

COMMITTEE
FOR THE
HUNTER

NSW BUDGET 2022-23 SUBMISSION



A UNIFIED VOICE FOR THE HUNTER

The Committee for the Hunter (the Committee) is an independent and inclusive champion for the people of the Greater Hunter and their enterprises. Representing over 60 organisations including some of the largest employers, institutions and peak bodies in the region, we provide a unified voice for the Hunter. Our members are drawn from the private and community sectors and all three levels of government. We come together with a shared interest in building a sustainable, prosperous and equitable future for our region. The Committee delivers on that promise through advocacy, thought leadership, networking and providing a platform for partnerships to achieve our vision for the Hunter.

More information about the Committee and our members can be found at www.hunter.org.au.

With a service population of over one million, the Hunter is Australia's leading regional economy, generating \$60 billion in gross regional product

The Hunter is a centre of significant weight in the national economy, with a world-class international port, airport and university, and a vibrant, renewed CBD at our heart.

Generating 63 per cent of NSW energy needs and with our skilled workforce, infrastructure and natural resources, the Hunter has powered the nation's economy for decades delivering higher standards of living for Australians.

The region provides essential supply chain services, connecting regional Australia to international markets opened up by free trade agreements.

We are home to two military bases including the nation's main fighter pilot training hub and base for the F-35A Joint Strike Fighters and the Australian Army School of Infantry.

With our connections to global energy customers, the region has been identified as a Hydrogen Hub to supercharge the development of a multi-billion dollar export industry. With some of the nation's largest energy users and emissions intensive businesses in hard-to-abate sectors, domestic commitments to Net Zero depend on the Hunter. As Australia's Energy Capital, we can lead the way to address this global challenge and seize the benefits of the low carbon economy.

Through targeted support that leverages existing NSW Government investment, our scale, assets, capabilities and competitive advantage, the Hunter has the capacity to deliver more jobs for NSW, quicker and at lower cost than other cities and regions.



We are inviting the NSW Government to partner with us to accelerate the Hunter's capacity for growth, and deliver more benefits to the State economy at the time we need it most

As the economy responds to and recovers from the impacts of COVID, this is an opportunity that Australia can no longer afford to ignore.

The Hunter is growing faster than projected. A moderate scenario of growth will deliver over 100,000 additional jobs to the economy over the next two decades. With the right planning and investment, transformative scenarios show the potential to multiply these benefits and create over 200,000 jobs by 2041.

This includes new jobs in priority sectors, including hydrogen and clean energy, defence and aerospace, advanced manufacturing, critical minerals, agribusiness and food, ecotourism and circular economy.

The Hunter is also experiencing economic change in the energy, resources and manufacturing sectors, representing one of the largest structural adjustment challenges in the nation. Joined up approaches to planning and investment are needed now to stimulate new jobs and ensure the communities and businesses of the region are supported to grow through these disruptions.

This submission identifies a portfolio of investments in the Hunter that will deliver, at scale, shared objectives for economic growth, quality of life and recovery from COVID

If developed as a portfolio and integrated plan, the benefits of individual projects would be multiplied.

These initiatives have been prioritised because they:

- Support the diversification and sustainability of the Hunter economy
- Will deliver significant employment, economic and social benefits
- Promote equitable development, benefitting communities across the Hunter region and beyond
- Leverage significant partner funding
- Align with NSW Government priorities
- Leverage existing public investment

Affordable housing

1. More public investment to urgently improve and increase the stock of social and crisis housing in the Hunter.

Project lead: NSW Government

2. Funding for a program of enabling infrastructure to unlock over 40,000 homes and 590 hectares of employment land stuck in the planning pipeline. For example, a \$40m upgrade to Mandalong Road in Morisset, Lake Macquarie will release \$1.2b in capital investment, 6,500 jobs, 4,500 new homes and 175ha of employment land.

Cost: \$522 million

Project lead: Transport for NSW and local government

3. Commit to building high speed rail between Sydney and Newcastle with a target travel time of 45 minutes:
 - a. Funding for early works, including an interim program of upgrades to improve current rail services and reduce travel times ('faster rail').
 - b. Funding for corridor planning and acquisition
 - c. Release the Professor Andrew McNaughton report and expert panel advice on a NSW fast rail network

Cost: \$500+ million stage 1

Project lead: Transport for NSW and the Department of Infrastructure, Transport, Regional Development and Communications

International gateways

4. Remove restrictions in the Port of Newcastle's Port Commitment Deeds impeding the Port's diversification and Multi-purpose Deepwater Terminal. This will unlock \$2.4 billion in private investment and 9,000 jobs. The Hunter region's economic diversification and growth depends on it.

Project lead: Port of Newcastle

5. A shared solution to deliver the Newcastle Airport international terminal upgrade to activate the full benefits of the runway Code E upgrade.

Cost: \$55 million

Project lead: Newcastle Airport Pty

6. Release the Masterplan for the Williamstown Special Activation Precinct (SAP) and resource a dedicated investment attraction function for anchor tenants. Ensure an optimal connection between the SAP and the M1 extension to Raymond Terrace.

Project lead: Regional Growth NSW Development Corporation, Transport for NSW



Clean energy and hydrogen

7. Establish a dedicated Hunter office to promote, attract and concierge investment, starting with clean energy, hydrogen and low carbon futures. The Office of the Energy Ambassador will:
 - Promote the region to the world as the most exciting place to live and invest to lead the low carbon economy, leveraging Government's decision for the Hunter to be a national Hydrogen Hub
 - Proactively attract public and private investment, including through a dedicated investment concierge with high service levels/experience for investors
 - Facilitate investment decisions by brokering key relationships, tapping into regional networks and supply chains, and into government to unlock deals
 - Identify and address blockages and enablers to strengthen the region's value proposition in clean energy.

Cost: \$450,000 p.a. over a 3 year program (\$100,000 p.a. NSW co-contribution)

Project lead: Investment NSW, Regional NSW and regional collaboration coordinated by the Committee for the Hunter

8. Support the Hunter Regional Hydrogen Technology Cluster (NewH2) to continue to build the capacity of local businesses to participate in hydrogen value chains.

Cost: \$100,000 p.a. for three years co-contribution

Project lead: NewH2

9. Scope a National Hydrogen Training & Testing Centre located in the Hunter Hydrogen Hub, delivering on a near-term priority in the Hunter Hydrogen Roadmap.

Cost: \$120,000

Project lead: Coordinated by the Committee for the Hunter and NewH2

10. Support for the Port of Newcastle Hydrogen Project which has commenced a feasibility study into the development of a green hydrogen hub. The Project will accelerate the Australia and NSW governments' shared ambitions to produce and export the cheapest clean hydrogen in the world from the Port.

Project lead: Port of Newcastle, Macquarie Group's Green Investment Group and ARENA

11. Fund hydrogen-fuelled waste trucks demonstration project, delivering on a near-term priority in the Hunter Hydrogen Roadmap for pilot projects in fuels and mobility.

Cost: \$7 million

Project lead: Lake Macquarie City Council

12. Establish an industry facing Energy Integration Lab to build capabilities and critical mass in cloud and IoT based Artificial Intelligence for smart energy applications covering renewable energy, power systems, energy market, energy storage, optimisation, control & forecast, renewable energy project development; hydrogen and hydrogen systems; smart city and smart grid.

Cost: \$5 million

Project lead: University of Newcastle

Liveability

13. More support and funding to sustain art, culture, live music, events, creative industries and institutions through pandemic impacts.

Project lead: Create NSW

14. Continued emphasis in the planning and development of Hunter Park to deliver a wholistic vision for the precinct to provide new housing, commercial development and public space underpinned by good public transport and world-class sport and entertainment facilities. This should be informed by market engagement.

Project lead: Venues NSW and Hunter Central Coast Development Corporation

15. As an immediate priority, action the five mayors of Greater Newcastle recommendation to relocated harness racing from Hunter Park to Cessnock LGA to unlock and maximise the precinct's potential.

Project lead: Venues NSW, Hunter Central Coast Development, City of Cessnock, City of Newcastle and Harness Racing NSW.

16. Funding for the renewal of the Victoria Theatre, the oldest surviving heritage theatre in NSW. A shovel ready project, investment in the Theatre will create an enduring cultural asset providing much needed stimulus to the local arts and culture economy.

Cost: \$11.5 million

Project lead: Century Venues and Create NSW

17. Funding to transform Singleton's town centre as a destination as part of the Singleton Bypass project.

Cost: \$10 million

Project lead: Singleton Council and Transport for NSW

Education

18. Undertake a Hunter workforce and skills gap assessment aligned to sectors of competitive advantage and design a new educational model for the Hunter that:

- Designs new learning pathways across schools, the University of Newcastle, NSW TAFE, research, industry and governments
- Address current workforce shortages and build capacity for future opportunities and needs
- Accelerates accreditation while maintaining standards

Cost: \$300,000

Project lead: Regional collaboration coordinated by the Committee for the Hunter

Closing the gap

19. Partner with the Australian Government and Hunter Aboriginal communities to deliver a place-based program with a long-term funding commitment for services and projects to accelerate progress on socio-economic targets and improve the lives of Aboriginal People in the Hunter and surrounds within a generation.

Project lead: National Indigenous Australians Agency, Hunter Aboriginal communities and the NSW Government

Supporting communities and businesses through economic change

20. Establish a dedicated office to provide tailored engagement, direction and services to SMEs affected by change in coal industries to help them diversify. Consultation with business is revealing a strong of understanding of the change ahead, but no clear pathway or support to help them diversify and protect jobs.

Project lead: Department of Regional NSW

21. Expand eligibility for the Resources for Rejuvenation Fund to:

- communities affected by the closure of coal fired power stations in addition to coal mining. We expect to see these workers impacted earlier.
- businesses dependent on coal supply chains across the Greater Hunter region in addition to the Upper Hunter focus.

Project lead: Department of Regional NSW

22. Partner with the University of Newcastle, working across VET and industry to map and resource a package of skills and pathways to retrain regional workers displaced from traditional industries. Initiatives could include student course fees and scholarships in sectors of competitive advantage and skills shortage, integrated VET, academic and industry-based staff, as well as an industry-applied doctoral training centre to support regional workers to move between industries and jobs.

Project lead: University of Newcastle

Health

23. Break the deadlock to address the shortfall of funding and sustainable provision of the vital GP Access After Hours service into the future in the Hunter and surrounding communities.

Project lead: Department of Health, Hunter New England Central Coast Primary Health Network, NSW Health and the Hunter New England Local Health District

24. Commit to and fast-track Stage 2 of the John Hunter Health and Innovation Precinct to deliver on the full Clinical Services Plan identified for the Hospital and opportunities to catalyse investment in health industries.

Project lead: NSW Health, Health Infrastructure and the Hunter New England Local Health District

25. Establish a Regional Health Research Hub in the Hunter, providing funding to build a \$40 million Hunter Medical Research Institute (HMRI) research facility at the New Maitland Hospital.

Project lead: HMRI, University of Newcastle, NSW Health, Department of Health and the Hunter New England Local Health District

26. Continued focus and investment to improve services and access to mental health services for young people living in the Hunter.

Project lead: Office for Regional Youth



A BIG IDEA FOR THE HUNTER

The Hunter stands ready to make an even stronger contribution to the State economy and standards of living. Investment demand is high and population growth is surpassing projections.

The region's capacity to deliver jobs, growth and housing is constrained by a lack of strategic and joined-up planning and infrastructure delivery. Government focus and investment in the Hunter has strengthened over the past decade, but more is needed to reflect our size, strategic significance and economic contribution.

More sophisticated approaches to regional governance, planning and investment are urgently required as the Hunter's large economy enters a period of structural adjustment.

Coordination of planning, infrastructure and budgets across agencies, governments and sectors will deliver better outcomes from public investment in the region.

Collaboration – with all three levels of government working in partnership with Hunter business and communities in a shared plan for investment and growth – will multiply resourcing and benefits. This submission has identified many initiatives where the region would benefit from partnerships across governments and sectors.

Recommendation 27: We propose future investments for major, catalytic projects in the region are integrated in an ambitious plan for the diversification of the Hunter economy, and a tri-level intergovernmental agreement established to deliver this.

The catalytic projects that could anchor the plan include the Port of Newcastle MDT, fast rail between Sydney and Newcastle, the Newcastle Airport expansion project, and major precinct developments Hunter Park and the John Hunter Health and Innovation Precinct.

The expansion of the NSW Greater Cities Commission to Greater Newcastle, increased Australian Government focus and investment in the region, and a culture of collaboration across the ten councils of the Hunter provides the platform for an accord on transformational reform and investment across governments, business and communities.

SUMMARY OF RECOMMENDATIONS FOR THE HUNTER

Affordable housing

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3. Commit high speed rail between Sydney and Newcastle with a target travel time of 45 minutes
 - a. Funding for early works, including an interim program of upgrades to improve current rail services and reduce travel times ('faster rail').
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International gateways

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5. A shared solution to deliver the Newcastle Airport terminal upgrade
6. Release the Masterplan for the Williamstown Special Activation Precinct (SAP) and resource a dedicated investment attraction function. Ensure optimal connection between the SAP and the M1 extension to Raymond Terrace.

Clean energy and hydrogen

7. Establish a dedicated Hunter Energy Ambassador office to promote, attract and concierge investment, starting with clean energy, hydrogen and low carbon
8. Support the Hunter Regional Hydrogen Technology Cluster (NewH2)
9. Scope a National Hydrogen Training & Testing Centre located in the Hunter Hydrogen Hub
10. Support the Port of Newcastle Hydrogen Project
11. Fund a hydrogen-fuelled waste trucks demonstration project in Lake Macquarie
12. Establish an industry facing Energy Integration Lab

Liveability

13. More support and funding to sustain art, culture, events and creative industries and institutions through pandemic impacts
14. Continued emphasis in the planning and development of Hunter Park to deliver a wholistic vision for the precinct informed by market engagement
15. Relocate harness racing from Hunter Park to Cessnock LGA
16. Funding for the renewal of the Victoria Theatre
17. Funding to transform Singleton's town centre as a destination as part of the Singleton Bypass project

Education

18. Undertake a future-focussed workforce and skills gap assessment aligned to sectors of competitive advantage and design a new educational model and learning pathways for the Hunter

Closing the gap

19. Accelerate progress on socio-economic targets and improve the lives of Aboriginal People in the Hunter and surrounds within a generation

Supporting communities and businesses through economic change

20. Establish a dedicated office to provide tailored engagement, direction and services to SMEs affected by change in coal industries to help them diversify
21. Expand eligibility for the Resources for Rejuvenation Fund
22. Partner with the University of Newcastle, working across VET and industry to map and resource a package of skills and pathways to retrain displaced regional workers

Health

23. Address the shortfall of funding for the GP Access After Hours service
24. Commit to and fast-track Stage 2 of the John Hunter Health and Innovation Precinct
25. Establish a Regional Health Research Hub at the new Maitland Hospital
26. Continued focus and investment to improve services and access to mental health services for young people living in the Hunter

A big idea for the Hunter

27. Investments for major, catalytic projects in the region are integrated in a plan for the diversification of the Hunter economy and a tri-level intergovernmental agreement to deliver

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We acknowledge the Traditional Custodians and First Peoples of the lands where we work as well as across the lands we travel through. We also pay our respects to their Elders past, present and emerging.