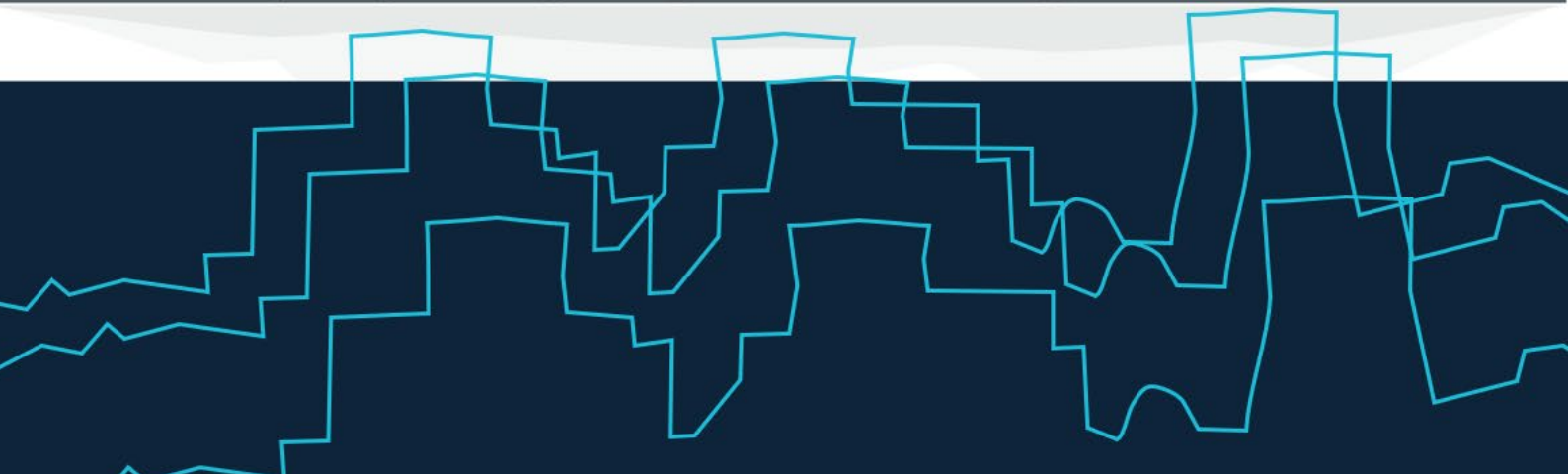


COMMITTEE
FOR THE HUNTER

A PLAN FOR THE HUNTER

FRONTIER OF THE NEW ECONOMY

MARCH 2022



A PLAN FOR THE HUNTER

RECOMMENDATIONS

1. Unite all levels of government, business, industry and the community on a plan to diversify the Hunter economy, secured by an intergovernmental agreement and funding for delivery:
 - Triple the number of local jobs currently occupied by coal mining and energy in a diverse range of industries over the next decade, ensuring no jobs are lost as the economy changes
 - Position the Hunter as a global centre for Net Zero and clean energy
 - Bring the socio-economic outcomes experienced by Hunter communities on parity with the Sydney metropolitan region.
2. Targeted public investment in shared infrastructure and precincts:
 - Major catalytic projects
 - Government-led precincts
 - Community and local infrastructure
 - Renewable Energy Zone transmission and storage infrastructure
 - Hunter hydrogen hub
3. Establish a dedicated investment concierge service to proactively drive investment in clean energy businesses and jobs.
4. Co-design a new educational model for the Hunter that creates pathways for learners across schools, vocational and tertiary education, industry, research and governments to build the workforce of the future.
5. Establish central transition service functions in the region:
 - Worker transition centre
 - Business transition centre
6. Extend the NSW Royalties for Rejuvenations fund to cover workers, business and communities affected by the closure of coal fired power generators, in addition to royalty-producing mining communities.
7. A strategic approach to the adaptive reuse of ex-mining and power station land, infrastructure and supply chains to support high growth industries.

THE HUNTER: FRONTIER OF THE NEW ECONOMY

Origin Energy's decision to close Eraring Power Station seven years earlier in 2025 sent shockwaves through the region and nation

The [announcement](#) follows AGL's decision to close Liddell Power Station in 2023 and bring forward the retirement of Bayswater Power Station to as early as 2030.

There are concerns from Hunter businesses and the [Australian Government](#) that closures will impact energy prices and reliability

The NSW Treasurer and [AEMO Chief](#) are confident there is enough generation capacity already in the development to cover the gap from these closures and avoid cost, security and reliability risks. And there are more generation projects set to enter the pipeline. Over [40 gigawatts and more than \\$100 billion investment in clean energy proposals](#) emerged through the Hunter-Central Coast Renewable Energy Zone (REZ) registration of interest.

Expert advisor Dr Kerry Schott said that [Eraring's closure could be managed without causing price spikes](#) and the only immediate upward pressure would be the cost of transmission lines needed to connect new renewables to the grid. The NSW Treasurer has also announced a plan to build the biggest battery in the Southern Hemisphere and commitment to [transmission infrastructure](#) under the REZ.

While there are technology solutions to these changes and added urgency to convert plans into actions at scale, we must also focus on the impacts on people

The communities of the Hunter region are affected more than most as the world moves to low carbon energy and Net Zero. We also have the most to gain.

While discussions tend to focus on coal mining, we are seeing the impacts on workforce and communities earlier from the closure of coal fired power stations.

That's why the [Committee has called for](#) the NSW Royalties for Rejuvenation fund to extend to these communities in addition to royalty-producing mining communities.

A [jobs package](#) was announced by the NSW Government in response to Eraring's closure, to grow clean industries across the state.

Experience tells us that if we are talking about a [jobs package at the point of closure of major industry](#), it's getting too late. With advance notice, the Hunter is thankfully in a different situation than the Latrobe experience. But there is no more time to lose.

If an experienced and skilled workforce face an uncertain outlook and leave the region to find work, it will get much harder to grow.

As major employers close over time, it will be important that public funding does not diminish the responsibility of corporations to fund rehabilitation, pay out entitlements and provide transition services to affected workers.

With multiple power stations and mines in the region scheduled to close over the next decade, there is an opportunity to expand the collaborative work at Liddell to establish a central worker transition service in the region

Partnership approaches that pool expertise and resources will deliver better results for people, companies and the economy.

The Committee has also identified a need for [a dedicated office to provide tailored engagement, direction and services to SMEs in coal supply chains](#). Businesses have a strong understanding of the disruption ahead but say there is no clear pathway or support to help them diversify clients and services to protect jobs. Services could include financial planning, e-commerce, trade and exports, legal advice and mental health.

Diversification of the Hunter economy has to be the question that everything we do in the region is an answer to

The task is to attract investment in new jobs in sectors of competitive advantage to create demand for labour. Sectors that can leverage the built assets, supply chains and workforce capabilities of coal industries should be prioritised:

- For the Hunter the [big three industries of growth](#) are **clean energy, defence and health**. All create demand for our region’s mature and innovative manufacturing capabilities.
- The Hunter has a head start to become a **global hydrogen export hub**. The [Hunter Hydrogen Roadmap](#) sets out the pathway, including the projects, infrastructure and enablers needed to get there.
- The unsung drivers of jobs and competitiveness in the Hunter are **knowledge industries**, including professional and scientific, finance, insurance, education and training. Firms in these sectors thrive on proximity and agglomeration, requiring a uniquely urban solution to grow including a strong arts and culture scene, world class digital and public transport services, and amenity for a smart and skilled workforce.

So how do you grow a job?

The toolkit includes public investment in shared catalytic infrastructure to provide certainty and direction to mobilise private investment. This includes the international gateways of the Port of Newcastle and Newcastle Airport that connect the Hunter to the global economy, and inter-regional connectivity.

We continue to [talk about](#) how critical unlocking the Multi-purpose Deepwater Terminal is to our region’s future. The recent [Hunter Global summit](#) focused government and business on activating opportunities for the region’s growth and development offered by the international upgrade of the Newcastle Airport. These two projects will bring a combined 14,000 new jobs to the Hunter region – the equivalent currently employed locally in coal mining.

Setting a more ambitious target for travel time on the [Sydney – Newcastle rail corridor](#) and a program of upgrades to get there is also important. This will strengthen the Hunter’s role as the Northern anchor of the global Sydney megaregion.



A portfolio of smaller projects can deliver big returns

\$500 million in enabling infrastructure – mostly transport – will release more than [\\$20 billion in development, 40,000 homes and 28,000 jobs](#) in the Hunter. This includes the \$40 million Mandalong Road upgrade that will unlock industry, jobs and homes in the Morisset growth centre and incentivise redevelopment around Eraring Power Station. In the knowledge economy, investments that improve liveability like community infrastructure, public space, art and culture can now also be considered essential economic infrastructure.

Government led precincts are an incredibly powerful lever to improve services for communities and deliver strategic objectives for jobs

These include the John Hunter Health and Innovation Precinct, the New Maitland Hospital, Williamstown Special Activation Precinct and Hunter Park. Our [2022 NSW budget submission](#) sets out the next steps we think necessary in moving these projects forward.

The long-term decline of coal industries releases strategically located and serviced land, transport corridors, water licences and supply chain functions across the region

These assets can be harnessed to grow industry and new jobs. While plans are advancing on sites in the Upper Hunter including Muswellbrook Coal and Liddell Power Station, the Committee for the Hunter has been working with our members in coal supply chains on a regional approach to the repurposing of these assets.

With a sequence of closures scheduled over the coming years and decades, this is something the region will need to get good at. This should consider higher and better value uses for ex-coal lands and infrastructure then bringing back to bush and pasture.

Providing an open invitation to business backed by a dedicated investment concierge service will accelerate and scale job-creating investment in the region

The overwhelming response to the Hunter-Central Coast Renewable Energy Zone confirms the potential. The Hunter Defence Taskforce has provided a more strategic and proactive approach to investment attraction to grow defence industries. There is scope for a similar investment concierge function focused on clean energy across the value chain, including manufacturing, research, technology, retail, finance and export in addition to generation projects.

Access to a smart and skilled workforce is frequently cited by incoming business as a condition of investment in the Hunter

While we work to address current labour force shortages, it is important to cast our eye on future demands and opportunities. Regional leadership is aligned on the need for new pathways for learners across schools, vocational and tertiary education, industry, research and governments. Instead of fighting individual TAFE closures, efforts need to be directed to the [co-design of a new educational model](#) for the Hunter.

The Hunter Jobs Alliance joins experts and growing political support to call for a central authority for worker transition and industry growth, with communities at the centre of decisions

The recent inclusion of the Hunter in the [Greater Cities Commission plan for six cities](#) represents an immediate opportunity to move forward, quickly. The Committee for the Hunter is working with regional representatives and the NSW Government to shape this significant governance reform to provide the leadership, focus and investment needed.

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

The Committee continues to advocate for the measures in this paper to be integrated in an ambitious plan for the Hunter and a [tri-level government agreement](#) established to deliver this.

Arrangements like City Deals have not readily divested decision making to communities or councils. The opportunity presented by governance reforms like the Greater Cities Commission is to embed local priorities into central authority and decisions to align public budgets with the private investment necessary to create jobs.

The discourse on the future of the Hunter has shifted rapidly from a level of resistance to change, to the urgent need to save jobs

[Local leadership is more pragmatic](#), proactive and constructive on the task ahead than national debate would imply.

Rich in infrastructure, natural resources and a skilled workforce – much of this built for and by coal industries – the Hunter can afford to have a much more ambitious vision for the future jobs than a zero sum game.

Clear targets for jobs, Net Zero and living standards will cut through the complexity to provide direction to the task of transition and accountability for delivery:

1. The immediate priority is to align government, business, industry and communities on an objective to **multiply local jobs occupied by coal mining and electricity generation** in a diverse range of industries over the next decade. With over 15,000 workers in these industries, a target of tripling these jobs in ten years (45,000) still only goes part way to delivering the number of jobs required to meet straight line projections in the Hunter Regional Plan 2036. We can aim higher still with a good strategy.
2. As the world decarbonises, the Hunter is primed to be positioned as a **global centre and investment destination for Net Zero and clean energy**. Low emissions must be built into the region's development trajectory to remain competitive. There is significant capital to be harnessed, and the region has growing production and services to supply this demand.
3. We need development and change to **improve living standards across the Hunter**. This includes housing, infrastructure and services to support a growing population. The Hunter has the scale and capacity to drive these benefits at the State and national level. The disparity between the socio-economic outcomes of Hunter communities and our Sydney neighbours is not explained by being remote or a lack of resources. With people being the most important resource in the new economy, we need to do better to share the benefits of growth.



The closure of Eraring Power Station and the bold takeover bid for AGL to accelerate the retirement of coal power stations shows that change is coming quicker than anticipated

The Hunter has the tools and local know-how to thrive from this disruption. It has done this before with the closure of BHP in the 1990s.

The region proudly stands on its own two feet because of this achievement and our substantial contribution to national prosperity. The Hunter also needs leadership from the NSW and Federal governments given the scale, urgency and significance of the challenge.

Australia's commitments to Net Zero and future competitiveness in a global economy depend on what happens in the Hunter

We are on the cutting edge of change and have the opportunity to shape our destination. Through smarter, more joined up and longer-term planning and investment, the Hunter has what it takes to be a global leader in the new economy.

Success will be forged from the people, assets and capabilities of traditional coal industries, creating an enduring connection between the Hunter's past and an even better future.

ABOUT 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.

The diversification of the Hunter economy is a [strategic priority](#) of the Committee.

For more information on priorities and projects visit www.hunter.org.au.

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