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The Lower Hunter is Australia’s seventh largest urban settlement and a major economic and tourism hub. More than half a million residents enjoy an enviable lifestyle in an area of great natural beauty, environmental assets and natural resources.

We know that as the Region’s population and economy continue to grow, so too will its economic significance to NSW and the nation.

This growth places new pressures on the urban resources – particularly housing supply, jobs growth, roads and transport, water supply and other essential services.

That’s why the NSW Government is taking a fresh approach to the planning for the Lower Hunter. We need to supply the right housing, infrastructure, jobs and services where and when the Region needs it.

The Discussion Paper is the first step towards a renewed strategy for how the Lower Hunter will grow to 2031 and beyond. It focuses on how the Lower Hunter can build on its strengths and opportunities and how the Lower Hunter can be at the forefront of the NSW 2021 priority actions for driving economic growth in regional NSW.

We can really only take advantage of these strengths if we get the basic land use planning right: we need to provide more housing and new housing choices and we must integrate our land use planning with the Hunter Infrastructure Plan and the Long Term Transport Master Plan so that new housing, transport and infrastructure support growth in the Region. We also need to manage these changes while protecting our environment and our quality of life.

Underpinning all of this is our desire to ensure equal access to the opportunities on offer in the Lower Hunter. Some areas have been designed with only car travel in mind – these areas have limited access to public transport or healthy options like walking and cycling; other areas have limited access to jobs or a diversity of housing, and people have to travel long distances to work. In planning for the future we must ensure everyone in the Lower Hunter can enjoy the things that make it one of the most liveable regions in the world.

We want to directly connect our decisions to the needs and desires of the people of the Lower Hunter. This Discussion Paper will lead to a new draft Lower Hunter Regional Strategy which we’ll place on exhibition for detailed feedback. The proposed actions outlined in the draft Strategy will be based on the feedback we receive now, so it’s important that everyone in the Lower Hunter community gets involved and has their say.

Brad Hazzard
Minister for Planning & Infrastructure
This Discussion Paper explains the current policies and strategies designed to deliver sustainable growth for the Lower Hunter.

It looks at the elements that have shaped the Lower Hunter in the past, the trends that are expected to shape the Lower Hunter in the future, and how we can facilitate and manage growth in a sustainable manner to the benefit of the Lower Hunter community.

It is the first step in the development of a new Lower Hunter Regional Strategy.

Rather than make assumptions on what people require from the Lower Hunter, this Discussion Paper allows us to connect our decisions to the needs and desires of the people who live and work in this growing Region.
Setting the scene

Lower Hunter region

Legend

- Newcastle Regional City
- Major Centres
- Specialised Centres
- Local Centres
- Shopping Centres
- State Forests
- Rural Resource Lands
- National Parks
- Hunter Expressway

Map showing locations of Newcastle Regional City, Major Centres, Specialised Centres, Local Centres, Shopping Centres, State Forests, Rural Resource Lands, National Parks, and Hunter Expressway in the Lower Hunter region.
The Lower Hunter includes the five local government areas (LGAs) of Newcastle, Lake Macquarie, Port Stephens, Maitland and Cessnock. The Region is located 160 kilometres north of Sydney, covers an area of 4,291 square kilometres and includes the regional city of Newcastle, the State’s second-largest urban centre.

With a population of around 540,000 in June 2011, the Lower Hunter is recognised as the seventh largest ‘major city’ in Australia. The Region’s growth is underpinned by a strong and diverse economy, as well as the current resources boom and economic growth in the Upper Hunter coalfields.

The economic success of the Lower Hunter has implications for the NSW and Australian economies. The Region has excellent access to Australian and international markets, through existing infrastructure such as the Port of Newcastle and its proximity to Sydney. Its many attractions, such as coastal areas, highly liveable urban settlements and rugged mountains, has seen its population grow by 22,500 people in the last five years. Unemployment is low, businesses are diversifying and large amounts of land have been rezoned for new housing.

Retail trade, manufacturing, and health care and social services are the biggest employers in the Lower Hunter. Knowledge-based industries are showing the strongest growth. Manufacturing remains strong in the Lower Hunter, reflecting the impact of the Upper Hunter’s resource boom.

To build on its potential as an economic contributor to NSW and Australia, the Lower Hunter must overcome blockages to delivering new housing, strengthen employment, provide the right infrastructure to meet the demands of the Upper Hunter resources boom, protect its environmental assets, and plan for growth in the Region’s centres.
The Lower Hunter over the next 20 years draws on the State-wide objectives of NSW2021: A plan to make NSW number one. NSW2021 aims to drive economic growth in regional NSW, invest in critical infrastructure and build liveable centres. To achieve these goals in the Lower Hunter, our strategic planning must respond to the scale and complexity of the Region’s towns and centres, its growing economy and strong population growth.

Strategic planning will be guided by a new Lower Hunter Regional Strategy that will build on the 2006 Lower Hunter Regional Strategy and set out an agreed government and community vision for the Lower Hunter.

To help define this vision, this Discussion Paper invites people who live and work in the Lower Hunter to think about their priorities now and for the future: the kind of houses that are needed, where and how new jobs can be created, and how the environment can be improved, better transport links provided and the Region’s economy strengthened.

We want your views on how the new Regional Strategy can best achieve the vision and the priorities of the Lower Hunter community and whether current plans and policies are strong enough.

Integrated planning

The new Lower Hunter Regional Strategy will be part of a suite of strategic plans that, when linked to NSW2021, will ensure a focused and community-driven approach based on local priorities.

The new Strategy will guide future planning and investment decisions covering housing; economic development and jobs; open space; and the transport to connect our homes, jobs, education and recreation facilities. The outcomes and objectives of the new Strategy will be shaped not only by the community, but also by:

- NSW2021: the 10-year plan to rebuild the economy, provide quality services, renovate infrastructure, restore Government accountability and strengthen our local environment and communities.
• **Long Term Transport Master Plan**: the 20-year plan to return quality services through a world-class transport system that NSW will need in the future.

• **State Infrastructure Strategy**: the 20-year plan to renovate the State’s infrastructure which guides future investment in critical infrastructure.

• **Hunter Infrastructure Plan**: the Strategy that will inform decisions regarding investment by the private sector and government agencies. These plans will underpin Budget priorities so we can make the right choices within taxpayers’ means and provide value for money.

### National Urban Policy

The Australian Government has released a National Urban Policy (2011) which presents a framework to guide land use policy development and investment in cities. The Lower Hunter is listed as one of 18 major cities in Australia. The new Lower Hunter Regional Strategy will be developed in line with this framework to ensure it supports nationally agreed principles and outcomes. Further details can be found at Attachment A.

### Community Strategic Plans

In recent years, all five councils in the Lower Hunter have prepared Community Strategic Plans based on detailed community engagement and consultation. These identify goals and aspirations into the future.

The Community Strategic Plans will inform the preparation of the new Lower Hunter Regional Strategy and will provide a framework for cooperation between State agencies and local government.
Planning for the future

Here are some of the important things we know about the Lower Hunter. We need to think about these trends when setting the vision for the Lower Hunter for the next 20 years.

<table>
<thead>
<tr>
<th>22,500:</th>
<th>670,000:</th>
<th>24%:</th>
</tr>
</thead>
<tbody>
<tr>
<td>the growth in the Lower Hunter population in the last five years</td>
<td>projected population by 2031, up from 540,000 in 2011</td>
<td>the proportion of the population who will be 65 or older by 2031</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11,000:</th>
<th>35,000:</th>
</tr>
</thead>
<tbody>
<tr>
<td>the number of new dwellings built in the last five years</td>
<td>the number of lots rezoned for housing in the last five years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>25%:</th>
<th>75%:</th>
</tr>
</thead>
<tbody>
<tr>
<td>the proportion of new housing located in new release areas over the last five years</td>
<td>the proportion of new housing located in existing areas over the last five years</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>293,000:</th>
<th>3%:</th>
<th>4.5%:</th>
</tr>
</thead>
<tbody>
<tr>
<td>the number of people employed in the Lower Hunter in 2011</td>
<td>the rate of jobs growth in the past decade, compared to two per cent for NSW over the same period</td>
<td>the current unemployment rate in the Lower Hunter</td>
</tr>
</tbody>
</table>
The principles that guide our planning

The most sustainable and effective way to plan for the Lower Hunter is to incorporate a process of strong community and stakeholder engagement. We are also working as partners with local government, in a way that ensures the Lower Hunter’s councils are joint owners of the final Lower Hunter Regional Strategy. Further, in planning for the Lower Hunter, we also work with all the relevant State Agencies that will play a role in delivering the Strategy’s outcomes.

Our planning and consultation is also shaped by a number of principles, including:

- integrating land use planning with transport, infrastructure and services
- providing a diversity of housing choices for different budgets and lifestyles
- supporting economic growth and strengthening employment
- providing access to a range of jobs across the Lower Hunter to match new growth in the Lake Macquarie area and the Maitland growth corridor
- balancing development with the protection of our environment and Aboriginal and cultural heritage
- supporting Lower Hunter towns and centres with appropriate services and infrastructure
- improving transport connections across the Lower Hunter
- providing access to services and economic and recreational opportunities
- ensuring a high standard of design, good energy efficiency and attractive public spaces
- promoting healthy, active lifestyles and safe and comfortable neighbourhoods
- adapting to a changing climate.

Think about these principles and objectives for the future as you read through this Discussion Paper - are they important to you? Are they important to the Region’s future?
What we need from you

The Lower Hunter over the next 20 years is the first step in the development of a new Lower Hunter Regional Strategy. It’s absolutely vital that at this early stage, we engage with the community to test our overarching strategies. The feedback we receive on the Discussion Paper will feed into a draft Lower Hunter Regional Strategy, for consultation. The new Lower Hunter Regional Strategy will be finalised once all community feedback is considered.

The new Lower Hunter Regional Strategy will plan to 2031 and has the potential to transform the Lower Hunter. It will focus on how land use factors in the Lower Hunter interact with transport networks and the delivery of infrastructure. Through the feedback process, as well as the results of ongoing research (see below), the new Lower Hunter Regional Strategy will plot a solid and achievable growth path for the Lower Hunter to 2031. This growth path will inform policy settings and guide investment, growth and decision-making.

Your involvement will help set the groundwork for a flourishing Lower Hunter for the next generation. As you read through this Discussion Paper, think about the places where you live, work or do business and whether these areas should be the focus for future change and growth. Think about what you and your family need now from the Region, and what you will need from it in 20 years.

Our aim is to get your views. Whether you live at Merewether, Maitland, Marks Point or Mulbring we’d like to hear about your priorities for your area and for the wider Lower Hunter Region over the next 20 years.

RESEARCH THAT WILL SHAPE OUR PLANS

New research will underpin the development of the new Lower Hunter Regional Strategy. This research will be publicly available during the exhibition of the draft Regional Strategy.

- **Assessment of alternative growth scenarios:**
  This research considers the potential for and impact of higher regional growth in the context of more buoyant economic conditions.

- **Analysis of centres and housing markets:**
  This research looks at alternative distributions of growth in terms of infrastructure capacity, and housing market preferences, size and viability. It also considers the physical capability and economic feasibility of accommodating the majority of growth in major centres, the benefits of centres-focused growth, as well as the most viable, effective and efficient paths for distributing the future growth.

- **Cost benefit analysis of alternative growth paths:**
  This analysis into the cost and benefits of alternative growth paths in the Region considers infrastructure capability, environmental and social impacts, market realities and economic viability.
Shaping the Lower Hunter

For more than 60 years, the growth of Newcastle and the Lower Hunter has been facilitated by land use plans that have guided the Region from a collection of scattered coal mining towns, through its industrial and manufacturing heyday, to the modern, diverse and robust Region it is today.

The Lower Hunter since 2006

In 2006, a Lower Hunter Regional Strategy replaced the Hunter Regional Environmental Plan. The 2006 Strategy focused on increasing the number of jobs and housing in major centres of activity and services.

The 2006 Strategy has guided town centre revitalisation strategies, traffic planning and urban renewal planning, particularly in Newcastle City Centre, Charlestown, Morisset, Maitland CBD, Raymond Terrace and the Medowie town centre and growth area. The new Lower Hunter Regional Strategy will build on the objectives of the 2006 Strategy and respond to the trends and issues that have emerged since the 2006 Strategy’s release.

An expanding relationship with the Upper Hunter

The strong Upper Hunter economy generates development, infrastructure and transport links between the two regions. With the two regions’ housing markets and economies now more closely aligned and interdependent, it is evident the two will develop an integrated Hunter economy.

Planning for the Upper Hunter is addressed in the Upper Hunter Strategic Regional Land Use Plan (SRLUP). The SRLUP reconciles the land use conflicts between coal mining and coal seam gas extraction in areas of high value agricultural activity.

Current and expected growth

The 2006 Strategy nominated capacity targets for jobs and housing for each LGA and specifically for the major centres, renewal corridors, infill areas within the existing urban footprint and new land releases.

The Lower Hunter’s population grew by around 22,500 people from 2006 to 2011. Achieving growth of 4,500 people a year during the global financial crisis and a significant downturn in the housing market suggests the Lower Hunter could sustain even higher growth to 2031 as economic conditions improve.

Rezoning not matched by construction

Land has been rezoned for more than 35,000 residential lots in the last five years – 50 per cent of the intended greenfield releases identified in the 2006 Strategy. However, only 11,200 new dwellings – around 2,200 per year – have been constructed. This falls below the underlying demand of around 2,500 to 3,000 new dwellings per year and is well below the peak of 3,500 dwellings a year in the lead up to the 2006 Strategy.
Falling urban renewal and redevelopment
One of the major impacts since the release of the 2006 Strategy has been the global financial crisis and subsequent difficulties for the land and property development sectors to assemble and finance commercially viable projects. The ongoing uncertain financial environment continues to work against efforts to encourage urban renewal and redevelopment that provides more housing and jobs in our major centres.

Biodiversity offsetting
Biodiversity offset arrangements are required in many potential urban growth areas in the Region. However, the current suite of legislation, tools and policy mechanisms that govern conservation and biodiversity offsetting processes need to be improved to ensure the efficient and timely assessment and release of proposed new urban areas.

Time delays, uncertainty and additional costs impact housing affordability and commercial viability of development projects.

Major infrastructure projects
An $11.2 billion expansion of the capacity of the Port of Newcastle and the coal chain that links it to expanding mines in the Upper Hunter will double the Port’s coal export capacity from 93 million tonnes a year in 2009 to more than 180 million tonnes a year in 2015. Proposed work will include the Port Waratah Coal Services T4 loader facility, rail and other port infrastructure and coal mine and exploration related works.

Two other significant infrastructure projects announced since 2006 have the potential to reshape the Lower Hunter’s physical and economic growth:

- the $1.7 billion Hunter Expressway between the F3 Freeway near Seahampton and the New England Highway west of Branxton
- the NSW and Australian Governments’ $1 billion upgrade of the rail line between Sydney and Newcastle.
Housing our growing population

The Lower Hunter faces a number of challenges that affect the supply of new housing.

Housing demand and supply

The rate of production of new housing in the Lower Hunter has fallen from the all-time highs of 2002 to 2005, when around 3,500 dwellings were being constructed each year, to just 1,300 new dwellings constructed in 2007-08. However, housing construction recovered to almost 3,000 new dwellings in 2011, which indicates a recovery in demand from within and beyond the Region.

Current trends, informed by the available 2011 Census data, indicate that the Lower Hunter’s population is likely to grow to between 650,000 and 670,000 over the next 20 years, depending on how economic circumstances and household sizes change over during that time. This indicates that we could need up to 75,000 additional dwellings.

The 2006 Lower Hunter Regional Strategy identified a target of up to 115,000 new dwellings by 2031. This was based on strong growth trends during 2001 to 2006 period and indications that occupancy rates would decline from 2.6 to 2.1 between 2006 and 2031. Those trends have since changed significantly.

New research now underway will establish a solid understanding of current housing issues and growth possibilities. This will enable us to make an informed decision about the appropriate growth target for the next 20 years and to set the planning for that target.

The availability of affordable housing and the type and distribution of residential development are fundamental to the liveability of cities and the wellbeing of individuals and households. Housing supply and affordability are therefore major national concerns. While global financial pressures may continue to tighten access to housing finance, we can address other matters within the Lower Hunter to help ease blockages, reduce costs and address infrastructure provision and other barriers.

Split of recent development

The 2006 Lower Hunter Regional Strategy aimed to increase the percentage of new housing in established urban areas from 25 per cent to 40 per cent by 2031. Since 2006, 75 per cent of new housing has been built within the existing urban areas – an historic high.

Lower Hunter housing commencements

![Chart showing Lower Hunter housing commencements from 2002/03 to 2010/11]

Year: 02/03, 03/04, 04/05, 05/06, 06/07, 07/08, 08/09, 09/10, 10/11

Housing commencements: 4,000, 3,500, 3,000, 2,500, 2,000, 1,500, 1,000, 500, 0
The Lower Hunter over the next 20 years: A Discussion Paper

Shaping the Lower Hunter

The trend towards increased urban development reflects higher demand for available and affordable housing in established areas and the limited supply of new housing in greenfield areas.

While a more compact, efficient and sustainable urban structure is a desirable outcome, the viability of producing the majority of new housing within established areas will decrease as easier options are exhausted. A revival of new housing construction on a strategically located greenfield sites will ensure an adequate supply and choice of housing across the Region.

Centres

Our centres are where we go for shopping needs, financial services, entertainment, cultural and recreational facilities, and high quality public spaces.

We can achieve a more compact, energy efficient approach to future development by encouraging more development and renewal within and close to existing major centres – particularly Newcastle CBD west, Charlestown and Glendale – and by facilitating high quality urban design, open space and public domain areas, and cultural, entertainment and recreational facilities.

Current activity in centres

The 2006 Strategy reinforced the role of Newcastle as the Regional City, with targets for an additional 4,000 dwellings and 10,000 jobs by 2031. New planning controls were introduced in 2008 to support these targets. The recent decision to replace rail services with bus services from a new transport interchange at Wickham will support urban renewal in the CBD by encouraging new development and enhancing physical and visual connections between the city centre and the waterfront, and ensure the rest of the city centre is still well serviced by public transport. The City Centre Urban Renewal SEPP study will investigate how to refine and modify the planning controls and targets for the CBD, to maximise housing opportunities and take advantage of the decision to terminate the rail line at Wickham.

The additional 654 dwellings in the Newcastle CBD between 2006 and 2011 generally meet expectations for the 25 year target. However, most of these dwellings resulted from projects approved, financed and commenced in the buoyant market conditions of 2002/03. Dwelling and commercial building construction expectations for the next five years are likely to be more subdued.

Dwelling targets for Charlestown and Glendale, for example, are not expected to be achieved in the short term, but significant numbers of dwellings can be expected in the 2020s. The relatively long gestation period for other major centres to deliver strong dwelling numbers will be factored into the regional Urban Development Program that monitors and manages the delivery of land and housing.

Housing supply blockages

While the Housing Markets Analysis will gather evidence on specific blockages, the following issues appear to be impacting housing supply.

- **Biodiversity offsetting**: The development of sites identified in the 2006 Regional Strategy has been affected by the biodiversity offsetting processes and environmental legislation.
- **Infrastructure**: The delivery of economic and social infrastructure needs to play a part in both stimulating and supporting housing delivery. This issue will be considered through the Hunter Infrastructure Plan.
- **Economic Feasibility**: A range of new and changing economic circumstances affect the market viability of many housing projects, including changing development costs, shifting market and buyer preferences and difficulties in financing new housing projects.
- **Site location and market preferences**: Large areas of land zoned for residential development have been established over recent years. However, the combination of changing housing markets, buyer location preferences and infrastructure delivery challenges have made development of some new release areas in the near to medium term uncertain.

Priority sites

Priority areas for the next five years may be identified and mapped in the new Lower Hunter Regional Strategy and Urban Development Program. This work will be based on the corresponding capital works programs of providers such as Hunter Water and AusGrid, ensuring a high degree of certainty that specific sites are able to be developed and serviced within this time period.
Release area management

Release area management needs to link to the Urban Development Program to help coordinate service agencies and allow quick intervention when blockages arise. Priority areas could also be targeted for release area management.

Our current focus

NSW2021 includes targets to improve housing affordability and availability by:

- setting dwelling targets for Lower Hunter LGAs, working with councils to ensure targets are reflected in Local Environmental Plans (LEPs) and relevant planning proposals, and assessing whether LEPs provide sufficient capacity for additional housing in the right locations
- providing five and 10 year forecasts of dwelling production to infrastructure funders and providers and aligning infrastructure delivery with new housing in greenfield areas.

The NSW Government is also reviewing potential housing opportunities on landowner-nominated sites, has produced draft Centres Design Guidelines to guide the community, private sector and government, and established an Affordable Housing Taskforce and a Cabinet Taskforce on Housing Supply to develop affordable housing initiatives and to resolve blockages to housing supply.

A NEW APPROACH

The new Lower Hunter Regional Strategy will guide how housing is delivered.

1. Should the Strategy place more emphasis on development in existing urban areas – if so, where are the best places for this?
2. How should the Strategy distribute housing targets across the Lower Hunter’s LGAs?
3. How can the Strategy ensure local council planning supports housing delivery?
4. Should the Strategy identify a role for the NSW Government to be more actively involved in the delivery of housing in existing areas?
5. How can the Strategy ensure a sufficient supply of affordable housing?
6. In what locations should the Strategy set minimum housing density requirements for highly accessible land?

WHAT DO YOU THINK?

- What do you think about each of these new approaches?
- What other options for promoting housing supply should be considered?
Shaping the Lower Hunter

Providing jobs and economic opportunities

Through *NSW2021* the NSW Government is committed to work with regional communities, businesses and local government to achieve sustainable growth in our regions.

The Lower Hunter sets a benchmark for the development of regional economies. It employed 293,000 people in 2011, and jobs have grown at three per cent in the past decade, compared to two per cent for the rest of NSW. Its strong economy is underpinned by access to the world’s best quality coal, natural water resources, a productive agricultural sector thriving on the rich alluvial floodplains, a strong, diverse, and innovative manufacturing sector and progressive business culture.

The long-term resilience and stability of the regional economy will rely on a diversified Lower Hunter economy. The regional economy will continue to be driven by the Port of Newcastle, Newcastle Airport, the coal industry (mining, handling and export), power generation and tertiary and service sectors.

The $350 million Hunter Infrastructure and Investment Fund is expected to provide a strong basis on which to build the Region’s economy (see page 24 for more information).

**A diversifying economy**

Since the closure of the BHP steel mill, the Region’s economy has transformed to a strong and diversified resource, manufacturing, services and business economy more focused on knowledge-based, technology and services employment sectors. As a result, the skills base and training and educational needs of the Lower Hunter workforce will need to change.
Opportunities
- Airport-related industry growth in new employment land zone.
- Development of port-related industry around the Port of Newcastle.
- Manufacturing of transport infrastructure (rail, buses and ferries).
- Clean energy and low carbon technology and research.
- Expansion of defence industry capabilities.
- Harnessing benefits from the construction of the Hunter Expressway.
- Tourism industry expansion to cruise ship and resort sectors.
- Expansion of the University of Newcastle’s presence in city and potentially other regional locations creating opportunity for closer business or educational relationships.

Strengths
- The Region’s diverse economic drivers, including Port of Newcastle and Newcastle Airport and its mining, power and defence industries and education and health assets.
- Proximity to the Sydney market.
- Growing population and reliable and skilled workforce.
- Significant investment for growth of the coal industry in the Upper Hunter.
- Substantial private infrastructure investment across port, rail and gas installations.
- Stabilised and low unemployment rate.
- Diversity within the workforce able to service primary, secondary and tertiary industry needs.
- Lifestyle opportunities.
- Transport network.
- Supply of employment lands.

Threats
- Potential loss of manufacturing activity to emerging nations.
- Long-term position of the Australian dollar.
- Carbon tax and climate change uncertainty.
- Over-reliance on mining industry.
- A narrow export focus.
- Inadequate responses to skill and labour shortages through education and training.
- Inability to facilitate renewal and consolidation of Newcastle City Centre.

Weaknesses
- Lagging in investment in needed infrastructure improvements.
- Skill and labour shortages in some key industries.
- Designation for Port growth subject to state capacity and Port Botany imperatives.
- Relatively small commercial sector in Newcastle compared to Sydney - nationally the seventh largest region but only sixteenth largest office market.

Economic challenges
The economies of the Lower Hunter and Upper Hunter are increasingly interdependent and both based on strong trade via the Port of Newcastle and internal transport networks. With adequate infrastructure support, resources, energy supplies and skills base, the regional economy has the potential to take greater advantage of its direct connection to global supply chains.

To do so, the Lower Hunter must be positioned for a strong and diverse economic future to secure infrastructure investment and attract new industries.
The Lower Hunter over the next 20 years: A Discussion Paper

WORKFORCE CHANGE AND EMPLOYMENT DEMAND

The Hunter Region’s workforce has grown over much of the last decade, with a low unemployment rate and high levels of workforce participation, particularly for females. Eighty six per cent of workers live and work in the Hunter Region\(^1\). More recently, growing numbers of Lower Hunter residents commute to the Upper Hunter (particularly around Singleton and Muswellbrook) to work in the mining sector.

IMPLICATIONS OF AN AGEING WORKFORCE

An ageing population can create markets and opportunities as well as challenges in terms of available workforce, economic costs and productivity impacts.

The growth of the knowledge-based industries often suits the skills, education and experience of an ageing population.

Employment

The 2006 Strategy sought to make sufficient commercial floor space and employment lands available for 66,000 new jobs between 2006 and 2031. Around 12,500 jobs have been created since 2006.

EMPLOYMENT IN CENTRES

The 2006 Regional Strategy sought to accommodate around 40,000 jobs in centres. This has been supported by strategic planning for future growth in Newcastle, Charlestown, Morisset and Maitland. Town centre strategies have also been prepared for centres such as Raymond Terrace.

EMPLOYMENT LAND

The 2006 Regional Strategy identified a need for an additional 825 hectares of employment land by 2031. A 2010 review of employment lands in the Hunter assessed employment land potential, market gaps and opportunities to 2021\(^1\).

The review found:

- land capacity or availability was not a significant issue
- in the short term, expanding small to medium enterprises will remain important
- the Region must continue to diversify its economic base.

The review found the Lower Hunter contained around 8,000 hectares of employment land and a take up rate of 48 hectares a year, higher than the 33 hectares per year anticipated in 2006 Strategy. This equates to demand for a further 960 hectares of employment land from 2011 to 2031.

Since 2006, 675 hectares of new employment land has been rezoned (see Table 1) and development has commenced on many of the sites. When added to the estimated 375 hectares remaining of the zoned vacant land supply in 2006, the Lower Hunter now has a supply of around 1,050 hectares of zoned and serviced employment land.

### Table 1: Employment areas rezoned since 2006

<table>
<thead>
<tr>
<th>Employment Lands</th>
<th>Status</th>
<th>Area (ha)</th>
</tr>
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<tbody>
<tr>
<td>Tomago</td>
<td>Declared State Significant Site in June 2007 – underpins development for an Industrial Park.</td>
<td>351</td>
</tr>
<tr>
<td>Freeway North Industrial Business Park</td>
<td>Declared State Significant Site and rezoned to light industrial.</td>
<td>74</td>
</tr>
<tr>
<td>Anambah Business Park</td>
<td>Employment land for light industrial and a business park. LEP gazetted May 2007.</td>
<td>50</td>
</tr>
<tr>
<td>Rutherford Industrial Estate [Stage 2]</td>
<td>LEP gazetted August 2011.</td>
<td>200</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>675</strong></td>
</tr>
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</table>
Economic infrastructure

Infrastructure investment is the cornerstone of sustainable long-term economic growth. The Hunter Expressway will improve accessibility to major centres, and change locations of housing and employment demand. The joint NSW–Australian Government funding for the Sydney to Newcastle rail line will improve passenger services, boost freight capacity from 29 to 44 trains a day, and support the economic viability of the freight hub concept proposed for western Newcastle in the 2006 Lower Hunter Regional Strategy.

Increased investment in educational infrastructure to close skills gaps and offer tertiary training will be needed as the Region shifts to knowledge-based industries.

Our current focus

NSW2021 has a clear objective to rebuild the economy. This requires policy settings to build business confidence and attract investment such as growing certain industry sectors through Industry Action Plans.

The NSW Government’s focus on decentralisation aims to encourage steady and strategic growth in our regions. Actions include:

- delivering the Jobs Action Plan to help meet the target of 40,000 new jobs in regional NSW
- developing Regional Action Plans to harness business opportunities and address impediments to growth
- investing in regional infrastructure through the Restart NSW fund
- supporting regional business growth through tailored programs and local facilitation services
- working with Regional Development Australia committees and the Australian Government to promote regional industry opportunities
- implementing the Resources for Regions policy, with Infrastructure NSW administering up to $160 million for infrastructure programs.

As detailed in ‘Providing the infrastructure we need’ (page 24), the NSW Government measures such as prioritising infrastructure investment through Infrastructure NSW will also lift business confidence.

A NEW APPROACH

The new Lower Hunter Regional Strategy will support economic opportunities, productivity and jobs growth.

1. How can the Strategy facilitate a productive and sustainable Lower Hunter economy?
2. How can the Strategy facilitate access to jobs across the Region?
3. How can the Strategy ensure infrastructure investment promotes economic growth?
4. How can the Strategy support emerging sectors such as sustainable energy industries?
5. What important economic connections should the Strategy focus on?
6. Should the Strategy preserve more land around economic assets such as the Port of Newcastle, Newcastle Airport and the University of Newcastle to encourage economic clusters?
7. Which locations should the Strategy identify for potential industrial clusters?

WHAT DO YOU THINK?

- What do you think of these new approaches?
- What other approaches do you suggest?
Providing efficient transport networks

The Lower Hunter is linked by an extensive road network with car travel the dominant mode of transport in the region. Public transport plays an important part in connecting people to centres, services and established bus and rail networks for travel within the region and beyond.

Recent lower density patterns of settlement along the coast and around the foreshores of Lake Macquarie, Port Stephens and the Hunter River estuary are a challenge for public transport provision. As a result, transport in the Lower Hunter, for private, public and commercial purposes, will likely remain predominantly road-based into the foreseeable future.

The Region’s transport networks must continue to support tourism, manufacturing services and agriculture and mining industries, including the expected increase in road and rail freight movements through urban and rural corridors.

Integrating land use and transport

Planning for future population and employment growth is focused in and around centres that are better connected to the rail network or able to be serviced by an expanded bus network. Delivering jobs and housing near transport can increase the share of trips by public transport and increase public transport’s role in linking people to employment and services.

CASE STUDY

The draft Glendale Master Plan guides the future of Glendale towards a Regional Centre.

With expected growth to include land for 6,200 new jobs and 4,000 new dwellings, the Master Plan incorporates a mix of retail, commercial, housing, recreation and open space land uses, as well as the need for a bus interchange, commuter parking and a new road bridge at Glendale to improve access to the Stocklands retail centre, surrounding growth areas and the Cardiff Industrial Area.

The transport interchange is planned to be situated within the Glendale Regional Centre, and adjacent to the Cardiff Industrial Estate, allowing the area to thrive as a public transport hub supporting the largest concentration of jobs in Lake Macquarie.

The NSW Government has committed $15 million from the Hunter Infrastructure and Investment Fund towards the construction of the road bridge and associated roads. Lake Macquarie Council will contribute $10 million to the project and a further $7 million has been committed from the Australian Government’s Regional Development Australia Fund.
Public transport

Many public transport services in the Lower Hunter are underutilised. NSW2021 sets an ambitious target to increase the share of commuter trips made by public transport to and from Newcastle CBD during peak hours to 20 per cent by 2016.

CityRail connects Sydney and Newcastle via the Central Coast. The Hunter Line then runs west from Newcastle through Maitland to either Scone and the North West or north through Dungog to the NSW north coast.

Bus services must be able to compete with private car use, and there should be better access to rail services with improved integration of services and bus/rail interchange. Better pedestrian and cycling networks will offer healthy transport alternatives for short local trips.

Since 1990, more than 50 reports have looked into the issue of the heavy rail line into Newcastle.

The existing rail line, originally built to move freight to the harbour, now divides the city centre in half. The recent decision to replace rail services with bus services from a new transport interchange at Wickham recognises that the commercial core is no longer close to Newcastle Station; the emerging
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The commercial core is at the western end of the city, and the rail line creates a physical barrier between this area and Honeysuckle.

As a result of these changes, transport plans for the area will now be shaped by new opportunities for urban renewal being explored in a new urban and land use planning strategy. This would include consideration of the planned justice precinct and proposals to locate a university campus in the central CBD at Civic.

Similarly, planning for the future transport needs of Cessnock, Charlestown, Maitland, Raymond Terrace, Glendale/Cardiff and Morisset will underpin strategies to encourage housing and employment opportunities in these major centres.

As the population and employment levels in the Hunter continue to grow, future considerations to support increased public transport use in the region may include park-and-ride facilities; parking policies; more frequent and express bus services into the Newcastle CBD; and the marketing and promotion of public transport services.

Freight movements

The Port of Newcastle is a bulk commodity port. The Hunter Valley Coal Chain Coordinator supports the efficient movement of coal from the Hunter Valley through the Port of Newcastle by rail.

Export coal moves from west to east along the Hunter Valley rail network and more than 100 freight services use the Sydney to Newcastle rail corridor in each direction each week, carrying interstate freight, grain and other commodities. This corridor is shared with the passenger rail network. The NSW Government and Australian Government are currently delivering increased capacity and reliability through the $1 billion investment in the Northern Sydney Freight Corridor. Further capacity enhancements, such as the Fassifern–Hexham line and further works between Newcastle and Sydney are under consideration.

Freight rail capacity improvements along the Hunter Rail Line are the responsibility of the Australian Rail Track Corporation (ARTC) which entered into a 60-year lease of the Hunter Valley Rail Network from 2005.

Inbound flows for mine consumables are expected to be dominated by road transport. The expected road freight task for inbound logistics could grow from around three million tonnes a year to more than 10 million tonnes per year, focused on the New England and Golden Highways.

The Hunter Valley Coal Chain Coordinator and the ARTC will jointly plan for the future rail infrastructure capacity and efficient landside access to port facilities.

Roads

The Region’s transport network and connections are dependent on the arterial road system. The critical road connections are:

- the F3 Freeway, providing connections to Sydney and the Central Coast
- the New England Highway from Newcastle through Maitland to Branxton which is currently the Region’s key east-west corridor
- the Newcastle Road corridor connecting east-west to the urban areas of Newcastle and Lake Macquarie
- the Pacific Highway extending from the Central Coast in the south through the urban areas of Newcastle and Lake Macquarie to the North Coast
- the Newcastle Inner City Bypass, the other major north-south inner urban arterial route connecting Newcastle and Lake Macquarie.

Other corridors serving major land use areas include Nelson Bay Road serving Newcastle Airport, the Lake Road/Toronto Road corridor serving western Lake Macquarie, John Renshaw Drive, Wine Country Drive and Cessnock Road serving areas around Cessnock, Kurri Kurri and Maitland. The arterial road network faces congestion and road capacity challenges.

The Hunter Expressway will connect the F3 Freeway and the broader Newcastle/Lake Macquarie areas to the Upper Hunter and beyond. The Hunter Expressway will relieve congestion on several routes, particularly on the New England Highway through Maitland.

In association with the Hunter Expressway, six major intersection upgrades are under construction along the Newcastle Road corridor between the F3 Freeway/Hunter Expressway and Newcastle. The Newcastle Inner City Bypass is also under construction from Shortland to Sandgate, which will provide improved travel conditions for commuters in this area of the road network.
Our current focus

Current transport investments will feed into a new Lower Hunter Regional Strategy. Planning is already underway for the extension of the F3 Freeway to Raymond Terrace. This project involves a 15 kilometre dual carriageway upgrade between the F3 and the Pacific Highway bypassing Heatherbrae. A concept design has been developed and the highway corridor will be reserved in the Port Stephens and Newcastle Council LEPs.

Following the development of the Long Term Transport Master Plan in 2012, Transport for NSW will develop a Regional Transport Plan for the Hunter Region. This Plan will closely align with the land use planning objectives of the new Lower Hunter Regional Strategy.

A NEW APPROACH

The new Lower Hunter Regional Strategy needs to plan for efficient transport connections in, out and around the Lower Hunter.

1. What priorities should guide the Strategy’s link with the Long Term Transport Master Plan?
2. How should the Strategy focus on new transport corridors to growing areas?
3. How can the Strategy encourage more people to use public transport?
4. How should the Strategy and the Long Term Transport Master Plan improve access to Newcastle Airport, the Port of Newcastle and major activity centres?
5. How can the Strategy maintain quality transport services into Newcastle CBD?
6. How can the Strategy promote walking and cycling?
7. Where would investment in improved transport bring the greatest benefits to in the Lower Hunter?
8. Which key connections should be included in the Strategy?

WHAT DO YOU THINK?

• What do you think about these new approaches?
• Are there other options to strengthen transport connections in the Lower Hunter?
Shaping the Lower Hunter

Providing the infrastructure we need

Provision of adequate infrastructure affects quality of life, the efficient functioning of places and the State’s economic competitiveness.

The infrastructure needed to support a growing region includes:

- economic infrastructure, such as roads, railways, ports, airports, gas pipelines, water and wastewater facilities, telecommunications and post facilities and power generation facilities
- social infrastructure, such as schools and other educational facilities, hospitals, clinics and other health facilities, housing, recreational and sporting facilities, stadia, arts and cultural facilities, entertainment venues, law and order facilities and cemeteries.

The aims of NSW2021 to build infrastructure to achieve economic growth are supported by a focus on infrastructure for places such as regions, towns, cities, suburbs rather than by sector (for example, water, transport or health) or funding source (State, local, Commonwealth or private sector). This place-based approach recognises the needs and characteristics of a place and provides a better basis to coordinate housing, employment and economic growth.

Delivering infrastructure

The Lower Hunter’s key infrastructure includes the Port of Newcastle, Newcastle Airport, the rail and bus networks and freight infrastructure, as well as education and health facilities, cultural and sporting infrastructure and telecommunications, water and sewer and energy infrastructure, including underground pipelines to carry gas from production to market. This includes possible transport of gas from Queensland via the proposed Queensland Hunter Gas Pipeline, or from the Gunnedah Basin and Hunter Valley to markets across South East Australia.

Growth Infrastructure Plans (GIPs) will plan for the whole package of essential infrastructure needed to support development. GIPs will be based on sound evidence of infrastructure needs and priorities and will be aligned with existing budget and planning processes.

Integration with land use planning

Aligning infrastructure with land use strategies will assist future infrastructure sequencing and land release programming. This includes identifying possible corridors for linear infrastructure such as gas pipelines and electricity transmission lines. Future staging of infrastructure will consider the most efficient areas to upgrade, having regard to constraints and the need to avoid compromising opportunities for growth in other areas.

The Hunter Infrastructure Plan and new Lower Hunter Regional Strategy will be developed concurrently.

The Hunter Infrastructure and Investment Fund

In the Hunter Region, infrastructure planning and delivery is further supported through the $350 million Hunter Infrastructure and Investment Fund (HIIF). The Hunter Development Corporation is currently leading the preparation of a 20-year Hunter Infrastructure Plan (HIP) in partnership with the Department of Planning and Infrastructure and Infrastructure NSW.
Our current focus

NSW2021 aims to renovate and build infrastructure to achieve economic growth. The establishment of Infrastructure NSW in 2011 is improving infrastructure planning, prioritising, funding and delivery. Infrastructure NSW is also:

- preparing a 20-year State Infrastructure Strategy
- preparing five-year infrastructure plans
- developing sector specific infrastructure strategy statements (for example, water)
- developing a specific sector strategy for the Hunter Valley Coal Chain
- coordinating infrastructure projects over $100 million.

The NSW Government is also:

- coordinating infrastructure provision with new development
- improving infrastructure planning and achieving better value for money for infrastructure projects, including cost benefit analyses and the Better Value Infrastructure Plan (for the Council of Australian Governments) to consider reform options across the infrastructure delivery chain
- delivering on existing major infrastructure commitments.

A NEW APPROACH

The new Lower Hunter Regional Strategy will improve the planning and timely provision of infrastructure in the Lower Hunter and align the planning of land use and transport.

1. How can the Strategy better ensure timely delivery of new infrastructure to support new growth?
2. Which important corridors should the Strategy identify and protect for future infrastructure?
3. How can the Strategy best protect and support key economic infrastructure?
4. If the Strategy identified a need for detailed infrastructure plans for new growth areas, would this assist the timely delivery of infrastructure to new areas?
5. What should be included in the Strategy to ensure essential infrastructure is in the right place at the right time?
6. How can the Strategy help councils to prioritise and deliver local infrastructure?

WHAT DO YOU THINK?

- What do you think about these options?
- What infrastructure should be prioritised in Lower Hunter and why?
Providing access to lifestyle assets

If the Lower Hunter is to remain a place where everyone can be involved in their community, we need to provide access to the lifestyle assets, employment opportunities, and social, recreational and cultural facilities that the Region has to offer.

The new Lower Hunter Regional Strategy will integrate considerations of equity, liveability and social inclusion into planning decisions.

Social inclusion

Measures of liveability, wellbeing and social inclusion are as central to a sustainable region as measures of economic and environmental outcomes. Concentrations of disadvantage do occur, particularly where transport options are limited and access to services is poor. More frequent social interaction and engagement with cultural activities can only be achieved if we provide better access to quality affordable housing that is close to transport, shopping, community services and open space.

The new Lower Hunter Regional Strategy will consider how city structure, transport, housing affordability, housing design and environmental quality contribute to a socially-inclusive Region. To do this, it will promote planning that:

• considers social impacts alongside environmental and economic impacts
• considers the specific needs of particular groups of people
• ensures provision of appropriate social infrastructure and services.

This approach acknowledges specific areas of disadvantage in the community. As an example, people with mobility issues can feel excluded because of the design of some buildings and public places*. Many homes were designed without considering how needs and abilities change with age, and about a third of older people say they have modified their home to suit their new circumstances, with 40 per cent believing they’ll have to do this in the future*.

Around 16 per cent of the Lower Hunter’s population is 65 or over. By 2031 that figure will increase to 24 per cent. Our building design regulations must provide the flexibility necessary to enable housing to be adapted to people’s needs as they grow older.

Access to opportunities

We also need to ensure local planning provisions accommodate demand for cultural venues and facilities and access to parks, sporting facilities and other open space.

The new Lower Hunter Regional Strategy and NSW2021 will help to improve supportive community connections by planning for community facilities upfront.

Incorporating social objectives into planning

The NSW Government, through Hunter New England Population Health (HNEPH), has developed planning tools for local government through the Liveable Communities project. These tools set common standards and approaches to ensure new development promotes liveability, accessibility and social inclusion in new communities.

Incorporating these approaches into new planning provisions will assess the potential social impacts of planning decisions.
Our current focus

NSW2021 aims to strengthen our local environment and communities and increase participation in arts and cultural activities in Lower Hunter.

NSW2021 aims to increase the proportion of the NSW population involved in local community organisations to exceed the national average by 2016 and increase participation in sport, recreational, arts and cultural activities in rural and regional NSW from 2010 to 2016 by 10 per cent.

Through NSW2021, we are:

- setting the future direction for support for arts and cultural initiatives across NSW by developing an Arts and Cultural Policy that recognises the sector’s central economic role as part of the Visitor Economy Industry Action Plan
- investing in regional arts and cultural development, especially in areas of specific need
- investing in regional libraries and creating wireless internet hotspots in rural and regional libraries
- developing partnerships to enhance the participation of people with a disability in arts, cultural activity and professional development
- increasing opportunities for people to look after their neighbourhoods, get involved in their communities and participate in cultural, sporting and recreation activities
- providing new housing in the right areas
- developing guidelines that assist local councils to design and plan for healthy, safe, culturally vibrant and inclusive places
- auditing the local infrastructure backlog in the Lower Hunter’s LGAs to establish priorities for open space and recreation investments
- funding programs that help to protect and enhance open space.

A NEW APPROACH

The new Lower Hunter Regional Strategy offers an opportunity to create better places and improve social inclusion.

1. How can the Strategy address disadvantage in specific places and which places should be a priority?
2. Should the Strategy set targets and standards for levels of service, or are there other ways to improve access to opportunities?
3. How can the Strategy better promote cultural opportunities across the Lower Hunter?
4. How can the Strategy ensure an adequate supply of adaptable and accessible housing for older people?
5. How can the Strategy help local councils manage and adapt recreational facilities and open space?
6. How should the Strategy assist the development of local social impact assessments of new development?

WHAT DO YOU THINK?

- What do you think of these approaches?
- How can everyone access the recreational and cultural activities they need?
- What else can the Lower Hunter Regional Strategy do to provide greater access to a diversity of lifestyle opportunities?
Shaping the Lower Hunter

Protecting our environment and building resilience to natural hazards

The pattern of growth and development of the Lower Hunter has been shaped by its geography and natural environment. Future growth has the potential to adversely affect our water, air and soil quality and our biodiversity.

An understanding of these impacts and their implications for continuing growth of the Region is a major consideration as the new Lower Hunter Regional Strategy is developed.

Natural hazards

The Lower Hunter has been subject to bushfire; heatwaves; severe storms and related coastal, estuarine and river valley flooding events; and coastal erosion.

A high proportion of our population lives along the coastline, around the Port of Newcastle and the fringes of the Region’s lakes, rivers and river valley. Major industrial activities exist around the Port of Newcastle and adjacent Hunter River estuary. The ability and capacity of these settled areas in lower lying parts to adapt to climate change, particularly sea level rise, is a critical consideration.

Areas expected to be most susceptible to flooding, inundation sea level rise and more extreme weather events are those around Lake Macquarie, the Port Stephens foreshore and the lower portion of the inner Newcastle floodplains (for example, Throsby and Cottage Creeks). These are long-established urban areas, and in many cases there has been significant redevelopment with more intensive settlement over the last 10 to 15 years.

Climate change

The implications of a changing climate are complex and any impacts are likely to emerge in a variety of ways. They will also vary between regions and localities. We may need to vary between regions and localities. We may need to respond to variability in:

- air temperature
- sea level
- rainfall
- flooding
- fire regimes

It is important to recognise that many of these hazards are a product of natural processes that have shaped the physical environment of the Region over long periods. Any change to climate may simply modify where and how those hazards arise. These changes may impact agriculture, water supply, settlements, employment, infrastructure, natural resources, biodiversity and human health.

ADAPTING TO CLIMATE CHANGE

It is important to remain flexible in our land use planning response. The science and information underpinning climate change is becoming more robust, and the community is becoming more sophisticated in its understanding of the challenges. Planning for an uncertain climate regime requires reliable information at a regionally-specific and locally-specific scale. The NSW Government will provide technical guidance, based on the best available expert advice.

Local councils and their communities are best placed to understand the impact of natural hazards on public and private land, and on assets, infrastructure and people. It is important to adopt a risk-based approach that considers the vulnerabilities of existing and future development, but that also maximises the safe and sustainable use of land so that prosperity and growth are available to all communities.

Improvements are being made to local council decision-making around climate change policy, and HunterCouncils’ Decision Support for Adaptation Plans project has produced the Coastal Councils Climate Change Adaptation Plan and Rural Councils Climate Change Adaptation Plan. The current phase of the HunterCouncils work is an integrated Decision Support System to support planning for existing and new land use development and infrastructure in vulnerable coastal areas.
Shaping the Lower Hunter

Protecting the environment

REGIONAL CONSERVATION PLAN
The Lower Hunter Regional Conservation Plan (RCP) is a companion document to the 2006 Lower Hunter Regional Strategy and provides a 25-year program to direct and drive conservation efforts in the Lower Hunter. The RCP will be revised following completion of the new Lower Hunter Regional Strategy.

STRATEGIC LOWER HUNTER ASSESSMENT
As part of the RCP review, the NSW and Australian Governments are collaborating in a Strategic Assessment of the Lower Hunter. Comprising a single regional-scale assessment of environmental values, the Strategic Assessment will put in place a conservation framework that satisfies NSW and Australian Government legislation, provides a regional framework to protect high value conservation areas and helps streamline development processes.

BIODIVERSITY OFFSETTING
The Office of Environment and Heritage (OEH) and the Department of Planning and Infrastructure are reviewing biodiversity offsetting processes to find an efficient solution that continues to provide offsets for impacts to biodiversity while also facilitating development in the Lower Hunter.

GREEN CORRIDORS
The 2006 Strategy identified Green Corridors linking the Watagans and Yengo National Parks with the coastal plains of the Tomago sand beds, Stockton Bight and Port Stephens. The Corridors function as a buffer between major urban areas along the coast. In accordance with the Sustainability Criteria contained in the 2006 Regional Strategy, new urban development proposals may not be made in Green Corridors.

The Corridors include areas of high conservation value vegetation and wildlife identified by OEH and rural land that may contain low intensity activities.

The new Lower Hunter Regional Strategy will review the mapping and definition of the Green Corridors. By clarifying the variety of lands and activities that occur within the corridors, this work will link corridors of high conservation values with OEH’s regional conservation planning.
Our current focus

NSW2021 identifies the need to protect our environment through initiatives such as:

- the climate change adaptation strategy for the Lower Hunter, being developed with councils
- encouraging sustainable building design, especially in terms of housing, through the Building Sustainability Index (BASIX)
- the Hunter and Central Rivers Catchment Action Plan, Lower Hunter Regional Conservation Plan and Lower Hunter Water Plan
- the Eastern Seaboard Climate Change Initiative, a multi-institutional research initiative that is improving our ability to project the implications of more frequent extreme events, particularly floods.

A NEW APPROACH

The Lower Hunter Regional Strategy will shape our pattern of growth in a way that protects important environmental assets and strengthens our ability to deal with climate change and natural hazards.

1. How can the Strategy protect the environment and conserve biodiversity while also meeting the economic and housing needs of the growing population?
2. How can the Strategy support environmentally sustainable development?
3. How can the Strategy help mitigate and adapt to climate change?
4. How can the Strategy help improve energy and water efficiency for residential, commercial and industrial buildings?
5. How can the Strategy improve our approach to planning and development in areas at risk from natural hazards?
6. How can the Strategy encourage growth while also protecting our environment, lifestyle and natural assets?

WHAT DO YOU THINK?

- What do you think about these approaches?
- How can the current processes governing the offsetting of biodiversity impacts be improved?
- Should the Green Corridors be reviewed and what should be the focus of that review?
- What other environmental issues should the Strategy consider?
Protecting productive rural and resource lands

The rural and agricultural areas at the fringes of the Lower Hunter’s towns and suburbs have provided food and drinking water for the growing population and a rich reserve of mineral and construction sands, brick clays, and forest timbers that support the growth of the Region and its economy.

The Lower Hunter’s rural and resource land provides:
- a reliable supply of fresh healthy food close to market
- the environmental benefits of recharging ground water supplies
- a positive social identity for many people through scenic and heritage landscapes
- an opportunity to mitigate and adapt to climate change
- capacity to contribute to energy security and affordability.

How we manage and utilise land dedicated to rural and resource uses affects our ability to locally produce food, supply safe drinking water, generate affordable energy or produce sufficient raw materials for construction. Local production is under pressure from the expansion of the Region’s urban footprint and our response must manage conflicting land uses and the impacts of climate change.

Food security

The food industry faces pressure to increase production, processing and distribution while facing challenges such as climate change, diminishing water supplies, soil degradation, competing uses for agricultural land, rising production costs and changing biosecurity and food safety risks. With the likely impacts of climate change and increasing transport costs, arable land near major urban areas may again become significant as market gardens despite pressure from urban development. We must properly identify, and protect the best of these areas to provide recreation, green breaks and as potential sources of sustainable food supplies for future generations.

Water security

Access to safe and reliable drinking water and securing long-term access to that water is critical in future planning for the Region. The Lower Hunter has generally reliable rainfall and access to high quality water supplies. However, continued strong growth requires an adequate and reliable water supply and an assured water supply in periods of extended drought.

The Lower Hunter Water Plan

The Metropolitan Water Directorate within the Department of Finance and Services is leading the development of a new Lower Hunter Water Plan in consultation with other agencies, Hunter Water, stakeholders and the community.

The Plan will identify and assess options to supplement the Lower Hunter’s current water supply scheme and will establish a mix of water supply and demand management measures to ensure a secure and sustainable water supply for the region, including during drought. The Plan will be developed in parallel with the New Lower Hunter Regional Strategy.

Land conflicts

The coexistence of rural and resource activities near the Lower Hunter’s urban areas can create land use conflicts. Agricultural activities can be intensive, noisy, create odour and dust, use sprays and may operate night and day. Similar conflicts can occur in relation to mining industries (including extractive industries such as sand mining and rock quarries).

Appropriate zoning and planning policies and provisions can establish the circumstances in which housing can be developed near agricultural uses. Such development requires robust assessment regimes to limit its effect on high value and critical rural and resource lands.
Energy resources

The Lower Hunter was recognised in the very early years of settlement of Sydney and NSW as a significant source of energy (coal), and development of the coal resources around Newcastle and throughout the Lower Hunter played a major role. That legacy has continued such that the Port of Newcastle, already the world’s largest coal export port, is rapidly expanding and is expected to double its coal export capacity between 2009 and 2015.

While coal mining has played a major part throughout the Region’s history, coal mining is now winding down in the Lower Hunter. In its place there is growing commercial interest in energy supply in the Lower Hunter through the extraction of coal seam gas.

The Lower Hunter is covered by two active Petroleum Exploration Licences (PELs) being operated by AGL (PEL 267) and Dart Energy (PEL 458). Core hole drilling and seismic surveys over the last five years indicate high potential for coal seam gas in the vicinity of:

- Fullerton Cove – Williamtown
- Camberwell – Bulga – Belford
- Mandalong – Munmorah – Dooralong
- Wollombi – Grumps Retreat – Bucketty – Peats Ridge

It is possible that coal seam gas production could commence within the next two years, subject to coal seam gas exclusion zones, which were announced in February 2013, as well as appropriate environmental assessment.

Our current focus

Through NSW2027, we are aiming to:

- protect the Lower Hunter’s water resources
- balance development with the sustainable management of natural resources
- map strategic agricultural lands and develop agricultural industry sector strategic plans
- see benefits from the new NSW Office of Food Security and Agricultural Sustainability.

A NEW APPROACH

The new Lower Hunter Regional Strategy must provide new land for housing while also preserving and valuing land for biodiversity, agriculture and resources.

1. How should the Strategy balance the need for land for housing and jobs and land for other needs?
2. Should the Strategy identify and protect specific areas of the Lower Hunter’s rural landscape as having particular significance for agriculture, heritage or cultural values?
3. How can the Strategy protect water catchments?
4. How should the Strategy deal with potential impacts of resource extraction and mining, for example newly emerging coal seam gas extraction projects?

WHAT DO YOU THINK?

- What do you think about each of these new approaches?
- Which specific areas of the Lower Hunter should be set aside for agriculture?
- What other actions should be considered for the Lower Hunter’s rural and resource lands?
Shaping the Lower Hunter

Connecting with surrounding regions

The Lower Hunter, Central Coast, Upper Hunter and lower Mid North Coast contain more than a million people. When combined with the population of metropolitan Sydney the area is home to almost a quarter of Australia’s population.

Economic connections

While the Hunter Region, through the Port of Newcastle, produces a third of NSW exports, the modern Lower Hunter economy is moving into knowledge-based and technology industries. This requires not just connections between regions, but connectivity infrastructure to maximise the strengths of individual regions.

Connecting regions by upgrading physical transport connections and knowledge technology, such as world-class telecommunications and online technologies, are increasingly promoted as a major priorities. For the Lower Hunter, strong connections to adjacent regions and particularly to Sydney are essential to capturing new markets and linking to global value chains.

The Upper Hunter, Mid North Coast, Central West and New England regions rely heavily on the Lower Hunter for export of coal, grain and other commodities through the Port of Newcastle. The Lower Hunter also provides access to Newcastle Airport, the largest regional airport in NSW, and access to markets that service the Hunter, Central Coast, Sydney and Melbourne.

The combined Lower Hunter and Upper Hunter provide a much stronger economic base than the partial roles of the Lower Hunter. In that context, the natural path for further developing industries and services is along the transport systems to the west. The extension of the F3 to Branxton and improvements to the New England Highway provide for expansion of industrial development towards the Upper Hunter.

The two regions also benefit from an increasingly mobile and shared workforce, the development of an adequately skilled workforce base, the strong manufacturing sector, and physical and functional interrelationships.

Functional connections

The Lower Hunter acts as a service centre for wider regional services through assets such as Newcastle Airport, the University of Newcastle, several of the TAFE colleges, the John Hunter Hospital and Mater Hospital and other medical specialist services that offer services not available in other regions.
Physical connections

With Newcastle at its centre, and strong connections to the Central Coast, through to Sydney, north to the Upper Hunter and Mid North Coast and west Liverpool Plains, the Lower Hunter has important regional connections.

Future transport planning in the Lower Hunter will build on existing commitments including the Hunter Expressway and improvements to the Northern Sydney Freight Corridor. It will take into account population and employment growth in the Region and beyond, as well as growth in the freight industry into the future. It will also take into account the recent decision to replace rail services with bus services from a new transport interchange at Wickham, on both inter-regional connections and intra-regional access to Newcastle CBD.

High speed rail

High speed rail has the potential to cut travel times between capital cities and regional centres including Newcastle. The Australian Government is undertaking a $20 million strategic study for this project. Its potential development will require decisions to identify and protect appropriate corridors for future construction of a high speed service.

Our current focus

The Lower Hunter is a prime location to assist the delivery of the NSW2021 target to increase regional NSW’s population by 470,000 by 2036. Specific actions to deliver this target include:

- marketing job opportunities and the benefits of regions for business, skilled workers and families in partnership with local councils and Regional Development Australia committees
- maximising opportunities to decentralise government services and support regional economic development objectives
- working with local government, communities and the private sector to leverage the Revitalising Our Regions Crown Land program
- delivering the Jobs Action Plan to assist business investment in NSW
- preparing new strategic land use plans in regional NSW
- improving connections between Sydney and regional NSW, including the Northern Sydney Freight Corridor to Newcastle.

A NEW APPROACH

The new Lower Hunter Regional Strategy will improve connections with Sydney and its adjacent Regions.

1. How can the Strategy promote improved connections and relationships between the Lower Hunter and Sydney?
2. What should be included in the Strategy to improve connections between the Lower Hunter and its adjacent regions?
3. How should the Strategy improve the economic, road and rail, and communication links between the Lower Hunter and its adjacent regions?
4. Should the Strategy pursue opportunities for decentralising government services to regional NSW?

WHAT DO YOU THINK?

• What do you think about each of these approaches?
• What other options for strengthening the relationships between the Lower Hunter and other regions of NSW should be considered?
Delivering the Strategy

The new Lower Hunter Regional Strategy must provide residents, workers, local and State Government, and business with confidence that its objectives for sustainable growth and development will be delivered.

We must put arrangements in place to implement the Strategy’s actions in a timely, transparent and accountable way.

Integrated planning

The new Lower Hunter Regional Strategy is being developed alongside the new State Infrastructure Strategy, the Hunter Infrastructure Plan and the Long Term Transport Master Plan. Together these plans provide a framework for investment, with specific actions targeted to deliver on the NSW Government’s priorities while achieving value for money.

Accountability and certainty

The new Lower Hunter Regional Strategy will illustrate clear lines of responsibility for every initiative, and will be supported by a commitment by Government for these activities to be delivered on time. This requires clear arrangements to measure and report on progress, and a commitment to transparency when reporting on the NSW Government’s performance. In this way, the community will be able to hold the Government accountable for achieving the commitments in the Strategy.

The new Lower Hunter Regional Strategy will create greater certainty for communities and investors. It will set out a clear strategic vision to guide and inform local government in local level planning and will establish the shared responsibility for delivering the Lower Hunter’s growth and change over the next 20 years.

A NEW APPROACH

The new Lower Hunter Regional Strategy will provide a new approach to implementation:

1. How can the Strategy ensure there is clear accountability for delivery in terms of the agency responsible and the timeliness and success of each action?
2. Will clear performance measures in the Strategy help to test the progress and success of each action?
3. What kind of monitoring framework should the Strategy adopt to track and report on progress?
4. What kind of integrated monitoring can be used across the new Strategy, State Infrastructure Strategy, Hunter Infrastructure Plan and Long Term Transport Master Plan to ensure the delivery of integrated planning?
5. Should there be a specific body, authority or person nominated to oversee and be accountable for the delivery of the new Strategy?
6. What should the role of local councils be in preparing and delivering the Strategy?

WHAT DO YOU THINK?

• Are there other ways to ensure consistent, transparent, and accountable implementation?
Sharing ideas for the Lower Hunter

This Discussion Paper is one element of the NSW Government’s new plans for the long-term future of NSW.

The Government wants to deliver immediate improvements for local communities. As part of this, communities across NSW are being asked to have their say on the future of the State.

By commenting on the issues outlined in this Discussion Paper you have the opportunity to influence how the Lower Hunter develops and grows in the future. Your comments will be fed into the work being undertaken by the Department of Planning and Infrastructure to deliver a draft Lower Hunter Regional Strategy for more detailed consultation.

We know that people will have differing priorities for the Lower Hunter, but it’s important that everyone gets involved and has their say on how the Region can continue to change for the better and offer the very best it can to the people who live here, work, do business and visit the Lower Hunter.

To get involved visit: www.planning.nsw.gov.au/lowerhunter
• take part in the discussion forum
• watch our video
• download a copy of the community brochure
You can provide your feedback online, or you can send us a submission by 3 May 2013 to:
• Email: lowerhunter@planning.nsw.gov.au
• Post: Department of Planning and Infrastructure, Newcastle Office, PO Box 1226, Newcastle NSW 2300

All submissions will be publicly available on the Department of Planning & Infrastructure website. If you do not want your personal details to be made public, please state this in your submission. A Submissions Report will be issued after exhibition.
## National Urban Policy Principles

<table>
<thead>
<tr>
<th><strong>EFFICIENCY</strong></th>
<th>Our cities and the social and economic infrastructure and services that support them should be planned and managed to maximise their efficient use</th>
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<tbody>
<tr>
<td><strong>VALUE FOR MONEY</strong></td>
<td>Investments in our cities should be cost effective to return maximum benefits to communities and investors</td>
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<tr>
<td><strong>INNOVATION</strong></td>
<td>The planning, design, construction and management of our cities requires creative ideas and solutions to meet the current and future challenges</td>
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<tr>
<td><strong>ADAPTABILITY</strong></td>
<td>Our cities need to be adaptable to changes in the economy, population, demographics, technology and the environment</td>
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<tr>
<td><strong>RESILIENCE</strong></td>
<td>Our cities need to be resilient to events such as natural disasters, the effects of climate change and global socio-economic processes</td>
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<td>EQUITY</td>
<td>Our cities should support the equitable distribution of access to resources and opportunities, including education, jobs, housing, services and facilities</td>
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<tr>
<td>AFFORDABILITY</td>
<td>Households should have affordable options for where they live and work, how they travel and access services and facilities, and for leisure opportunities</td>
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<td>SUBSIDIARITY</td>
<td>Planning and services should be delivered by the most local level of government that has sufficient scale and capability to reasonably deliver them</td>
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<td>INTEGRATION</td>
<td>Policies and programs need to be integrated across the different levels of government, across portfolios and with industry and communities</td>
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<tr>
<td>ENGAGEMENT</td>
<td>Planning, policies and programs need to be informed by the views of all sectors of the community</td>
</tr>
</tbody>
</table>
References


ii. Data and forecasts unpublished from NSW Department of Planning and Infrastructure, 2010/2011.


iv. ibid.

v. Hunter Valley Research Foundation.


x. Judd, B et al., 2010, Dwelling, land and neighbourhood use by older home owners, AHURI Final Report No. 144. Australian Housing and Urban Research Institute, UNSW-UWS Research Centre, Melbourne.

