.6
Commercial	1.4										1.4
Mixed											
<b>TOTAL</b>	<b>2.6</b>	<b>1.3</b>	<b>4.9</b>	<b>28.2</b>							<b>37.0</b>
<b>TOTAL CBD &amp; SURROUNDS</b>	<b>6.3</b>	<b>199.9</b>	<b>39.9</b>	<b>178.7</b>	<b>73.9</b>	<b>274.7</b>	<b>28.2</b>	<b>34.4</b>	<b>137.2</b>	<b>159.7</b>	<b>1132.9</b>

Source: NCC Development and Environment Group April 2009



## 8.2 Role in Carrington precinct

The first real private sector investment in the Honeysuckle Project occurred at Carrington when in 1994 Mirvac won the tender to construct 93 residential units on land developed by the then Honeysuckle Development Corporation. These were substantially completed by 1996. Since then the once declining suburb (ABS record Carrington's population at 2,122 in 1971 and 1,480 in 1991) has seen substantial investment.

Carrington had had sites available for redevelopment for residential uses for decades. The regeneration of Carrington took more than the availability of sites. It took government initiative and resources to decontaminate land, open up a new gateway bridge, provide roads and servicing, redesign and develop a public domain to create connections to the surrounding suburbs, build character and provide linkages to the water and the CBD. The initial BBC investment to provide 93 residential sites has led to sustained private sector investment in the suburb in the order of \$43 million. (see table)

Not only did BBC provide the necessary upfront funding to be able to entice the private sector to invest in renewal of this suburb it ensured that that development generated a desirable social outcome achievable at the time. Initial plans proposed by the developer were for an enclosed suburb, which turned its back on its neighbours in Garrett Street. It took considerable negotiation and commitment by the HDC at the time to achieve a satisfactory outcome where by Garrett Street was widened and improved and new housing fronted their neighbours. HDC also stipulated a price point to ensure there wasn't an enclave and a disconnect with the housing/property dynamic in existing Carrington. If this wasn't done an upmarket waterfront development might have eventuated given the virtual waterfront location.

There has been in the order of \$14.7 million of new residential development and \$28.2 million commercial development approved since 1999 (see table above) Neighbouring Maryville which had a declining population with 3,564 people in 1971 (ABS census) and 2,307 in 1986 (ABS census - see section on social assessment) has subsequently seen more than \$35 million of residential development since 1999. At Linwood alone HDC has facilitated the development of 300 dwelling units.



## 8.3 Role in Linwood precinct

With Carrington well underway the HDC moved on to the Linwood Precinct. However, many of the same issues associated with getting the site ready for development existed at Linwood. There was asbestos in the soil and the threat of acid sulphate soils that had to be managed. Additionally, development of the precinct required the relocation of the area's major gas line. In a relatively depressed inner city residential market with affordable alternatives on the city's fringe, the private sector could not have been able to bear this cost and deliver affordable housing to the market.

The Masterplan called for a continuous open space network from Elizabeth Street roundabout to the Nobbys Headland. The housing market in Newcastle was such that the private sector could not have afforded to undertake the \$5 million reclamation work necessary to achieve both commercially developable sized lots for medium and high density housing and have provided the open space parkland along the waters edge of Throsby Creek.

Initial releases of sites to the market were undersubscribed. The HDC had to sell land at a greatly reduced cost to attract a market. Sites were being sold for the equivalent on average of \$20,000 per dwelling unit at a time when the recognised suburbs were achieving more than double this rate.

HDC did not veer from its urban design goals for the precinct. If simple land economic had 'ruled' variations could have been made. Developers were indicating that they were prepared to offer more attractive bids, higher dollar values, for variations to the scheme endorsed by HDC. These were not entertained. Latter stages achieved over \$100,000 per dwelling unit land content. These returns were able to be reinvested in the project as other precincts began to be developed.

The outcomes achieved at Linwood were the direct result of government investment and the HDC's commitment to BBC outcomes.





## 8.4 Role in the Marina precinct

When the masterplan was developed the conventional wisdom was that “nobody developed marinas and made money”. Several years were spent completing the necessary design work, environmental impact assessments, achieving development consent and remediating the site. The then approved marina project was taken to the market several times without commercial success. Finally the Corporation agreed to work with the newly formed Newcastle Cruising Yacht Club (NCYC) to progress their development of the marina. The NCYC was a brand new entity with little in terms of resources or performance record but with a passion and vision that by working with government has delivered the city a valuable and sustainable asset.

Both the Fishermen’s Co-Operative and the Newcastle Water Police were very happy in the location on Wharf Road for years. It is true to say that there was significant reticence on behalf of all parties to relocate at the time, however, the funding provided by BBC was catalytic to incentivise the move that otherwise might not have happened. Even if the Fishermen’s Co-Operative had been keen to move financially it would not have been achievable without government funds and support for the process. The fact that so many fishing co operatives are in financial difficulty underlines what may have happened in Newcastle.



## 8.5 Role in Cottage Creek precinct

It was more than ten years and tens of millions of dollars of government investment in site preparation works before the first office development was completed at Cottage Creek. Private sector developers would not have been able to hold this land for such long periods of time nor provide the upfront investment to get sites to the market before seeing a return. Highest and best use in terms of commercial returns at the time was for residential development. Had this land been developed for residential use the city would have lost its single best chance to secure new office development essential for renewal and growth.

At a recent event to welcome new offices to the precinct, Jann Gardner of Sparke Helmore Lawyers talked about her firms' experience. She spoke of their strong desire for a new iconic office building at the heart of the city's future but also of their concerns. Sparke Helmore had grown out of its space in Bolton Street and needed new purpose built space for their expanding business. Another option would have been to relocate outside the CBD. Sparke Helmore were leaders, not just in the legal sector but in their pioneering decision to commit and move to a relatively englobo site at Cottage Creek and hope that other development and offices would follow. Jann spoke of the lonely streets, the lack of cafes and the fear that others may not follow.

These issues were confirmed in the recent survey of Honeysuckle tenants in which they strongly agreed that they had the following concerns: isolation from the city's law courts, the barrier of the rail, future car parking opportunities, access to business services, staff access to support services and potential no other development in the precinct. Businesses that have subsequently relocated to Cottage Creek, whilst sharing the same concerns, rank these as less important than those who relocated much earlier.

The confidence to relocate to Cottage Creek was strongly underpinned by the fact that the government, through Honeysuckle, was the overall development facilitator and that further growth would occur.

Cottage Creek would not have been possible had the Port Corporation retained use of the Lee and Throsby Wharves for cargo purposes. It was BBC funding in excess of \$2.4 million that enabled these uses to be transferred.



The cruise ship "Pacific Princess" docked at Throsby Wharf, Cottage Creek Precinct



## 8.6 Role in Honeysuckle precinct

The Honeysuckle precinct was the centre piece of the masterplan and the area the community fundamentally identified with the project and the process of renewal. The masterplan provided for mixed use outcomes. The heritage buildings and the harbour set the scene.

The major decisions that have characterised the precinct are explicitly the outcome of decisions by government, through HDC and because of BBC funding, that defied the market but remained focused on the social and economic outcomes being sought. Almost every major development decision made about the precinct was based on outcomes defined in the masterplan or BBC agreement rather than on normal commercial/profit generation parameters. These are summarised below:

- The railway heritage buildings were subsidised for use as produce and craft markets for over 8 years despite opportunities to sell/lease the spaces for commercial offices
- A commercial rent was foregone for three of the railway heritage buildings to ensure relocation of the Newcastle Regional Museum (NRM)
- HDC provided support for development of a business plan for the Maritime Centre and forfeited the possible commercial return that could have been attracted if the building was offered for sale
- HDC established a “predetermined plan” for the Boardwalk development to maximise view corridors to Nobbys and the provision of plaza space around the curtilage of the Forum and Maritime Centre
- In the offer for sale of the ‘Crowne Plaza’ site the HDC specifically required the development of a hotel despite the fact this provided a less than possible financial return
- HDC ensured landscaping of the precinct prior to private sector investment as well as activation of the spaces and building by cultural programs prior to their long term leasing
- In all precincts HDC placed requirements on land uses as part of the tender process (hotel, offices, retail, entertainment)
- HDC demanded high levels of treatment in the public domain, including public art, heritage interpretation and significant community spaces.

This precinct is already a powerful hub and magnet of activity which will be further increased with the opening of the NRM in 2010.



## 8.7 Role in Hunter Street precinct

The Corporation also inherited approximately 2 hectares of land along a stretch of Hunter Street. The masterplan identified this area as a mixed use precinct, one that could deliver a range of commercial and residential outcomes.

Today, after contamination, archaeological, heritage and other issues have been addressed, again with the assistance of the BBC program, the precinct is home to an Ibis Hotel, Hunter New England Area Health Polyclinic, a new pocket park and residential apartments.



The Cove apartments building, Hunter Street Precinct



The Hunter New England Community Health Centre

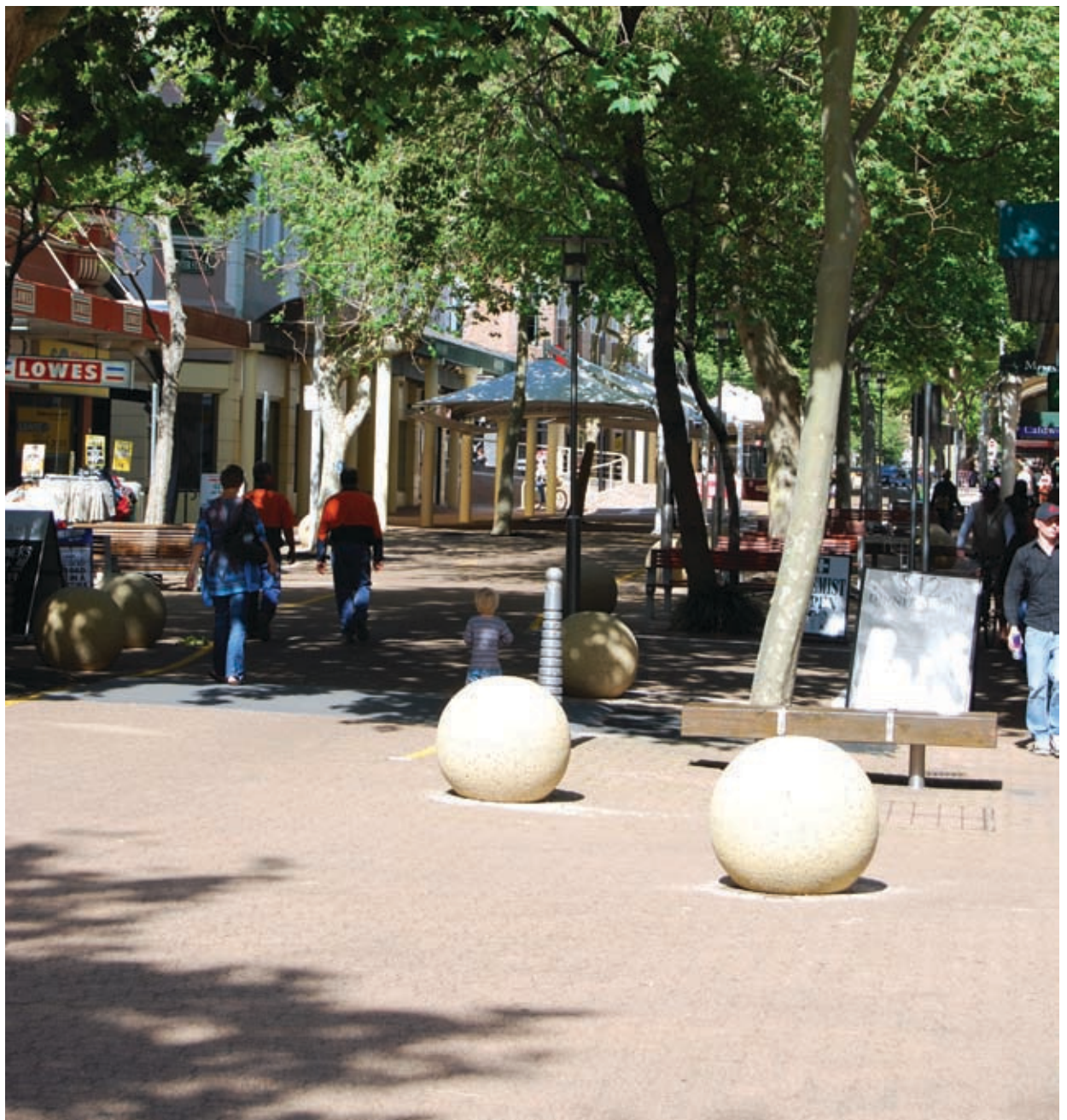


## 8.8 Role in the Mall precinct

The Honeysuckle Project deliberately concentrated on the development for commercial office space, entertainment and residential uses and strategically did not facilitate or approve significant retail development which might compete with the Hunter Street Mall precinct. The strongly held view of the council at the time was that the Mall area should remain the focus for retail and that with the growth in inner housing and office accommodation retail would, over time, naturally regenerate in that area.

This was not the outcome. Many efforts were made to better connect the mall with the Honeysuckle precinct. Consultants were engaged and plans developed which would have required private sector participation to achieve the desired upgrade in streetscape, appearance, access and attraction of link retail development. While supported, in principle, by government it was not actioned by the private sector.

As earlier sections have shown many studies and strategies were developed, several organisations over time made significant efforts at marketing, coordination, streetscape improvements and tenancing strategies. None of these have been adequately successful. Honeysuckle has had success in the office and residential sector largely because it had control, autonomy, resources and the ability to sustain the time required to generate real change. These prerequisites were not available in other parts of the city, especially when attempting to address the decline of retail.



## 9 Conclusions – Achievements and Lessons

“The evidence is strong that the private sector alone would not have delivered the same outcomes as was provided by the BBC agenda”

Overall the BBC program, as delivered through the Honeysuckle Urban Renewal Project in Newcastle, has been a significant success. It has not solved all the city's problems nor achieved all its own ambitious goals. It has, however, generated significant change and improvement and turned around the spiral of decline facing the inner city. It has been delivered in a holistic and integrated way providing economic, social, environmental and governance outcomes which have been sustained ten years after the initial round of funding was completed. Moreover, the change and improvements that the Honeysuckle Project has been responsible for would not have been possible without BBC funding. The evidence is strong that the private sector alone would not have delivered the same outcomes as were provided by the BBC agenda and indeed the private sector may not have invested in Newcastle at all without government facilitation and action. Without the confidence, vision and financial commitment provided by BBC there is no evidence that the trends of inner city population decline, a shrinking CBD workforce, the out migration of businesses, the deterioration of heritage buildings and the alienation of the city from the harbour would have done anything other than continue.

What is also clear is that the task of renewing inner Newcastle is far from over. Despite the many successes of the program there were some weaknesses and more importantly there were strategic issues not addressed. A window of opportunity exists to repair these weaknesses, to acknowledge and address these issues and gaps, to build on the achievements of BCC and bring to fruition the next stage in the renewal of the city.

An essential first step is to celebrate the improvements and achievements delivered by BBC at Honeysuckle. Honeysuckle has been in gestation and development for almost 20 years. Many people were too young to remember or have become so accustomed to the new face of Newcastle that they cannot see how far the city has come. It is not yet great but it is so much better. If the next stage of the city's renewal is to be successful we must draw upon the confidence and knowledge that it can be done and that it has already started.

This document is part of the 'story telling' that builds confidence and commitment across governments and communities that will strengthen our resolve and our actions. The summary of facts, the metrics of change are important but the soul of Honeysuckle is in the 'story telling' about the place that has been built and the aspiration for what more can be achieved. The story of the BBC program in Newcastle is not a fairy tale; it is a chronicle of investment in change and the importance of government intervention in our major cities. The evidence of achievements is compelling.





## 9.1 Economic Achievements

Honeysuckle has delivered huge employment impacts generating the equivalent of 4,844 full time jobs. It has had an overall economic impact in the order of \$1.3 billion. Government investment in Honeysuckle has directly led to some \$500 million worth of private sector investment. Honeysuckle sites have provided office accommodation for some 2,500 employees. These same sites have offered business reduced operating costs, greater staff satisfaction and productivity, the capacity to expand and provide higher levels of customer service. Moreover, without the opportunity of relocation to the Honeysuckle Project site companies and jobs would have left the CBD and perhaps the region. The Honeysuckle Project has contributed more than half the new A Grade office space built in the CBD in last 15 years.

BBC funding supported the relocation of port activities away from Throsby to the Basin contributing to the productivity of the port and enabling the development of a cruise ship industry in the port. It enabled the early delivery of tourism infrastructure such as a hotel against market pressures. It facilitated the relocation and expansion of the Newcastle Fishermen's Cooperative underpinning its sustained viability and growth. It created and demonstrated a viable market for inner city housing and spurred significant growth in the housing market in both the CBD and inner suburbs. It provided essential infrastructure such as roads, water, power, telecommunications and drainage bringing development sites to the market in a planned, coordinated and affordable manner reducing developer costs / risk and maximising the economic benefit for the city. Honeysuckle regularly sustained less than optimum market return for sites to deliver optimum economic and social outcomes.



## 9.2 Social Achievements

With private sector investment the sites developed and marketed by Honeysuckle have produced some 1,000 dwellings providing homes for approximately 2,000 people. Honeysuckle has created a new market for inner city living and directly led to the development of almost 1,000 new dwellings and possibly twice this number in the inner city generally over the last 13 years. BBC funds provided an additional 170 affordable dwellings in the inner city and some 90 units for people suffering housing stress. It has provided a new range of housing choice which has seen families, young professionals and empty-nesters from the middle ring of suburbs move into the city. While the ABS data is not yet showing the full impact of the Honeysuckle Project the inner city has witnessed substantial population growth since 1991.

The reduction and turn around in population decline in the inner suburbs is both the culmination of the Honeysuckle Project's land releases, demonstration projects and the improvements in the living environment it created through investment in public domain, environmental initiatives and the provision of recreational and cultural facilities. Inner city residents and visitors now have a range of open spaces, parks, plazas, cycleways, walking paths and public art trails. They can enjoy cleaner waterways, fish and boat on Throsby Creek, there is an inner city gym and polyclinic all of which make the inner city more attractive, liveable and vibrant.

The Honeysuckle Project and BBC have provided opportunities for the cultural development of the city through support for arts projects and groups, the provision of temporary and longer term accommodation, a strong public art policy, and a new home for the City's Maritime and Regional Museum.

It has approached the development of the public domain with a strong commitment to place making and community safety developing features which have supported a social need, highlighted heritage significance, heralded an area's renewal, engaged local artists and provided spaces for community gathering and celebrations. It has helped bring these places to life through a culturally based Live Sites activation program in partnership with Newcastle City Council and Arts NSW.







## 9.3 Environmental Achievements

BBC provided over \$5 million which transformed Throsby Creek from a “foul smelling drain” to a clean, deep, biologically rich waterway which people can enjoy. Throsby Creek now is the centre piece for the new housing areas of Carrington and Linwood. Its tidal water course, wide parks, Mt Carrington and beaches attract walkers, cyclists, picnickers and fishermen. Its revegetated parks and mangroves support bird and animal life. Fish, fishermen and rowers are back in the water.

Issues of storm water run off and resultant pollution have been addressed in Carrington and Linwood through natural retention basins. New housing has been required to meet high standards for energy and water conservation. Tenders for commercial and mixed use development have been assessed on their environmental initiatives and performance.

Housing in Linwood, Wickham at Cottage Creek and Carrington are all connected to the CBD by pedestrian and bicycle paths. Material from demolished buildings, such as the wool stores on Hannell Street, has been recycled for retaining walls and street furniture. Heritage buildings across the site have been restored and adaptively reused.

The Corporation firmly believes that both the buildings and the public domain need to meet high environmental standards. It has raised the bar when calling for the private sector’s involvement in the delivery of the built form, particularly for commercial office buildings. The Corporation now has a minimum standard of four star Australian Green Building Rating (AGBR) / 4½ Green Star ratings.

## 9.4 Governance Achievements

The HDC has always maintained the highest standard of probity and compliance meeting and exceeding the requirements of the NSW government, the ICAC and the ASIC in terms of procurement, tenders, reporting, fiscal responsibility and probity. HDC always met its reporting requirement on milestones to the National BBC Committee and has sought to keep the community aware of its progress and achievements.

From the earliest days the community has always had a sense of ownership and sustained a strong interest in the project and its outcomes. HDC has been committed to communicating with its stakeholders and community. HDC has good relationships with other regional agencies and Newcastle City Council. It has regularly worked collaboratively with Council and others to develop policies and programs around such issues as housing, public art, the cruise ship industry, environmental design, treatment of the public domain, place activation and cultural development.

Given the sunset nature of HDC as an organisation, a framework and agreement for 'handing over' of public assets to Newcastle Council was developed to ensure that the community 'inherited' assets of the highest possible standard and they were aware of their ongoing responsibilities. Therefore, issues of asset maintenance and preservation were carefully considered at the design and construction stages so that the most sustainable outcome was achieved.

BBC funding enabled HDC to put in place the planning framework and controls, develop the necessary policies and programs, remediate sites, restore heritage buildings and put in place necessary infrastructure to the extent that it has built a sustainable financial platform for the years following the conclusion of BBC funding streams.



Photography courtesy of the Forum



The Forum Health & Wellness Centre, Harbourside



## 9.5 Strategy Lessons

Along with its achievements the Honeysuckle Project, BBC and more generally government and the private sector have suffered a lack of success and in some cases failed to address some issues and constraints. While in many instances the city needs to do more of the same, it also needs to do additional and different things to achieve wider success. Knowing what has and hasn't worked, where more focus is needed and where the gaps are, has helped to provide the direction for the next stage of renewing the city centre and may well provide lessons for other cities.

Perhaps the overriding lesson is that sustained decline, persistent obstacles to development and major structural change will not be overcome without government intervention. Further, those interventions should be targeted where they will generate private sector development investment if the process of renewal is to be sustained. The Honeysuckle experience demonstrates that where these issues were aggressively and strategically tackled both with government reinvestment and policy improvements, change has occurred. Those issues not addressed have continued and worsened.

### 9.5.1 Alignment of government policy and actions

While sites on Honeysuckle and across the CBD are still available for development, the project to date has failed to create a new market for businesses or agencies to locate in Newcastle's CBD. The Honeysuckle Project and offsite developments have attracted organic growth rather than autonomous new growth. The masterplan clearly targeted such new investment and relocations with the aim of reducing growth pressures on Sydney and the Central Coast. The BBC focus was on land supply with a "build it and they will come" philosophy. What was lacking was a tenable demonstration by government that 'decentralisation' can and does work to bring benefit to business and government. BBC investment in supply of sites would have been more effective if matched with targeted and credible relocation of government departments or sections. BBC was intended to be a demonstration project and needed government to demonstrate its belief in the outcomes in two ways: firstly, by committing to relocations of its own departments and agencies along with monitoring and reporting on the cost and service impacts of such moves; and secondly, by realigning government policy to support private sector decision making through initiatives such as a tax, pricing and approvals policies.

Future renewal programs must align all related policy and programs to the aims of the program to maximise outcomes. This is not a call for politically motivated relocations but openness - indeed a policy and funding commitment to explore and implement viable demonstration programs. A survey of new Honeysuckle tenants provides testament to the operational advantage of their relocation from other CBD sites. It is logical that the cost and operating benefits of relocation from prime Sydney CBD or regional metropolitan locations would be more significant.

An opportunity was lost in 1997 when the State and Federal Governments provided economic development incentives in the wake of the BHP decision to end steel making in Newcastle. Honeysuckle Project sites were ready to be brought to the market but the "Hunter Advantage Fund" focused on manufacturing business and was not directed to the tertiary sector. The positive impacts of this funding was, however, clearly evidenced at the Newcastle Fishermen's Co-Operative where it contributed to the establishment of the Fishermen's Co-Operative processing and wholesale facility.

The need to support urban initiatives and programs by aligning other relevant policies and programs, and the need to show leadership and demonstrate commitment by action is not only the responsibility of State and Federal Governments. Equally, local government and regional planning must support cities strategies and programs.

The Lower Hunter Regional Strategy does identify Newcastle as the Regional capital and primary employment and service centre. However, the continued expansion of sub regional centres, the development of quasi office and commercial parks and approval of significant development more appropriately located in the CBD do little to support this strategy.

### 9.5.2 The ability to control property and deliver strategic investment

It is private sector investment that will deliver sustainable growth and commercially viable outcomes, however, it is the direct intervention of governments in the market that sets the direction for the kind of growth that has been planned strategically and endorsed by the community. Newcastle has learnt this lesson in regard to the revitalisation of the retail sector in the CBD.

Governments and the community were clear that they wanted to see the reinvigoration and growth of retailing in the CBD. The issues preventing this were also clear:

- Growth of regional centres
- Growth of bulky goods centres
- Technology change
- Distances from population growth areas
- Lack of market differentiation and entertainment offer
- Poor car parking relative to alternate options
- Poor customer amenity
- Lack of focus and concentration of activity
- Poor branding and identity
- Lack of adequately sized sites and building for significant traders/developers to invest
- Disparate and multiple property ownerships
- Absentee landlords
- Traffic and access issues
- Destination location
- Falling residential and office populations

While policies and programs addressed some of these issues substantial growth and change has not been achieved. The real solution required:

- The amalgamation of sites
- The development of a critical mass of concentrated development
- Improvements to access and car parking
- Development of an overall brand, destination marketing and coordinated management framework

This simply could not be achieved by local government or groups of traders and operators. This kind of development either needed to be located at Honeysuckle or driven by a major development entity. Given the implementation of the masterplan on the premise that this would not be Honeysuckle's role, the recent GPT proposal for redevelopment of the Hunter Street Mall area appears to be the city's most realistic option to achieve this outcome. This conclusion is not about supporting GPT as an entity but supporting the kind of entity that can resolve the inner city's retail decline.

### 9.5.3 Upfront government investment in brown field renewal projects

Although much of the work at Honeysuckle was seen as site preparation for private sector investment it should equally be seen as responsible remediation of government owned lands which were contaminated by the operations of publicly owned facilities, where buildings were not maintained and allowed to fall into disrepair. To expect the private sector to bear this burden is unrealistic and inconsistent with state policy in an environment where the economy is stagnant and investment imperatives low. The corollary to this, however, is that if government is going to invest community funds it is obliged to deliver community benefits as an outcome.

Initial development in each of the Honeysuckle Project precincts benefitted from BBC funding used for remediation and restoration work so that sites could progressively be brought to the market in accordance with the masterplan. If the government had failed to reinvest in the project in this way prior to taking sites to the market, private sector developers would likely have considered the investment unviable at best at that time. Or development would have resulted on the site which delivered the developer the highest and best use (profit) but perhaps not uses supportive of the city's desire for growth and renewal and potentially inconsistent with the masterplan.

### 9.5.4 The market doesn't always deliver the outcomes sought

Acknowledging that the market does not always generate the economic and other outcomes sought is fundamental to strategies for urban renewal. Having a plan, and the resources and timeframe to 'stick' to the plan are essential ingredients to successful programs. This lesson has been demonstrated through the BBC program at Honeysuckle as follows:

- Developer sought to offer higher values for development sites at Linwood which would have altered the social and urban design outcomes and were not accepted by HDC.
- Proposals called for the first site release in the Honeysuckle Precinct (the resultant Becton development) would not have generated a hotel development without that use being prescribed in the tender documents.
- Market pressure alone would have seen Cottage Creek developed for residential use and the heritage buildings alienated from public access and used for private offices.
- The private sector would not have invested in dredging Throsby Creek, improving Hannell Street or the replacement of Carrington Bridge.

### 9.5.5 Supply alone does not always generate demand

The story of Honeysuckle demonstrates that supply of infrastructure and land alone does not generate demand or development. While government programs to facilitate urban growth and renewal in key urban areas should focus on ensuring an adequate supply of appropriately zoned and serviced land the take up of these opportunities requires more direct action on the demand side. This is clearly evidenced at Honeysuckle and the following examples demonstrate the need for future programs to recognise the need to stimulate and supply demand as well as supply:

- Marketing of Carrington and Linwood residential sites were initially undersubscribed and required heavy discounting (less than real development cost) to achieve private sector participation. Price or subsidy generated demand not supply.
- Several calls for proposals for the development of the marina site failed to attract commercial options despite extensive site works and approvals being in place.
- It took 15 years to attract a sustainable cultural/community use to the railways workshop buildings.
- HDC has provided sites which have led to the development of in excess of 45,000m<sup>2</sup> of new office space in 15 years. There is still capacity for some 125,000m<sup>2</sup> of commercial floorspace on Honeysuckle sites alone.
- New commercial office developments on Honeysuckle catered for the demand in organic growth and expansion generated by existing businesses, but this development has not generated a demand for new, external investment in offices for relocations from outside the region.



### 9.5.6 Infrastructure is fundamental

While the supply of land and infrastructure alone does not generate demand, investment and renewal, infrastructure is often the fundamental stimulus that drives development. Private sector development may not have occurred on Honeysuckle, or could have occurred with potentially very different outcomes, without the following public investment in infrastructure:

- The relocation of Newcastle Commercial Fisherman's Co Operative
- Deepening and narrowing of Throsby Creek
- Reclamation of land for public open space in Linwood and Carrington
- Restoration of heritage buildings
- Realignment and landscaping of Hannell Street and Honeysuckle Drive
- Development of the marina
- Site servicing at Carrington and Linwood
- Restoration of seawalls

Conversely a lack in investment in infrastructure can create an obstacle to investment growth and renewal:

- Failure to deal with the barrier created by the rail line has negatively impacted on development on the southern side of the rail
- Investors perceive indecision on the rail as an obstacle to investment
- Community surveys underscore the negative impact of governments failure to deal with traffic management and pedestrian access issues
- Failure to provide adequate parking has impacted on investment levels
- The potential of the city cruise ship and conference market is constrained because of a lack of infrastructure

### 9.5.7 Investment in the public domain is critical

Development of the public domain and the incorporation of public art is a critical success factor in urban renewal. Planning of the public domain sets the framework which private sector development can 'fill-in'. It is the design and treatment of the public domain at both a macro and specific levels that defines the amenity, functionality and character of the city. What most of the community enjoy but have come to 'take for granted' was very carefully planned by HDC's urban design team and ensured in planning documents. The character of Honeysuckle has come to be defined by elements such as:

- The alignment of Honeysuckle Drive and the preservation of the view corridor from the road to Nobbys
- The new parkland and alignment of Throsby Creek
- The creation of Harbour Square
- The restoration and treatment of the cartilage of the Railway Workshop buildings
- The use of integrated, subtle and often 'quirky' public art
- The urban design framework for office development that has created a sense of unity with diversity
- The strong landscaping link north south from the Maritime centre through to Civic Park

Investment in the public domain should also be ongoing with issues such as asset preservation, maintenance and asset transfer considered from design stage and provided for in ongoing budgeting. Parts of Newcastle's inner city suffer from the reality and perceptions of anti social behaviours. In part this relates to the quality and maintenance of the public domain. A vicious cycle of vandalism, graffiti and building deterioration, vacant shops, alienation of spaces and disinvestment has occurred in places such as the Hunter Street Mall. Spaces such as Harbour Square which have been well planned and delivered at a high standard of finish, where lighting is good and maintenance level, are high, attract large numbers of people. People attract people and generate a virtuous cycle of reinvestment.

### 9.5.8 Planning needs to be clear and consistently pursued

While planning has to provide the flexibility to attract private sector investment and innovation it also is needed to provide direction and confidence in the market.

### 9.5.9 Timing and the ability to wait for the right use is critical

Visions and masterplans are powerful motivators to achieve community consensus and support. Similarly they provide the development sector with a sense of clarity and confidence about the direction of a project and the context of individual and progressive investments towards an ultimate outcome. The problem with visions is that they are by nature long term. Often the use described in a vision or masterplan, while entirely appropriate and strategic, is also 'before its time' and not financially sustainable in the existing market. It is often the role of government to protect those visions. Government can do this by protecting the spaces required for the envisioned uses to be achieved at the appropriate time in the future, support temporary 'holding' uses to activate spaces until the market catches up with the vision, or underwrite or subsidise the proposed uses until they become self supporting. BBC funds and HDC have shown the value and success of these roles for government.

The masterplan established the functions of the Honeysuckle Railway Workshop precinct and called for the restoration of heritage buildings and their use for community and or cultural uses that would generate high volumes of visitation, activation and a vibrancy that would set the tone and character of the area. While the planning was clear the market could not sustain these uses and pay a commercial rent. Despite offers of commercial rent for other uses, HDC subsidised the use of markets in the heritage railway buildings for almost ten years. HDC then accepted a less than optimum sale to achieve a long term cultural use in the form of the Newcastle Regional Museum.

On the adjacent Merewether Wharf site HDC accepted a less than optimal market value for the site to ensure its development as a hotel. Market forces alone would have delivered residential development on the site where now the Crown Plaza operates.

Sites in Cottage Creek precinct for which there was a strong residential development market have been held and progressively released to ensure the development of commercial office space in keeping with the masterplan.

### 9.5.10 Benchmarks, monitoring and reporting

The preparation of this report and evaluation demonstrates the clear need for improved rigor in the establishment of upfront benchmarks and targets. It underpins the importance of regular monitoring and reporting of performance against these metrics. Equally, it has demonstrated the importance of providing adequate time for investments, policies and programs to deliver outcomes, many of which have taken almost two decades. Further, the outcomes delivered are complex and interrelated, not all were expected or predetermined, many are perceptual and difficult to measure and assess. Story telling is equally as important as quantitatively based assessments of performance.

### 9.5.11 Streamline management with a lead agency

The contradiction of managing the delivery of an urban development or renewal program is in acknowledging that urban spaces are complex, multi-dimensional and integrated, while realising and accepting that their success lies in strong control, coordination and simple processes. The Honeysuckle Project points the way to future models of management through both its successes and failures. Its successes show the importance of:

- High levels of local interagency support
- Direct lines of communication with the responsible minister
- The establishment of a broadly based private sector strategic board to over see the project
- A level of continuity of board membership over time with a commitment to the vision
- Establishment of working groups of key stakeholders
- Planned progression from grant funding to self funding
- Maintenance of strong probity and governance processes
- High levels of local direction setting and operational independence

Areas where BBC structures and Honeysuckle could be strengthened include:

- Greater high level government commitment to elements of the masterplan
- Evolution of organisational and board structure to reflect the evolution of the project
- Lack of over all coordination responsibility for all outcomes
- Establishment of agreed relationships with local government from the outset

### 9.5.12 Invest in research, planning and policy development

While BBC funding was announced in 1992 real tangible progress was not evident to the community until ten years later with the opening of the Crowne Plaza Hotel, Boardwalk apartments and Sparke Helmore offices. For ten years elements of the community and business asked "when is something going to happen?" Things had been happening but they were not in the vicinity of the precinct the community understood to be Honeysuckle and promised images and changes were not obvious. The process of researching, planning and developing a policy framework are often viewed as government procrastination and bureaucracy. Another ten years on and those criticisms are far less often heard. The community and development industry now talk of the next steps and of what wasn't done.

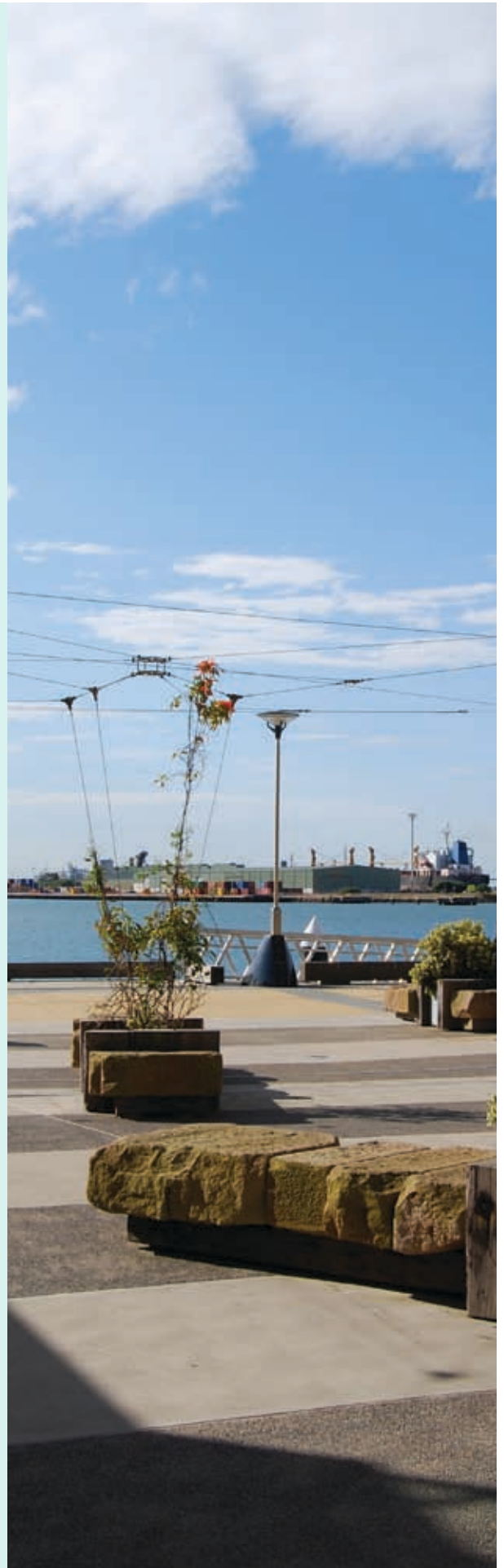
The same will no doubt be true of any subsequent renewal strategies for the inner city of other cities. The need to invest in planning research and design will be no different nor will the criticism, but it is an investment that delivers quality results.



### 9.5.13 Take a spatial, holistic approach recognising the connected up outcomes

A major factor contributing to the success of the Honeysuckle project and its impacts on the inner city relate to the size of the project. The fact that Honeysuckle projects spanned over some 50 hectares of land and encompassed a wide range of uses was important to its success in the following ways:

- When market cycles favoured different development sectors the HDC could target its offering to the market ensuring development continued in accordance with the masterplan but also with the market (often residential and office markets were offset)
- Establishment of an overall plan for the area's public domain enabled the project to have a significant visual impact and set a character taken up by surrounding locations.
- Policies had sufficient application or enough critical mass to have a real impact (e.g. public art policy)
- The project could sustain significant investments in environmental and public domain works to generate financial returns (Throsby Creek and Linwood)
- Honeysuckle was always seen as part of the CBD and attempted to fill gaps in the CBD rather than duplicate existing functions or spaces (focus was not on retail)
- Infrastructure investments were designed to deliver multiple and diverse outcomes (e.g. Throsby Creek dredging)



## 8 Moving forward – 2009 Newcastle City Centre Renewal Plan

The 2009 Newcastle City Centre Renewal Report builds on the successes and lessons of the Building Better Cities program and the subsequent development of the Honeysuckle Project and the inner city.

### 10.1 Alignment of government policy and actions

The 2009 Newcastle City Centre Renewal Report reinforces the need to align wider government policy with inner city renewal strategies, including:

- the location of the NSW and Federal Courts in the civic /central precinct
- transport planning and action- removal of the rail to Wickham
- government demonstration of office relocation
- coordination of interagency/government actions and policies around issues such as mine subsidence and heritage
- facilitation of inner city housing
- inner city traffic management and parking policy and expenditure
- traffic in the Mall
- asset maintenance and preservation of the public domain
- priorities of the City Centre Improvement Plan
- development approvals and conditions for significant retail/ commercial development
- government levies and taxes on development

### 10.2 The ability to control property and deliver strategic investment

The 2009 Newcastle City Centre Renewal Report identifies the development and expansion of the University of Newcastle's inner city campus as a strategic driver and priority. The government's ability to deliver this strategic outcome may require it to support the University in gaining control/ ownership of the sites necessary for this to occur over time. It may mean that government has to financially facilitate the 'land banking' of sites for periods of time to ensure the opportunity is not lost.

Similarly, the development of cruise ship and conference facilities will require appropriate inner city and waterfront sites which are owned by the government.

To ensure long term flexibility in delivering transport and urban design outcomes the report also recommends that the rail corridor remain in public ownership.

### 10.3 Upfront government investment in brownfield renewal projects

The 2009 Newcastle City Centre Renewal Report reinforces the planning concepts of the masterplan based on the most recent data and analysis and recommends government investment in transport, the public domain, conference and cruise ship projects. It also supports the view that these tourism and transport opportunities will not be realised without such upfront government investment.

Equally, government is called on to demonstrate the potential advantages of locating in regional centres by investing in the relocation of their own agencies and facilities.

### 10.4 The market does not always deliver the outcomes sought

The 2009 Newcastle City Centre Renewal Report calls for government initiatives to ensure outcomes which might not otherwise be achieved by the operation of the market alone, including development of:

- a cruise ship facility;
- expanded conference facilities;
- the University of Newcastle's inner city campus;
- location of the Legal/Justice precinct at Civic;
- decentralised government offices; and
- a terminus/interchange facility at Wickham

### 10.5 Supply alone does not always generate demand

The 2009 Newcastle City Centre Renewal Report acknowledges that for many of the proposed outcomes to be achieved, it will be necessary for government to do more than supply the required land to the market and calls for action to generate demand through financial or facilitation incentives.



## 10.6 Infrastructure is fundamental

The 2009 Newcastle City Centre Renewal Report positions the proposed GPT development of the Mall in the wider context of 20 years of strategy and action to revitalise the retail functions of the inner city. Those strategies and actions have failed to deliver any substantial and positive change. In this context the importance of the success of the project is made clear. The report recommends government support for infrastructure projects such as the termination of the rail, improved inner city access and parking, opening up of the harbour to the city and opening up of the Mall to traffic, all of which have been identified by GPT as fundamental to the success of the project.

The report identifies the removal of the rail, the landscaping of the corridor and the construction of a terminus west of Stewart Ave at Wickham as the most significant infrastructure investments fundamental to the renewal of the city centre.

## 10.7 Investment in the public domain is critical

The 2009 Newcastle City Centre Renewal report specifies the need to plan and improve the public domain, most importantly the open space corridor that would result from removal of the rail and the north south connections across that space.

## 10.8 Planning needs to be clear and consistently pursued

Workshops with the community and the development sector, held as part of the consultation for the development of the 2009 Newcastle City Centre Renewal Report, confirmed the need for government to be clear and consistent in establishing and planning for the future of the city. A priority is the need to address the future of the rail so that the cycle of investigation, reporting and policy determination and policy change that has existed for almost 50 years is resolved.

## 10.9 Timing and the ability to wait for the right use is critical

The 2009 Newcastle City Centre Renewal Report recognises the strategic importance of the expansion of the University of Newcastle's inner city campus to the renewal of the city centre and also indicates that it could take up to ten years to complete. It recommends that it be the role of governments to ensure that sites are preserved and that planning frameworks support this iterative process. The report also states that the delivery of an improved inner city transport solution and the associated development of the public domain could also take up to ten years to complete. This is realistic and appropriate and would be communicated and managed from the outset.

Just as delivery timeframes will be lengthy so will the lead time for real change and improvement in the city centre's liveability and economic strength as the regional capital. Government policy and programs funded in Newcastle will therefore need to be delivered and supported over time – this has been the ongoing role of the HDC.

## 10.10 Benchmarks, monitoring and reporting

An important lesson from the process of developing the 2009 Newcastle City Centre Renewal Report has been the need to better measure and report on the key metrics of change over time and the need to review and celebrate the success of past programs as a building platform for future change. HDC is currently addressing these issues.

## 10.11 Streamline management with a lead agency

The 2009 Newcastle City Centre Renewal report recognises the need for a lead agency to ensure coordination of the recommended projects and management of stakeholder accountability in such a new process.



## 10.12 Invest in research, planning and policy development

The 2009 Newcastle City Centre Renewal Report identifies the key strategies for renewal such as the removal of the rail to Wickham, the expansion of the University of Newcastle's inner city campus and the improvement of the public domain but also recognises that there is considerable work which must be done prior to their implementation.

While investigations to date indicate that they are powerful and appropriate strategies, it is only once more detailed analysis, implementation models, design work and costings are complete that on the ground implementation can occur. Governments also need to parallel this work with actions that protect the planned outcomes and demonstrate commitment and confidence in the process and plans.

## 10.13 Take a spatial, holistic approach recognising the connected up outcome

The 2009 Newcastle City Centre Renewal Report recommends against a 'silver bullet', single focus solution. The report recognises that urban spaces are complex and that form and function are interrelated and cannot be treated in isolation.

The report calls for action in terms of land uses, connectivity and form, not as individual strategies but in concert to deliver holistic and multidimensional benefits.











Land and Property  
Management Authority



HDC

Hunter  
Development  
Corporation