

# REVIEW OF THE REGIONAL DEVELOPMENT ACT 2004

**Submission**  
**January 2024**

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## ACKNOWLEDGEMENT OF COUNTRY

The Committee for the Hunter acknowledge the diverse Traditional Owners and Custodians of our region and recognise their enduring connection to land, water and culture.

We acknowledge the Awabakal, Biripi, Darkinjung, Geawegal, Guringai, Wannarua and Worimi peoples on whose land we live and work, and pay our respects to Elders past, present and emerging for their enriching contribution to Australian life.

## THE COMMITTEE FOR THE HUNTER

The Committee for the Hunter is an independent and inclusive champion for the people of the Greater Hunter and their enterprises. Representing over 70 organisations including the largest employers and institutions 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 on regionally-significant priorities, thought leadership and partnerships.

The diversification of the Hunter economy is the most significant priority of the Committee and our members.

More information about the Committee can be found at [www.hunter.org.au](http://www.hunter.org.au)

Contact Alice Thompson at [ceo@hunter.org.au](mailto:ceo@hunter.org.au) or 0438 808 982 to discuss any aspect of this submission.

**Department of Regional NSW**

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Thank you for the opportunity to provide feedback on the Review of the *Regional Development Act 2004* (the Act).

The Committee for the Hunter (the Committee) acknowledge the leadership of the NSW Government in reviewing the legislation to deliver better, more sustainable outcomes for regional communities including those of the Greater Hunter.

## INTRODUCTION

Place matters in regional development. In the case of the Hunter, some places are more important than others in delivering State objectives like economic growth, new jobs, living standards, equity and emission reductions.

The Hunter is the largest regional economy in Australia and NSW, with the State's second largest city at its heart.

The region has two out of the top six fastest growing Local Government Areas (LGAs) in NSW – with the remaining four LGAs located in Sydney. Three Hunter LGAs feature in the top ten for growth.

The region is home to the State's largest electricity users and emitters, and accounts for 83 per cent of NSW coal-fired electricity generation capacity. NSW emissions reductions, clean energy infrastructure and industry decarbonisation commitments clearly depend on investment and development in the Hunter.

The Hunter is also a \$65 billion economy entering structural adjustment as the contribution of coal to the regional economy will decline over time. Over 17,000 direct jobs in coal mining and energy generation are impacted, along with thousands more in business supply chains.

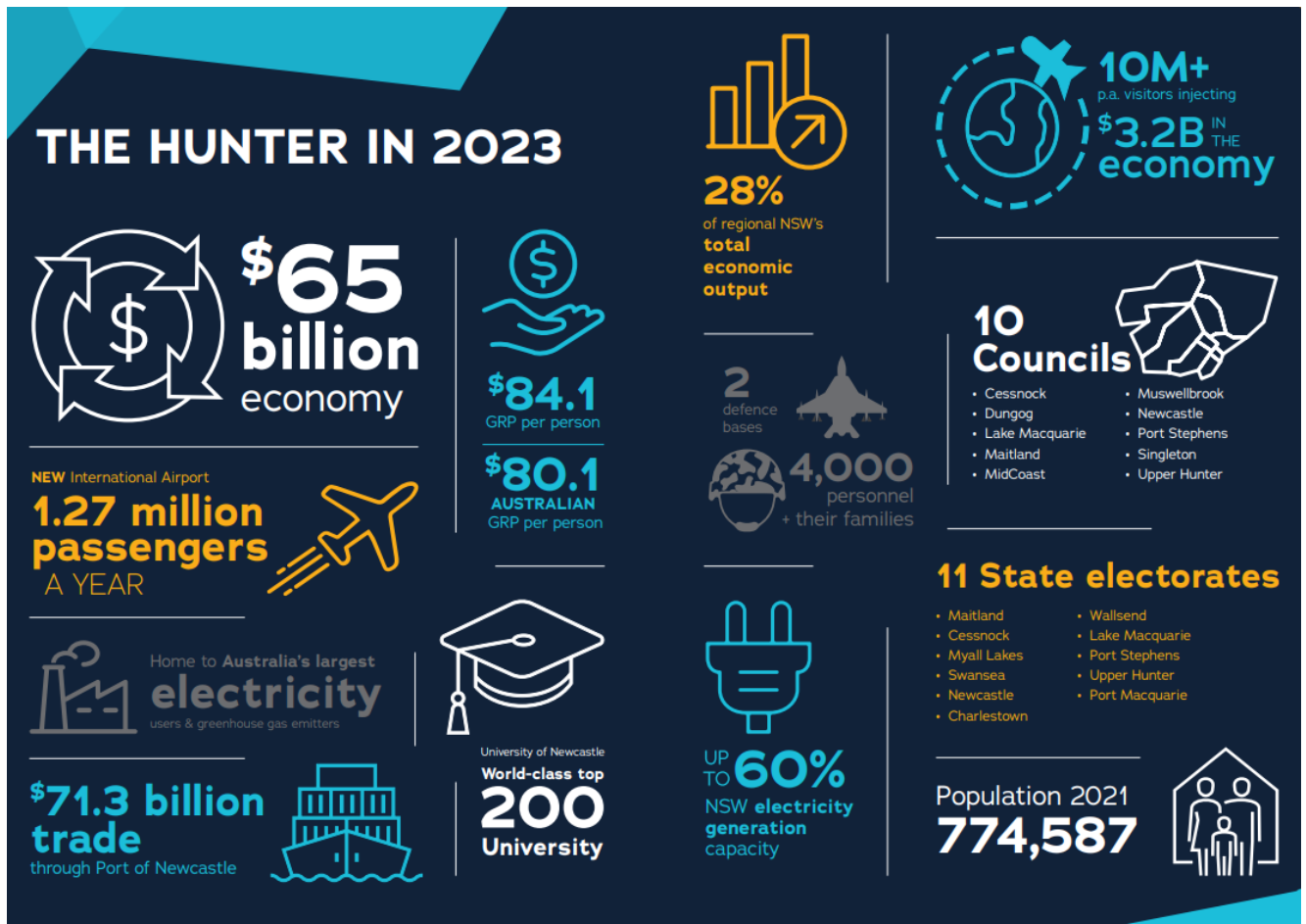
The region's economy is diverse and growing with population and employment demand high. However, the scale and speed of the transition to the new, clean economy exceeds local and national experience.

With smart policy and targeted investment, the Hunter will thrive through this change, sustaining our critical role in growing living standards for all NSW residents.

Instead over \$1.5 billion in government funding has been cut from the region. This includes long-standing regional priorities like better rail services between Sydney-Newcastle, sustainable funding for Newcastle and Lake Macquarie mine grouting, funding for the activation of land around the airport and growth of defence industries in place of the Williamstown SAP, targeted grants for coal communities, and ensuring Hunter priorities get to the centre of infrastructure decisions with the axing of the Greater Cities Commission.

**In our submission, the Committee seek assurance that a modern regional investment framework delivers more focus, better policy and investment into the Hunter relative to our size, strategic significance and capacity to do more heavy lifting on NSW priorities.**

## ABOUT THE HUNTER



## FEEDBACK

### General Comments

- The Committee continues to advocate for strengthening and accelerating delivery of the current regional development program. This includes:
  - the \$25M p.a. Royalties for Rejuvenation program for which there is no visible pathway for accessing funding or the substantive work of the Expert Panel after almost two years of establishment, and no projects delivered that the Committee is aware of;
  - Future Jobs and Investment Authorities and their priorities, funding mechanisms and interaction with the Federal Net Zero Economy Agency;
  - commitments to priorities that deliver the State-led *Hunter Regional Plan 2041*; and
  - release of the Strategic Regional Integrated Transport Plan Hunter and funding commitments for key infrastructure priorities following the draft transport strategy exhibition late-2022.

It became clear during the Maitland roundtable hosted by the Minister for Regional NSW on 20 Dec that stakeholders struggled to focus on future legislative, governance and funding reform until more direction, certainty and outputs on current commitments was provided.

More advice is also required on the complementary Working Regions Fund.

2. The Hunter Department of Regional NSW team provide a critical link between the region and Sydney-based decision-makers and intergovernmental coordination. The Committee supports sustainable resourcing for our local departmental team to maintain that valuable footprint in the region and support delivery of a stronger regional development framework.

After losing staff resources focused on strategic planning, departmental coordination and infrastructure investment through the withdrawal of the Greater Cities Commission, the need to maintain an effective conduit between the region and central government decisions is even more heightened.

## The Act's Objectives

3. The Act's existing Objects remain relevant, focused on the economic development of regions.

The Committee prioritises these objectives and their emphasis on economic, employment and industry growth. These are especially relevant today as the Hunter economy transitions from primary industries to the new economy. The primary task of transition is to create new business and jobs leveraging sectors where we have competitive advantage, and connect workers and communities to these opportunities.

4. The Committee supports all the new objectives identified on pp18 of the Issues Paper which focus on equity, improving living standards and distribution of benefits for which the Hunter provides for all citizens of NSW through our large, export-oriented economy, population size and role in energy generation. These principles are fundamental to concepts of regional development and outcomes for communities.

## Financial assistance and compensation

5. The Committee supports a shift from compensation to strategic investment in regional communities that enables further, non-government investment. This requires clear investment criteria, transparent, merit and evidence-based decisions on investment of funds, and measurement of impacts against the Act's objectives.
6. The Committee works across members, stakeholders, experts and evidence to identify and advocate for priorities of regional significance. While the Committee supports investment in local infrastructure and services with broad benefits across communities, we also call for targeted investment in major shared infrastructure and precincts that will catalyse industry growth and multiples of non-government investment.



Hunter projects and initiatives seeking NSW Government support, including via the Regional Development Trust Fund, are outlined below.

These are priorities for which there is strong, local consensus on need and urgency, and will best deliver the objectives in the Act. However most are beyond the capacity of the \$350M state-wide Trust Fund:

- Enabling infrastructure and streamlined planning approvals for the development of a defence and aerospace precinct at Williamstown (the former Special Activation Precinct).
- Funding to promote the new international airport at Newcastle, including securing international carriers, new passengers, freight and improvement of public transport to the airport and aerospace precinct.
- Near term improvements to Sydney-Newcastle rail services and the Greater Hunter public transport network.
- Sustainable, secure funding for growth infrastructure including public schools and transport.
- New education facilities that provide new learning pathways for students that cross schools, tertiary education, industry and research, focused on engine industries like clean energy tech, health and defence.
- Hunter New England Health and Innovation Precinct Stage 2.
- Tomago clean tech precinct and Port of Newcastle Clean Energy Precinct.
- A world class business concierge in partnership with regional stakeholders.
- Shared, clean energy infrastructure including transmission, generation, storage and supportive infrastructure like water supply, transport, and port/supply chain facilities.

## Regional Development Trust Fund

7. As discussed in Point 6., the types of projects identified in the region that will best deliver the objectives of the Act will not be within the capacity of the \$350M NSW-wide Regional Development Trust Fund (Trust Fund).

As a \$65B economy in transition where State commitments and priorities depend on the Hunter, the Committee would prefer a conversation with Government on investment vehicles to support major infrastructure and precincts that will catalyse new business, jobs and grow standards of living.

There is already a significant imbalance in focus and funding between metro Sydney and the Hunter, and between the region's safe seats and marginal seats across NSW. Transport, health and education infrastructure is not commensurate with the Hunter's relative size, scale, high growth rates, financial and economic contribution to the State and nation.

Over \$1.5B of commitments was cut from the region in 2023 across the NSW and Federal Budgets.

The Committee is seeking parity in funding outcomes experienced by the region for base State infrastructure and services, and targeted, reliable investment to support economic transition.

8. The Trust Fund is not an adequate or commensurate replacement for the Resources for Regions (R4R) program.

The NSW Government has acknowledged coal mining communities need support in the establishment of Future Jobs and Investment Authorities. Instead, targeted funding for these communities has been withdrawn and replaced with a marginally larger funding pool open to all regional councils across the State.

The 2022-23 Budget expanded the R4R to \$220M with eligibility restricted to 26 mining and resources councils, including Hunter LGAs Singleton, Upper Hunter, Lake Macquarie, Cessnock, Muswellbrook and Newcastle (average amount per eligible council \$8.5M).

A base and weighted funding allocation was provided to all councils with opportunity to apply for further grant funding for infrastructure, community programs and business cases/project plans.

R4R was cancelled in the 2023 State Budget and replaced with the Trust Fund. Hunter councils must now compete for \$350M with 96 regional councils across NSW, with no base funding committed to date or guarantee of securing any grant funding (average amount per eligible council \$3.6M). Coal royalties produced by the region were simultaneously increased.

9. The Trust Fund could extend to a range of support from grant funding, concessional loans and equity, and leverage investment from other sources including the Australian Government and non-Government sectors. This should not abrogate NSW responsibility for regional development and adequately resourcing the programs into the future.

## Regional Development Advisory Council

10. The Committee appreciates the current Act allows for the establishment of a Regional Development Advisory Council. We encourage Government to explore the costs, benefits and performance of similar representative governance bodies, including Royalties for Rejuvenation ([meeting summaries here](#)), in determining the role, operation and level of resourcing for the Advisory Council.
11. The Advisory Council should be funded separately from the \$350M Trust Fund allocation, preserving resourcing for projects.
12. The Committee is more concerned with governance that puts Hunter priorities at the centre of Government decisions and coordinates policy and investment across departments. This includes departmental budgets aligned to the Hunter Regional Plan 2041, the (former Greater Cities Commission) City Plan, and the Strategic Regional Integrated Transport Plan Hunter.

Hunter plans and priorities were fed into an Infrastructure Delivery Committee that served such a function, which has now been cut with the Greater Cities Commission.