



The General Manager
Newcastle City Council
PO Box 489
NEWCASTLE NSW 2300

Monday, 24 February 2014

Dear Mr Gouldthorp,

RE: INCLUSION OF MINE REMEDIATION WORKS IN SECTION 94A DEVELOPMENT CONTRIBUTIONS PLAN

The Issue

- ✓ Mine subsidence is Newcastle's unique problem child and a major barrier to investment.
- ✓ There is uncertainty and inequity in the cost of remediation, which can run to 50 per cent of land value.
- ✓ Work is required up-front and often funded at mezzanine finance rates for the duration of the project.
- ✓ The feasibility of city building projects is trashed.
- ✓ Urban renewal schemes are abandoned before assessment lodgement.
- ✓ Investment capital leaks domestically and globally.
- ✓ Property owners need incentive to take action.
- ✓ Accommodating growth requires increased density and improving commercial feasibility.
- ✓ The alternative is the status quo – a contributions plan which chokes urban renewal.

The Opportunity

We understand Council officers are preparing a report for the business meeting in April which will contemplate different ways to levy remediation of mine workings when calculating the cost of development contributions.

A key recommendation of the 2012 Newcastle Urban Renewal Strategy (NURS) is the introduction of a supportive contributions system to facilitate and stimulate new development in the Newcastle CBD.

The City of Newcastle has the opportunity – and the power - to support this recommendation by removing the cost of mine remediation works from the levy calculation when the report comes before Council.

The Voice of Leadership

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Why remove the cost of mine remediation works from the levy calculation?

"The most powerful force in the universe is compound interest."

Albert Einstein

1. The inclusion of mine remediation works in the levy calculation **compounds** the uncompetitiveness of the city.
2. **The City of Newcastle cannot justify a levy on essential infrastructure provided by industry.**

The Impact

The Newcastle Renewal Taskforce – a local industry brains trust formed to advise government on the city centre's revitalisation - has found, above all else, there is one crucial factor needed to accelerate CBD renewal;

A level playing field for investors

We urge the City of Newcastle to play its role in achieving this aim and support a strategic priority of the NURS by removing the cost of mine remediation works from the Section 94A contributions calculation.



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CC: Councillor Jeff McCloy, Lord Mayor, City of Newcastle
Mr Tim Owen AM MP, Member for Newcastle
The Hon Brad Hazzard MP, Minister for Planning and Infrastructure

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