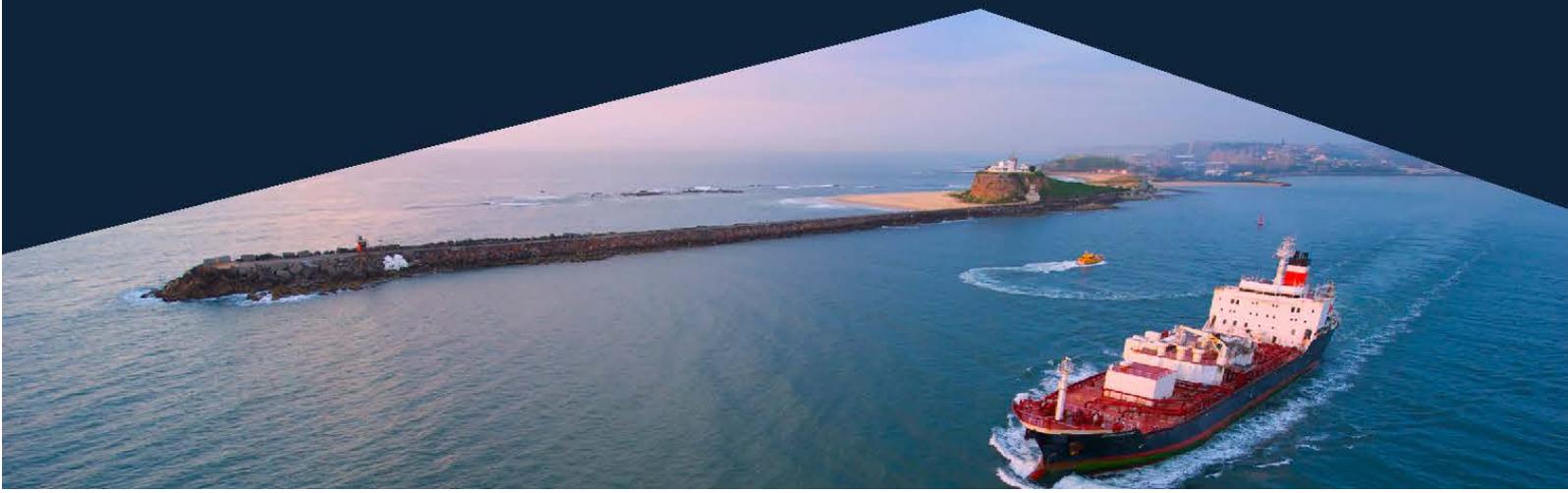


**COMMITTEE
FOR THE HUNTER**

2021 NSW STATE BUDGET SUBMISSION

LETTER TO THE NSW TREASURER



Hon. Dominic Perrottet MP
NSW Treasurer

4 May 2021

Dear Treasurer

With a population of 750,000, the Hunter is Australia's largest regional economy generating \$60 billion in Gross Regional Product and contributing 10 per cent of the state's output. When the Hunter goes well, NSW goes well.

The 2021-22 NSW Budget will focus on the long path to economic recovery. The Hunter region is a partner of significant capacity and scale to help rebuild the state economy from COVID-19.

This submission focuses on an infrastructure-led recovery. However, we recognise that government support is not just about funding; smarter planning and new partnership approaches will be critical in ensuring expenditure is targeted and provides value for money. As priorities across government are actively reassessed, we would like to ensure that committed and regionally significant State-led projects are kept on the agenda, well resourced, and accelerated where possible.

The submission is structured as follows:

- Unlocking international gateways
- Expediting State-led regionally significant projects
- Smart planning and investment
- Community cohesion including social and affordable housing
- An integrated plan for the diversification of the Hunter economy

Unlocking international gateways

The Hunter's international ports are gateways linking NSW businesses with global markets. They are key assets in the region's economic development.

The Port of Newcastle **Multi-Purpose Deepwater Terminal** is a privately funded investment-ready project of significant scale and an anchor to the region's economic diversification. Over \$1.8 billion in private investment, 15,000 jobs and \$2.5 billion in economic benefits is contingent upon the removal of penalties on container movements at the Port. We ask for your support to help unlock this project and the opportunities for industry and employment it stands to deliver for the Hunter, regional NSW and the state economy. This project addresses the need to increase container port capacity on the east coast, identified as a priority by Infrastructure Australia.

The Committee continues to work to secure funding from the Federal Government for the Newcastle Airport Code E runway upgrade. This project has been identified as a priority in Infrastructure Australia's 2021 Infrastructure Priority List. The \$54 million terminal upgrade project will operationalise this investment, enabling the processing of higher volumes of passengers and freight activated by the runway upgrade. We are seeking NSW Government **funding for the Newcastle Airport terminal upgrade** to help attract business and investors to the Williamstown Special Activation Precinct and grow the Hunter as an international defence and aerospace hub.

Expediting State Government-led regionally significant projects

Hunter Park

Hunter Park is one of the most significant urban renewal and employment generating projects in the regional development pipeline.

Hunter Park is part of the Broadmeadow Catalyst Area identified in the Greater Newcastle Metropolitan Plan. The Committee champions the importance of Hunter Park to the region's development and the delivery of the Metro Plan. Broadmeadow precinct regeneration is also identified as a priority on the Infrastructure Australia 2021 Infrastructure Priority List.

The Committee understands that the planning and delivery of Hunter Park is led by Venues NSW under the Minister for Sport, working closely with Hunter and Central Coast Development Corporation (HCCDC). The Minister for Planning and Public Spaces is also key to the delivery of the precinct, responsible for HCCDC and implementation of the Metro Plan.

The opportunities offered by Hunter Park will be strengthened by a range of measures. As an immediate priority, we encourage NSW to **secure funding to complete the Final Business case** and Treasury Gateway Review for Hunter Park, and to set timeframes for the achievement of these key milestones.

We also seek a commitment to the development of a **master plan for the whole precinct** to ensure a strategic approach to development and sequencing of Hunter Park. It is recommended that *Sporting Venues Authorities Amendment (Venues NSW) Act 2020* be reviewed following completion of the master plan to assess the opportunities and challenges it presents to the delivery of the vision.

Resourcing and fast-tracking State-led major projects

As you prioritise government projects and programs, we urge that committed State-led projects are kept on the agenda, appropriately resourced and fast tracked where possible.

These include:

- John Hunter Health and Innovation Precinct, including commitment to and fast-tracking of Stage 2 to deliver on the full Clinical Services Plan identified for the Hospital
- Williamstown Special Activation Precinct (SAP), including bringing forward drainage works and planning for Cabbage Tree Rd/Tomago Rd duplication that will underwrite investor confidence in the SAP

We note the Federal Government's commitments to Hunter major projects in the 6 October budget. The Committee welcomes the NSW and Australian Governments working together on priority projects and looks to the NSW Budget to confirm any remaining outstanding funding and accelerate delivery timeframes:

- Singleton Bypass
- Newcastle Inner City Bypass, including the interchange at John Hunter Hospital (Stage 5) which is essential to the success and accessibility of the Health and Innovation Precinct
- M1 extension to Raymond Terrace for which \$1.6 billion in Federal funding is contingent on NSW finalising planning and approvals
- \$15 million to accelerate planning for faster rail between Sydney and Newcastle. We also encourage you to bring forward practical, smaller upgrades to the network that speed up and improve services now while preserving options for a fast rail network in the future.

Smart planning and investment

New approaches to planning and infrastructure being trialled in the Sydney metropolitan area can be readily transferred to the Hunter, ensuring smarter, timely and coordinated approaches to growth, infrastructure and services.

Place-based Infrastructure Compacts

The *Greater Newcastle Metropolitan Plan* identified Catalyst Areas that are expected to be the major drivers of employment growth. These include North West Lake Macquarie, East Maitland and Broadmeadow.

Place-based Infrastructure Compacts (PICs) are a vehicle to better align Hunter development with Government budgets, especially when backed by specific-purpose funding sources like the new *Royalties for Rejuvenation* fund. Applying this innovative model to the Hunter region's Catalyst Areas will ensure these major employment centres are supported by infrastructure and services at the right time to deliver on our shared objectives for growth, jobs and housing.

We recommend the **PIC model be trialled on the North West Lake Macquarie catalyst area** that stands to support over 17,000 jobs by 2036 and enjoys strong stakeholder support and collaboration in its activation.

Program-level Strategic Business Cases

One of the outputs of PICs is a Strategic Business Case (SBC) that prioritises and sequences infrastructure investments for a region at a program-level rather than project by project.

The Hunter Joint Organisation and its member councils have identified shovel-ready cycling and pedestrian projects that would be accelerated with funding support. We would welcome the opportunity to work with Transport for NSW to develop a Master Plan and **Strategic Business Case for a Hunter cycling network** to ensure a more strategic and partnership approach to the planning, sequencing and funding of active transport projects in the future. The Hunter Joint Organisation has applied for the Hunter Cycle Tourism and the Shiraz to Shore Cycle Trail projects to be funded under the Bushfire Local Economic Recovery Fund. These two projects will powerfully combine to create new tourism opportunities in bushfire affected regions.

Similarly, the region has identified a number of art and cultural infrastructure and tourism projects. These initiatives target sectors struggling from the impacts of COVID-19 and are critical to the liveability and long-term diversification of the Hunter economy. Projects include shovel-ready private sector proposals like the historic Victoria Theatre that has recently achieved planning approvals and is now seeking one-off government funding support. We invite the NSW Government to partner with the Hunter councils to develop a program-level **Strategic Business Case for Destination Infrastructure** that capitalises on our indigenous, agricultural and industrial heritage to grow the Hunter's visitor economy.

We note that the classification of NSW councils into metro and regional is preventing equitable access to funding opportunities among Hunter councils. As NSW's second largest city and largest regional centre the Newcastle LGA sits between classifications and cannot equitably access grant funding opportunities. We implore you to **review grant funding guidelines** towards a more flexible and fair solution that takes into account the positive benefits of investment in the Newcastle metropolitan area experienced by regional and rural Hunter.

Community Cohesion

These uncertain times have made it even more important to build and maintain community cohesion. This includes supporting people to stay in employment, creating places where communities can come together safely and socially and address social disadvantage.

Access to secure, quality and affordable housing is also critical in supporting the most vulnerable in our community to access opportunity. A pre-COVID snapshot of the Hunter region shows that just 5.5 per cent of all rental properties advertised across the Newcastle/Lake Macquarie, Hunter, Central Coast and Mid Coast regions were affordable for households on income support.

The Committee for the Hunter joins other voices in NSW and the nation to call for more investment affordable housing. This includes partnerships with developers and community housing providers to deliver more affordable housing stock for rent and innovative build to rent proposals.

Demand for social and crisis housing is growing faster than supply – here and elsewhere in NSW. The Committee sees social housing as an issue not readily addressed by the private and not-for-profit sectors at the scale and speed that stock is required. We argue to provide social housing is a direct responsibility of governments.

We congratulate the NSW Government on your advocacy and efforts to increase the availability in social housing in NSW, including having this identified as a High Priority Initiative on the Infrastructure Australia 2021 Priority List. We encourage NSW to continue to work with the Australian Government to **secure more funding to improve and increase the stock of social and crisis housing** in the Hunter.

An integrated plan for the diversification of the Hunter economy

The benefits from these projects and initiatives would be multiplied if they were to be undertaken as part of an integrated plan for diversification of the Hunter economy. A plan that incentivises the growth of industry and jobs building from the Hunter's competitive advantage.

The Committee congratulates the NSW Government for securing ongoing investment in the future prosperity of coal mining communities facing economic change through the *Royalties for Rejuvenation* fund. We further request that the Hunter should have certainty through its own designated fund and for the community to drive the priorities for investment. The scope of the fund must also include workers and communities affected by the closure of coal fired power plants reaching their end of life.

We will look for these recommendations to be reflected in the *Royalties for Rejuvenation* fund, and that issues that have emerged in recent competitive grant programs are addressed in the guidelines and fair allocation of funds.

Government support for our region's transformation does not only mean funding. We are seeking the NSW Government to employ your powers of coordination to bring other levels of government, the private and community sectors together in a shared plan for jobs and growth in the Hunter, as demonstrated through the Western Parkland City Deal. The Committee for the Hunter with our region wide focus, cross-sector membership and unified voice is well placed to provide a supportive platform for this approach.

Summary

We are inviting you to partner with the Hunter to accelerate COVID-19 recovery and deliver more benefits to the State economy at the time we most need it.

If you would like to discuss this submission please contact Alice Thompson, CEO Committee for the Hunter on +61 490 688 125 or ceo@hunter.org.au.

The Committee for the Hunter is an independent and inclusive champion for the people of the Hunter and their enterprises, providing advocacy and thought leadership to build a sustainable and prosperous future for the region. More information about the Committee can be found at www.hunter.org.au.

Sincerely



Richard Anicich AM
Chair
Committee for the Hunter



Alice Thompson
CEO
Committee for the Hunter

Summary Recommendations

Unlocking international gateways

1. Removal of penalties on container movements at the Port of Newcastle
2. Funding for the Newcastle Airport terminal upgrades

Expediting State-led and committed regionally significant projects

3. Secure funding and timeframes for the completion of a Final Business Case for Hunter Park
4. Commit to the development of a masterplan for the entire Hunter Park precinct
5. Fast track Stage 2 of the John Hunter Health and Innovation Precinct to deliver on the full Clinical Services Plan identified for the hospital
6. Bring forward drainage works and planning for Cabbage Tree Rd/Tomago Rd duplication to accelerate the Williamstown Special Activation Precinct
7. Fast track projects boosted in the 6 October Federal Budget, including securing any remaining funding shortfalls in the NSW Budget:
 - Singleton Bypass
 - Newcastle Inner City Bypass, including the interchange at John Hunter Hospital (Stage 5)
 - M1 extension to Raymond Terrace
 - Complete the business case and progress faster rail between Sydney and Newcastle, including bringing forward practical, smaller upgrades to speed up and improve services

Smart planning and Investment

8. Trial Place-based Infrastructure Compacts in the Hunter region prioritising North West Lake Macquarie Catalyst Area
9. Partner with Hunter councils in the development of Strategic Business Cases for:
 - A Hunter Region Cycling Network
 - Hunter Region Destination Infrastructure
10. Review the classification of NSW councils as metro and regional towards a more flexible solution that enables the citizens of the Newcastle LGA to have fair access to grant funding opportunities

Community cohesion

11. Public funding to improve and increase the stock of social and crisis housing in the Hunter

An integrated plan for the diversification of the Hunter economy

12. Create a Hunter specific investment fund in the Royalties for Rejuvenation fund and work with local communities to drive the priorities for investment
13. Broaden the scope of the Royalties for Rejuvenation fund to include workers and communities affected by the closure of coal fired power plants reaching their end of life in addition to coal mining
14. Bring other levels of government, the private and community sectors together in an integrated plan for economic change, jobs and growth in the Hunter, as demonstrated in the approach to the Western Parkland City Deal.