

Subject: LMM 22/10/2019 - City of Newcastle Budget Submissions

MOTION

That City of Newcastle:

1. Notes that planning for the Federal and NSW 2020-2021 Budget's has begun, with advice received recommending that organisations should prepare Budget submissions to the Federal and NSW Treasurer's no later than 30 November 2019.
2. Prepares detailed Budget submissions for both Commonwealth and NSW Treasurers to consider as a part of their funding allocation, with projects including, but not limited to:
 - Stockton Coastal Erosion
 - Newcastle Art Gallery expansion project
 - Lower Hunter Freight Corridor
 - Expansion of Newcastle Light Rail
 - Hunter Sports and Entertainment Precinct
 - Affordable Housing initiatives
 - Rate rebates for pensioners
 - Local sporting amenity upgrades
 - Disability inclusion upgrades for local playgrounds
 - Diversification of Port of Newcastle
 - Ferry terminal at Newcastle Interchange
 - Active Transport infrastructure improvements – Cycling and walking
 - Flood mitigation at Wallsend
 - Newcastle Airport expansion
3. Notes that our funding priorities have remained consistent, with the City of Newcastle advocating for funding to deliver these projects across many budget cycles, as well as recently proposing for the inclusion of the Port of Newcastle expansion and diversification; Newcastle Airport expansion; active transport – cycling and walking infrastructure; Hunter Sports and Entertainment Precinct; Lower Hunter Freight Corridor; and Newcastle Art Gallery Expansion Project, for inclusion in the *Infrastructure Australia Priority List 2020*.

BACKGROUND

- **Stockton Coastal Erosion**

Action and funding are desperately needed for a long-term solution to Stockton's ongoing erosion issues.

There is no quick fix to this longstanding threat, but it's now more urgent than ever.

City of Newcastle has been calling for action at Stockton for more than a decade.

The NSW Government has approved City of Newcastle's Coastal Zone Management Plan, and declared Stockton as a 'Significant Open Coast Location' – or a coastal erosion 'hotspot', and we have welcomed the NSW Government's recent approval of grant funding for emergency works.

City of Newcastle also welcomes news that the NSW Government is open to expediting approval of the Coastal Management Program, as well as their active consideration of offshore sand dredging for renourishment and replenishment of Stockton Beach.

City of Newcastle notes that to date, the Commonwealth Government has not provided any assistance to address coastal erosion at Stockton Beach.

With erosion incidents increasing rapidly over recent years, and coastal erosion exacerbated more acutely over the past weeks and months at Stockton, the City of Newcastle believes it is imperative that both the NSW and Federal Government's provide urgent assistance towards a long-term solution for coastal erosion at Stockton Beach.

- **Lower Hunter Freight Corridor**

Transport for NSW continue to assess options for the Lower Hunter Freight Corridor which will enable a future dedicated freight rail line to be constructed between Fassifern and Hexham; bypassing Newcastle while improving regional and interstate links.

City of Newcastle has previously called for the feasibility study to be expedited to reduce the delivery time of the Lower Hunter Freight Corridor, which is one of the only viable ways to take freight trains off main arterials, including at Adamstown and Hamilton North.

We continue to call on the NSW Government to prioritise this project.

We have recently asked Infrastructure Australia to consider this project for the 2020 Infrastructure Australia Priority List and would also welcome Commonwealth Government support for this important project.

It is noted that Transport for NSW's website advise that the government is currently undertaking preliminary investigations to assess options for the Lower Hunter Freight Corridor rail line.

- **Zoning for the expansion of Newcastle Light Rail**

Delivery of the 2.7km Newcastle light rail system is the starting point of a broader network connecting the Greater Newcastle region.

The City of Newcastle believes this should be the first step towards creating an expanded and integrated light rail network linking the city centre with suburban hubs and key infrastructure.

Park and ride, and end of trip facilities should be incorporated into each node, to better deliver this integrated transport solution.

We continue to believe that NSW Government should work with City of Newcastle to ensure that zoning corridors for the expansion of Newcastle Light Rail is undertaken.

The City of Newcastle wants the expanded corridors to augment the initial Wickham to east end route, by including these Greater Newcastle destinations:

- Broadmeadow
- McDonald Jones Stadium
- Adamstown
- Mayfield

- John Hunter Hospital
- University of Newcastle
- Glendale
- Bathers Way
- Newcastle Airport

- **Hunter Sports and Entertainment Precinct**

Expressions of interest for the Hunter Sports and Entertainment Precinct closed on 30 November 2017.

While renders for potential development are welcome, the NSW Government must now ensure the precinct can both be activated daily, include the first stage of light rail extension and adequately plan to attract large scale events like the Commonwealth Games.

In 2017, Venues NSW CEO Paul Doorn stated that the Hunter Sports and Entertainment Precinct Concept is a detailed plan that turns the precinct into a place for people to visit whether there's an event on or not; day and night.

Options include a new 10,000 seat multi-purpose entertainment and convention centre, an event plaza and a consolidated sports facility.

It also proposes a 150-room 3.5-star hotel, safe landscaped pedestrian links between the stadium and Broadmeadow train station, multi-purpose fields, family-friendly parks, restaurants and a multi-storey carpark.

With a strong vision in place, and much interest around the delivery of the Hunter Sports and Entertainment Precinct, it's time for the New South Wales government provide funding towards the implementation of the plan for the precinct.

It is noted that the Newcastle Herald reported on 12 January 2019 that the strategic business case for the Broadmeadow Sports and Entertainment Precinct was 'in its final stages'.

Given that discussion has centred around ensure that the Precinct reaches the potential to host a Commonwealth Games, City of Newcastle believes the Federal Government has a role to play in funding the delivery of this important project.

- **Affordable Housing**

Previously, Premier Gladys Berejiklian has said that housing affordability was "the biggest issue people have across the state".

City of Newcastle continues to hold the view that a 25% Affordable Housing Mandate on Government Owned Land should be supported, with Land owned by the Government that is fast-tracked for development having a 25% mandate of Affordable Housing.

Likewise, the City of Newcastle supports the introduction of a 15% Affordable Housing Mandate on privately developed land. 15% of dwellings designated as Affordable Housing will be available for rental or sale to low to moderate income households.

- **Rate Rebate Concession for Pensioners**

The City of Newcastle has consistently advised the NSW Government that it is time that the Rate Rebate Concession for Pensioners was increased.

It was set at \$250 in 1989 and has not been increased since but the cost of living since that time has increased significantly.

The Rate Rebate Concession for Pensioners should be increased, commensurate to Consumer Price Index.

The government should note that Hunter Council's supported this measure in 2015, when Newcastle City Council resolved to write to the government and Hunter Councils seeking support for this measure.

- **Newcastle Art Gallery Expansion Project**

The Newcastle Art Gallery Expansion project remains shovel ready.

Valued at close to \$100 million, the Newcastle Art Gallery collection is considered one of the finest and most valuable in Australia and deserves not just greater protection, but the opportunity to be showcased to all domestic and international visitors.

The gallery's current building is only capable of displaying some 2% of the collection. This significant collection has the potential to further support tourism and education opportunities for Australia's 7th largest city.

An expanded Art Gallery of international standing will enable increased exhibition and community engagement programming for the people of the Hunter and NSW while also offering a valuable cultural tourism opportunity.

It will create employment and enterprise opportunities which meet City of Newcastle's key economic, social and environmental priorities. It will also consolidate Newcastle and the Hunter's reputation as an active and vibrant centre for the arts and culture.

Through the philanthropic support of the Newcastle Art Gallery Foundation and the community, \$1.2M has been raised for the Art Gallery's expansion. The proposed project will be fully constructed over 18-24 months, with a total project estimate of \$35.6 million.

A tripartite funding model would include \$14 million from the NSW Government, \$14 million from the Federal Government with the remaining capital costs of \$6.4 million from City of Newcastle. This is in addition to the \$12M City of Newcastle has invested directly into the Art Gallery over the past five years for operations and maintenance of this vital cultural asset.

City of Newcastle has recently undertaken a Preliminary Cost Benefit Analysis (CBA) for this project. This analysis demonstrated that the benefits of the proposal far outweigh the costs with a Benefit-Cost Ratio (BCR) of 1.77 and a positive Net Present Value (NPV) of \$24.1 million.

- **Funding for local sporting amenity improvement**

Increasingly, Councillors are being approached by local communities and local sporting organisations, to improve the amenity of sporting grounds across the LGA. Newcastle is in a particularly unique position when it comes to accessing funding to improve our local sporting infrastructure.

An emerging issue is the provision of adequate facilities for women, women's football, rugby league, rugby and AFL are increasing in popularity across the City of Newcastle.

The Local Sport Grant Program, the Community Building Partnership Program and Liquor and Gaming NSW Infrastructure Grants, are simply not large enough funding streams to fund the work required to bring our local sporting facilities up to scratch.

City of Newcastle has been widely consulting with local sporting club's and stakeholders to develop the City of Newcastle Strategic Sports Plan.

Ageing infrastructure and a lack of inclusive amenities has been consistently identified as an opportunity for City of Newcastle to improve our local sporting facilities.

Funding from the NSW and Commonwealth Governments to overhaul our existing facilities and provide for future growth would be very welcome.

- **Funding for disability inclusion for local playgrounds**

Another issue that Councillors are increasingly contacted about is funding to ensure that our local playgrounds and parks are as inclusive as possible.

While City of Newcastle welcomes the NSW Government's *Everyone Can Play* guidelines, which aims to assist designers to create inclusive play spaces, a funding commitment from the NSW and Commonwealth Government's to assist in upgrading existing playgrounds and ensuring that future playgrounds are inclusive for all Novocastrians.

- **Diversification of the Port of Newcastle**

The NSW Future Transport 2056 Strategy and the Draft NSW Freight and Ports Plan identified congestion issues with Port Botany.

Substantial government infrastructure projects are proposed to alleviate this congestion.

However, both documents ignore the underutilised freight capacity that already exists at the Port of Newcastle.

A container terminal at the Port of Newcastle would provide substantial savings to the NSW taxpayer and businesses. Its inclusion in the NSW Freight and Ports Plan as a complementary option to Port Botany would improve NSW competitiveness compared with other Eastern Australian states.

A Newcastle container terminal would be a complementary option to Port Botany, create genuine competition between the two port operators and allow NSW importers and exporters to choose the most efficient and cost-effective supply chain for their cargo.

Increased competition is beneficial to NSW importers and exporters, consumers and the broader NSW economy.

- **Ferry terminal at Newcastle Interchange**

The NSW government's Regional NSW Services and Infrastructure Plan lists new ferry stops in Newcastle as an "initiative for investigation in 10 to 20 years, subject to business case development".

The City of Newcastle believes that a business case for a Ferry terminal at Wickham should be developed in the 2018-19 financial year, with

This new Ferry terminal will facilitate interchange with other transport services, particularly at the emerging multi-modal Newcastle Interchange.

The NSW Government recognises that creating new ferry connections will improve the sustainability of our transport system by attracting more customers to using public transport and should be commended for this.

- **Active Transport infrastructure improvements – Cycling and walking**

At present, the overwhelming majority of trips in Newcastle are made by private vehicles, yet the average trip distances, for vehicle driver and vehicle passenger, are seven kilometres and five kilometres respectively.

More than 80% of trips in the Newcastle local government area are less than 10km and approximately 40% less than 2 kilometres. Newcastle's gentle topography and pleasant climate mean that with the right infrastructure, many of these trips could readily be substituted by walking and cycling.

Implementation of a safe, connected active transport network throughout Newcastle, that links key attractors and nodes, will make active transport a convenient, if not preferred choice for short trips, thereby realising significant health benefits and ameliorating the economic costs of physical inactivity.

- **Flood mitigation in Wallsend**

Substantial funding is required to address flood mitigation in Wallsend.

While City of Newcastle is progressing flood upgrades including the recent beginning of the re-construction of the Tyrrell Street bridge, assistance from the NSW and Commonwealth Government's would expedite the works and deliver a safer Wallsend CBD for the community.

An increase in the Office of Environment and Heritage's Floodplain management grants is required to adequately address flooding risks in Wallsend.

At the Commonwealth level, City of Newcastle is currently ineligible to apply for funding through the Bridges Renewal Program. City of Newcastle would welcome the opportunity for grant funding to be made available to address flooding in Wallsend.

City of Newcastle would also welcome initiatives to support channel widening throughout the Wallsend CBD, which falls to the responsibility of Hunter Water Corporation.

- **Newcastle Airport expansion**

Newcastle Airport has unveiled a 20-year blueprint and 60-year vision for their operations.

As a part of that masterplan, Newcastle Airport revealed that the NSW and Commonwealth Governments are seeking to grow the defence and aerospace related industries in and around RAAF Base at Williamtown and that the NSW Government sees Williamtown as the regional hub of Australian industry participation supporting the Joint Strike Fighter fleets in the Asia Pacific region.

With the joint announcement with Port Stephens Council, and the Newcastle Airport regarding the expansion of Newcastle Airport, and the Airport's Dr Peter Cock advising that construction could begin within five years, both the NSW and Commonwealth Governments have an opportunity to assist the expansion of the Newcastle Airport with concrete support in upcoming Budgets.