



NEWCASTLE CITY CENTRE RENEWAL REPORT TO NSW GOVERNMENT

March 2009

The Hon Kristina Keneally MP
Minister for Planning
Parliament House
SYDNEY NSW 2000

The Hon Jodi McKay MP
Minister for the Hunter
Parliament House
SYDNEY NSW 2000

Dear Ministers Keneally and McKay

NEWCASTLE CITY CENTRE RENEWAL REPORT

It is with great pleasure that I present to you the Newcastle City Centre Renewal Report. As you would be aware this report is the result of an extensive consultation process, not only through the City Centre Plan, which forms the basis of this report, but also through the work of the Newcastle CBD Taskforce.

The Corporation's report has been developed in close cooperation with the members of the Project Control Group (PCG) that I established once the Minister for the Hunter directed us to produce this report. The members of the PCG included the following:

Hunter Development Corporation

Newcastle City Council

Department of Premier and Cabinet

Department of Planning

Ministry of Transport

The PCG has endorsed this report and it has been formally adopted by the Corporation's Board.

The PCG was assisted by the Urban Design Reference Panel consisting of representatives of:

University of Newcastle

Cox Richardson

EJE Architecture

Suters Architects

Department of Planning

The Corporation called on the expertise of Urbis and Parsons Brinckerhoff for detailed analysis on the catalyst projects that had been identified as part of the community consultation undertaken by the Task Force.

The report details a Strategy involving four key projects including:

- the relocation of 60,000m² of University of Newcastle's faculties to the city;
- the relocation of State and Federal Justice facilities to the City's Civic Precinct;
- an improved integrated public transport system that involves a new station / terminus at Wickham; and
- investment over time in the city's public domain.

I look forward to Government's consideration of the report.

Yours sincerely

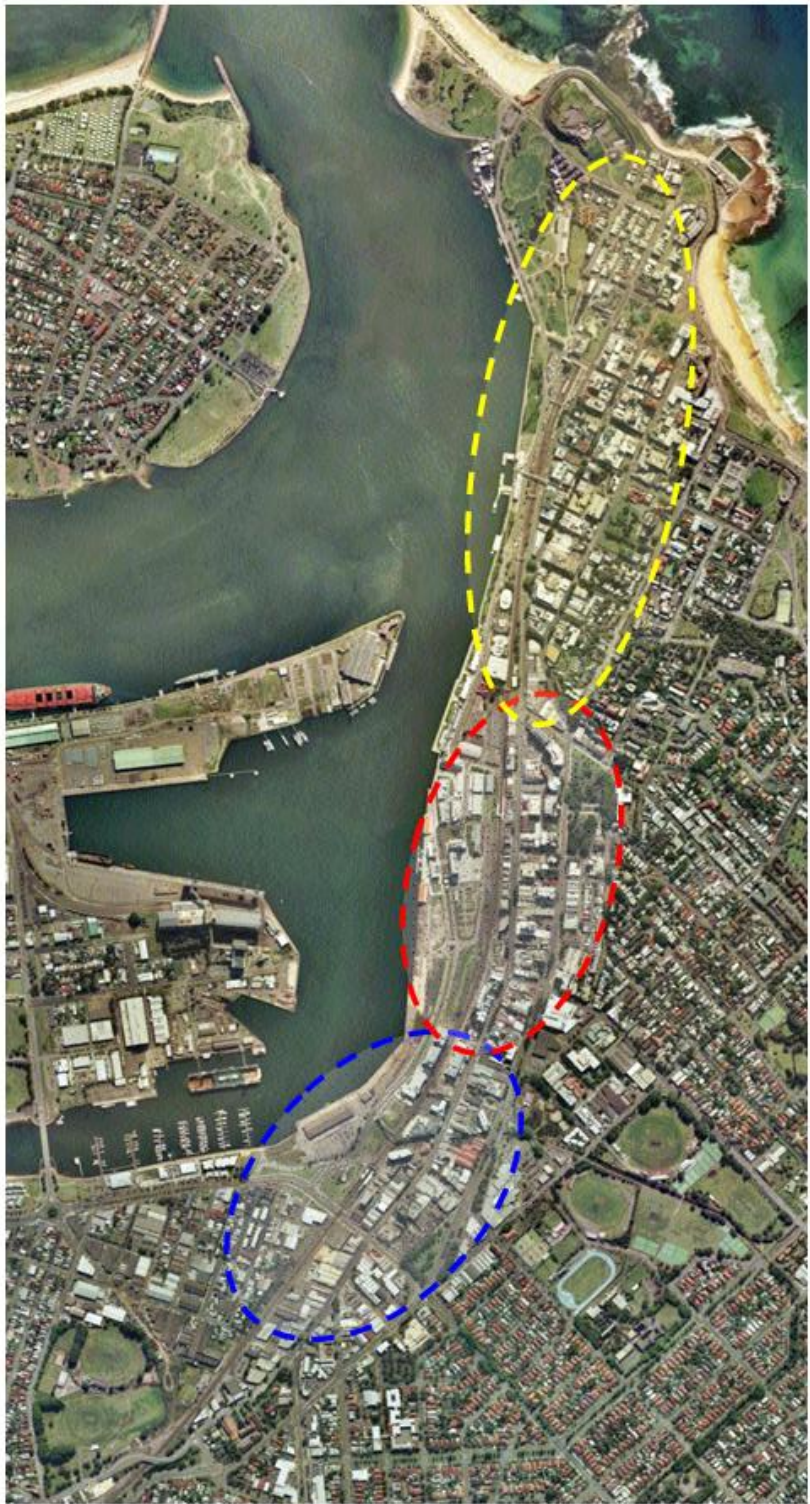
A handwritten signature in black ink, appearing to read 'C. Norman', is written over a thin red vertical line.

Craig Norman
GENERAL MANAGER

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Newcastle CBD – Strategic Plan



New Business Centre Cultural/Civic/University Precinct Tourist/Residential/Retail/Heritage Precinct

Recommendations

1. The strategy, as outlined in this report, is endorsed recognising that it provides a framework to target public and private sector investment for job creation, provides a focus on sustainability, public domain, connectivity and integrated public transport outcomes as development projects are brought forward and improves economic growth in Newcastle.
2. A strong preference be given to the State Attorney General's Department to relocate its justice facilities in Newcastle's Civic Precinct as a matter of priority.
3. The NSW Government encourage the Federal Government to relocate its justice facilities to the same area as the State's in the Civic Precinct, as a matter of priority.
4. The NSW Government publicly supports the staged relocation of approximately 60,000 m² of the University of Newcastle's faculties into the CBD in accordance with the strategy. This will bring up to 8,000 students and 1,000 staff to the city, injecting sustainable economic and social benefits.
5. The NSW Government recognise the importance of improving connectivity in the city by:
 - a. recognising the need for an improved integrated public transport system in the city and connections to key regional facilities;
 - b. committing to the detailed investigation and design work necessary for the removal of the rail line to Wickham and creation of a new terminus at Wickham;
 - c. ensuring that the transport corridor remains in public ownership to be made available for public uses such as shared pathways and public domain spaces;
 - d. allowing new north – south connections for vehicles, pedestrian, cyclists and all abilities through the corridor, to enable the city to reconnect to the waterfront, improving the liveability, safety and sustainability of the city.
6. The NSW Government revise its policy of retaining the rail line to Newcastle Station, subject to a Rail Operations Plan, Concept Design Plan and costing estimates for a new terminus at Wickham, west of Stewart Avenue being prepared.
7. Subject to the outcomes of Item 6 above, the NSW Government oversee the preparation of an Integrated Transport Action Plan that takes into account the changed circumstance around the implementation of the new terminus and the response required by other public transport modes such as the public bus system and commuter carparks. This Action Plan will include further detailed planning on appropriate locations for commuter car parks in key regional locations.
8. Support be given to the tripartite development and implementation of a Public Domain Plan, which includes the future of the rail corridor, the proposed terminus, north - south connections, opening of the Hunter Street Mall to traffic, Hunter Street improvements and an expanded and integrated public space network.
9. The strategy forms the basis for any submission to the Federal Government and that a submission for funding for the implementation of infrastructure and catalyst projects within the strategy be made as a matter of priority focussing upon:
 - a. an improved public transport system, the construction of a new rail terminus at Wickham;
 - b. the relocation and expansion of the University of Newcastle's campus in the city centre;
 - c. the relocation of the State's justice facilities to the Civic Precinct;

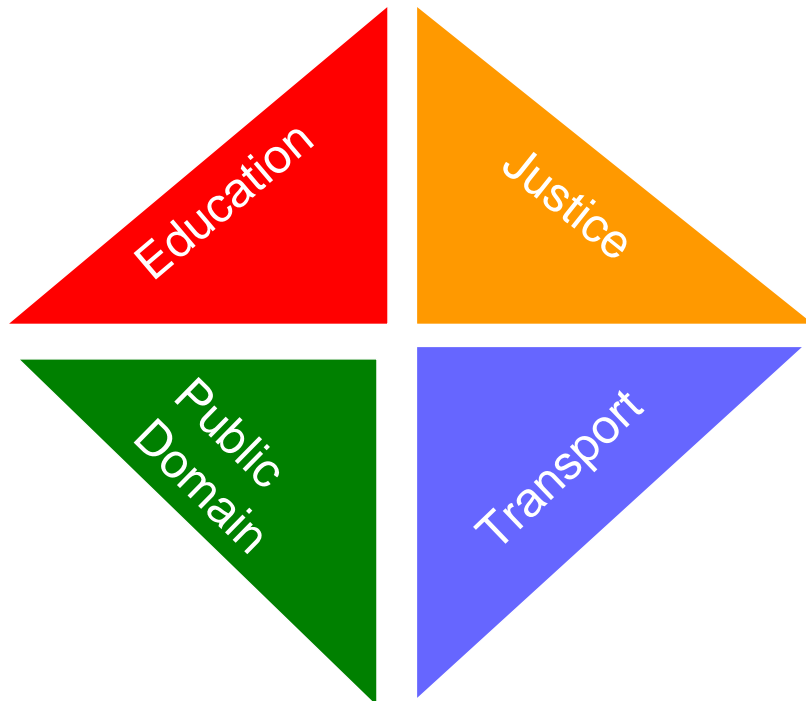
- d. staged delivery of the public domain plan in accordance with overall development in the city.
- 10. The NSW Government commit to further detailed planning and feasibility work to support these catalyst projects as outlined in Section 4 of this report.
- 11. The NSW Government recognise that the benefits of the preferred rail option (removing heavy rail line to west of Stewart Avenue) continue to outweigh the costs as demonstrated by a Cost Benefit Assessment process conducted by Urbis and is considered to be a preferable investment of community capital. These results are strongly influenced by the Education catalyst project and the GPT retail proposal.
- 12. Note that by pursuing the catalyst projects, up to 4,700 direct jobs and 7,014 indirect jobs will be created through the construction phase, with approximately 2,425 full and part time jobs ensuing and an injection of 8,000 students into the city. The multiplier effect of committing to the catalyst projects through the construction phase alone will generate in the order of \$1.4 billion of economic activity (source Urbis, 2009).

Executive summary

- ❖ Newcastle's CBD has significant potential, however, it also has persistent barriers, problems and constraints.
- ❖ Its potential, at the local and regional level, is to become a more vibrant, safe, and liveable place that offers an increased range of jobs, services, entertainment and retail options.
- ❖ At the state and national levels it has the potential to offer a viable and sustainable alternative to continued growth of the Sydney Metropolitan and Central Coast areas and through growth, productivity and innovation contribute to the wealth of the nation.
- ❖ The community and government have recognised that just doing 'more of the same' won't overcome or resolve these problems– it won't unlock Newcastle's potential.
- ❖ The Newcastle City Centre Plan is a strong platform but in itself is not enough. The Plan will not be realised by the private sector without action and intervention by governments.
- ❖ The recent consultation process carried out by the CBD Taskforce has shown that the community, business and planning specialists agree - the status quo is no longer an option. Governments have a strong mandate to intervene.
- ❖ The strategy, as outlined in this report, provides the foundations for moving Newcastle forward in partnership over the next 20 years.
- ❖ The strategy is clear. Newcastle's CBD needs catalytic projects to attract jobs, services, business and investment. The competitive advantage of the city needs to be unlocked through greater focus on sustainability, better urban design, improved public spaces, more responsive transport and connectivity on all levels. All levels of government, the community and the private sector have an opportunity to act now to effect substantial positive change.
- ❖ *Three key catalytic projects drive the strategy outlined in this report: relocation of 60,000m² of University of Newcastle's faculties to the city; relocation of State and Federal Justice facilities to the city's Civic precinct; and investment over time in the city's public domain. These catalyst projects require a public transport response: an improved integrated public transport system that involves the removal of the rail line to Wickham to immediately address the city's connectivity issues*
 - The State and Federal Governments have the ability to commit to the establishment of a Justice Precinct at Civic which will create an anchor and a critical mass to drive and define the core of the CBD.
 - This commitment to a Justice Precinct will underpin the relocation of the University of Newcastle's law faculty to the CBD and the potential for more social sciences to follow, involving some 8,000 students and 1,000 teaching staff and the subsequent employment and investment multipliers. Government can proactively support this process.
 - Government can begin the longer term process of restructuring its public transport system in the city to better serve the community of the future, bringing the heavy rail line to its perimeter and committing to a bus system that continues to respond to the city's

needs and connections at a regional level. This will vastly improve sustainability, connectivity, safety, liveability and the vibrancy of the city.

- All levels of government can plan for and implement a world class public domain which helps define, connect and activate the city centre.



The economic impact of retaining the rail line (with additional pedestrian crossings and an overpass at Stewart Avenue) and the preferred option of removing the rail line to west of Stewart Avenue and creating a new terminus at Wickham have been tested.

By retaining the rail line (with additional pedestrian crossings and an overpass at Stewart Avenue) the Net Present Value of doing so is -\$182.2 million (under a discount rate of 7%). Under the higher and lower discount rates the costs continue to outweigh the benefits. Even when the cost to construct an overpass over Stewart Avenue is excluded the costs continue to outweigh the benefits. The costs and benefits have been measured by a Benefit Cost Ratio (BCR). And this option results in a BCR of 0.36.

The preferred rail option results in a Net Present Value of +\$163.4 million. The benefits of the preferred rail option continue to outweigh the costs under the higher and lower discount rates. The BCR under this option is 1.25. The higher the BCR the more superior the option. Thus comparing the preferred rail option with the retention option indicates that the preferred rail option is the superior choice.

With the right vision, planning, action and resources the Newcastle of 2023 could be a:

- ❖ vibrant university city, attracting domestic and international students;
- ❖ city nationally recognised as a centre of business excellence based on research and learning;
- ❖ city providing high-order retail, legal, health and business services thus becoming a robust region;
- ❖ regular destination for international cruise ships and conference delegates;
- ❖ home to 150,000 residents who enjoy a vibrant, safe and affordable lifestyle;
- ❖ user-friendly city with great public transport, highly accessible, bike and pedestrian friendly;
- ❖ city connected to the nation and the world by rail, road, sea and air;
- ❖ city standing ready with a 40,000 seat capacity venue to welcome teams of the FIFA World Cup;
- ❖ city known for the quality of its heritage buildings, its new architecture, its public art, public domain and the beauty of its coastline.

This reports calls for commitment from the three levels of government requiring funding and resourcing for up to a ten to fifteen year span, which will significantly enhance Newcastle's regional role and, ultimately, benefit the national economy.

Section 1 – Background and context

This section outlines the context in which the issues facing Newcastle are being debated and the reasons behind the growing momentum for change in Newcastle. It also outlines the great natural, lifestyle and economic attributes of the city and region as well as the opportunities, challenges and barriers it faces.

1.1 Process to date

Decades of decline despite a thriving regional economy

The observation has so often been made in recent years that while Novocastrians love their city, they are embarrassed at how some parts of it have decayed dramatically. Visitors have remarked that they were stunned at the lack of a sense of arrival when alighting at Newcastle Station, prompting them to ask “where is the CBD?”.

What makes this harder to understand is that Newcastle is flanked by world class beaches and a sparkling working harbour, is blessed with an excellent climate and is surrounded by prime agricultural districts, Hunter Valley wineries; with the popular Lake Macquarie and Port Stephens all a stone’s throw away. In addition, the increasingly diversified regional economy has been a key driving force behind the State’s economy.

Notwithstanding these substantial attributes, the Newcastle City Centre has been in serious decline for several decades, despite the very successful revitalisation of most of the Honeysuckle harbourside.

In August 2008 the Office of the Coordinator General, NSW Government, announced the results of a feasibility study into the use of modified light rail into the CBD. While the study concluded that modified light rail, as proposed at that time, would not deliver better transport outcomes, the Government recognised that there were several projects on the drawing board – a State feasibility study into a new Justice Precinct, Commonwealth investigations regarding new court facilities and a \$650 million retail development proposed by General Property Trust (GPT) – that required a coordinated, strategic planning approach. Hence the Government announced the formation of the Newcastle CBD Taskforce.

Newcastle CBD Taskforce

The Newcastle CBD Taskforce undertook extensive community and business consultation from September to December 2008, holding key stakeholder and public forums and receiving letters and submissions from individuals and groups.

Further consultation was conducted by the Hunter Valley Research Foundation on behalf of General Property Trust (GPT) regarding the rail line while the Minister for the Hunter invited community participation in debates about a range of related matters via the ‘Bang the Table’ web-based community consultation tool.

There was widespread support that the city needed positive intervention; that the rail line in *its current form* was a physical and psychological barrier; that the city was in need of an improved structure and

greater connectivity if it was to grow and attract investment. There was also widespread acknowledgement that Newcastle was failing to fulfil its role as a vibrant, safe, liveable and economically robust regional capital.

After assessing the information provided by the CBD Taskforce, the Government adopted a more open stance to the transport and connectivity challenges facing the city, saying that “all options were on the table” and should be thoroughly investigated.

Further investigations and preparation of this report

In December 2008 the Minister for the Hunter directed the Hunter Development Corporation to take the leadership role in advancing the work carried out by the Newcastle CBD Taskforce. In progressing the mandate provided by the Minister, a Project Control Group was established comprising the Hunter Development Corporation (chair), Newcastle City Council, Department of Premier and Cabinet, Department of Planning and the Ministry of Transport.

In addition to forming a Project Control Group, the Hunter Development Corporation put together two comprehensive consultancy briefs – an Economic Impact Assessment and Integrated Transport consultancy - designed to provide a structure for detailed investigation by relevant specialist consultants of the options put forward during the consultation phase. The findings from these reports are detailed in Section 2 of this report.

The Project Control Group met regularly to oversee and guide the consultancies and participate in a two day workshop with the consultants and a special Urban Design Reference Panel comprised of eminent urban design professionals.

The Project Control Group considered the economic, social and structural issues facing the city with a view to formulating a strategy to achieve its potential to act as a regional capital. The strategy, which is consistent with the vision set out in Newcastle’s City Centre Plan, provides greater structure around the city’s functions. It acknowledges that there are three major precincts which need to be recognised in order to focus investment, growth and public domain opportunities in order to develop regional city functionality.

The process of developing the strategy, outlined in Section 3 of this report, was guided by some key principles:

- ❖ The strategy should build on the City Centre Vision.
- ❖ Catalytic projects and existing core uses should drive city form and strategy sequencing.
- ❖ Urban design and public transport should support and enhance the core roles and functions of the CBD.
- ❖ Projects and plans must be underpinned by their economic, social, environmental and governance outcomes.
- ❖ The lessons of other CBDs should be explored but the uniqueness of Newcastle protected and celebrated.

- ❖ The strategy should drive private sector investment and long term implementation.

The strategy will:

- ❖ Assist greatly in explaining to the community decisions that are required in order for the city to enhance its status as the second largest city in NSW;
- ❖ Act as an important tool for the development industry to understand where opportunities lie for the private sector; and
- ❖ Assist governments focus on key projects that can be delivered that will make a substantial inroad to achieving key elements of the strategy.

In summary, the intensive process that has been undertaken has revealed that:

- ❖ Physical barriers, including geographical constraints - primarily the existing rail line - have caused the city to become extremely elongated and poorly connected, especially to one of the city's greatest assets, its waterfront;
- ❖ The physical and psychological barrier of the existing rail line impedes investment and growth and prevents the city functioning in a cohesive manner; and
- ❖ The city lacks a centre that is capable of generating critical mass, catering for the higher order functions expected of a regional capital city.

However:

- ❖ Significant projects are available, both private and public, that if properly coordinated and funded, would generate important physical changes in the city, and act as a catalyst for economic growth and further multiplier effects benefitting the city and the region's economy.

1.2 Newcastle in context

Cities are the power houses of the nation. Cities in Australia are home to 80% of the population and generate 80% of the nation's GDP. The best cities in the world have many things in common. They are concentrations of dynamic commerce, culture and lifestyle. Australia's ability to compete on a global scale depends greatly on the quality, diversity, productivity and innovation of its cities. Australia's urban offering is diverse and its competitive advantage relies greatly on this diversity and choice. Individuals, families, businesses and clusters make their location and investment decisions on different criteria and it is imperative to the future of the nation that its major cities offer the options that will satisfy those choices.

Newcastle will never be a New York, a Sydney or a London. It does not need or want to be. It aims to satisfy a different niche in the market, one which is none the less socially, economically and environmentally important. Its potential is not only to provide a better quality of life to some 600,000 residents in the Hunter Region but to contribute to the diversity, innovation and productivity of the nation's urban network.

Newcastle is situated on the port that is the world's largest coal export port, exporting over 90 million tonnes in 2008. By 2007, the throughput via its regional airport exceeded 1 million passengers. The airport is continuing its expansion plans to cater for predicted domestic and international growth.

Its education and health care facilities are world class and serve a population of approximately 600,000. Newcastle is a nationally recognised centre for medical and environmental research.

Newcastle is culturally rich, producing internationally acclaimed dancers, visual artists, stage and film actors, rock bands and even concert pianists. Performers perhaps only rivalled by the achievements of the city's sportsmen and women. It is a city of pride and character.

Newcastle's harbour and beach-side location, its rich Hunter Valley hinterland, the unique beauty of Lake Macquarie to its immediate south and Port Stephens at its northern door step make it a world class location for those individuals and businesses that prefer a less metropolitan, less congested environment.

The Federal and State Governments have recognised the city's role and potential through investments in facilities such as Energy Australia Stadium, Hunter Medical Research Institute, the Honeysuckle project and the former BHP steelmaking site.

The NSW Government has also recognised that strategically, Newcastle as a regional centre is capable of taking pressure off Sydney. The possibility exists to refocus some agencies / employment opportunities to Newcastle, thereby redirecting Central Coast commuters to Newcastle, reducing growth pressure on Sydney and mitigating the loss of investment and jobs off shore.

While many analysts reported the closure of BHP's steel making plant as the death knell of the city, Australia's three levels of government believed differently. They had begun to see the turn-around the Building Better Cities fund had generated in the Newcastle CBD and, through the Hunter Advantage Fund, backed private sector investment which would reposition its economy. Newcastle is again at the dawn of a new era; ready for a new future.

1.3 The Greater Metropolitan Area – Newcastle's role

In 2006, the NSW Government released the Lower Hunter Regional Strategy. This document recognises the need to cater for 66,000 new jobs, 160,000 residents and 115,000 new dwellings. It also clearly identifies the need to reinforce the role of the Newcastle City Centre as the Regional City.

During 2007 the NSW Government and Newcastle City Council, through a process of extensive consultation and professional input, developed a suite of documents which provided the framework for the development of the city centre. These were adopted and gazetted in February 2008 – referred to as the Newcastle City Centre Plan. This plan targets an *additional 6,500 new residents and 10,000 new jobs for the city over a twenty five year period.*

The Central Coast subregion is expected to reach a population of 400,000 by 2031 which would yield a workforce of around 188,000 people.

Currently there are 120,000 people in the Central Coast workforce of which, nearly 30,000 work outside the Central Coast, including the 3,088 which commute into the Sydney CBD daily. On a pro-rata basis this figure could reach almost 5,000 by 2031.

This number of commuters will place a considerable strain on the Sydney rail and road network which is already under pressure. It would be sensible for some of this workforce to be diverted to Newcastle Centre, which would relieve the Central Coast – Sydney transport corridors and also stimulate the growth of the Newcastle CBD as an employment node.

Gosford is 70kms from Sydney CBD and 79km from Newcastle. Wyong is 90km from Sydney CBD and 59km from Newcastle. Both centres are linked to Newcastle by the electric metropolitan rail system. As a comparison, Perth CBD's rail catchment stretches from Clarkson, 30km north, to Mandurah, 70km south. Perth's CBD contains 60,000 jobs in an area of 180ha. It should also be noted that over 20,000 of Wollongong's workforce commutes to Sydney daily.

It is interesting to note that almost 33% of the total Newcastle CBD employment (5,352 persons) commute from Lake Macquarie.

It makes sense that Newcastle be regarded as an opportunity to relieve the growing strain on the Sydney metropolitan area and Central Coast. The success of attracting the Central Coast workforce depends on the amount of floor space provided in Newcastle and the level of service from the Central Coast, northwards in the AM and south in the PM. It is suggested that Newcastle CBD's employment target could be expanded to say 40,000 (the same as Parramatta in 2001).

	<i>Newcastle Centre</i>	<i>Sydney CBD</i>	<i>Wollongong Centre</i>
Employment 2006	22,000	264,000	22,000
Employment 2031	32,000	300,000 – 350,000	32,000
Area	255 ha (approx 4km x ½ km)	135 ha (approx 2km x ½ km)	120 ha

The Sydney equivalent of Newcastle in terms of the length of its CBD would be Circular Quay to Moore Park.

1.4 Strengths and emerging opportunities in Newcastle

Lifestyle

No other Australian city can boast having immediate proximity to wonderful beaches and a powerful harbourside location. It has a strong and growing tourism sector and the potential to attract more of the lucrative conference market.

The Newcastle CBD has good transport connections to Sydney by air (including sea plane), road and rail. Property prices are significantly lower than capital city centres, making Newcastle property attractive and affordable.

The University of Newcastle and regional TAFE are highly regarded for their quality and innovation in education and have a significant draw of students from outside the region. The potential for the University to attract paying overseas students is also significant.

The city has a strong cultural offering in both the visual and performing arts, and a lively night culture and economy featuring first class restaurants in beautiful locations.

Newcastle has a proud sporting tradition and is increasing its capacity to host large scale sporting fixtures. By 2010 Energy Australia stadium will have capacity for 33,000 seated spectators and will draw increasing visitation to the city.

Economic

Newcastle has a strong, diversified regional economy underpinned by resource, educational and health services in a regional catchment of over 500,000 people. It has a resilient and innovative community and business sectors ready to forge new futures and face challenges. The Newcastle business community has a reputation for innovation and leadership in sustainable practices and technologies.

The willingness of local agencies to work in coordination has resulted in successful investments such as the Honeysuckle Urban Renewal Project, which has resulted in \$1.3b in economic output to date since 1992 based on an initial government investment of \$100m.

Relocations

Honeysuckle and areas in the west of the CBD offer large floor plate sites for modern office development. A strong platform of logic exists for the relocation of government offices as well as organisations requiring A-grade office space at a reasonable cost.

Justice Precinct

State and Commonwealth court functions are currently housed in the eastern historic precinct of the city. The State and Commonwealth Attorneys General have recognised that existing accommodation in Newcastle's existing justice precinct is failing to meet current and projected needs. Both are presently working independently to assess alternative accommodation options. This provides an opportunity for synergy between the two and for a new catalytic project for the city.

GPT

The opportunity to inject \$650 million into the city's retail heart has also been presented by the General Property Trust. The proposal has increased expectations regarding the impetus such a retail project would have for the city.

The GPT proposal has recently been placed on hold, however, it has highlighted the need to make structural changes in the city in order to create an environment conducive to significant private investment. The City Centre Plan provides the planning framework to deliver such a proposal, however, the need for greater facilitation regarding the city's infrastructure has been highlighted to ensure improved accessibility to such a development.

Civic sites

For the past decade Newcastle City Council has been acquiring sites around the Civic precinct which, when redeveloped, could make a significant contribution to the city's economic and cultural life.

University of Newcastle City Campus

The University of Newcastle has made public its interest in expanding its inner city campus with possible faculties such as law, business and performing arts. Expansion of the University's presence in the city could be a significant catalytic project for the city. This inner city expansion would allow redevelopment of the Callaghan campus with a science, research and development focus.

Cruise and conference facilities

The city's attractiveness as a cruise ship and conference destination has grown noticeably in recent years. The port offers a unique opportunity for a cruise ship facility bringing investment, jobs and vibrancy to the city centre.

West end redevelopment potential

The relocation of the Newcastle Regional Museum to Honeysuckle will free a significant site in Newcastle city centre's west end. The redevelopment of this site has the potential to redefine the failing west end and create a new brand and investment generator for the area.

Honeysuckle

Although around two-thirds of the Honeysuckle Urban Renewal Project is now complete, there are several prime sites poised for redevelopment in this key growth area of the city, which could be much better connected to the city centre.

Heritage

With a significant number of heritage buildings, particularly in the eastern end of the city, there is an opportunity for the city to proactively protect its heritage assets for future generations.

Cycleways

There is a recognised need to improve the city's cycling infrastructure to improve cyclist safety, to encourage more cycling and improve environmental sustainability. With the proposal to terminate the heavy rail line at Wickham comes the opportunity to dedicate a cycling and pedestrian route through the city.

Transport

The removal of the rail line to Wickham and the implementation of an improved integrated transport system in the city and to key regional facilities will connect the city allowing its precincts to interrelate more freely and provide significant sustainability outcomes.

1.5 Challenges, barriers and weaknesses

Retail and commercial office investment

The rise of the regional shopping centre model, combined with the geographical constraints of the Newcastle peninsula, has contributed to the decline of the Hunter Street Mall and Hunter Street itself due to escape expenditure to regional centres and Sydney. This has resulted in a serious decline in retail offer, employment and floor space, vacant and derelict shop-fronts and the persistence of anti-social behaviour and graffiti.

This under-representation of the service and entertainment economy undermines the city centre's attractiveness as a location for office development vis-à-vis other regional and Sydney-based options. Newcastle has failed to attract significant new office development with most office investment catering to existing markets.

Significant new investment in these sectors is vital to reduce escape expenditure. The traditionally strong Hunter Street Mall and parts of Hunter Street now feature low levels of community safety, high crime and late night drinking problems, dilapidated buildings and absentee landlords. This poor retail performance acts as a deterrent to the development of further retail, entertainment and other services in the area.

Anti-social behaviour

Community safety, late night drinking, graffiti, dilapidated buildings and absentee landlords are regular issues highlighted in local media and present significant challenges for local authorities.

Heritage

Newcastle's central business district, especially its eastern end, has heritage buildings in varying degrees of preparedness. There is widespread recognition of the importance to retain references to the city's history; however the cost to restore some of the buildings is by no means insignificant.

Transport and car parking

Improvements to public transport in the city are required now and for the future. The patronage and viability of public transport continues to decline. Low patronage calls into question the environmental sustainability of the heavy rail line. The heavy rail line is an obstacle to achieving the vision of the City Centre Plan. It prevents effective integration of the successful Honeysuckle redevelopment and the CBD and limits pedestrian, cycle and vehicular connection of the foreshore and the CBD, thus detracting from the commercial attractiveness of the CBD to private investment.

There is a perceived inadequacy of car parking in the city generally, with poor access and parking for retail relative to regional shopping malls.

Improved connectivity would address the significant traffic delay times at Stewart Avenue and Merewether Street.

Justice precinct

Any relocation of the justice precinct would impact on established legal practitioners in the eastern heritage precinct and supporting surrounding businesses. The professional and support businesses that surround these court facilities are significant economic drivers for the city centre.

Connectivity and permeability

Much of the CBD is cut off from the harbour due to the heavy rail line running east/west along the length of the peninsula. With very few north/south crossings over the rail line, the city lacks the permeability that would be provided by a grid. Pedestrian access from the city to the foreshore is very difficult for the young, aged or handicapped. With the growth of a new A-grade office space precinct in the Honeysuckle harbourside precinct, there is a lack of access to support services such as office supplies and food and beverage. With Hunter Street only metres away, this thriving new precinct is still isolated from Hunter Street.

Uncertainty and inertia

Due to the real and perceived challenges and constraints facing the city, there has been a lack of certainty, clarity and confidence from potential investors. There is a perception within the development industry of frustration with the time in processing development applications underpinned by the lack of interagency / departmental coordination is often cited as a deterrent to investment in the city. Of great significance is the issue of mine subsidence which can place a high impost on any development's feasibility in the city. Uncertainty over the rail line debate is also a significant factor affecting investor confidence. There is a lack of future adequate sites for redevelopment in some parts of the city, particularly in the eastern end and many heritage buildings are in various stages of disrepair and are costly to refurbish.

Regional centre functionality

With the constraints and challenges dominating the city's potential for several decades, the result has been a progressive decline in the "high order" functionality of Newcastle as a regional centre.

1.6 Newcastle City Centre Vision and 2008 LEP

Consultation during the CBD Taskforce process revealed that the community believed there had been innumerable studies and analyses of the planning needs and challenges facing the city, but not enough coordinated, decisive action. The work of the Newcastle CBD Taskforce, Hunter Development Corporation, the Project Control Group, the Urban Design Reference Panel, and the transport and economic impact consultants has not sought to begin again but has been a logical progression of the work undertaken during previous planning initiatives for the city. Prominent among those initiatives is the Newcastle City Centre Plan Vision, which states that *“As the regional capital, Newcastle will be a globally competitive and sustainable city serving the Lower and Upper Hunter, parts of the Central Coast, and the major city in the northern part of an integrated Greater Metropolitan region.”*

The Vision identifies a number of key statements defining what Newcastle should become over the 25 year life of the Plan. These include:

- ❖ Creating a Living City;
- ❖ Increasing Economic Diversity;
- ❖ Revitalizing the Retail Sector;
- ❖ Increasing Commercial Investment;
- ❖ Strengthening Public Transport;
- ❖ Revitalising the Hunter St Mall;
- ❖ Enhancing Community Use of the Waterfront;
- ❖ Emergence as a Tourist Destination;
- ❖ Celebrating the Special Character of Newcastle;
- ❖ Establishing Newcastle as a Learning Centre;
- ❖ Improving the Natural Environment;
- ❖ Improving Safety Throughout the City Centre;
- ❖ Improving the Quality of the Public Domain;
- ❖ Improving the Quality of New Buildings;
- ❖ Ensuring Human Scale Development at the Pedestrian Level.

Most of the Vision statements have some connection or reliance on movement systems in the City Centre and that is why it is necessary to take a holistic view of this issue. The City Centre Plan Vision also specifically identifies the need to achieve the following outcomes in relation to Transport and Movement Systems:

- ❖ Determine revitalisation options for the Hunter St Mall;
- ❖ Improve transport management facilities near Wickham Station for future growth;
- ❖ Work with the State Government to provide a world class integrated public transport system into and within the Newcastle City Centre;
- ❖ Develop a Public Domain Plan for the Newcastle City Centre;
- ❖ Work with the State Government to provide additional pedestrian/vehicular crossings across the rail corridor;
- ❖ Develop a traffic model for the City Centre.

As a number of these actions are co-dependent, to be effective it will be necessary to take an integrated approach to ensure that whatever solutions are progressed they will be sustainable.

The strategy outlined in Section 3 of this report is a further step to deliver on the Newcastle City Centre Plan's vision.

1.7 Newcastle's Building Better Cities experience

The 'Building Better Cities' program (BBC) was a major initiative of the Hawke Government, initiated by the Hon Brian Howe MP, first in his role as Minister for Health, Housing and Community Services then later as Deputy Prime Minister and Minister for Housing and Regional Development. It was the first Commonwealth engagement in urban Australia since the Whitlam Government in the 1970s which created new forms of intergovernmental agreements built around outcomes — an approach that was at the leading edge of intergovernmental financial arrangements.

The BBC program recognised that there were common trends across the nation that resulted from Commonwealth economic and social policies (such as the effect of structural unemployment, the lack of investment in infrastructure due to strictures on borrowing) and that the economy as a whole would substantially benefit from interventions that addressed impediments to change in urban Australia and so speed adjustment to new realities. It also sought to address declining population and employment trends in inner cities and the increasing underutilisation of capital already invested in infrastructure and services.

By working collaboratively, the three tiers of government were able to secure \$100M in BBC funding to begin the process of revitalising Newcastle, a project that continues to this day. Under this program the Honeysuckle Development Corporation was created, taking 50ha of state-owned harbourside land which was derelict and cut off from the people. When the Corporation assumed control of the 50ha Honeysuckle Urban Renewal site, there were many barriers, constraints and challenges. The land was far from "market ready" or in an acceptable state to be subdivided and sold. Some areas required land reclamation; lacked services and infrastructure such as roads, drainage, sewer, water and power supply; much of the site was contaminated from industrial use; the site was subject to mines subsidence and the four kilometre foreshore required replacement or refurbishment of the seawall and land revetments.

To date, the Honeysuckle project has generated \$1.335 billion in economic activity and injected almost 5,000 new jobs into the Newcastle economy. The figures show the extent to which Honeysuckle has been a driving force behind the revitalisation of Newcastle. The project has delivered new jobs in a variety of sectors such as construction and professional services while at the same time delivering new residents and workers to the city. It has also stimulated a huge investment by the private sector since 1992 of over \$1.3b. Key Honeysuckle outcomes include:

- ❖ 10 hectares completed as public domain;
- ❖ \$92.37 million in community projects funded;
- ❖ \$428.5 million in projects completed;
- ❖ \$315 million in projects underway;
- ❖ 1,300 residents;
- ❖ 2,500 working population;
- ❖ 170 community housing units.

The strategy outlined in Section 3 of this report provides the opportunity to emulate the Building Better Cities experience generating, potentially, even more significant economic activity and long term sustainability outcomes.

1.8 Consultation process conducted by the CBD Taskforce

The CBD Taskforce (the Taskforce) engaged Key Insights to undertake a series of workshops to explore these issues. The process developed reflects the key focus of the Taskforce:

- ❖ ***Provide a clear forum to enable community members, Council and Commonwealth and State MPs to have a broader discussion about the future of the CBD and how to support this renewal.***

To assist the Taskforce a series of workshops involving key community, business, property industry and government stakeholders were held. Subsequent to these an Urban Designers Forum was held involving national and local experts. Written submissions were sought and reviewed. Input from the “Bang the Table” online community forum was also considered. On 1 December the results of the General Property Trust commissioned Hunter Valley Research Foundation community survey were released, which generally supported the withdrawal of the heavy rail to assist the redevelopment of the Newcastle CBD.

- ❖ ***Identify means to support and facilitate private sector investment in the city centre.***

At each workshop participants were asked to consider the possible projects and/or initiatives that would support the redevelopment and improvement of the CBD. A list of some ten possible initiatives were developed and then preliminary investigations undertaken. This investigation included general scoping, estimation of the order of costs; SWOT analysis and direct stakeholder input.

- ❖ ***Identify and review options for development / redevelopment of Government occupied assets.***

This priority was the focus of the State agency workshop. Of particular interest were the needs and assets of the State and Commonwealth Attorneys General, the Hunter Development Corporation, the Departments of Health, Education and Police, Newcastle City Council, the University of Newcastle and the TAFE. A survey has been completed exploring any such potential synergies or opportunities.

The Taskforce recognised that there are potentially significant efficiencies to be gained in the consolidation of government assets in the CBD.

The opportunity to expand the CBD’s educational base is also recognised as an important impetus to enlivening and diversifying the city’s core function. Whilst the University of Newcastle and the TAFE could logically increase their presence there may also be the opportunity to create an integrated educational precinct with improved lifelong educational opportunities contributing to the economic, social and cultural development of the city.

The opportunity to attract a new government agency (State or Commonwealth) and corporate headquarters was also raised. The potential here is not only to grow Newcastle CBD’s economic strength but to drive new opportunities for business efficiency and innovation, and to relieve pressure on the Central Coast and Sydney’s growth corridors by offering a viable and effective alternative.

❖ ***Ensure a continued focus on transport, the public domain and connectivity outcomes as development projects are brought forward.***

The issue of connectivity has been a core focus of the workshops, urban design forum, written submissions and Bang the Table. It has featured as the most predominant issue with all participants agreeing on its importance. It is also a fundamental plank of the original Honeysuckle Masterplan (1990) the Civic Cultural Precinct Master Plan (2006) and the Newcastle City Centre Plan (2008). The rail line and north/south connections, the need for integrated transport within the region, the permeability of the city, its relationship to the water and the potential of linking Newcastle city centre to the wider state economy are addressed in all these plans but no real action has been forthcoming.

A consistent and clear message coming from the workshop process was: “we have the plans - we need action to remove the barriers to implementation and action which will facilitate private sector investment.” Three key action themes emerged through the forums and submissions:

Transport infrastructure; Land Use Catalysts; Coordination

From these themes, a series of possible initiatives and project options emerged which have the potential to address the underlying need to stimulate private sector investment in the city, improve its liveability and reinforce the city's importance in the NSW economy.

The project options and possible initiatives proposed for investigation were:

Transport Infrastructure	Improving connectivity within the CBD.
	Improving connectivity between the CBD and significant regional & LGA locations.
	Improving the cycle and pedestrian links in the CBD.
Land Use Catalysts	Increasing the presence of educational facilities in the CBD including TAFE, University of Newcastle and Department of Education.
	Consolidating government agency assets to drive greater efficiency and pursue new government agency presence in the city.
	Expanding the health service provision on the James Fletcher site.
	The opportunity for an improved Passenger Cruise Ship Terminal / Facility.
	Growing the Convention and Exhibition facilities in the CBD.
Coordination Role	Having a single coordinating / facilitation body for CBD development.
	Developing a strategy that will form the basis of a submission to the Federal Government.

Throughout the community consultation process, the Newcastle CBD Taskforce noted a shift in community sentiment regarding the retention of the rail line. There appeared to be significant support for the removal of the rail line from Wickham to Newcastle Station, retaining the rail corridor in public ownership and implementing a cycle, pedestrian and bus system in the corridor and the city's major road arteries.

The community was clear, however, that it would support the retraction of the rail to Wickham on the basis that there were benefits which must include:

- ❖ A new terminus at Wickham;
- ❖ Implementation of an improved transport and access scheme;
- ❖ Economic growth and diversification of the CBD;
- ❖ Improved connectivity; and
- ❖ Enhanced liveability, safety and vibrancy.

The extensive consultation process undertaken by the CBD Taskforce has been drawn on heavily to inform the further analysis process and ultimately the four key catalyst projects that underpin the strategy outlined in Section 3 of this report.

1.9 Newcastle City Council's position

When considering its response to the latest round of community debate about the city's transport system, connectivity and renewal, Newcastle City Council (NCC) affirmed its commitment to the revitalisation of the city centre as a key strategic priority (resolution adopted 2 December 2008).

This confirmation is testament to the Council adopting the Newcastle City Centre Plan in February 2008 and creates greater confidence in the Council's desire to deliver on the Plan's vision for the city.

The Council resolved in the same meeting (2 December 2008) to support the GPT proposal in-principle. It acknowledged that decisions regarding the rail line were ultimately a matter for the State Government, but that it should advocate on behalf of the community that State and Federal Governments provide a viable fully integrated public transport system that considers all options to improve services, access and connectivity.

The Council affirmed its position that existing rail infrastructure should remain in place until such time as a fully costed and funded alternate plan for a viable integrated public transport system is approved for implementation. It also supported the retention and continuing utilisation of the rail corridor but not the sale of any land along the existing corridor.

The Council recognised the need to provide improved access and connectivity between the foreshore and the city and resolved to work with the State Government to provide additional pedestrian and vehicular crossings across the transport corridor.

Lastly, the Council noted its support for enhanced transport links to and from the city and the development of a modern transport terminus for future growth.

Council's position is completely consistent with its adopted strategic and policy position as set out in the Newcastle City Centre Vision and LEP. For over two decades Newcastle City Council has had a strategic focus on the revitalisation of the CBD: supporting State and federal government initiatives such as Honeysuckle; investing in activation programs such as LiveSites; funding community safety programs such as the Liquor Accord and Late Night Transport; investing in the preservation and development of its own CBD assets; increasing graffiti removal programs; providing strong planning vision and guidelines; collaborating in economic development and tourism activities.

There is little doubt that NCC supports public and private sector initiatives to revitalise the CBD and has and will continue to contribute funds and resources to support those efforts.

1.10 State and regional planning context

Newcastle is the capital of the Lower Hunter Region. It provides regional services to a population of in excess of 500,000. The Lower Hunter is the sixth largest urban area in Australia and one of the State's major centres of economic activity. It is expected to continue to grow as people are attracted by its lifestyle and opportunities and business recognises the competitive advantage of the region.

In 2006 the NSW government through wide consultation developed and adopted the Lower Hunter Regional Strategy. Its aim was to plan for the development of the region in a strong and sustainable way. This 25-year land use strategy for the Lower Hunter Region:

- ❖ Provides for 115,000 new homes to cater for a projected population growth of 160,000 people;
- ❖ Plans for up to 66,000 new jobs and ensures an adequate supply of employment land;
- ❖ Promotes growth in centres — a greater choice of housing and jobs in Newcastle's CBD and specified major centres;
- ❖ Creates important green corridors of land with high environmental value, which will be managed for conservation purposes. These corridors align with existing public reserves, some of which will be expanded;
- ❖ Protects high quality agricultural land, and natural resources such as water aquifers and extractive materials.

The strategy guides local planning in the five local government areas of Newcastle, Lake Macquarie, Port Stephens, Maitland and Cessnock, and informs decisions on service and infrastructure delivery.

The strategy is clear about the role of Newcastle. It states that "Newcastle City Centre is clearly identified as the regional city. Newcastle City Centre is not only the iconic focus of the Region's settlement and structure but also makes a vital contribution to economic, social, cultural, recreational and housing needs of the Region". It goes on to say that Newcastle "services the Region with higher order administration, education, health services, cultural and recreational facilities, higher density commercial and residential" functions and that should have a "commercial centre focus with large retail and commercial floor area, including department store/s."

In February 2006, the Cities Taskforce project was announced, as part of the NSW Government's Economic and Financial Statement. The Statement was designed to boost job, housing and lifestyle opportunities in regional cities across NSW and builds on the initiatives and provisions of the Regional Strategy. The aim was also to help regional cities such as Newcastle to become drivers of the NSW economy. The City Centre Vision and Plan were subsequently developed as a partnership between NCC and the NSW Government as part of this state wide agenda.

The development of the strategy can be seen as the logical next step in this hierarchy of plans that seek to build the capacity and quality of individual centres with the over arching aim of improving the sustainability and economic wealth of the State.

1.11 Principles underpinning successful vibrant city centres

The key principles which are considered to underpin the success of vibrant and viable city centres are outlined below. These principles should be addressed when devising programs to revitalise the Newcastle CBD.

Scale

It is clearly important to understand the local market and its competitive environment to ensure the centre is of a sustainable scale and accommodates the appropriate range of products/services and store types to meet demand and create competitive advantage. The importance of a staged development in Newcastle should be critically based on the growth of the market over time.

The Newcastle CBD will ultimately develop over a period of time. Any plan must be flexible to accommodate the inevitable changes that will occur as the market emerges. Nevertheless, in order to ensure a vital and vibrant city centre at any point in time, the core of the centre should have a human scale, in the following respects:

- ❖ It should be no longer than around 400 metres, which is the typical maximum distance people are willing to walk in a single trip;
- ❖ Building heights adjacent to the street edge should not be so high that they effectively lose contact with street level;
- ❖ Plazas and open spaces should be small enough that they do not break the continuity of an active street front or suggest lack of use;
- ❖ The “core” area should become the focus for activities. Failure to do so will result in fragmentation and the centre vision will not be realised. A centre that is too big or spread out too thinly will not encourage human activity but rather breed a vacuous, vacant and unappealing space.

Flexibility to change

The economic environment is extremely dynamic, constantly changing to meet the expectations of sophisticated and fickle citizens. These changes are both supply and demand led. A fundamental consideration for any planned precinct is therefore its ability to accommodate change. It should be recognised that change does not generally take place instantly, but rather occurs gradually and incrementally. Centres therefore need to be adaptable to changing footprints and customer needs.

In emerging markets staged development is a common occurrence for practical commercial reasons. A master planned and staged approach also ensures that centres can expand and evolve over time based on changing needs.

Broad role

City centres need to create the broadest role possible so as to satisfy a range of stakeholder needs in one location. It should maximise reasons for visit, length of stay, frequency of visit and amount spent.

Consideration should be given to the inclusion of various uses to complement and extend the role of the centre beyond retailing and employment. Such activities and uses, whilst they may not necessarily be attractive commercially, serve to reinforce the credentials of the centre as a community focal point, adding value to other tenants. They are also uses which can occupy the least attractive space (e.g. dead pockets and fringe locations).

Nodes

As a general rule, both retail and non-retail uses can be categorised as either “core” or “peripheral” uses within a centre.

The core uses are those which: are significant activity generators; rely upon foot traffic flow; tend to be regularly used; and tend to have cross-usage association with other uses.

Core uses are therefore generally high intensity uses, some of which rely upon other activities for success. The creation of mutually beneficial commercial relationships is a key to successful, vibrant activity centres, and the co-location of core uses within centres is therefore of paramount importance.

Peripheral uses, on the other hand, are secondary functions, destination uses, trade related, and other non-commercial and non-retail facilities that add to the critical mass of the centre and its relevance as a community focal point. These types of uses are therefore secondary functions and low intensity uses which do not tend to be used in conjunction with other stores to anywhere near the same extent as core uses. Peripheral uses should therefore be encouraged in edge of centre locations and in secondary spaces.

Access, connectivity and circulation

CBDs need maximum accessibility to and within the site including attention to both vehicular and pedestrian circulation. A key imperative is to minimise vehicular and pedestrian conflict while maximising the degree of connectivity between surrounding uses. Linkages are therefore important to the optimal functioning of a city centre and fundamental to the design.

The following elements relate to the overall accessibility of a centre and how easy it is to use:

- ❖ location and presentation of car parks;
- ❖ public transport nodes, nature of edge uses;
- ❖ cycle access;
- ❖ pedestrian access and movement patterns.

In relation to connectivity, the primary objective should be to provide customers with choices that maximise convenience and enhance pedestrian traffic flow into various nodes from different directions, whilst at the same time channelling users into the high intensity nodes.

A five minute (400 metre) walking radius is the most comfortable distance for people to cover, therefore, design should encourage activity and nodes to be accommodated within these distances. It is noted that particular attention will have to be paid to the connection between the Hunter Street Mall / GPT Development and Civic, as the distance between these nodes is approximately 500 metres.

Car parking is a critical issue -- an appropriate level of convenient car parking is required.

Create the “Place”

This essentially relates to all the attributes and features of the centre that result in it being incorporated into the daily lives of residents because it establishes a sense of community. The attributes and features range from architectural elements to continuity, security, treatment of spaces, and the overall ambience. The difference in value that results from place making is generally referred to as the “design dividend”.

Maximum visibility and signage exposure of the centre and its key components is required from thoroughfares and surrounding areas.

The above described principles have guided and informed the strategy outlined in Section 3 of this report.

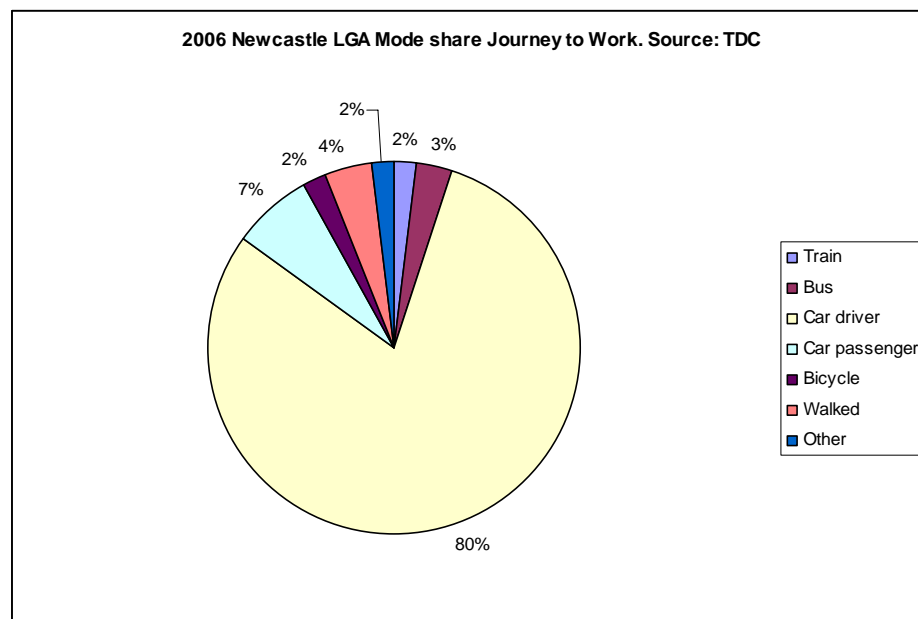
1.12 Base transport data

A considerable amount of research has been undertaken on the transport systems of the Lower Hunter and their patronage. Parsons Brinckerhoff analysed these as part of their development of a preferred strategy. This section summarises some of that base transport data.

Newcastle branch line has four stations – Hamilton to the west of Central Newcastle, Wickham, Civic and Newcastle. Less than 3000 people are estimated to use the Wickham, Civic and Newcastle stations during a typical 24 hour period (2,640 people – 280 trips – were recorded at these three stations in 2008). At present there are 89 services during an average weekday 24 hour period. These services provide an estimated 27,324 seats with a maximum capacity of in excess of 38,000 passengers.

Figure 1 below shows the Journey to work data for the Newcastle LGA and shows 2% of Newcastle LGA residents used rail to travel to work, 3% bus and the predominant 87% private vehicle as driver or passenger. These figures do not reflect journey to work from residents outside the LGA.

Figure 1



The Compendium of City Rail Travel statistics (2008) estimates 5% of journey to work trips to inner Newcastle (from the wider region) are made by rail. This compares with 51% for Sydney, 31% for Chatswood, 25% for Parramatta and 17% for Hornsby. The average rail trip is 50km long for Newcastle travellers as compared with 18km in Sydney. This reinforces the regional linking role of the rail rather than is circulation role.

In comparison 5 times as many passengers use buses daily in the Newcastle area as compared with rail. In 2007 the Ministry of Transport estimated 3.6% travelled to work by bus and 0.7% by rail in Newcastle.

Traffic volume data collected by the RTA indicates comparatively high levels of travel by motor vehicle:

Hunter street	18,200 vpd	
King Street	22,200 vpd	
Stewart Avenue	17,100 vpd	- by 2016 projection is 21,000 vpd

Much of the analysis and community discussion has focused on the journey from Wickham to Newcastle and for that reason the following comparisons are provided as base data:

Average private drive time Wickham to Newcastle is 4 minutes 47 seconds (based on 1 morning, 2 midday, 1 afternoon trip in 2007 using GPS data logger device).

- ❖ Average bus drive time from Wickham to Newcastle is 6 minutes based on Newcastle Buses route 100 timetable.
- ❖ Average rail travel time from Wickham to Newcastle is 4 minutes in the current timetable.
- ❖ Newcastle Buses operate a free zone across the Newcastle CBD east of Stewart Avenue. Currently buses are sufficiently frequent as a bus arrives every 3 minutes in peak periods. Generally there is significant spare capacity on these buses.
- ❖ In 2007/8 Newcastle buses carried 12.5 m passengers on 7,000 bus services per week. Given comparative analysis on the Sydney bus system, Newcastle bus fleet has the capacity to carry 20 million passenger trips. There is capacity in the fleet and on existing CBD routes to accommodate a shift from train to bus in some sections.
- ❖ 97% of CBD workers live outside the CBD. 37% of CBD jobs are around Civic, 29% at Wickham and Newcastle West, 27 around the Hunter Street Mall precinct with only 7% at Newcastle East. The development opportunities of the CBD growth will continue to be in the Wickham Honeysuckle and West areas of the city centre.

Section 2 – Development of the strategy

The strategy presented in this document has had a considerable gestation and a wide base of consultation, input and development. This section provides an understanding of the development of the strategy building on the background and context of Section 1.

The work of the CBD Taskforce in 2008 built on the 2007 work of the NSW Government and Newcastle City Council which culminated in the City Centre Vision and Local Environment Plan. This work was part of a wider state initiative focussing on the State's six major CBDs and coordinated by the Department of Planning's Cities Taskforce. The work of the Cities Taskforce was in response to the NSW Strategy priorities of bringing jobs closer to home (Clause E5) increasing housing affordability (Clause E6), supporting better environmental outcomes (Clause E4) and having more people using parks, sporting and recreational facilities (Clause E8).

The strategy, while focusing very closely on the key elements that deliver the best outcomes for the Newcastle CBD, has strong developmental and contextual links to the State's strategies for cities. With the wider state, cities, and City Centre plans in place the Newcastle City Centre Taskforce identified, through extensive consultation, the key catalytic projects, the public domain and transport issues and the coordination and leadership requirements that needed to be explored in detail to develop the strategy. A summary report on this consultation process is provided under separate cover.

Subsequent to this consultation, two parallel bodies of work were undertaken as the platform for the strategy. Urbis was engaged to explore the catalytic projects: their impacts, performance requirements, relationships to transport and urban design and make recommendations regarding priorities and strategy. Parsons Brinckerhoff reviewed the transport options, refined and enhanced these then provided a triple bottom line based evaluation. The two sets of investigations were reported, considered and synthesised through a workshop process involving eminent urban designers, social planners and the Project Control Group. The draft strategy was further refined and tested by officers of HDC and the Department of Planning before being reviewed by the PCG and Urban Design Reference Group again.

Summaries of the work produced by this process are provided in this section. Full copies of the relevant reports are provided under separate cover.

The process of developing the strategy, outlined in Section 3, was guided by some key principles:

- ❖ The strategy should build on the City Centre Vision;
- ❖ Catalytic projects and existing core uses should drive city form and strategy sequencing;
- ❖ Urban design and public transport should support and enhance the core roles and functions of the CBD;
- ❖ Projects and plans must be underpinned by their economic, social, environmental and governance outcomes;

- ❖ The lessons of other CBDs should be explored but the uniqueness of Newcastle protected and celebrated;
- ❖ The strategy should drive private sector investment and long term implementation.

The development of the strategy also recognised the very specific window of opportunity that is open to the city centre including:

- ❖ The community expectation for leadership and change;
- ❖ The proposed investment by GPT;
- ❖ Pending government agency investments in the CBD;
- ❖ The University of Newcastle's long term strategy;
- ❖ Potential for Federal Government funding and support.

2.1 Building on the City Centre Vision

The City Centre Vision document clearly enunciates what Newcastle can become. It describes Newcastle as a:

- ❖ capital city with a service catchment of over half a million people;
- ❖ city of choice for those seeking a non capital city location;
- ❖ safe, vibrant and liveable city;
- ❖ sustainable city that respects its environment and location, its water front location and its heritage;
- ❖ vibrant place of commerce, living spaces, recreation and learning;
- ❖ place of easy access, obvious and useable connections, with an easily read public domain;
- ❖ place of growth, investment and jobs;
- ❖ city well connected to its markets and its workers by road rail and air;
- ❖ city that attracts residents, workers, investors and visitors; and as a
- ❖ city that contributes to the wealth of the nation while preserving it's identity and quality.

The key elements of the city centre plan include:

- ❖ 10,000 new jobs in the city centre by the year 2031;
- ❖ 6,500 new residents in the city centre by 2031;
- ❖ Newcastle to become a 'learning city' with University of Newcastle and TAFE strengthening their existing campuses at or near the civic and Newcastle West areas;
- ❖ Architectural competitions to ensure the design excellence for new developments in the city centre;
- ❖ New focus on development around Wickham Railway Station; and
- ❖ Revitalisation of 'West End' of Newcastle while retaining and protecting heritage values in the city east precinct.

Given the contemporary nature of the City Centre Vision, its wide community, business and government support; its strong relationships to state policy and its quality and integrity as a strategic document it was the view of the PCG that it should become the platform on which the strategy should be built and detailed. Briefs to Urbis and Parsons Brinckerhoff made this position clear and this premise was considered and reconfirmed by the Workshop and Urban Design Reference Group.

2.2 Overview of potential catalyst projects

As part of the Urbis brief the following Catalyst Projects were explored and reported on:

Retail Precinct

Re-establishment of the CBD as a retailing hub, primarily through the development proposal put forward by GPT for land around Hunter Street. The CBD's retail precinct has traditionally focused on the Hunter Street Mall area. This area, however, has been in decline for 20 years facing fierce competition from Charlestown Square and Westfield at Kotara. The competitive strength and retail pull of these centres will not abate without significant reinvestment in the CBD. The GPT proposal offers this opportunity.

Education Precinct

Expansion of the University of Newcastle inner city campuses for additional 'social sciences' as well as other opportunities such as the innovative provision of adult education and other education formats. The University of Newcastle already has inner city campuses. It has also made public its intention or desire to locate other "social" sciences to the city focusing on technical sciences at the Callaghan campus. Separately discussions with the Department of Education and TAFE suggest there may be further educational opportunities in the CBD.

Justice Precinct

Potential for both State and Federal Law Courts, Police, Newcastle Law School & Library, legal firm offices, community justice centre and community based organisations to be co-located around a new justice precinct.

Tourism Precinct

Building on the existing conferencing market and the developing cruise ship visits, the opportunity may exist to look at permanent cruise ship facilities and expanding conferencing facilities within the CBD. The community forums recognised that Newcastle could be exploiting gaps in the convention and exhibition market. In 2007 / 08 alone the convention market generated some \$11 million of expenditure in the city's local economy. Further work is required in conjunction with NSW Tourism and Newcastle Tourism to identify market opportunities to better determine viable options for the city on this important segment of the market.

Cultural Precinct

Implementation of the 2007 Civic and Cultural Precinct Plan that encourages cultural development around the existing City Hall. In 2007 the NSW Government and Newcastle City Council developed and adopted the Civic and Cultural Precinct Plan. Council has significant land holdings in this precinct which could be redeveloped. This is an area which should be reviewed by this project in relation to existing and emerging opportunities.

Terminus & Commercial Precinct

Potential for development of a major rail based transport hub at Wickham as the catalyst for new and intensified commercial development (possibly looking at attracting new government offices). Some of the transport options being considered require the construction of a significant public transport terminus. This terminus, if located in the Wickham area, could be the focal point of significant new development. It is also an area much in need of redevelopment having faced decline for over two decades. It is, however, an area with significant opportunities afforded by larger land holdings, higher building envelopes and greater densities. This project seeks to explore the feasibility of developing a major office facility at this terminus and attracting an office relocation with government support.

The table over summaries the key finding of Urbis' investigations in relation to these projects.

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
Retail Precinct	GPT proposal to create a new largely retail centre (with smaller commercial and retail use components) in the Newcastle City Centre bounded by the Hunter Street Mall and King Street, extending between Perkins and Newcomen Streets	<ul style="list-style-type: none"> ▪ Potential to create almost 10,000 new jobs in Newcastle LGA (2,400 direct jobs during the operational phase, 3,000 direct jobs in the construction phase, 5,000 indirect jobs during the operational and construction phases combined) ▪ Economic benefits including flow-on effects to amount to approximately \$2,000 million ▪ Opportunity to reverse significant contraction in retail trade jobs (-22%) in Newcastle LGA 2001-06 ▪ Experiences of other CBDs indicate a potential significant economic benefit of opening up Hunter Street Mall. ▪ Opportunity to capture spending escape to Sydney, Westfield Kotara and Charlestown ▪ Signal that could stimulate investor confidence ▪ Opportunity to stimulate the current low spending of workers in CBD during weekdays 	<ul style="list-style-type: none"> ▪ \$650m capital investment by GPT ▪ Conditional on Department of Lands' approval to close the following roads: Wolfe Street, Thorn Street, Laing St, Morgan St and King St ▪ Conditional on termination of train line ▪ Resistance from owners of sites that sit within GPT's site ▪ GPT recently placed this proposal on hold until capital funding markets improve.

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
Education Precinct	Relocation of Business, Law, Education & Arts faculties to CBD location such as Honeysuckle or Civic	<ul style="list-style-type: none"> Up to 65,000 sqm of university campus space to be located within the CBD. Creation of an estimated 800 to 1,200 direct jobs in Newcastle LGA, and 1,700 to 2,500 indirect jobs created during the construction of the University; 1,025 permanent direct and indirect jobs created during operation of the University. Creation of an activity hub in the CBD as a result of the relocation of up to 8,000 students and 1,000 staff. Estimated \$12 million in retail and services expenditure in the CBD by campus students and staff during University operating hours. Collaboration with legal sector e.g. law library, work placements for legal students Potential demand for 500 student accommodation beds in the CBD, potentially attracting around \$29m of private sector investment in a student accommodation development, and \$3.12m in student accommodation revenues per annum. Utilisation of university facilities for conferences, to support growth of the conferencing sector, which is estimated to have the potential to generate \$17 million in revenues. Higher appeal of CBD location could result in an increase in the proportion of international student from 16% to around 22% (3,000 students), resulting in additional study fee revenue of approximately \$39m annually for 	<ul style="list-style-type: none"> Campus construction cost estimated at \$131m to \$186m (ie before fit-out cost) Greenfield site required due to lack of suitability of existing buildings and high cost of conversion UoN sees the termination of the train line as a key success factor Difficult for double-degree (e.g. arts / science) students to move between campuses Surrounding businesses subject to the University calendar, which results in the University being occupied for only two thirds of the year.

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
		<p>University of Newcastle</p> <ul style="list-style-type: none">▪ Increased safety and amenity, which will support the development of Newcastle's night time economy.▪ Backfilling of Callaghan Campus would provide opportunities for private sector investment, particularly in research and development.▪ University can relocate quickly and thus bring immediate benefits	

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
Justice Precinct	Creation of a Justice Precinct around Civic or Honeysuckle	<ul style="list-style-type: none"> Creation of approximately 800 temporary construction jobs in Newcastle LGA, and 1,700 temporary indirect jobs during construction. Agglomeration of activity in a central location, through the relocation of an estimated 1,400 jobs (assuming 50% of businesses that are affected by the re-location of the Legal Precinct, would also shift to the new location). Collaboration with University law faculty e.g. law library Opportunities for residential development on the prime land that is occupied by the current Justice Precinct. 	<ul style="list-style-type: none"> Approximately 25,000 sqm is required to accommodate both the State and Federal Law Courts at an estimated construction cost of \$126m Greenfields development constrained in Civic, and high cost of converting existing buildings Loss of revenue for businesses located around the current legal precinct, though there would be lead time to allow for re-location. Resistance from the Law Society to re-locate Separation of law firms from Justice precinct, though general consensus is that lawyers do not need to be very closely located to the courts No net gain in jobs in the operational phase as 800 legal sector employees would shift from one location to another, although this would have benefits in terms of agglomerating activity.

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
Tourist Precinct / Cruise Ship Terminal	Development of cruise shipping terminal at Throsby or Queens Wharf which could also be utilised as a conference / convention venue	<ul style="list-style-type: none"> 6 cruise ships visited Newcastle in 07/08, resulting in an estimated economic benefit of \$2.3m (\$380,000 per cruise ship) to the Hunter Region, with 50% or \$1.15m of this believed to have been retained within Newcastle. If the number of cruise ships visiting Newcastle increases to 15, the economic benefit of cruise ships to Newcastle could increase to an estimated \$2.9m, and the creation of approximately 108 jobs. Opportunity to utilise a cruise terminal as a convention centre, though probably not ideal given lack of custom convention facilities such as theatre rooms, break-out rooms etc. More likely to be utilised for large (e.g. 300 person) dinners, parties etc Potential patronage of cruise ship visitors to retail precinct - easily accessible If Newcastle can improve its tourism offering such that International and Domestic Overnight visitors increased their stay by one day and night, an additional \$100m in tourist revenues could be generated. Utilisation of University CBD campus facilities for conferencing. If Newcastle can capture 30% of the estimated 100,000 convention and conference delegates that visit the Hunter Region annually, conference and convention revenues could reach up to \$17m. 	<ul style="list-style-type: none"> According to Cruise Hunter Throsby Wharf is geographically a perfect location for a cruise terminal and has the advantage of existing traffic and parking infrastructure. However, this is hindered by a 'pinch point' at Dkye Point whereby vessels beyond 240m are unable to pass through to reach Throsby. Queens Wharf is therefore a preferred location, given its proximity to the retail precinct of the city and ease of access. However, adequate parking and traffic infrastructure is a concern. Early estimates are that a cruise port facility comprising of a 3,000 sqm terminal and 10,000 sqm commercial / retail space would cost in the vicinity of \$70 million. This figure accounts for dredging, wharf construction and building costs. An upgrade and extension of the existing Queens Wharf site could cost in the vicinity of \$30m. Potential demand from cruise ships to use Newcastle as a home port is not known at this point. Cruise Shipping is a low employment industry, generating just 12 FTE in 2007-08 from an additional single cruise ship visit Convention market currently inhibited by unavailability of adequate convention

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
			<p>venues, and lack of five star accommodation.</p> <p>The revenue and employment benefits of the cruise ship and conferencing sectors (precincts) are marginal relative to the other precincts, though should not be ignored.</p>

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
Arts & Cultural Precinct	Ongoing development of arts and cultural facilities around the Civic precinct	<ul style="list-style-type: none"> Utilisation of heritage buildings around Civic and also east of the retail precinct Intangible benefits (i.e. community development & participation) Additional University student presence will add to vibrancy of the arts and cultural sector Tourism drawcard e.g. opportunity to retain more cruise ship passengers which usually escape to the Hunter 	<ul style="list-style-type: none"> The economic benefit of arts and cultural facilities is difficult to quantify as benefits are largely due to flow on effects.

Catalyst Project	Proposal	Benefits & Opportunities	Costs & Challenges
Commercial Precinct / Transport Terminus	Continued development of the Lee Wharf precinct in Honeysuckle (Newcastle West), redevelopment of premises along Hunter Street and King Street, expansion further west into Wickham.	<ul style="list-style-type: none"> 150,000 sqm of office space would be required to support 7,500 new commercial jobs over the next 25 years (as per Lower Hunter Regional Strategy). This would create 2,100 direct jobs and 4,600 indirect job during construction. Of course, this would take place over the 25 year period. Re-vitalisation of former industrial/wharf areas Increased supply of A Grade space may attract quality tenants to the region Opportunity for office development to take place at the eastern end of Honeysuckle before new development takes place further west 	<ul style="list-style-type: none"> 150,000 sqm of office space would cost an estimated \$345m (today's prices) to construct over a 25 year period. Elongation of CBD exacerbated if expansion to Wickham occurs without initially ensuring Honeysuckle sites committed Tenants ability to relocate from B Grade premises (\$200-\$250/sqm net rent pa) into new A Grade premises (\$300-\$350/sqm net rent pa) and pay higher rents is unknown Slow historic supply and high vacancy rates (10% in January 2009) indicate no overwhelming demand for new office space.

2.3 Transport options considered

The future of the Newcastle CBD will not be determined by any one issue, trend or project. For many years, however, the future of the CBD has for many groups been strongly tied to the future of the heavy rail. The development of this strategy took the approach that public transport infrastructure and rail in particular should support the role and function of the Newcastle CBD.

Over decades various transport options have been promoted and individually considered and assessed. Within their own definition, several have been considered acceptable and even advantageous. However, never have these options been simultaneously assessed against one another in terms of impacts and costs. Perhaps more importantly, never before have the options been considered in the context of the future expansion of the city; its core functions, its role in the region, its planned development, and the catalytic projects that might drive its growth.

Parsons Brinckerhoff (PB) were briefed with the responsibility of defining options (including previously considered options), examining different operating configurations for the rail network and providing high level cost estimates for comparative purposes between options. Initially they were required to define and evaluate the following options on the basis of the City Centre Vision to ensure all previous options were considered. It is important to note that in the context of the land use planning work of Urbis that some of these options were discounted early given the continuing impact they would have on Newcastle growth and development.

The options considered are as follows:

- 1. Retention of the heavy rail along its current alignment.** This option would also include increased pedestrian and vehicular crossings of the line north south; improvement of rail crossings; landscaping of the corridor; changed timetabling and scheduling; and the introduction of a circulating mini bus system from train stations to other CBD and surrounding locations.
- 2. Reconstructing the rail line underground (sub surface) from Wickham to Newcastle.** This option would also include the removal of rail infrastructure above ground; landscaping; construction of pedestrian and vehicular links north south from Hunter Street to Honeysuckle Drive; options for development at grade above the rail line.
- 3. Reconstructing the heavy rail line as an elevated structure above ground allowing vehicle and pedestrian movement under the structure.** This option would also include: construction of new stations with mobility impaired access; landscaping, construction of pedestrian and vehicular links north south from Hunter Street to Honeysuckle Drive.
- 4. Retention of the heavy rail track with the substitution of conventional heavy rail with a TramTrain.** This option would include: termination of all heavy vehicles outside the CBD (west of Wickham) and hybrid TramTrains from Morisset and Maitland to Newcastle and from the heavy terminus to Newcastle Station; landscaping of the corridor; increased north south pedestrian and vehicular crossings and the introduction of an expanded TramTrain route to the CBD and surrounds or a connecting mini bus networks from the TramTrain stations to the CBD and surrounds.

5. Retention of the heavy rail track with the substitution of conventional heavy rail vehicles with light rail vehicles. This option could include termination of the heavy rail vehicles outside the CBD possibly Wickham. Operation of a light rail from termination to Newcastle Station along the current corridor. It would require grade separation of the Stewart Avenue intersection and landscaping of the corridor and upgraded and increased crossings.

6. Termination of the heavy rail at Broadmeadow or Woodville Junction and replacement with a bus based system. This option also includes additional north south pedestrian and vehicular crossings and landscaping.

7. Termination of the heavy rail east of Stewart Avenue and replacement with an alternative public transport system based on low emission buses. This option would also include: retention of a significant part of the corridor in public ownership; landscaping and treatment of the corridor to allow mini buses, pedestrians and cyclists; increased pedestrian and vehicular crossing of the line north south; construction of a user friendly terminus at the rail terminus; and the introduction of a circulating mini bus system from train stations to other CBD and surrounding locations; rerouting of north south traffic from Stewart Avenue to Gordon Avenue and the Bullock Island route.

8. Termination of the heavy rail west of Stewart Avenue and replacement with an alternative public transport system based on low emission buses. This option would also include: retention of a significant part of the corridor in public ownership; landscaping and treatment of the corridor to allow mini buses, pedestrians and cyclists; increased pedestrian and vehicular crossing of the line north south; construction of a user friendly terminus at the rail terminus; and the introduction of a circulating mini bus system from train stations to other CBD and surrounding locations.

While eight discreet options were identified, the role of PB and the PCG was to explore the best solutions, therefore, there was scope to vary or mix options to deliver the optimal outcome.

2.4 Assessment of transport options

Parsons Brinckerhoff completed its work in March 2009. Their work undertook comparative cost estimates for each of the options. The comparative cost estimates excluded scope elements common to all options. Accordingly, any estimates that appear in their report cannot be considered forecasts costs for budgetary purposes. It is acknowledged by both Parsons Brinckerhoff and the Corporation that further work would be required to develop a cost plan for the preferred option. The detailed work completed by Parsons Brinckerhoff is available under separate cover.

While community attention focused on the future of the rail corridor within the CBD, the strategic input provided by Parsons Brinckerhoff and Ministry of Transport also included integrated planning for private road transport, buses, ferries and the connection between the CBD rail network and the state diesel and electric systems.

A number of the options considered were rejected after the first round of investigation. A significant number of previous studies were used to assist with the analysis of each option.

Although undergrounding the rail on its current alignment does address the issue of improved connectivity for road and pedestrian transport and accessibility it was rejected for the following reasons:

- ❖ This option reinforces the rail in the wrong place;
- ❖ The cost is prohibitively high as compared to benefit;
- ❖ The opportunity cost for other CBD projects does not warrant this expense;
- ❖ Patronage levels for the rail network would not be improved;
- ❖ Environmental impact of buses, car and trains would remain unchanged with significantly underutilised buses and trains remaining on current routes;
- ❖ Significant construction impacts on rail service and surrounding buildings.

Similarly the option of elevating the rail within the current corridor helps improve road and pedestrian connectivity in the CBD but was rejected for the following reasons:

- ❖ This option reinforces the rail in the wrong place;
- ❖ The cost is prohibitively high as compared to benefit;
- ❖ The opportunity cost for other CBD projects does not warrant this expense;
- ❖ Patronage levels for the rail network would not be improved;
- ❖ The structure would create an intrusive visual barrier between the city and harbour and undermine the quality of the urban fabric of the city;
- ❖ Noise vibration and safety problems would persist;
- ❖ A solid structure would exacerbate flooding issues in the CBD;
- ❖ Significant technical, access and cost implications of having elevated platforms;

- ❖ Significant delivery/construction impacts on existing services and operation of the adjoining precincts.

Alternate heavy and light rail options were considered and eliminated for at least the next 25 years on the following grounds:

- ❖ This option reinforces the rail in the wrong place;
- ❖ The cost is prohibitively high as compared to benefit;
- ❖ The opportunity cost for other CBD projects does not warrant this expense;
- ❖ Passenger thresholds for viable usage could not be achieved for an estimated 25 years;
- ❖ Technical difficulties with maintaining steady low speed and diesel engines may over heat at very slow speeds;
- ❖ Slow speed (est. 15 km per hours) extended trip time may deter patronage (TramTrain);
- ❖ No likely positive impact on green house emissions (TramTrain);
- ❖ Limited urban design benefits (TramTrain);
- ❖ Noise and vibration issues not addressed (TramTrain);
- ❖ Does not address access issue at Stewart Avenue and make overpass construction more difficult
- ❖ Loss of patronage during construction;
- ❖ Not connected to a wider network undermines viability and operational performance (Light rail).

The option of retaining the rail with an increased number of level crossings was considered but was rejected for the following reasons:

- ❖ Current NSW Government policy requires a reduction in the number of level crossings in New South Wales, this option would be in direct conflict;
- ❖ Reinforces the rail in the wrong place;
- ❖ Journey times from Wickham to Newcastle would not be faster than by car or bus;
- ❖ Bus and rail patronage would not increase as a result (entrenching low opportunity costs and inefficiencies);
- ❖ Rail would still be given priority over pedestrian or road transport thus disadvantaging a significantly greater number of people;
- ❖ Cost benefit analysis could not demonstrate a positive outcome for the city;
- ❖ Safety risks associated with level crossings would only be increased with increase crossing and a growing volume of movements;
- ❖ The current track is not at the correct grade for a modern transit system;
- ❖ Noise and vibrations would continue to impose constraints on development;
- ❖ There is no potential for a major development catalyst around a new station;

- ❖ There is no impetus for a plaza linking road rail and ferry passengers at the harbours edge and gateway to the CBD;
- ❖ Stewart Avenue overpass would have to be constructed as traffic volumes increased to threshold levels;
- ❖ The perceived barrier between the city and the water would not be removed;
- ❖ The city's image would not be improved;
- ❖ New investment may be discouraged;
- ❖ Sites south of the rail line would continue to have lower value and remain underdeveloped reinforcing the old and new city divide;
- ❖ Environmental impact of buses, car and trains would remain unchanged with significantly underutilised buses and trains remaining on current routes.

The option of terminating the rail line at Broadmeadow or Woodville Junction was also assessed but eliminated. The removal of the rail line back to Broadmeadow potentially offered the greatest operational cost savings to government, however, it was not the preferred option in terms of realising the vision for the CBD and supporting other catalyst projects.

While the removal of the rail line from Wickham to Newcastle presented significant opportunities for improved urban design, greater connections, improved local amenity and improved CBD transit circulation, the benefits diminish west of Wickham. The workshop team and consultants, believed that removal beyond Wickham may be perceived as a disinvestment in the city centre. Further, a terminus at Broadmeadow or Woodville could generate commercial development further to the west of the CBD and diminish the growth impacts for the city centre. The CBD to CBD connection was deemed important for business linked to Sydney and for the further growth or relocation of businesses with facilities in Sydney or the Central Coast. Neither the Broadmeadow nor Woodville locations provided the "gateway" opportunities that Wickham offered. (See section 2.5.2)

The process of assessing the transport options was approached from several perspectives. These included:

- ❖ The future growth, functions and focus of the city centre;
- ❖ The role of the city centre in the region and metropolitan area;
- ❖ The catalysts for growth and development of the city centre;
- ❖ Related development and growth strategies;
- ❖ The nature and character of the different city centre precincts;
- ❖ The planning provisions in place and agreed;
- ❖ State and local policy and strategies;
- ❖ Economic benefits and costs;
- ❖ Social benefits and costs;
- ❖ Environmental benefits and costs;
- ❖ Governance responsibilities (risk and safety);
- ❖ Passenger safety and comfort and usage;
- ❖ Road network effectiveness and journey time/conditions;
- ❖ Hubbing and interchange opportunities (multi modal);
- ❖ The capacity of the wider public transport network;
- ❖ Technical requirements (rail road and terminus);
- ❖ Employment, commercial and retail requirements;
- ❖ Capital and operational costs impacts over the integrated network;
- ❖ Bike and pedestrian networks and connections;
- ❖ Urban design and function opportunities.

The options of termination east or west of Stewart Avenue at Wickham were considered to offer the most benefit to the future city as a whole, maintaining rail services to Newcastle and providing a viable platform for an improved transport solution. The process of determining the preferred termination option is explained in section 2.5.2 for this report.

2.5 The preferred transport strategy for Newcastle

Of all the transport options considered, Parsons Brinckerhoff (PB) strongly recommended a transport solution based on withdrawing the rail line to Wickham, developing a new terminus preferably west of Stewart Avenue and better serving the CBD by a flexible bus system. This recommendation was based on planning for the city's future growth, the need to make the terminus more central to the transit network of the region, the accessibility and road capacity benefits for the CBD, the catalytic nature for the development of a modern gateway station, and the additional savings to long term rail operations and maintenance.

The option recommended by PB while addressing rail enables greater transport benefits. The option responds to the future plans for the city and the sub regions growth, the city's role in the wider metropolitan complex and enables solutions for road, rail and pedestrian modes of transport both locally and from a regional perspective. It is based on a consideration of the city's character, urban form and quality, its functionality at a human and commercial scale, its capacity to grow and service an emerging market and community and affordability and achievability parameters.

The brief for the transport component of the work was seeking innovative solutions to the transport issues which have affected Newcastle's capacity to develop, it was to challenge the status quo and explore opportunities to grow and develop the city in line with the already endorsed and widely supported Regional Strategy and City Centre Plan.

2.5.1 Withdrawal of the rail line from Newcastle station

The process of determining the best solution for the city centre was an iterative and integrated one. The first step was to determine whether the rail should be withdrawn from its terminus at Newcastle station. In summary the reasons for shortening the spur rail line to Newcastle are as follows:

- ❖ **The rail line in its current location is in the wrong place to serve either the city centre or the surrounding area.** If you were planning a new heavy rail corridor to serve a commercial centre it would not be located in its present position (close to the foreshore or at grade). In fact originally the line was not planned for passengers but for freight movement. Its poor location, and therefore lack of adequate service delivery, is demonstrated by the low patronage of Newcastle residents, workers and visitors. Currently (2008 data) 2,640 people (5,280 trips) use Wickham, Civic or Newcastle stations. The total for these three stations has remained at a similar level since 2003.

Rail is not the preferred choice for journey to work in the CBD (80% of CBD workers use private motor vehicles and less than 5% come to work by train). Moreover, the average rail trip is 50km long for Newcastle travellers as compared with 18km in Sydney. This reinforces the regional linking role of the rail rather than its circulation role.

- ❖ **The future city will not be serviced by a terminus at Newcastle.** Over the last 20 years the focus of growth and development in the CBD has been around the Civic, Honeysuckle and West End/Wickham areas in terms of dollar invested and jobs. As the city continues to grow with modern large floor plate offices and service facilities the east end of the city will increasingly become a residential and tourist area serviced, in time, by retail outlets. This is reinforced in the City Centre Plan. These areas will not rely on heavy rail but will require a more

flexible road based public and private transport network. The most relevant development opportunity for medium term development in this precinct is the GPT project.

- ❖ **The rail line divides the precincts of the central city and causes it to operate in a dysfunctional manner.** Honeysuckle has developed over the last eighteen years and is a significant social and economic success. It has been the focus of most of the residential, recreational and commercial growth in the city. The 1991 Honeysuckle Master Plan called for the termination of the rail west of the current Civic Station and measures to ensure that the existing CBD was well linked to the proposed development along the waterfront. If the rail was not withdrawn the links could not be made and the city remains physically separated between new and old.
- ❖ **The location of the rail corridor actually reduces, rather than enhances, the accessibility of the central city.** While the relatively small number of people currently accessing the city centre by rail could be disadvantaged by shortening the rail line to Wickham from Newcastle, a significantly large number of people who access the area as pedestrians or by bike, bus or private motor vehicle would gain more flexible access. While 1,460 people (2,920 trips) access Newcastle station by rail at peak hour, 17,000 vehicles per day cross the level crossing on Stewart Avenue, 3,500 vehicles per day use the Merewether Street level crossing and several thousand take a longer and circuitous route around the rail to travel what should be short journey distances. Greater connectivity would enable the public buses to circulate through key core areas of the city and, overtime, should reduce the reliance on motor vehicles. Level crossings in increasingly congested urban centres are strongly questioned by governments for safety reasons and transport planners as they disrupt traffic movements and are inefficient. It is NSW government policy that progressively level crossings are removed or replaced with grade separated access. Options which facilitate a reduction in the number of level crossings while enhancing the opportunities for sensible city building should be soundly investigated.
- ❖ **Public transport should support, as opposed to dictate, the city's form.** The development of the city and its ability to achieve the highest standards in urban design are compromised by: the lack of connectivity; the aged rail line's visual and intrusive form; the significant disruption to pedestrian and vehicle movement; the noise and vibration impact of train movements on existing and future development; and the impact it has on the potential of the city to develop office and residential accommodation which enjoys the amenity of the harbour. The CBD of Newcastle has been in decline for a number of years as retail centres at other locations have developed, commercial precincts have decentralised and entertainment precincts in west Newcastle have developed. The City Strategy aims to increase the CBD's retail business, establish greater opportunity for commercial development regenerating the CBD's western edge and facilitate greater cultural development (celebrating this localities architecture and proximity to beaches) on the CBD's eastern edge.

The transport solution proposed responds to this vision by ensuring rail is provided to the part of the future CBD (commercial) where patronage can be maximised and acknowledges that retail and cultural centres utilise both private and public transport modes.

- ❖ **Continuation of the rail between Newcastle and Wickham is not an optimal use of government / community resources.** At present there are close to 200 rail passenger services during an average weekday 24 hour period. These services provide an estimated 27,324 seats with a maximum capacity of in excess of 38,000 passengers. On average there

are 5,280 trips at the three stations. During the morning peak (6:00 to 9:30 am) the CityRail count is 400 out and 250 in at Newcastle Station based on 2008 data. At Civic Station during the morning peak there are 370 people out and 90 people in. This represents 3.9% of the estimated 16,000 workers in the CBD. ABS Journey to Work Data indicates that 5% of commuters are using train for their journey to work in inner Newcastle (wider than the CBD) compares poorly with 51% for Sydney, 31% for Chatswood, 25% for Parramatta and 17% for Hornsby. Evidence presented to a Parliamentary inquiry in 1998 was that the annual operating cost of the rail from Wickham to Newcastle was \$5.5m and that many buses and trains run empty in parallel the city. This is not an efficient or sustainable use of public money.

2.5.2 Location of the terminus

On the recommendation that the rail should be withdrawn from Newcastle station the next step was to determine the best location for a new terminus. The preferred option was determined at Wickham for the following reasons:

- ❖ While termination of the rail line at Broadmeadow may be possible, there is a strong view that the future CBD should remain connected by rail to the Hunter region and the Sydney metropolitan area.
- ❖ A station at Wickham would be within a 400m walking distance of the major growth areas on the CBD at Honeysuckle, Civic Newcastle West and Wickham.
- ❖ It is expected that a terminus at Wickham will act as a hub linking the regional road network with rail and a future CBD based bus service and generate increased usage.
- ❖ A location west of Stewart Avenue opens up Stewart Avenue for increased traffic movement north south through Newcastle while providing better access to the city centre for bus and car. This option avoids the need to provide a future grade separated overpass at Stewart Avenue, which will be required in the future if the rail line is retained.
- ❖ This location afforded the opportunity for a gateway to Newcastle and create a plaza entry linking the main public transport centre to the city centre and the harbour and bring all transport routes to a common node (rail, road and ferry) concentrating all transport modes to generate greater value up lift in the precinct.
- ❖ This section of the corridor is straight enough to enable a future major rail hub to be constructed including the length of platform required, the width to allow 4 platforms and the site is large enough so that it can be developed as a public domain which enables safe and easy access for passengers to interchange and use (unlike other parts of the corridor).
- ❖ This location at the edge of the future CBD supports the longer term growth strategy for major commercial development in the CBD around Honeysuckle, Newcastle West and Wickham.
- ❖ Removal of the rail and opening up of the Civic precinct was consistent with the ongoing development of the Civic and cultural precinct and the relocation of University campus style facilities in the CBD.

- ❖ Retail function to be facilitated in the “Mall” area would not be reliant on rail but benefit from improved road access and bus services linking the rail hub to this part of the CBD.
- ❖ The greatest potential for urban growth and renewal is located around the proposed new station site in the Wickham area.
- ❖ Is very close to the crossroads of the east / west regional route with the north / south regional access routes, making it the regional hub for bus, coach, car passenger drop off/collection, and park’n’ride and is accessible to the foreshore and potential future ferry services.
- ❖ It has the potential to serve business commuters, residents and the tourism and recreation sectors well.
- ❖ The site has the potential to house ancillary uses that will enhance performance of the terminal such as retail, office, service centre and passenger facilities.
- ❖ Estimated travel times (based on current journey data) would result in minimal travel time disruptions for regional commuters and have minimal impact/loss as a result of modal change.
- ❖ Shortening the Newcastle branch line will enable the removal of up to three level crossings (Merewether Street, Stewart Avenue and Railway Street which is consistent with NSW policy of reducing the number of level crossings in New South Wales) and provides a safer environment as the cities pedestrian and cycling population grows.
- ❖ This location has the potential to reduce maintenance costs on the network into the future.
- ❖ On a comparative cost basis this option is agreed to be the most cost effective of the options considered (past and present) and still provides rail services to a growing Newcastle CBD.

2.5.3 Alternative transport system

The evaluation process made it clear that:

1. The rail line in its current location is not serving the city centre effectively;
2. Retaining the heavy rail as an at grade line to Newcastle in its current location is sub-optimal;
3. Rail patronage is very low compared with other transport options;
4. The corridor through the CBD has a negative effect on built form, urban design, local amenity, road and pedestrian access, future development;
5. An improvement to the situation by finding an alternate solution is required;
6. To achieve the urban development outcome envisioned in the City Plan the heavy rail branch line should be shortened from Newcastle;
7. To maximise the transport benefits, minimise the cost and maintain an effective public transport system for Newcastle, a location west of Wickham Station is the preferred location of a new terminus.

The next step was to determine the best transport option to replace and enhance the connectivity of a new transport hub with the inner city. The previously considered options of operating a light rail and TramTrain were revisited and on the basis of previous studies were determined to be unrealistic in terms of operating viability, capital cost and safety (estimates and case studies in the PB report).

The preferred option was determined to be a modern and accessible terminus resulting in improved circulation of the city. This decision was based on the following:

- ❖ Buses provide the most robust and flexible form of urban transit for a centre that is growing and emerging over time. Routes can be designed to reflect changing needs over time (years), seasons, events, days of the week without significant capital investment or community disruption.
- ❖ Given the linear nature of the CBD and the recognised pedestrian comfort zone of 400m any form of new fixed infrastructure that ran solely along the east west axis would have a large percentage of its catchment over Newcastle harbour and this would be inefficient.
- ❖ A bus system is capable of providing greater levels of access to locations in and surrounding CBD.
- ❖ The public bus network has significant existing capacity (details in PB report) and the current level of service (every 3 minutes along Hunter Street) will meet demand with out significant additional cost.
- ❖ The cost of implementation based on the existing and augmented network (capital and operational) is achievable and relatively inexpensive when compared to other options.
- ❖ Increased use of bus transit would help activate the city centre and contribute to vibrancy and safety.
- ❖ The road capacity to the CBD (along Hunter and King Streets) is sufficient to accommodate increased bus servicing into the future.

Introducing a modified light rail option such as a TramTrain poses significant technical and operational issues. It would not have sufficient patronage to be financially and operationally viable; it would not be compatible with freight rail services on the Main North Line potentially disrupting significant and growing freight transport; is not operationally safe to operate in a pedestrian environment as the track brake system would not work and would not produce appreciable transport service gains given the cost to implement.

Buses were determined to be the preferred alternative system to rail from Wickham to Newcastle and around the CBD. The detail of this solution, especially the option of using the corridor for busses, needs further analysis and modelling. PB recommendation at this point is to utilise Hunter Street rather than the corridor for buses. More discussion of these issues is provided in Section 2.9.

2.5.4 The elements of the proposed solution

Further investigation work is required to before any significant capital investment can be made. An integrated Transport Action Plan should be developed and could potentially assist in the delivery of the Project Control Group's vision of an integrated solution at Wickham:

- ❖ Rail passengers from Sydney the Central Coast, Newcastle, Lake Macquarie, Maitland and beyond would disembark at a modern, accessible terminus at Wickham;
- ❖ Once emerging from the station travellers will orient themselves with the Harbour to their left and to their right wide shaded walkways and active, busy footpaths.
- ❖ Interactive information kiosks and directional signs advise of connecting bus services to major stops in Hunter Street and Stewart Avenue, as well as locations such as the airport, University and employment areas. Connection to the waterfront promenade is clearly in view.
- ❖ A free 'in CBD zone' shuttle bus will await travellers for the CBD accessing stops along Hunter Street right through to East Newcastle and beaches.
- ❖ The shuttle buses should be modern, low emission, air conditioned buses with luggage carrying capability for suitcases or surf boards with internal message and information boards.
- ❖ A pedestrian and cyclist shared zone will follow the path of the former rail line.
- ❖ Services for night connections would include a taxi rank in close proximity, covered and illuminated food outlets and traveller services such as car rental and accommodation booking. A drop off and short stay parking facility would be nearby. The pubs would however stay in Hunter Street.
- ❖ A ferry interchange at Throsby could extend the current Stockton service.
- ❖ Commuter carparks should be investigated to assist reducing the heavy car reliance of regional locations such as Maitland and Western Lake Macquarie.

The catalyst projects, in particular the University and Justice facilities, would be well served by the proposed integrated transport solution.

Opportunities for use of the surplus rail corridor focused on what could be done while reserving the land for future transport requirements. In the short term, the land offers many opportunities for improved cycle and pedestrian facilities. Since the nearby bus service corridor of Hunter Street has sufficient capacity, it is the preferred location for any rail-extension bus service, at least until the urban form changes significantly and alternative public transport modes become available that are more suited to the use of the existing rail corridor.

2.6 Future use of the rail corridor

The future use of the existing rail corridor should the decision be made to remove the rail line to Wickham, is of critical importance to the future functioning and form of the city. Both consultants and the workshop considered the future use of the rail corridor recognising its importance to any transport solution and in terms of the potential for it to provide a platform for greater connectivity in the city.

If treated correctly, the corridor could fundamentally change the configuration of Newcastle and stimulate a revitalisation of its expanding core. It has also been acknowledged that the way in which the land in this corridor can support the CBD will change over time, however, broadly the role would include:

1. Providing an accessible pedestrian, vehicular and visual corridor complementing the waterfront and Hunter Street precincts;
2. Being a catalyst to the reorientation of commercial sites immediately south of the corridor;
3. Providing space for multiple north – south access ways linking the waterfront, Honeysuckle, retail, commercial, heritage and Civic precincts without a fenced rail corridor;
4. Improving traffic flow along existing north/south road links with additional road links possible, as well as eliminating the at-grade crossing of the State Road (Stewart Avenue) so it is safer and more efficient for regional travel;
5. Connecting the CBD via a grid of roads and pedestrian ways by extending identified roads across the rail corridor and bringing all central precincts closer to the new rail terminal and bus services on Hunter Street. This also allows the bottleneck of vehicle access to Honeysuckle to be relieved as alternative routes become available;
6. Providing open space that can be used to join new developments and enable higher density on sites adjacent to the corridor, which may be particularly useful for the integration of new campus facilities;
7. Linking the central city through a self contained cycleway distributing riders to key destinations and regional cycle routes;
8. Acting as a land bank for future transport needs if required;
9. Providing opportunities for other transport related uses such as parking, standing of services vehicles and special events overflow areas.

Further detailed analysis of the future use of the rail corridor is required as part of the public domain and integrated transport components of the strategy.

2.7 Key transport findings

The following overall findings emerged from the work undertaken by Parsons Brinckerhoff in cooperation with the Urban Design Panel and Urbis:

- ❖ Public transit in Newcastle is failing to keep pace with the motor car for travel in the region;
- ❖ Journey to work data demonstrates the failure of the rail system to compete for patronage;
- ❖ The current rail system is significantly under utilised between Hamilton and Newcastle despite its long history and relatively large number of stations;
- ❖ A new integrated transport strategy is needed to support the whole of government vision for the city over the next 25 years;
- ❖ Rail must continue to play a role in the transport future of Newcastle linking the region to its primary centre but this must be integrated into a much larger transit system;
- ❖ The current rail services are not in the optimal location nor are they at the correct grade for a modern successful urban passenger system to compete and prosper;
- ❖ Level crossings in urban areas are counter to State Policy and present an unacceptable risk;
- ❖ Traffic volumes on Stewart Avenue are projected to grow to the point that a level crossing will unacceptably exacerbate already significant delays and traffic movement problems;
- ❖ There is adequate capacity on inner city buses to take the shift from rail to bus. Bus network in the inner city could be enhanced;
- ❖ Because of the historic development of the rail line (to serve the port) approximately half the potential catchment of the rail line in its current location is on Newcastle harbour, and valuable inner city harbour side land is being used for functions such as stabling and crew facilities which should be located elsewhere;
- ❖ The rail line creates a significant barrier to both pedestrian and vehicular movement in the inner city;
- ❖ The road system fails to serve the inner city well and fails to provide strong connections from surrounding suburbs to employment centres in the CBD because of the location of the rail line and the barrier it presents;
- ❖ The fulfilment of the vision for the city centre indicates that the rail should continue to at least the perimeter of the CBD or the outer edge of the future CBD;
- ❖ Revitalisation of the Hunter Street Mall precinct (inner CBD) based on reinvestment in retail and residential does not require access to heavy rail but will require better road access;
- ❖ Employment growth will expand and strengthen in the Civic, Honeysuckle and Wickham precincts. These areas require good multi modal connections to commuter destinations and open and rapid accessibility and connectivity internally;

- ❖ Connections for pedestrian and bicycle commuters are a local priority and should be provided more strongly in the city centre and as connections to commuter populations;
- ❖ The under-utilisation of the rail line is a reflection of its alignment for use as a freight line from the harbour, not as a passenger service.



Source: Newcastle Region Library

2.8 Cost Benefit Assessments

To add to the rigor of the process and as a due diligence measure once the relevant stakeholders and professional experts had determined the preferred rail option through investigation and workshop, a Cost Benefit Assessment (CBA) was completed by Urbis. The objective was to provide data that would assist government in decision making.

The Cost Benefit Assessment took a community wide perspective, used the concept of opportunity cost (ie the cost of a forgone outcome) and included a range of social, economic and environmental costs and benefits. Two options were assessed: the preferred option and the option to retain the heavy rail line, increase pedestrian crossings and construct an overpass at Stewart Avenue.

The CBA outcomes can be summarised in two performance measures: Net Present Value (NPV) and Benefit Cost Ratio (BCR). Projects with a higher BCR and a positive NPV are superior on a range of measures to projects with lower valued BCR and negative NPV. This does not mean that a project can derive an economic rate of return but that it generates triple bottom line benefits that exceed its cost of provision.

The table below summarises the assessment outcomes under different scenarios and sensitivity testing for discount rates for the option of retaining the existing heavy rail to Newcastle station with increased level crossings, pedestrian access, landscaping and grade separation at Stewart Avenue.

Option to retain existing heavy rail to Newcastle station with increased level crossings, pedestrian access, landscaping and grade separation at Stewart Avenue

Metric	Likely Scenario	Scenario testing- Stewart Avenue not constructed	Sensitivity Analysis Higher discount rate	Sensitivity Analysis Lower discount rate
Discount Rate	7%	7%	10%	4%
PV of Costs	\$285.8m	\$234.5m	\$231.2m	\$361.9m
PV of Benefits	\$103.6m	\$103.6m	\$81.2m	\$136.7m
NPV	-\$182.2m	-\$130.8m	-\$149.9m	-\$225.2m
BCR	0.36	0.44	0.35	0.38

Under a discount rate of 7%, the NPV of maintaining the current rail line is -\$182.2 million, whilst the BCR is 0.36. Under the higher and lower discount rates the costs continue to outweigh the benefits. After excluding the costs of constructing the Stewart Avenue overpass, which has been proposed under this option, the costs again continue to outweigh the benefits. Thus, continuing to operate the rail line from Wickham to Newcastle should be regarded as a poor investment of community capital, irrespective of whether the Stewart Avenue overpass is constructed.

The table below summaries the assessment outcomes under different scenarios and sensitivity testing for discount rates for the Preferred Option to terminate the heavy rail west of Stewart Avenue at Wickham and replace the service with a bus network.

Preferred Option to terminate the heavy rail west of Stewart Avenue at Wickham and replace the service with a bus network.

Metric	Scenario 1 likely	Scenario 2 Without GPT development but with University	Scenario 3 without University but with GPT	Sensitivity testing Higher discount rate	Sensitivity testing Lower discount rate
Discount rate	7%	7%	7%	10%	4%
PV of Costs	\$657.7m	\$657.7m	\$657.7	\$622.8m	\$702.4m
PV of Benefits	\$821.0m	\$617.4m	\$284.1m	\$629.1m	\$1.1b
NPV	\$163.4m	-\$40.2m	-\$373.5m	\$6.3m	\$402.4m
BCR	1.25	0.94	0.43	1.01	1.57

The costs and benefits that would accrue under the preferred rail option are those costs and benefits which are associated with the catalyst projects that are contingent on or strongly influenced by the removal of the rail – these are: the Retail Precinct (GPT's development) and the Education Precinct (University of Newcastle CBD campus). Other quantifiable benefits that will accrue include tourism sector benefits and reduced waiting time for road commuters with the removal of level crossings in the CBD.

Under a discount rate of 7% the NPV of terminating the rail line is \$163.4 million and the BCR is 1.25. The benefits of the preferred rail option continue to outweigh the costs under the higher and lower discount rates.

If GPT does not proceed with its development, the costs will outweigh the benefits. However, the NPV of the preferred option under this scenario is still higher than the *retain the rail line* option. Thus, regardless of whether GPT proceeds with its development, the preferred rail option would provide more benefits to the community than if the rail is retained.

If GPT proceeds but the University of Newcastle does not proceed with its investment, the costs of the preferred rail option will outweigh the benefits and the NPV will be less than the retain the rail option.

Thus, based on quantifiable benefits for NSW, the preferred rail option would only be a positive investment of community funds if the University proceeded with its major city campus development as a result of the rail line removal. However, there are a number of significant local benefits that will accrue as a result of the removal of the rail line to Wickham that can't be measured because of transfer effects at the state level.

Terminating the rail line west of Stewart Avenue clearly provides a net community benefit, regardless of whether GPT proceeds with its development. This is true under varying discount rates. However, if a scenario emerged whereby the University of Newcastle did not proceed with its developments, the preferred rail option would post a net cost to the community as measured at the state level, however, would provide a number of local benefits that are not measurable due to actual or perceived transfer effects.

Assuming that the University of Newcastle did not proceed with its city campus development, retaining the rail line calculates as a more positive quantifiable economic option, albeit that the costs of this option would still outweigh the benefits. The option to retain the heavy rail line as described previously would also limit the opportunity to realise the additional local benefits that would accrue from the removal of the rail line to west of Stewart Avenue.

There are a number of non-quantifiable local benefits that will continue regardless of whether the GPT or University of Newcastle projects proceed as a result of the rail line being terminated west of Stewart Avenue. These benefits are discussed in our March 2009 Economic Impact Assessment of the Catalyst projects proposed in the Newcastle CBD Revitalisation Strategy. These include:

1. Facilitate the evolution of a more integrated Newcastle CBD;
2. Facilitate linkages and the agglomeration of economic activity in the Newcastle CBD;
3. Facilitate investor confidence;
4. Increased Revenue Base for Newcastle City Council;
5. Higher and better land use;
6. Improvement in residential amenity;
7. Reduced noise and vibration levels in the heart of the CBD.

As such, it is recommend that the proposed termination of the rail line west of Stewart Avenue should be further investigated as the potential benefits may exceed the costs and provide a better economic outcome than retaining the rail in its current position. The proposal also has the ability to deliver a number of non-quantifiable local benefits that are unable to be measured at the state level.

2.9 Treatment of costings

As a due diligence measure and following discussion around the comparative costs developed in the Parsons Brinckerhoff Report, RailCorp has separately assessed and prepared a preliminary costing for the preferred option, based on similar scale projects across the CityRail network. RailCorp believes that this option is worthy of further investigation.

The Project Control Group recognises that the preferred option is consistent with the vision for the future of the city and is considered to be the most cost effective option for future consideration meeting the overall objectives associated with the City Plan for Newcastle.

RailCorp also reviewed this option and provided advice on the order of capital costs, based on its experience with previous projects, and determined estimates for station platforms, track work and signalling and applied unit rates for particular works such as stabling yard costs and other RailCorp specific elements. RailCorp's initial opinion is the option could cost in the order of \$500 million - \$650 million in \$2009. This order of costs also includes a 30% contingency which is reasonable given the basic stage of development of the option.

This estimate is based upon a 'possession regime', whereby the required works to create a new terminus at Wickham would need to be carried out whilst the line remained fully functional. This would therefore impact on the delivery timeframe for the physical works and the associated costs.

RailCorp acknowledges that the 'greenfields regime' (where trains are temporarily terminated at an earlier station, thus allowing the works to happen in a more compressed timeframe) has potential to be further explored if NSW Government allows the option to be further investigated. It should be noted that the broad order costing prepared by Parsons Brinckerhoff of \$150 million for the preferred option was prepared considering a 'greenfields regime' only.

The next phase of work would therefore require a Rail Operations Plan, Concept Plan and Cost Estimates to be prepared in order to provide a more defined scope and associated costings to enable full consideration of the preferred option. This would need to occur in a timely manner to ensure a submission could be made to the Federal Government for the 2010 / 2011 budget cycle.

It is clear that any endorsement of the preferred option at this stage is made on the basis of work completed to date and that this option is acknowledged to be the best and most viable option for Newcastle's city centre in the context of its wider State role and growth projections for the region.

Similarly it is clear that support for the preferred option cannot constitute a commitment by Government to its implementation without further analysis. Further detailed analysis and planning is a fundamental and mandatory next step. It is noted that implementation of the preferred option from a capital expenditure perspective would be progressed over a long time period and would be subject to other Government development investments in Newcastle preceding this investment. Additionally this transport infrastructure proposal would need to be assessed and considered in the context of other transport related capital project priorities by the NSW Government.

2.10 Further research and planning required

The work undertaken to date is significant but represents only the important first step in a longer term process. While this strategy is firm in its recommendation of a preferred option and this option has the support of the PCG, HDC, the Department of Planning, Newcastle Council and the Ministry of Transport, it is also clear that there is a need to undertake further concept, operational and detailed cost planning before any further consideration of such a significant capital investment is made. RailCorp supports the latter investigations being carried out.

RailCorp, MoT and HDC have agreed that further development of the proposed rail operations plan, concept design and cost estimates would be needed to provide Government with a more robust cost estimate. It is likely that the preliminary cost estimate proposed by RailCorp would change under a value management review process.

Matters which would need to inform the next stage of the proposal include:

- ❖ The need and appropriateness of a stabling facility at the future terminus taking into account the land requirements, noise mitigation requirements operational and business requirements of RailCorp;
- ❖ A clear delineation of the direct capital costs associated with this proposed project compared with major periodic maintenance associated with old rail assets on the branch line, underlying long term maintenance and upgrading costs which would be required regardless of the option selected and scope management and control to accurately cost the direct capital costs;
- ❖ The extent of track work and signalling required to effectively service this part of the rail network - achieving an appropriate operating plan given the level of patronage and forecast growth in the region - the concept design (standards of design, construction materials etc) should be tailored to suit the region and this part of the rail network.
- ❖ The strategy and approach developed to construct the terminus (greenfields as opposed to brownfields) could potentially have a significant impact on construction timeframes and therefore the final forecast cost. Note: Construction under a greenfields (shutdown) environment whereby the Newcastle branch line is closed during the construction period and bussing operations were commissioned should form part of future considerations.
- ❖ Opportunities for value capture associated with new development and transit oriented development linked to the terminus and its subsequent availability to supplement the capital cost;

Other related detailed analysis and planning should also be undertaken to compliment the work above:

- ❖ Bus routes and road capacity modelling for the development of a terminus at Wickham should be undertaken;
- ❖ Road transport modelling in terms of future growth patterns and impacts;
- ❖ Feasibility for increasing ferry services;

- ❖ Feasibility for improved intercity rail connections both in terms of journey time but also passenger comfort and services;
- ❖ Investigate commuter car parks at both origin / destination stations and in the CBD;
- ❖ Terminus designs to maximise value up lift, accessibility and passenger comfort, and
- ❖ A strategy to implement improved lighting, seating, information display and scheduling on existing bus services.

2.11 Integration workshop

As part of the further analysis on potential catalyst projects carried out by the Hunter Development Corporation, a two day workshop was held.

The workshop included:

- ❖ Members of the Project Control Group (PCG), which had senior officer representation from Newcastle Council, Department of Premier and Cabinet, Ministry of Transport, Department of Planning, the Hunter Development Corporation;
- ❖ The Urban Design Reference Group, which was comprised of national and international experts, local representatives and public sector leaders in their field; and
- ❖ Key members of the consultant teams from Urbis and Parsons Brinckerhoff.

The objectives of the workshop were:

- ❖ To ensure all stakeholders have the opportunity to input and influence the process;
- ❖ To provide an environment and process that maximises the potential for the development of the best possible “plan” for the city;
- ❖ To bring together a wide variety of skills and perspectives with a particular focus on the Newcastle CBD;
- ❖ Ensure that all reasonable options (that have been thoroughly investigated and analysed) are shared and brought together in one plan;
- ❖ To ensure the best technical expertise is brought to the process and the proposed solution;
- ❖ To provide the information, ideas, arguments and evidence necessary to formulate a plan and strategy for the Newcastle CBD;
- ❖ To produce a collaborative outcome with a shared sense of ownership and responsibility for implementation.
- ❖ To build an implementation strategy based on the City Centre Vision endorsed by the Council and State Government.

Key Insights’ brief for the workshop was to ensure that the options being considered in terms of catalytic projects or initiatives and the transport options under evaluation were brought together in the context of urban design, social and environmental considerations. Further, that the various inputs were integrated, evaluated and developed into a holistic strategy which will form the platform for a detailed submission to the State and Federal governments.

The workshop set some key benchmark questions against which to further test the development of the strategy. These included:

Scale	Does the strategy cover the big picture vision issues as well as site specific issues?
Regional City	Do our plans serve the region?
CBD Functions	What are the higher order functions that should be provided?
Critical scale and form	Have we achieved the necessary agglomeration and compactness?
Attraction	Are the CBD's core functions really attractive?
Growth	How can the strategy enable the city centre to attract and create growth?
Advantage	Is the strategy building on Demand and Comparative Advantage?
Quality	Does it address our unique characteristics (e.g. beach, harbour)?
Public Domain	Does it provide the framework necessary?
Transport network	Does the transport network support what we want the city to be? Is the public transport solution sustainable? Can we create a Creating a sense of arrival in the CBD? Is it sustainable financially and environmentally? Is it cost effective and achievable?
Investment	Attract public investment? Attract private investment? Provide benefit to the public and private sectors? Does it improve connectivity? Accessible internally (getting around the City Centre) Accessible externally (getting to and from Airport, Sydney etc)
Staging	is it able to be staged?
Lifestyle	does it deliver on lifestyle?

Key issues to be addressed:

- ❖ CBD lacks core CBD high order functions and drivers eg retail and defining commercial functions;
- ❖ Escape business to regional centres and Sydney;
- ❖ CBD is too long and spread out needs to be more densely developed, with strong focal points to achieve vibrancy and critical mass;
- ❖ Decaying parts of the CBD set tone and character;

- ❖ Lack of density drives social and safety problems and robs CBD of economic growth;
- ❖ Inadequate development sites in city east;
- ❖ Significant traffic delays at Stewart Avenue and Merewether Street;
- ❖ Unacceptable risk due to level crossing in CBD;
- ❖ Lack of connectivity north south;
- ❖ Dead areas in between north south links;
- ❖ Disconnection of Honeysuckle as part of CBD;
- ❖ Operational difficulties for businesses in terms of moving through out the city;
- ❖ Poor public transport use despite availability of services;
- ❖ Lack of new autonomous investment;
- ❖ Lack of government lead relocations.

Platform and comparative advantages to build on:

- ❖ Strong regional public transport network;
- ❖ Good connections and short travel time to Sydney compared with other regional centres;
- ❖ Strong identity, culture and character;
- ❖ Fantastic coastal and harbour location;
- ❖ Good quality of life;
- ❖ Strong urban fabric;
- ❖ Growth in inner city living;
- ❖ Sound planning framework;
- ❖ Short journey to work;
- ❖ Good supply of city centre land;
- ❖ Success of Honeysuckle and specific development on the project.

Key elements to incorporate:

- ❖ University city campus at civic;
- ❖ Development of a new Justice precinct at Civic;
- ❖ Public domain for entire CBD;
- ❖ Connections to region, Sydney, harbor and coast;

- ❖ Government relocation of office functions;
- ❖ Termination of rail at Wickham;
- ❖ New terminus at Wickham;
- ❖ Terminus to create a gateway and connection to the harbour;
- ❖ Corridor treatment to reflect function of the surrounding precinct and generate connection and activity;
- ❖ Connection of CBD to surrounding open space and bicycle networks;
- ❖ Options for reuse of corridor.

These elements were captured in notes and drawings which were brought together at the conclusion of the workshop and used to produce the strategy presented in this document.

2.12 Key outcomes of the Integration Workshop

Agreement was reached by the participants of the Integration workshop on the following:

- ❖ University relocations and expansions should be strategically targeted as a key driver for the growth of the CBD;
- ❖ A key supporting factor of University expansion in the CBD is the redevelopment of the justice facilities;
- ❖ University relocations and expansions should be strategically targeted as a key driver for the growth of the CBD;
- ❖ A key supporting factor of University expansion in the CBD is the redevelopment of the justice facilities;
- ❖ The location of the University and court facilities at Civic could form the critical mass to generate private sector investment and growth;
- ❖ The General Property Trust development should be supported in the proposed location around the Hunter Street Mall;
- ❖ The Hunter Street Mall should be opened up to traffic;
- ❖ The heavy rail line should be used to get people to the city centre but is not the best way to move people around the CBD;
- ❖ The rail line should continue to the CBD perimeter, not terminate at Broadmeadow where it would be well outside the CBD;
- ❖ Buses provide the most robust, flexible responsive and affordable public transport option within the CBD;
- ❖ The new terminus should be constructed between Civic and Wickham and include private and public bus and ferry connections and car parking;
- ❖ All levels of Government have a pivotal initiating role in the revitalisation of the Newcastle CBD;
- ❖ The strategy should be linked to the prosperity of the region and the state;
- ❖ The rail corridor should be used as a linking feature for predominantly north south connections but also to support east west connections particularly for pedestrians and cyclists;
- ❖ A whole-of-government approach is necessary;
- ❖ Staging and financing are critical to the success of the strategy;
- ❖ The strategy for the CBD should reflect growth and development of the region generally.

Workshop participants agreed that both the catalytic projects, particularly the expansion of the University's city campus, and the facilitating structures of the transport system and the public domain,

were inextricably linked and must be planned and implemented together through a coordinated strategy and that this strategy was entirely consistent with the objectives of the City Centre Plan.

Of most sensitivity was the proposed termination of the heavy rail in the Civic/Wickham area. The Workshop explored the specific location for an terminus within the context of:

- ❖ The travel needs and convenience of passengers;
- ❖ Pedestrian access;
- ❖ The need for a sense of arrival – a gateway - and the relationship a terminus would have with the harbour and existing and future built form;
- ❖ Connections of a terminus with other forms of transport (bus, car, ferry, plane);
- ❖ The impact of a terminus of on Stewart Avenue traffic;
- ❖ The impact of a terminus on existing and possible bus routes;
- ❖ Dominant pedestrian routes and connections, current and future;
- ❖ The location of office growth;
- ❖ The ability to open the city to the water;
- ❖ The location of development sites and the connections they may require;
- ❖ The suitability of existing rail track to accommodate a terminus (400m of straight track for the station);
- ❖ The impact a new terminus location on the development of the University campus;
- ❖ The location of ancillary rail functions (stabling, crew facilities, etc);
- ❖ The potential of the location to leverage maximum growth and investment.

Workshop participants assessed terminus location options east and west of the current Wickham station and the Civic option. Civic was considered a less optimal location and the Wickham options significantly superior. Both Wickham options were considered feasible and to present benefits. The workshop agreed more investigations should be completed prior to making a preferred recommendation. The final recommendation of a terminus west of Stewart Avenue was based on the following:

- ❖ more detailed analysis of the site and track conditions in the area;
- ❖ the operation and efficiency of the road transport network, especially the functioning of Stewart Avenue;
- ❖ the completed cost benefit analysis;
- ❖ the available land for new catalytic development;
- ❖ the accessibility for the regional bus network.

Section 3 – The strategy

In 2006, the NSW Government released the Lower Hunter Regional Strategy. This document recognises the need to cater for 66,000 new jobs, 160,000 residents and 115,000 new dwellings. It also clearly identifies the need to reinforce the role of the Newcastle City Centre as the Regional City. If Newcastle is going to serve the region and state well and contribute to its economic growth and sustainability it too needs to grow and prosper. It needs to be revitalised.

The strategy for revitalising the Newcastle City Centre is about strengthening Newcastle as the second largest city in New South Wales, serving the Lower Hunter and Upper Hunter Regions, part of the Central Coast, and as the major city in the northern integrated Greater Metropolitan Region. This strategy supports the 2007 Newcastle City Centre Vision developed jointly by the Newcastle City Council and the State Government, which plans to accommodate 10,000 new jobs and 6,500 new residents within the unique city setting.

With the right vision, planning, action and resources the Newcastle of 2018 could be a:

- ❖ vibrant university city, attracting domestic and international students;
- ❖ city nationally recognised as a centre of business excellence based on research and learning;
- ❖ city providing high-order retail, legal, health and business services thus becoming a robust region;
- ❖ regular destination for international cruise ships and conference delegates;
- ❖ home to 150,000 residents who enjoy a vibrant, safe and affordable lifestyle;
- ❖ user-friendly city with great public transport, highly accessible, bike and pedestrian friendly;
- ❖ city connected to the nation and the world by rail, road, sea and air;
- ❖ city standing ready with a 40,000 seat capacity venue to welcome teams of the FIFA World Cup;
- ❖ city known for the quality of its heritage buildings, its new architecture, its public art, public domain and the beauty of its coastline.

Individuals and families worn down by the journey to work in major cities; unable to afford increases in the cost of living; priced out of the housing market; in need of greater work / life balance or specialist health care; aspiring to a career in health sciences, the law, the arts or business services; those who want a safe place for their children and teenagers, will all have a choice outside the nation's capital cities where there is a diversity of jobs, business opportunities, high level retail, commercial, entertainment and cultural facilities and services.

Businesses, for a long time aware of the quality and innovation provided by a tertiary qualification from both Newcastle TAFE and University, will seek to locate close to these facilities, to link into undergraduate programs and post graduate research and innovation. The critical mass provided by the co-location of the State and Federal courts, legal services, local and University law libraries and the University Law School will attract businesses and clients from far afield. Development sites at competitive prices, fully serviced, with good private and public car parking and transport options, which

enjoy a view of the busy harbour its massive coal ships and burgeoning pleasure craft and where workers, shoppers and visitors can easily access and navigate the public domain, are quickly being developed and occupied with tenants. The mix of students and business people provides a vibrancy that pervades the city's economy around the clock and its growing design and graphics sector.

The strategy is testament to the character and quality of the City and its people. Only communities which value their past and plan for their future are bold enough to have a vision and work collaboratively to bring that vision to reality through a well supported strategy. Fifteen year old teenagers of today don't know a Newcastle without Honeysuckle, without the marina, without modern office buildings, and without access to the harbour. Neither do they know a Newcastle reliant on jobs at BHP. They have benefited from the foresight, the hard decision making and the intervention by governments that has brought these projects into being and built a new city and a new economy in Newcastle.

When the fifteen year old teenagers of today are finishing their qualification at Newcastle University or TAFE city campus and successfully find meaningful employment in their home town instead of going off to Sydney; when they attend a city venue; shop and eat with views of the harbour; when their friends arrive from Sydney by train and they meet them at the harbourside plaza outside the Wickham terminus; when they buy or rent an affordable apartment close to work; when they walk or bike to their new job and move easily from the city to the harbour or beach, they too will benefit from the foresight and commitment of governments who support this strategy.

3.1 Purpose of the strategy

The strategy provides a level of detail and definition that builds on and populates the already endorsed Newcastle City Centre Vision, Plan and LEP. Its core purpose is to facilitate the implementation of the Vision in a way which leverages private sector investment from targeted public sector initiatives.

Establishing the strategy as the core frame of reference for government and the private sector decision making within the city centre will:

- ❖ communicate to the community, government and investors the kind of city Newcastle can be, its aspirations and the actions endorsed to achieve those outcomes;
- ❖ assist greatly in explaining to the community the often difficult decisions that are required in order for the city to enhance its status as the second largest city in NSW and achieve those outcomes;
- ❖ create a stronger understanding of the structure of the city centre and the form and functions of its precincts in terms of how they can develop and contribute to medium to long term goals;
- ❖ act as an important tool for the development industry to understand where opportunities lie for private sector investment; and
- ❖ direct government's focus on key projects it can facilitate to act as catalysts to ensure the implementation of the strategy.

The strategy would not be a legal document in the same way the LEP is gazetted and enforceable. The strategy is the logical next step to provide more definition and direction for governments and the private sector.

3.2 Critical factors behind the strategy

Analysis of the critical success factors evident in vibrant, dynamic, innovative city centres which attract residents, tourist and business indicates that the strategy needs to focus on catalyst projects that achieve four key dimensions: complementarity, commercial viability, land requirement and community goals/planning.

Complementarity – *Complementarity refers to whether a proposed development compliments existing facilities and uses in the centre, and adjacent service providers. Are there cross-usage opportunities between the proposed development and already existing facilities and services on site?*

Commercial Viability – *A proposed development must be commercially viable and sustainable. There must be a demonstrated or future need for the particular land use in question.*

Land Requirement – *A proposed land use must promote the use of the centre as a compact city and generate adequate usage intensity.*

Community Goals/Planning – *Lastly, one must ask if the proposed land use will add value to the community being in a particular location and whether the land use is consistent with best practice planning policies. (Urbis report)*

Using these dimensions or success factors the following city centre structure becomes evident and supports the concept of nodes expressed in the City Centre Plan.

Residential and accommodation type land uses appear well suited to the periphery of the Newcastle CBD, particularly the eastern end with its frontage to the Pacific Ocean and the Wickham end, which is able to produce a significant level of development density. They complement existing facilities and services in the periphery of the centre, would be commercially viable and will add value to the community. This use at the periphery of the centre is also consistent with the need to keep the centre compact and should generate adequate usage intensity.

The education and justice precincts appear suitable land uses for Civic. These precincts will complement the existing library and cultural uses in Civic, add value to the community, are commercially viable and would be consistent with keeping the centre compact and promote pedestrian activity in the CBD and promote multi-purpose trips.

Most **office** type land uses appear suitable in the periphery of the centre such as the Honeysuckle region and around Civic moving westward over time. They would complement existing facilities and services in the periphery of the centre, would be commercially viable and would add value to the community.

Most **retail related** land uses considered appear suitable within the Newcastle CBD centre, with street front activated retail around Civic with higher order retailing potentially located around the traditional retail heart of the Hunter Street Mall (notably the GPT proposal). The various retail related land uses considered would complement existing facilities and services and appear commercially viable. The proposed GPT regional shopping centre in the Newcastle Hunter Street Mall would have significant impacts on job creation and on the local economy, however, it will need to be well connected from a pedestrian and public transport perspective to the Civic core.

3.3 Overview of the strategy

The strategy supports the Newcastle City Vision which targets the most significant growth to occur in the future to the West of the existing City Centre around the Wickham and Civic area.

The Newcastle City Centre stretches approximately 4km from the Nobbys Beach in the East to Stewart Avenue at Wickham in the West.

The city is divided into two parts by the 3km long railway corridor, preventing efficient functioning of the city.

A key element of the strategy is to terminate the railway line at Stewart Avenue and to reconnect the city to the Harbour with fifteen new streets and pedestrian links.

The railway corridor, whilst remaining in public ownership, will connect the city. The corridor will no longer read as east / west but act as the binding agent assisting key precincts such as Civic to cohesively mesh with the cultural facilities in Honeysuckle. The corridor will provide an excellent cycleway and pedestrian connector for the city. Public squares could be created, again with the aim of re-adjusting how the city grid is read.

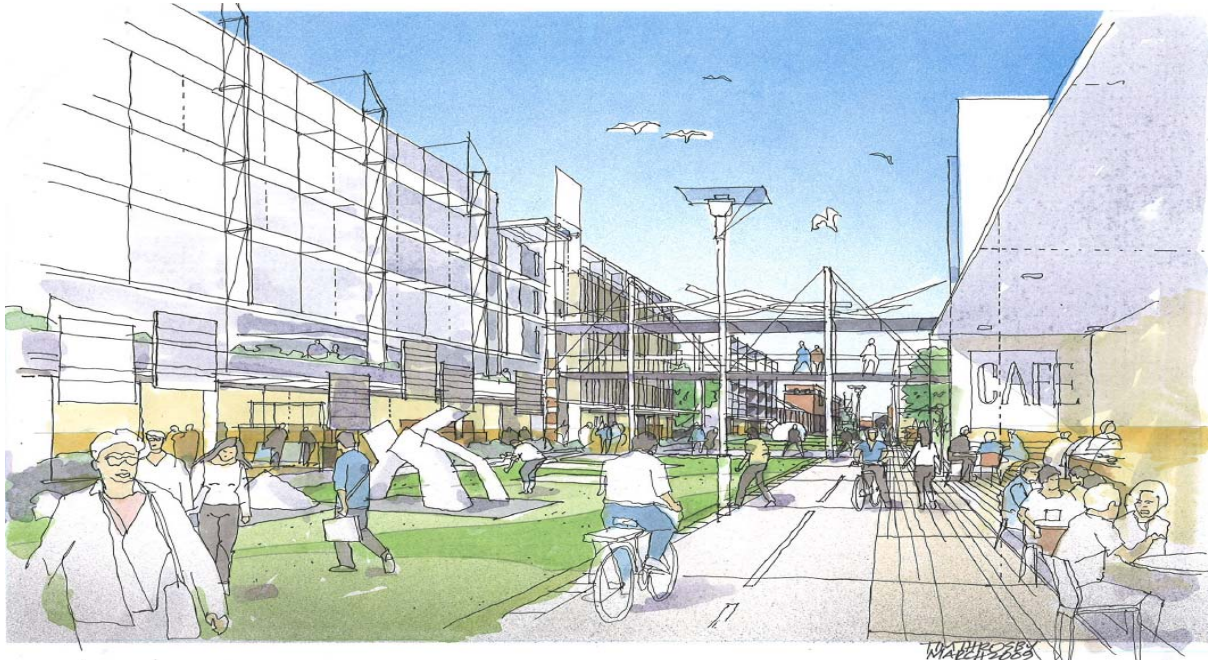
The length of the railway corridor will be designed as three distinct precincts, each of which takes its character from the nature of surrounding uses:

Civic and Cultural “heart”

The new vibrant “heart” for Newcastle will be centred on the portion of the corridor between new cross-links at Union and Argyle Streets. This area is already rich in cultural and civic uses, such as the Civic Theatre, Local Government offices, City Hall, Newcastle University, the Region Art Gallery and Museum, Conservatorium of Music and City Library and a major Civic Park.

The Civic and Cultural precinct will be strengthened by the addition of the Newcastle Justice Precinct and the additional Newcastle University faculties and student services. A new square to the north of Hunter Street, adjacent to the regional museum, will complement the existing civic square, helping to activate a continuous public link reconnecting the city to the foreshore.

The area will become a cultural and civic hub activated by student population and visitors to Newcastle. It will offer excellent public domain, attractive squares, parks, excellent dining in Darby Street restaurants and high quality tourist accommodation on the Newcastle Harbour.



Newcastle City Gateway

The western edge of the city around Wickham will become the new gateway to Newcastle with a future commercial business district centred on the new railway station. The opening of the railway corridor will allow good connections between the new railway station and the Harbour, where a new foreshore square will accommodate a stop for an expanded ferry service to eastern part of the city and to Stockton.

In this precinct, high-quality commercial buildings will line the corridor, while residential buildings will extend along the foreshore. A new foreshore park will enhance the existing scenic walkway at Worth Place. Within this precinct, four new connections across the railway corridor will help reconnect Newcastle with its harbour, allowing the Honeysuckle redevelopment area to blend and become a part of the city.



Heritage, Retail and Tourist Residential Hub

The eastern part of Newcastle up on “The Hill” with its rich built and natural heritage will become specialised retail, residential and a tourist hub with excellent views to the Harbour and Pacific Ocean and access to the local beaches.

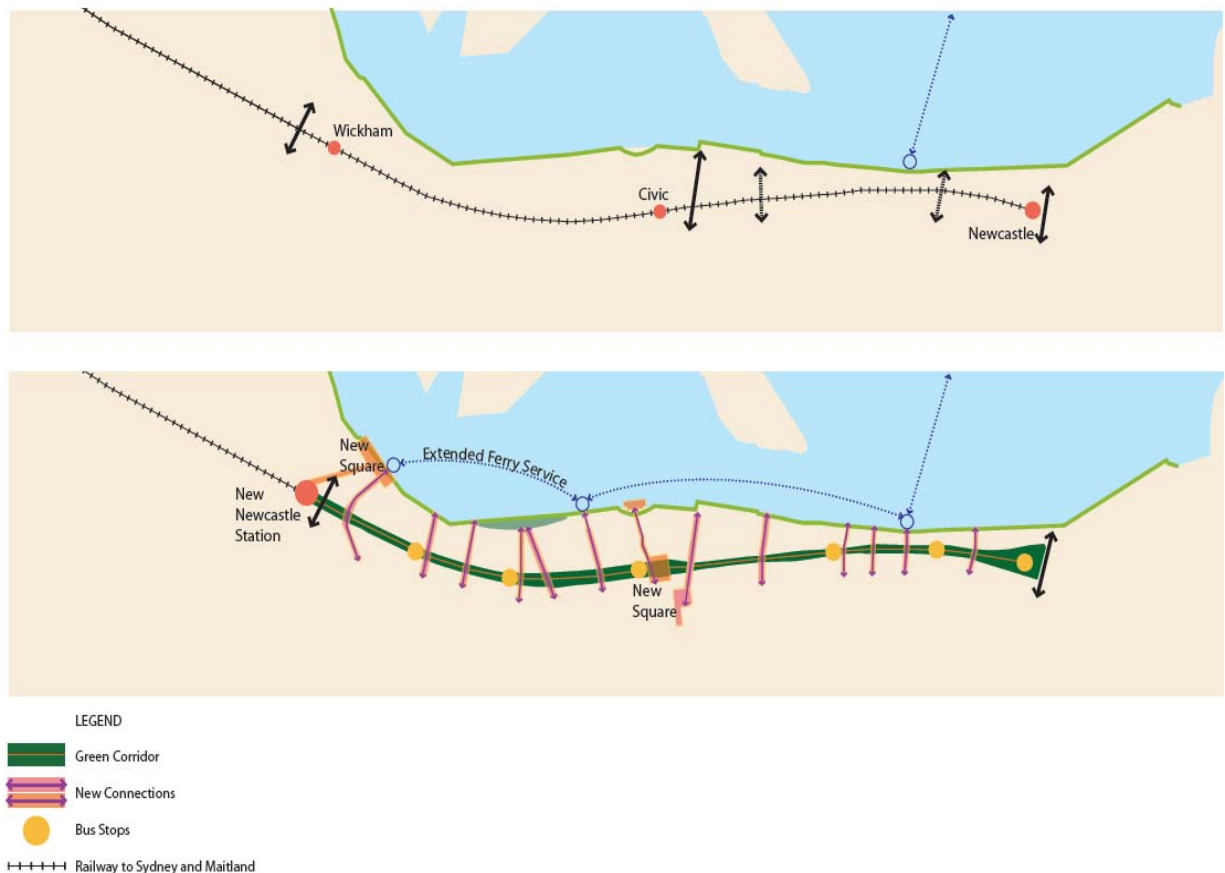
In this section, the former rail corridor will take on a parklike character where it runs adjacent to the Foreshore Park and Scott Street. It will be integrated with the existing Foreshore Park and the city will be reconnected with five new streets to the waterfront. The existing railway station could be adaptively reused and transformed into a conference facility with the addition of a new contemporary northern extension with excellent views to the harbour. This facility will be complemented by a new cruise ship facility which will activate this portion of the foreshore.



The North-South Links

The fifteen new north-south links from the city to the harbour will consist of: linear parks providing recreation space and stormwater drainage corridors from local parks to the south and the harbour and local streets carrying local traffic and pedestrian connections in a form of laneways and arcades through developments.

These links will have distinct character compatible with the character of each area.
Each link will contribute to the activation of the Hunter Street and Scott Street.



Newcastle CBD - Before and After Connections



Hunter Street

Hunter Street would become the main city street with improved landscaping, trees, widened footpaths and lined with high quality mixed use buildings and activity areas at each new cross street leading to the harbour which will coincide with frequent bus stops.



3.4 Key elements of the strategy

The series of tables below provide information on each of the elements of the strategy. The elements fall into two broad sets; firstly the catalyst projects which will strengthen, drive growth in the CBD and will also define and underpin Newcastle's regional centre role and function. Getting these projects up and running is the critical first step in the strategy. The demand, the activity and the investment they will generate will multiply in terms of attracting new investment, services, jobs, housing and spending. The relocation of the law courts will underpin the relocation of the University's Law School to the CBD. This move will begin the longer term expansion of the city campus for 8,000 students. These students will require housing, entertainment and jobs.

Private sector investors will be attracted by the innovation and comparative advantage of the University and TAFE's city presence. The return of retail jobs and floor space to the city centre will increase the liveability and activation of the city and reduce escape expenditure and jobs from the region. More jobs in retail, services, tourism and government offices will attract more people to inner city living and perhaps reduce pressure on Sydney and the Central Coast. The growth and energy these projects will bring to the CBD are vital to the future of the city as a vibrant, sustainable, safe and innovative commercial and residential centre.

Of no less importance is the quality of the public domain, the functionality of transport and pedestrian links, the availability of development sites, the links to regional employment generators and the decision making framework that manages and coordinates growth. Investment in the city centre retail functions will likely not occur unless the city centre offers a competitive advantage over regional centres. Currently that competitive advantage is access to the harbour. Private sector investment in new office building will only occur where there are sites of adequate size, which will offer quality accessible location for workers, views of the harbour and safe easy pedestrian links.

The city centre needs to be linked to Sydney and to the region by rail as a form of mass public transport. It does this well. However, people need to move around the city centre and beyond, to access areas well outside the easily walkable 400 metre radius of the rail line stations. They need to get to the beach, to jobs in Bull, King and Union Streets, accommodation on the former Newcastle Hospital site, cafes in Darby Street, sporting events at Number 1 and 2 ovals. The city centre needs more flexible, robust and responsive public transport options.

The elements of the strategy are co-dependent. Form does follow function. The strategy aims to get the function and role of the city centre better in tune with its regional role and potential through catalyst projects. It also seeks to get the city centre's framework supporting and even driving those projects by improving the city centre's public domain, public transport, its governance structures and linkages.

Attraction of Catalyst Projects City Function and Role Elements	Establishment of Improved Urban Framework Urban Form and Structure
<ul style="list-style-type: none"> ❖ Retail ❖ University Campus ❖ Law Courts and Justice Precinct ❖ Tourist, Cruise ship and Conferencing facilities ❖ Government offices ❖ Residential 	<ul style="list-style-type: none"> ❖ Public Domain ❖ Public Transport ❖ Governance and Coordination ❖ Regional connections



LEGEND

- | | |
|--|----------------------|
| New Business Centre | Links |
| Cultural/Civic/University Precinct | Bus Link |
| Tourist/Residential/Retail/Heritage Precinct | Waterfront Promenade |
| Parks | Cycleways |
| Squares | |

Newcastle CBD - Strategic Plan

Strategy element	Outcomes	Costs	Quantified benefits
<p>Education Precinct</p> <p>Relocation and expansion of Newcastle University Campus to the CBD over three stages and including the Law school, Business Studies, Education, Arts and Social Sciences in a clustered campus around the Central Civic Precinct.</p> <p>Strengthening of the role of the TAFE in the CBD and its connection to the University and private education providers.</p> <p>Stronger relationship between education providers and employers/business in the City Centre to strengthen a competitive advantage and reputation for innovation in the city.</p> <p>.</p>	<p>Up to 65,000m² of inner city floor space occupied by the University with some 8000 students and 1000 staff.</p> <p>Creation of an activity hub at Civic to define the CBD.</p> <p>The establishment of centres of learning and research excellence which attract businesses and support the private sector's ability to grow, invest and compete more effectively. Investment in student accommodation close to the campus and the provision of accommodation for visiting family and staff.</p> <p>Creation of shared facilities which could accommodate growth in the conference sector. Creation of dynamic and vibrant student culture which spills over into business, entertainment and recreation sectors. Activation of the CBD day and night.</p> <p>Increased safety and amenity, which will support the development of Newcastle's night time economy.</p> <p>Backfilling of Callaghan Campus would provide opportunities for private sector investment.</p> <p>University can relocate quickly and thus bring immediate benefits.</p>	<p>Campus construction cost estimated at \$131m to \$186m, inclusive of 500 parking bays (exclusive of fit-out costs)</p> <p>Holding sites for staged implementation</p> <p>Need for government subsidy to ensure relocation achieved.</p>	<p>Creation of an estimated 800 to 1,200 direct jobs in Newcastle LGA, and 1,700 to 2,500 indirect jobs created during the construction of the University; 1,025 permanent direct and indirect jobs created during operation.</p> <p>Estimated \$12 million in retail and services expenditure in the CBD by campus students and staff during University operating hours.</p> <p>Potential demand for 500 student accommodation beds in the CBD, potentially attracting around \$29m of private sector investment in a student accommodation development, and \$3.12m in student accommodation revenues per annum.</p> <p>Utilisation of university facilities for conferences, to support growth of the conferencing sector, which is estimated to have the potential to generate \$17 million in revenues.</p> <p>Higher appeal of CBD location could result in an increase in the proportion of international students from 16% to around 22% (3,000 students), resulting in additional study fee revenue of approximately \$39m annually for UoN.</p>

Strategy element	Outcomes	Costs	Quantified benefits
<p>Justice Precinct</p> <p>Development of a CBD Justice Precinct based on the location of the state and federal courts, legal services and law library, University law school around the Civic and Central precinct.</p> <p>Stronger links between University, courts, private sector law firms.</p> <p>Co-location of Law School, Council and court libraries.</p>	<p>Concentration of legal services and the development of a “cluster” which will deliver benefits in terms of business synergies, market awareness, skill development and transfer, economies of agglomeration and scale, productivity gains, attraction of specialist business (e.g. environmental law), increase in service catchment area across the state, ability to attract and retain the “best in the business” and establish a competitive advantage.</p> <p>Opportunities for residential development on the prime land that is occupied by the current Justice Precinct.</p> <p>Business and community confidence in governments’ commitment to the strategy.</p> <p>Confidence that new facilities will be delivered after several years of delays.</p> <p>More appropriate and secure law courts for practitioners and clients.</p>	<p>The NSW and Federal governments have allocated funds for the development of new/expanded court facilities in the Newcastle CBD, their location in the Civic Central precinct would involve marginal net expenditure to government.</p> <p>Approximately 25,000 sqm. is required to accommodate both the State and Federal Law Courts at an estimated total construction cost of \$126m</p> <p>Greenfields development constrained in Civic (and may require subsidy), and there is also a cost associated with converting existing buildings (not estimated).</p> <p>Loss of revenue for businesses located around the current legal precinct,. However, there would be lead time to allow for re-location.</p> <p>Resistance from the Law Society to re-locate based on private business not city planning outcomes.</p> <p>Separation of law firms from Justice precinct, though general consensus is that lawyers do not need to be very closely located to the courts.</p>	<p>Creation of approximately 800 temporary construction jobs in Newcastle LGA, and 1,700 temporary indirect jobs during construction.</p> <p>Agglomeration of activity in a central location, through the relocation of an estimated 1,400 jobs (assuming 50% of businesses that are affected by the re-location of the Legal Precinct, would also shift to the new location).</p> <p>Collaboration with University law Faculty e.g. law library.</p> <p>No net gain in jobs in the operational phase as 800 legal sector employees would merely shift from one location to another, although this would have benefits in terms of agglomerating activity.</p>

Strategy element	Outcomes	Costs	Quantified benefits
<p>Transport strategy</p> <p>Development and implementation of a CBD transport strategy including withdrawal of the heavy rail to Wickham, development of a new bus, pedestrian and cycle network through of the city.</p> <p>Preservation of the corridor in public ownership.</p> <p>Preservation of the Bullock Island route.</p> <p>Opening of the Hunter Street Mall to traffic.</p> <p>Pedestrian and vehicular access north south across the former corridor.</p> <p>Improved facilities for travellers arriving at Wickham station.</p> <p>Improved vehicular access into the city centre via Stewart Avenue, Worth Place, Darby and Merewether street connections.</p> <p>Construction of commuter car parks in Maitland, Lake Macquarie and outer Newcastle.</p> <p>Treatment of Hunter street to improve amenity, parking and pedestrian comfort.</p> <p>Modelling of the inner city road network to plan for and accommodate growth and</p>	<p>Replacement of rail with an alternative public transport system based on low emission mini buses delivering more flexible, direct and efficient services for users.</p> <p>Additional north-south pedestrian and vehicular links across disused rail corridor east of Stewart Avenue to increase activity and connectivity in the city centre.</p> <p>Landscaping and pedestrian cycleway of the disused rail corridor in a manner that complements and connects the uses around the space.</p> <p>Avoids the need and cost to construct an over pass at Stewart Avenue.</p> <p>Removes two level crossings in accordance with state policy.</p> <p>The opportunity for a gateway station/terminus looking to the water and civic precinct, facilitating development at Wickham.</p> <p>Commuters from the region and Sydney are still brought to the edge of the CBD and offered direct connections to final destinations.</p> <p>New bus stops in Hunter street which offer greater safety, service and information.</p> <p>Barrier between the city centre and harbour is</p>	<p>Refer to Section 2.9 which discusses costings and their treatment</p>	<p>A detailed Cost Benefit Assessment prepared independently by Urbis is provided in Appendix A. The cost benefit has been undertaken on a range of cost options and discount rates for comparative purposes. The preferred transport strategy provides a higher Nett Present Value and Cost Benefit Ratio when compared to the option of retaining the rail with increased crossings, an overpass at Stewart Avenue and a new station at the Mall.</p>

Strategy element	Outcomes	Costs	Quantified benefits
<p>changing routes as the city grows should be completed.</p> <p>New parking facilities on the fringe of the Civic core should be constructed (Civic, Wickham, Newcastle east, Worth Place)</p>	<p>removed. Sites around the city centre have greater connectivity to the water. Development along the former corridor is not affected by noise and vibrations.</p> <p>Congestion at Stewart Avenue is reduced as other options for access to the east of the CBD are provided. Removing the rail line through Honeysuckle precinct would create even more land use and urban design opportunities to use the corridor for other purposes and to develop sites abutting the corridor.</p> <p>Some passengers will be required to change modes at Wickham.</p>		

Strategy element	Outcomes	Costs
Upgrade And Development Of The Public Domain	<p>Greater sense of space and character to define the city.</p> <p>Stronger definition of spaces to support key functions and make the city more readable and connected.</p> <p>Safer more active spaces that attract people and add to vitality.</p> <p>Development of commercial facilities adjacent to public spaces that attract a mix of people and uses.</p> <p>Creation of spaces for outdoor expression of culture (visual and performing arts such as public installation and street performers)</p> <p>Increased connectivity with in the CBD and from the city to the beach and harbour.</p> <p>Increased attractiveness as a location for residential and commercial accommodation.</p> <p>Increased amenity in the city centre which will attract investment and visitors.</p>	<p>Estimated \$20 to \$30 m</p>

Strategy element	Outcomes	Costs	Quantified benefits
<p>Retail Precinct</p> <p>Reinvigoration and restoration of the city's retail precinct is a priority element of the Strategy. The most likely way for this to occur is around the GPT proposal centred on the Hunter Street Mall area despite this specific investment being deferred for a number of years.</p> <p>Opening of the Hunter Street Mall to traffic and integration of the retail precinct with the harbour park and surrounding retail precincts is important to the establishment of a competitive advantage for CBD retailing.</p> <p>Development of a link between the Hunter Street Mall area, Honeysuckle and Darby street by appropriate treatments of foot and roadway from Brown to Darby and along Darby and Civic Park to the café strip.</p>	<p>Capture of escape expenditure lost to Sydney, Chatswood and regional centres</p> <p>Reestablishment of Newcastle for destination retail</p> <p>Greater level of service to local inner city residents</p> <p>Greater spend by city workers</p> <p>Greater street safety and reduction in vandalism due to activation and reduction in vacant premises</p> <p>Reverse contraction of retail floor (2001-2006 22% drop in retail floor space in the CBD)</p> <p>Strong signal to other investors in strength of CBD</p> <p>Greater connectivity between the Hunter Street Mall and Civic areas</p> <p>Greater connectivity between harbour and the city centre</p>	<p>GPT estimates the value of the retail development that they are proposing to be in the order of \$650m</p> <p>Cost of opening up the Hunter Street Mall to traffic is estimated to be between \$500,000 to \$1m</p> <p>The Civic Improvement Plan notes the need to refurbish the Hunter Street Mall and is estimated to cost \$8m</p>	<p>2400 operational jobs</p> <p>5000 indirect jobs operational and construction</p> <p>3000 construction jobs</p> <p>Economic benefit of \$2billion</p> <p>Section 94 benefit to NCC in the order of \$15m to 20m</p>

Strategy element	Outcomes	Costs	Quantified benefits
<p>Tourist Precinct/Cruise Ship Facility</p> <p>Provision of dedicated cruise ship facilities east of Queens Wharf</p> <p>Provision of shared conference and teaching facilities with the University of Newcastle, NVCB and private sector</p> <p>Greater linkages from the transport terminus to the city's beaches and regional attractions</p> <p>Construction of a gateway plaza at Wickham water front to enhance and facilitate arrival by road or rail to the City</p> <p>Linkage of tourist facilities/cruise ship facilities to retail precinct to capture spending</p>	<p>Increased number of visits by national and international cruise ships with an increased spend captured in the CBD</p> <p>Strong retail and entertainment offer to residents and tourist which increases both length of stay and average spend with resultant multiplier benefits</p> <p>Greater investment in tourist accommodation, hotels and boutique options</p> <p>Increased ability to host conferences in shared facilities with the University which generates more business and employment in allied sectors</p>	<p>Cruise ship wharf and associated support services – cost dependent on final preferred location</p> <p>Early estimates are that a cruise port facility comprising of a 3,000 sqm terminal and 10,000 sqm commercial / retail space would cost in the vicinity of \$70 million. This figure accounts for dredging, wharf construction and building costs. An upgrade and extension of the existing Queens Wharf site could cost in the vicinity of \$30m</p>	<p>6 cruise ships visited Newcastle in 07/08, resulting in an estimated economic benefit of \$2.3 million (\$380,000 per cruise ship) with 50% or \$1.15 spent and retained in Newcastle</p> <p>If the number of cruise ships increases to 15 the benefit can increase to \$2.9 and the approximately 108 jobs</p> <p>Increase in tourist expenditure of around \$100 million per annum (Newcastle LGA) if both International and Domestic Overnight visitors increased their stay by one day and night</p> <p>Using 'Business Traveller' spend statistics as a proxy, Convention / Conference delegates estimated to spend around \$150 - \$200 per day.</p> <p>Utilisation of University CBD campus facilities for conferencing. If Newcastle can capture 30% of the estimated 100,000 convention and conference delegates that visit the Hunter region annually, conference and convention revenues could reach up to \$17m</p>

Strategy element	Outcomes	Costs	Quantified benefits
<p>Government Office Space Around The Wickham Terminus</p> <p>Continued development of the Lee Wharf precinct in Honeysuckle (Newcastle West), redevelopment of premises along Hunter Street and King Street, expansion further west into Wickham.</p> <p>Relocation of government offices to the precinct close to the proposed terminus.</p>	<p>Productivity gains for government</p> <p>Shorter journeys to work for employees</p> <p>Improved quality of life based on reduced cost of living</p> <p>Demonstrated confidence in decentralized provision of services. Increased supply of A Grade space may attract quality tenants to the region</p> <p>Opportunity for office development to take place at the eastern end of Honeysuckle before new development takes place further west</p> <p>Re-vitalisation of former industrial/wharf areas</p>	<p>150,000 sqm. of office space would cost an estimated \$345m (today's prices) to construct over a 25 year period.</p> <p>Detailed investigations need to be done to target government offices</p>	<p>150,000 sqm. of office space would be required to support 7,500 new commercial jobs over the next 25 years (as per Lower Hunter Regional Strategy). This would create 2,100 direct jobs and 4,600 indirect job during construction. Of course, this would take place over the 25 year period</p>

Strategy element	Outcomes
<p>Residential Precincts</p> <p>Continued growth of residential development including accommodation for “empty nesters” “DINKS”, students, visitors, inner city workers and families.</p> <p>Residential precincts will strengthen close to the Civic core in surrounding precincts. Residents and tourists will be attracted to the views, ambience and amenity. Areas that will strengthen include Newcastle East (beaches, heritage stock, Foreshore) Wickham and Linwood (marina, Foreshore, Throsby Creek) and Lee Wharf (harbour side).</p>	<p>Reduced journeys to work and education.</p> <p>Fewer private vehicle trips.</p> <p>Street safety due to activation</p> <p>Redevelopment of heritage buildings.</p> <p>Redevelopment of decaying buildings</p> <p>Reduced graffiti due to passive surveillance.</p> <p>Increased business for inner city retail and entertainment businesses.</p> <p>Increased employment.</p> <p>Opportunities to demonstrate sustainable building practices.</p> <p>Increased supply of affordable and flexible housing.</p> <p>Turnover of family housing stock in middle ring of suburbs and reduced peripheral expansion resultant sustainability outcomes.</p>

Strategy element	Outcomes	Costs
<p>Regional Connections</p> <p>Newcastle CBD's established connections are to be reinforced and strengthened. Newcastle Airport should be connected to the city centre at the Wickham terminus. At this hub travellers can be taken to destinations around the region.</p> <p>As the region continues to grow Newcastle will take an increasingly important role as a key employment and service centre. Connections from the region by road and rail are key to ensure the city centre fulfil this higher order function.</p> <p>The completion of the 33000 capacity Energy Australia stadium, the upgrade of Number 1 and 2 oval and the continued success for the Entertainment centre will draw visitors to the city who will need accommodation provided in the city centre. All these are connected by road or rail to the CBD.</p> <p>Business people who need to frequently travel to Sydney should be offered the choice of road, air (Sea Plane) or quality rail connections. The option of a business carriage should be explored.</p>	<p>Positive impact on commercial and tourism activity into the city and the Hunter Region.</p> <p>Perceptions regarding ease of access from outside the city and Region improved, thus acting as a catalyst for further private sector investment.</p>	<p>Requires further analysis in detailed planning on integrated transport component of the strategy.</p>

Strategy element	Outcomes	Costs	Quantified benefits
Governance and Coordination Continue Hunter Development Corporation's coordination and facilitation role	Best practice Demonstrated model of success Increased private sector investment Creates greater certainty and increases private sector confidence Reduced approvals time and associated cost savings		

Strategy element	Outcomes	Costs	Quantified benefits
Arts & Cultural Precinct Ongoing development of arts and cultural facilities around the Civic precinct	Utilisation of heritage buildings around Civic and also east of the retail precinct Intangible benefits (i.e. community development & participation) Tourism drawcard e.g. opportunity to retain more cruise ship passengers which usually escape to the Hunter Added benefits with university facilities relocation, increased usage and vibrancy in the area	Newcastle City Council already committed to funding the relocation of the Newcastle Regional Museum to the Honeysuckle Railway Workshop buildings	The economic benefit of arts and cultural facilities is difficult to quantify as benefits are largely due to flow on effects.

3.6 Building on strengths and addressing weaknesses and challenges - a quadruple bottom line approach

The strategy developed for the revitalisation of Newcastle's city centre seeks to achieve outcomes across a quadruple bottom line (QBL). The challenges and problems facing Newcastle are not single dimensional and real revitalisation requires improvement in the economic, social, environmental and governance health of the city centre. No one action addresses all the challenges nor can it deliver all the outcomes sought. However, many elements of the strategy deliver across a range of outcome areas. It is when the package of strategies are combined that the best outcomes are achieved across the QBL. Further it is when the strategy elements build on the inert and developed strengths and opportunities of the city centre that they have the best possible chance for success.

The tables below reflect this approach and demonstrate that the strategy:

- ❖ seeks to address the social, economic, environmental and governance issues and challenges facing the city centre, and
- ❖ builds on the city's strengths and opportunities in a way that delivers across the economic, social, environmental and governance outcomes being sought.

Problems and challenges addressed by the strategy		Justice Precinct	Education Precinct	Transport Strategy	Public Domain	Government Office relocation	Coordination Governance	Tourism	Retail	Residential
Economic	Escape expenditure to regional centre and Sydney	❖							❖	
	Decline in retail offer, employment and floor space		❖						❖	
	Vacant and derelict" shop fronts		❖	❖	❖				❖	❖
	Inadequate "high order" function as a regional centre		❖						❖	❖
	Low levels of investment in retail and entertainment		❖						❖	
	Poor access and parking for retail			❖	❖				❖	
	Perception of crime and graffiti	❖	❖	❖	❖			❖	❖	
	The viability of public transport continues to decline	❖	❖	❖		❖				
	The "mall" is performing poorly as a retail area and is acting as a deterrent to the development of retail trade in the area.								❖	❖

Social	Under reprehension of entertainment and service functions as compared with comparable sized cities	❖	❖					❖	❖	❖
	Lack of access to support services (office supplies, food and beverage) for offices in Honeysuckle precinct.	❖		❖		❖				
	Dysfunctionality and isolation of Honeysuckle from Hunter Street.			❖	❖	❖				
	Pedestrian access from the city to the foreshore is very difficult for the young, aged or handicapped.			❖	❖	❖				
	Perceived inadequacy of car parking.			❖	❖					
	Areas with low levels of community safety, high crime and late night drinking problems, graffiti, dilapidated buildings and absentee landlords	❖	❖	❖	❖	❖		❖	❖	❖
	The "Mall" is a focus for anti social behaviours.			❖	❖			❖	❖	❖
Environment	Much of the CBD is cut off from the harbour and new concentrations of office workers.			❖	❖					
	Office workers in building adjacent to the rail line suffer significant noise issues.			❖	❖					
	Public transport use is low.			❖	❖					
	Heavy rail is environmentally unsatisfactory given patronage levels.			❖						
	Traffic congestion is significant at Stewart Avenue and Merewether Street.			❖						
	Pedestrian connectivity to the harbour is very poor.			❖	❖					
	Heavy reliance on the private motor vehicle.			❖						
	Many heritage buildings are in various stages of disrepair							❖	❖	❖

Governance	Frustration with the time in processing development applications.					❖				
	Lack of interagency / departmental coordination					❖				
	Lack of adequate sites for redevelopment on parts of the city.			❖	❖	❖				
	Lack of clarity and confidence on the future of the CBD especially the future of the heavy rail.			❖	❖	❖	❖			

Strengths and opportunities under-pinning the strategy		Justice Precinct	Education Precinct	Transport Strategy	Public Domain	Government Office relocation	Coordination Governance	Tourism	Retail	Residential
Economic	Regional catchment of over 550,000 people	❖	❖	❖		❖	❖	❖	❖	❖
	Good transport connections to Sydney by air, road and rail	❖	❖	❖		❖		❖		❖
	\$700 m private sector investment in Honeysuckle in 15 years	❖	❖		❖	❖				
	Value of DA approvals increasing									
	Growing property prices but significantly less than capital city centres	❖	❖		❖	❖		❖	❖	❖
	Strong economy under pinned by resource, educational and health services	❖	❖			❖	❖	❖	❖	❖
	State and Federal AG require new and expanded accommodation in the CBD.	❖	❖							
	The University of Newcastle and regional TAFE are highly regarded for their quality and innovation in education.		❖							❖
	The proposed GPT development proposes ???ms of retail space, office and residential accommodation and is valued at \$650m.							❖	❖	❖
	The city has a strong and growing tourism sector and potential to attract more of the lucrative conference market.		❖	❖	❖			❖		
	The University has potential to relocate facilities to the CBD and then redevelopment the Callaghan campus with private sectors business partners.	❖	❖	❖	❖					❖
	By 2010 Energy Australia stadium will have capacity for 33,000 seated			❖	❖			❖	❖	

Strengths and opportunities under-pinning the strategy		Justice Precinct	Education Precinct	Transport Strategy	Public Domain	Government Office relocation	Coordination Governance	Tourism	Retail	Residential
	spectators and will draw increasing visitation to the city. The relocation of the regional Museum offers a significant redevelopment site and a new anchor for the waterfront.			❖		❖				❖
Social	Resilient and innovative community and business sectors ready to forge new futures and face challenges.	❖	❖	❖		❖			❖	
	Strong cultural offering in both visual and performing arts				❖			❖	❖	
	Lively night culture and economy		❖	❖	❖			❖		
	The TAFE and University have a significant draw of Students from outside the region who require accommodation		❖							❖
	The potential for the Uni to attract paying overseas student is significant.	❖	❖							❖
Environmental	Powerful harbour locations		❖	❖	❖	❖		❖	❖	❖
	Immediate proximity to wonderful beaches and coastline		❖	❖	❖	❖		❖	❖	❖
	Reputation for innovation and leadership in sustainable practices and technologies		❖	❖	❖	❖		❖		❖
	The city has a wide public transport network.			❖	❖	❖				❖
	The port offers a unique opportunity for a cruise ships facility.			❖	❖		❖	❖	❖	
G o	Willingness of local agencies to work in coordination.	❖	❖	❖	❖	❖	❖	❖		

Strengths and opportunities under-pinning the strategy		Justice Precinct	Education Precinct	Transport Strategy	Public Domain	Government Office relocation	Coordination Governance	Tourism	Retail	Residential
	<p>A strong platform of logic exists for the relocation of government offices.</p> <p>Honeysuckle and areas in the west of the CBD offer large floor plate sites for modern office development.</p> <p>NCC has been acquiring sites in the Civic Precinct for major redevelopment.</p>	❖		❖		❖				❖

Section 4 - Staging, funding and financials

4.1 Financial partnerships and strategy

The strategy will come to fruition through a coordinated approach to its delivery. Three levels of government and an education institution will provide the catalyst and environment conducive to further private sector investment.

The table below is a suggestion only and requires further discussion with relevant parties and is in no way binding.

	Newcastle City Council	NSW State Government	Federal Government
Transport	Traffic and transport modelling	Funding of detailed investigations, and planning around proposed new integrated transport system, removal of the rail line, new station, commuter carparks in regional locations. As well as funding contribution toward physical works	Implementation funding ie physical works to remove the rail line, construction of a new rail station at Wickham
University and Justice Relocations	Establish the feasibility to provide a shared library with Uni and Courts and open the Laman Street site for redevelopment of cultural facilities	Funding of planning through to implementation of relocation of the NSW Justice facilities to the Civic Precinct	Relocation of the Federal Justice facilities to the Civic Precinct
		Coordination and support for business planning, site scoping and planning in partnership with the University	Contribution to implementation funding for the staged relocation of University faculties
Public Domain & Cultural	City wide public domain strategy	Implementation funding for ongoing public domain improvements, particularly Honeysuckle redevelopment	Implementation funding for ongoing public domain improvements
	Link Civic Improvement Plan priorities with the key projects identified to be delivered in this strategy		
	Continue asset preservation program on CBD		
	Coastal revitalisation program		

	Newcastle City Council	NSW State Government	Federal Government
	Relocation of the Newcastle Regional Museum to the Honeysuckle railway buildings (adjacent to Civic Precinct)		
Commercial Office	Use its own sites to drive strategic development in the city for example Burwood Street, Civic Central; Art Gallery and Laman Street car park, Gibson street car park, TPI House	Use its own sites to drive strategic development in the city for example Honeysuckle	
		Encourage government office relocations to Newcastle's city centre	Encourage government office relocations to the Newcastle's city centre
	Continue activation of public spaces	Continue activation of public spaces through joint State and Local government initiative LiveSites in public	
Retail	Bring forward works to open the Hunter Street Hunter Street Mall to traffic to pre-empt and encourage GPT style investment		

It is expected at this stage, that the University will fund all planning, site analysis, feasibility studies and potential options over sites from its own budget. Confirmation is required, however, the University has indicated they will contribute \$100m (latter planning included in this budget) to the construction of their new facilities in the City.

4.2 Staging

Staging principles:

- ❖ Justice Precinct relocation will drive the University's commitment to the City;
- ❖ University presence will drive growth of office, retail and residential investment;
- ❖ Private sector investment in office, retail and residential sectors will generate job creation and activity in the city;
- ❖ Improved integrated public transport system means safer easier access and public spaces;
- ❖ Change to current rail corridor promotes city's connectivity, sustainability and liveability;
- ❖ Improved public domain underpins liveable cities;
- ❖ Liveable cities attract investment and growth.

4.3 Delivery mechanisms

The figures provided below are indicative costings only and will need to be subject to more detailed planning and analysis. Funding sources identified are recommendations only and are in no way binding.

RECOMMENDATION: RELOCATION OF THE STATE AND FEDERAL JUSTICE FACILITIES				
Action	Primary Responsibility	Amount	Funding Source	Timeframe
Directive by the State Attorney General to prioritise the relocation of the State court facilities	Attorney General	N/a	N/a	Immediate
State Government to actively encourage the Federal government to relocate its Justice facilities to the same precinct as the State's	Attorney General	n/a	n/a	Immediate
Site investigation, building design and delivery of new facility	NSW Attorney General's Department	\$80m	NSW Government	2009 - 2013
Site investigation, building design and delivery of new facility	Federal Government	\$50m	Federal Government	2009 – 2013
Total		\$130m		

RECOMMENDATION: RELOCATION OF OVER 60,000 M ² OF THE UNIVERSITY OF NEWCASTLE'S FACILITIES INTO THE CITY				
Action	Primary Responsibility	Amount	Funding Source	Timeframe
Site investigations, detailed feasibility analysis, concept plan for the delivery of the 60,000 m ² over timeframe, potentially take options over sites	University of Newcastle	\$5m	University (portion of their \$100million contribution) ⁽¹⁾	2009 – 2010
Staged delivery of university faculties into the city	University	\$130 - \$190m	Federal funding	2010 – 2020
Fit-out of university faculties	University	\$95m	University ⁽¹⁾	2010 – 2020
Total		\$230 - \$290m		

⁽¹⁾ University of Newcastle to confirm their financial contribution.

RECOMMENDATION: REMOVAL OF RAIL LINE TO WEST OF STEWART AVENUE, NEW TERMINUS AND IMPROVED PUBLIC TRANSPORT SYSTEM IN CITY AND KEY REGIONAL CONNECTIONS

Action	Primary Responsibility	Amount	Funding Source	Timeframe
Directive to expedite design investigations for termination of the rail line at Wickham	NSW Government, Minister for Transport	N/a	N/a	Immediate
Detailed planning, lands assessment, potential land options	MoT / Railcorp	\$1m	NSW Government	2009 – 2010
Implementation of required changes to rail network timetabling, shunting areas, construction of new terminus / terminus, installation of new bus system, commuter carparks	MoT / Railcorp	tba	NSW Government Federal Government	2010 – 2014
Total				

RECOMMENDATION: PUBLIC DOMAIN DELIVERY

Action	Primary Responsibility	Amount	Funding Source	Timeframe
Preparation of City Wide Public Domain Plan. Prioritisation of public space improvements, cycle network Integration of Coastal asset management/ traffic modelling	NCC	\$0.5m	NCC	2009 - 2010
Staged implementation of public domain work delivery, enhancing movement networks, public carparks	Hunter Development Corporation & NCC	\$11.5m ⁽²⁾ \$20 - \$30m	NSW (HDC) Federal	2010 – 2015
Total		\$32 – \$42 m		

4.4 Strategy staging summary

	Justice precinct	University relocations	Public Domain	Public transport	Tourism and conferencing	Retail	Residential	Regional Connections	Governance and Coordination
Stage 1 2009	Business cases completed. Land secured in Civic precinct	Site investigations initiated, detailed feasibility analysis	City Wide Public Domain Strategy prepared	Detailed investigations and planning	Potential cruise facilities investigated (separate to the main body of coordinated projects – NPC to have carriage)	NCC review plans to re-open Hunter Street Mall			HDC continues to coordinate catalyst projects
Stage 2 2009-2012	Construction of new facilities completed	Securing sites, design development	Community comment on the Public Domain Strategy. Prioritisation of public domain spaces. Initiating at least first priority space	Completion of a Transport Action Plan. Physical works commence to prepare corridor for change.		Private sector responds to injection of students in the inner city with additional retail services in the precinct. Potentially GPT bring on line their \$650M retail development	Private sector responds to injection of students in the inner city with additional residential stock	Confirmation of priority commuter carparks in regional locations provided. Design of carparks prepared	HDC continues to coordinate catalyst projects
Stage 3 2012-2020	Early in this Stage, the Justice Precinct is fully operational	Staged construction and relocation of faculties to the city	Staged creation / upgrade of public domain spaces, particularly in current rail corridor to connect key precincts, such as Civic	New rail station constructed, opened, integrated public transport system implemented, constructed				Commuter carparks in regional locations Regional bus links improved to key regional facilities eg airport	HDC continues to coordinate catalyst projects

