

COMMITTEE
FOR THE
HUNTER

FEDERAL 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 and providing a platform for collaborative action between governments and the region.

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 national 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 smart investment leveraging our scale, assets, capabilities and competitive advantage, the Hunter has the capacity to deliver more jobs for Australia, quicker and at lower cost than other cities and regions.



We are inviting you to partner with us to accelerate the Hunter's capacity for growth, and deliver more benefits to the national 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 demonstrate the potential to multiply these benefits and create over 200,000 jobs by 2041.

This includes new jobs in sectors of national priority, including resources technology and critical minerals, agribusiness and food, health industries and medical products, education and training, recycling and clean energy, defence and aerospace.

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, on national 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 national priorities.

Affordable housing

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

Project lead: Australian and NSW Governments

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. Work with the NSW Government to release the Professor Andrew McNaughton report and expert panel advice on a NSW fast rail network

- b. Funding for corridor planning and acquisition
- c. Funding for early works, including an interim program of upgrades to improve current rail services and reduce travel times.

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 terminal upgrade to activate the full benefits of the runway Code E upgrade.

Cost: \$55 million

Project lead: Newcastle Airport Propriety Limited



Clean energy and hydrogen

6. Establish a dedicated Hunter office to promote, attract and concierge investment, starting with clean energy, hydrogen and low carbon futures. The Office 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. Australian Government co-contribution)

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

7. Continue co funding the Hunter Regional Hydrogen Technology Cluster (NewH2) to build the capacity of local businesses to participate in hydrogen value chains.

Cost: \$150,000 p.a. for three years Australian Government co-contribution

Project lead: NewH2

8. 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

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

Cost: \$3 million feasibility study

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

10. Fund hydrogen-fuelled waste trucks demonstration project grant.

Cost: \$7 million

Project lead: Lake Macquarie City Council and ARENA

11. 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

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

13. 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

14. Improve telecommunication infrastructure and services, addressing mobile blackspots across the region and providing high service levels for decentralised business and remote working.

Project lead: Australian Government and telecommunication providers

Education

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

- Crosses high school, vocational, tertiary education and practice
- Address current workforce shortages and build capacity for emerging opportunities and needs
- Designs new learning pathways across schools, the University of Newcastle, NSW TAFE, research, industry and governments
- Accelerates accreditation while maintaining standards

Cost: \$300,000

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

16. Return to the Regions – International student package of scholarships, marketing and visa incentives to highlight the benefits of studying in regional centres including Newcastle.

Project lead: Department of Education, Skills and Employment



Closing the gap

17. Resource a place-based program with a long-term funding commitment for services and projects to accelerate progress on the 17 socio-economic targets and improve the lives of Aboriginal People in the Hunter and surrounds within a generation.

Project lead: National Indigenous Australians Agency and Hunter Aboriginal communities

Supporting communities and businesses through economic change

18. Establish a dedicated office to provide tailored engagement, direction and services to SMEs affected by change in coal industries to help them diversify.

19. Partner with the NSW Government to resource programs and projects to support communities exposed to changes in coal industries, and the long-term diversification and sustainability of the Hunter regional economy.

Project lead: Department of Regional NSW

20. 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

21. 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

22. 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

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

Project lead: Department of Health, Office for Regional Youth

A BIG IDEA FOR THE HUNTER

The Hunter stands ready to make an even stronger contribution to the national 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. The level of focus and investment has not reflected 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.

Recommendation 24: 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, the Newcastle Airport expansion project, and a commitment to fast rail between Sydney and Newcastle.

The expansion of the NSW Greater Cities Commission to Greater Newcastle and a culture of collaboration across the ten councils of the Hunter provides the platform for an agreement on transformational reform and investment across governments, business and communities.

SUMMARY OF RECOMMENDATIONS FOR THE HUNTER

Affordable housing

1. Urgently improve and increase the stock of social and crisis housing in the Hunter
2. Fund a program of enabling infrastructure to unlock over 40,000 homes and 590 hectares of employment land stuck in the planning pipeline
3. Commit high speed rail between Sydney and Newcastle with a target travel time of 45 minutes

International gateways

4. Remove restrictions in the Port of Newcastle's Port Commitment Deeds impeding the Port's diversification and the Multi-purpose Deepwater Terminal
5. A shared solution to deliver the Newcastle Airport terminal upgrade

Clean energy and hydrogen

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

Liveability

12. More support and funding to sustain art, culture, events and creative industries and institutions through pandemic impacts
13. Funding to transform Singleton's town centre as a destination as part of the Singleton Bypass
14. Improve Hunter telecommunication infrastructure and services

Education

15. Undertake a workforce and skills gap assessment aligned to sectors of competitive advantage and design a new educational model for the Hunter
16. Return to the Regions – International student package of scholarships, marketing and visa incentives

Closing the gap

17. Accelerate progress on the 17 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

18. Establish a dedicated office to provide tailored engagement, direction and services to SMEs affected by change in coal industries to help them diversify
19. Partner with the NSW Government to support communities exposed to changes in coal industries and the diversification of the Hunter economy
20. 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

21. Address the shortfall of funding for the GP Access After Hours service
22. Establish a Regional Health Research Hub at the new Maitland Hospital
23. 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

24. 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.