



WE MEAN BUSINESS HUNTER

2023

NSW State Election Policy Platform

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A note from our Chief Executive

As the peak voice for the nation's largest regional economy, Business Hunter stands ready to work with the next state government to confront the challenges and opportunities that lie ahead.

With a collective of membership and affiliates of more than 4,200 businesses across ten local government areas of the Hunter region, we represent the perspectives of businesses across all sectors and sizes of business from start-ups to the region's largest employers, spanning metropolitan, regional and rural areas.

Having stewarded our business community for more than 135 years, Business Hunter understands that when businesses do well, communities do well. A thriving business ecosystem, and the myriad opportunities it creates, has helped establish the Hunter region as one of national significance.

The region's long-term plan and strategic objective to diversify its business and industrial base are about to bloom. The Hunter region, in comparison to other regions of NSW, has shown considerable resilience in the face of recent economic and social challenges inflicting the state and the nation. However, if the region is to bloom, it will take a substantial collaborative effort on the part of government, business, and the community to succeed. The next term of the state government is critical in achieving success and not seeing this strategic purpose wither.

In 2023 and beyond, our region has a major role to play in the success of NSW by restoring our business-as-usual conditions, as well as contributing to the enormous ambition in key strategic areas of growth for the economy. However, we face a growing set of interconnected challenges that threaten our momentum. We welcome the opportunity to address these concerns with those contesting the 2023 NSW State Election.

The recommendations presented in this Platform have been formulated in response to consultation through our network of local business and industry leaders as well as insights gleaned from our quarterly business conditions survey, offering a cohesive agenda for the incoming NSW Government's first term. Working in close partnership with Business NSW, we ensure regional priorities are part of state-wide thinking.

Hunter businesses have spoken, and the key opportunities and constraints are clear.

This election, we mean business. We mean business when it comes to delivering the types of large-scale, integrated, value-led investment that will fortify and enhance our economy, pave the way for investment and growth, and ensure the Hunter's contribution continues to resonate well beyond the region.



Bob Hawes

Chief Executive, Business Hunter

Our Policy Pillars

This election, we endorse the [Business NSW State Election Policy Platform](#) as a powerful set of intentions to guide the elected government in their first term.

The Business NSW platform wants to see the next NSW Government deliver policies that support a thriving business environment, incentivise investment, create jobs, and drive economic growth across the entire state.

At Business Hunter, we are entirely supportive of the five key pillars expressed by Business NSW:

1. Make doing business **easier** in NSW through lower taxes and less red tape
2. Make business **smarter** in NSW by future-proofing the workforce with a pipeline of quality workers
3. Make NSW businesses **confident** to face the future through balanced and agile energy policy
4. Make NSW a **better** place to grow start-ups by doing more to attract investments and remain competitive
5. Make NSW **thrive** by revitalising our CBDs and building affordable housing so our state can continue to be the best place to live and work.

Our Objectives

The Business Hunter 2023 State Election Platform distils elements of these pillars and draws them into the context of regionally significant issues and initiatives expressed as a series of five objectives supported by a series of 24 recommendations.

We equally believe these objectives and the list of recommendations and actions should be a focus of commitment of the next government in NSW during its first term:

1. Workforce and skills development and attraction
2. Industry development and the new energy economy
3. Housing availability and affordability
4. Infrastructure facilitation and action plan
5. Delivering for business and the community



Objective 1:

Workforce and skills development and attraction

Unleash our potential by giving businesses access to a pipeline of quality skilled employees and training opportunities.

Recommendations

- Fund a Hunter New Energy Skills Centre modelled on the Institute of Applied Technology at Meadowbank to develop a pipeline of skilled workers for the new energy economy, leveraging the joint training power of the University of Newcastle, TAFE, vocational providers, and industry.
- Provision for an advanced science and technology academy high school at the University of Newcastle Callaghan campus to help develop the STEMM skills pipeline.
- Reform tertiary sector payroll tax to enable higher education providers to redirect payroll tax and associated administrative costs toward new course development and delivery.
- Fast track approvals for Newcastle student accommodation to provide an additional 500 beds for students.

With a record number of job vacancies in NSW, nine in ten businesses are reportedly unable to recruit the staff they need to keep the doors open.

In the Hunter, no industry or sector is spared. Additionally, we face the demand of rapidly producing the first generation of skilled workers in the new energy economy.

We must extend and build on the gains made recently in the engagement of apprenticeship and training agencies, education bodies, universities, and industry in developing the skills needed to power the new energy industry in the Hunter for the benefit of NSW.



“The opportunity for diversification in the region is huge. We’ve got the talent and the appetite here to do it and we must leverage and invest in that.”

CCO, Saphi Engineering

Liam Manning

An Institute of Applied Technology would supercharge these efforts in the Hunter. Employing a hub and spoke model, a blended training centre could serve as the flagship training centre for the state.

Housing global leaders in the development of energy technology and with strong industry links, The University of Newcastle's renowned NIER Facility (Newcastle Institute for Energy and Resources) would help underwrite its success.

Focused on giving people from all backgrounds from the Hunter region exposure to university level facilities, world-recognised experts, practical STEM engagement and advanced courses, a comprehensive high school located on the University of Newcastle campus would form another part of the solution to addressing the skills shortage in the Hunter.

Investigation and development of new courses to meet the urgent demands of our region's future workforce, such as the new energy economy, could be accelerated through initiatives to exempt Higher education institutions from payroll tax (similar to schools).

High tax rates and complex and time-consuming administration makes life harder for organisations that fall under the scope of payroll tax. Exemption would allow these institutions to investigate and develop new courses and free up organizational resources (both government and university) currently dedicated to the 'bookkeeping' concerned with payroll tax administration.

To facilitate the growth all these initiatives could offer and offset the constrained circumstances for students to find and secure accommodation, the region will need more student housing. Both the private sector and University of Newcastle have responded and the projects deserve a priority status and fast track approvals to meet existing and foreshadowed future demand.

Objective 2:

Industry

development and the new energy economy

Rapidly accelerate sovereignty in manufacturing and capture opportunities in the new energy economy.

Recommendations

- Support the NSW Government's Electricity Infrastructure Roadmap and rapidly accelerate the approvals for large scale renewable energy projects to ensure energy security for businesses.
- Provide State Significant Infrastructure status by default to all renewable energy projects and energy storage projects.
- Develop new government programs to support small and medium enterprise (SME) energy efficiency and conversion to technologies to support renewable energy inputs and advise businesses on how to achieve net zero.
- Strengthen sovereign manufacturing by providing support and 'preferred supplier status' to local industry in relation to government procurement and supply chains.
- Provide the same priority and support for business and industry wishing to establish or diversify into manufacturing of materials required in renewable energy production such as solar panels and wind farms.
- Ensure great ideas that emerge across our wealth of research institutions and start-up ecosystem can stay in our region, by providing incentives for regional manufacturing.
- Provide matched funding committed by the Federal Government for the establishment of a Clean Energy Precinct at the Port of Newcastle that will create space for the large-scale production, storage, transport and export of multiple sources of clean energy.

Business and industry in the Hunter have a lot at stake as the energy transition progresses. Home to some of the state's largest energy users, energy is a key concern for our region, and simultaneously, one of our biggest opportunities.

Most industry is adapted to non-renewable and carbon intensive energy sources. Change to new forms of renewable energy at scale and cost affordable for most businesses is not progressing quickly enough.

The rapid cost increases and volatility in the energy market are putting certainty at risk, with businesses facing tough choices about their future if the current circumstances do not moderate.

Energy bills are source of acute concern for Hunter businesses, with 20% indicating they are extremely concerned (a score of ten out of ten), about the impact of energy costs on their ability to maintain existing operations and staffing levels.

As the Hunter's significant traditional energy assets are retired, renewables must arrive to take their place, ensuring we can continue to 'keep the lights on'. Presently, renewables are not coming online quick enough and one of the constraints is the planning pathway. With no time to lose, we must eliminate planning queues by providing all renewable energy and energy storage projects priority via automatic state significant infrastructure status.

"A few years ago we installed solar panels, which halved our energy bills. With rising costs, our energy bills are back to their pre-solar amounts and we're back to square one."

Stephanie Mortel, General Manager, Mortels Sheepskin Factory



Businesses in the Hunter region are more concerned than the NSW average when it comes to rising energy cost.

Business NSW's 2022 Unfinished Business survey found 51 per cent of businesses have ambitions to reach net zero but don't know what this actually means for their business. If we are to achieve respective energy and carbon reduction targets, we need to assist business at an individual level. Programs to support businesses on the road to net zero should be a mandatory step for the next NSW Government.

The Hunter region is a model for regional diversification in its business and industry. This is both a strength and a weakness. In order to buttress existing business and grow for the future, we must be ready to grasp the opportunities that will come with the next wave of technological and industrial change - this wave is truly upon us.

NSW can do better in providing 'preferred supplier status' to its businesses, particularly those directly related to state government procurement. Procurement guidelines must be broadened to account for the full supply chain multiplier outcomes and not focus principally on price.

To equip the region and the state for new growth, aside from developing businesses that are already in place, we must be alert to the opportunity for new industry and business to locate here. The state frequently misses out to opportunities that land in other states and innovation in the way the government can tilt the balance must be discussed and implemented if we are to be successful.

As a catalyst project, the Port of Newcastle's Clean Energy Precinct will stimulate a variety of opportunities in this arena for the benefit of the state.

A 220-hectare dedicated space for large-scale production, storage, transport and export of clean energy across multiple vectors, including hydrogen, ammonia, methanol and sustainable aviation fuel (SAF), the Clean Energy Precinct will also facilitate the import of wind turbine componentry needed to deliver NSW's renewable energy zones.



“NSW turned to Ampcontrol during the COVID crisis to have new ventilators available within 18 days. We can pivot very quickly to support NSW manufacturing needs. The NSW Government needs to back NSW manufacturing, set up the ecosystem and get out of our way.”

Ampcontrol CEO
Rod Henderson



Objective 3:

Housing availability and affordability

Ensure our community can grow and thrive by housing key workers close to where they work.

Recommendations

- Deliver on planning actions and fund economic and social infrastructure consistent with the strategic plan objectives and priorities to facilitate the opportunity for diversity in the housing supply pipeline.
- Create a Hunter Growth Infrastructure Fund and commit \$500m to the delivery of enabling infrastructure to unlock the existing pipeline of 41,800 dwellings.
- Resolve biodiversity issues to unlock existing pipeline and grow capacity of the development-ready pipeline.

Our local communities and businesses cannot survive or prosper without key workers. Without government providing leadership, private sector property development risks falling short.

For our members, a lack of affordable housing has been consistently identified as a major barrier to business growth and sustainability.

There is no shortage of plans and strategies developed to guide the future of the Hunter region with a new Regional Plan adopted in late 2022 and a transport strategy on its way. Along with the host of community, precinct and area plans generated by local government, the task to identify priority economic and social infrastructure that will attract and facilitate private sector investment is not difficult but requires coordination and collaboration the state government can provide.

Putting certainty in this realm is vital to trigger investment and development driven by the private sector

The concept of the Hunter Growth Infrastructure Fund is simple. In return for funding connecting infrastructure to identified development areas, the state collects back the funds as developments are sold down. This could operate as an extension or hybrid of the Housing Acceleration Fund and will help relieve housing supply constraints in the short term.

The current approach to assessing and securing biodiversity outcomes is a significant constraint on the flow of development projects. Practitioners in the industry are calling for the need to embed a strategic approach to biodiversity conservation that enables housing and employment land supply by bringing more certainty for proponents on zoned land, including by funding and beginning the biodiversity certification exercise for priority precincts. Government must commit to a process that may lead to the enacting of changes to the Biodiversity Conservation Act in an effort to ensure it balances improvements for environmental, social and economic outcomes under the principles of Ecologically Sustainable Development.





Objective 4:

Infrastructure facilitation and action plan

Place certainty in, and support key infrastructure projects and initiatives.

Recommendations

- Honor the decision of the NSW Parliament in late 2022, remove any impediments hindering the development of a container terminal at the Port of Newcastle.
- Unlock significant potential at Newcastle Airport:
 - Support and extend the aviation attraction fund to assist the airport in attracting an international carrier
 - Support to grow the Astra Aerolab
 - Support measures to ensure the new terminal can become an exemplar in sustainable design, becoming a 'green gateway' to the world
 - Provide catalytic infrastructure funding for an air-freight facility that will complement the growth of international services
 - Make Newcastle the electric aircraft hub for regional routes
- Fund and construct Stage 2 of the John Hunter Health and Innovation Precinct.
- Complete the feasibility and business case for faster rail between Newcastle and Sydney and based on the assessment, commit funding to plan and construct the required upgrades and new infrastructure.
- Complete the corridor planning and property acquisition for the Newcastle Freight Rail Bypass.
- In concert with completion of the programmed improvements to the M1, improve connecting links to the Newcastle Airport precinct.
- Progress, facilitate and provide the balance of funding to the upgrade of Mandalong Road and utilise committed federal funding for the project.

The Port of Newcastle and Newcastle Airport are our global gateways and as such, major catalysts for generating business activity across and beyond the region. The flow on multiplier effects in jobs and income from investment into the gateways is well documented.

The Port of Newcastle will be linked to the inland rail.

It has unmatched capacity for growth compared with any other port on the east coast of Australia. It must not be shackled and deserves to compete with other ports on a level playing field. Opportunities will be lost from NSW if the Port of Newcastle is constrained.

Newcastle Airport has received funding to upgrade the terminal facilities to coincide with the runway upgrade, which will allow Code E to use the airport. This enhances the airport's probability of attracting international carriers. The NSW government has already invested in the airport and to get the most from their investment, they must continue to support the ambition of the airport across the range of initiatives listed.

Servicing the Hunter region and Northern NSW, the John Hunter Health and Innovation Precinct will meet increasing demand for a broad range of health services and contribute significantly to the development of the region's knowledge sector.

The two-stage redevelopment of the 35-year-old John Hunter campus has commenced, however stage two is yet to be committed and funded. The importance of this project for health, medical research, and the associated innovation ecosystem cannot be understated. The project will provide enhanced education and research facilities by harnessing the expertise of the University of Newcastle and its esteemed medical research facility – the Hunter Medical Research Institute (HMRI), driving employment growth and economic diversification.



The strategic importance and benefits of improving connectivity across the Six Cities Region by utilising fast or high-speed rail is well documented. There is an opportunity for the next government to build and deliver on the current momentum in planning, funding and delivery initiatives announced or in progress.

Following many years of planning and recent community consultation, the Newcastle Rail Freight Corridor has been identified. With current and projected population growth it is increasingly important to separate the freight rail traffic from passenger services, and this will also assist in planning for faster and high-speed rail into the future.

The region is also benefitting from progress on large-scale road projects including the Newcastle Inner City Bypass, Singleton Bypass, Muswellbrook Bypass, and the M1 link Black Hill to Heatherbrae. The latter has enormous implication for the north-south and well as east-west traffic and logistical feeds. The Hexham strait was included in the M1 works program however, connections to Newcastle Airport did not feature. This must be addressed in the timeline for the M1 improvements given the passenger and freight growth projected for Newcastle Airport. Similarly, roads that service the airport within the region must also be considered and confirmed for upgrades in this first term.

We understand some road projects around the region are share funded. The Federal government made an important commitment in 2022 to provide funds for the upgrade of Mandalong Road, however the project has not moved up the state's list of priorities and we risk the Federal commitment lapsing. This will be an important consideration for the first budget of the new government.



"This is so much more than infrastructure. This commitment ensures nothing will hold our region back from its global potential, helping Newcastle Airport to deliver the airport the region deserves."

Peter Cock, CEO, Newcastle Airport



Objective 5:

Delivering for business and the community

Regional voices driving decisions and supporting projects that impact their lives

Recommendations

- Re-introduce and resource the portfolio of a Minister for the Hunter.
- Commit to the Hunter Park precinct, addressing the following funding and project elements as priorities:
 - the relocation of the Harness Racing Track
 - the construction of a new entertainment centre
 - procurement of the associated public domain infrastructure
 - extension of the light rail to service the precinct to coincide with completion of the new entertainment centre.
- Increase planning certainty and delivery as well as public service efficiency by embedding regional intelligence and decision making into:
 - Prioritising, committing, funding and delivering the key projects and transport connections aligned to and identified in the Hunter Regional Plan 2041, the Hunter Region Transport Plan 2041 (when completed) and the Greater Newcastle Metropolitan Plan 2036.
 - Delivery of Transport NSW services to the Hunter region – greater autonomy in regional decision making
 - Commitment to flexible land use planning and adaptive re-use of former power station and mining lands and corridors to support new industry and employment opportunities.

The vision of the Six Cities Region and the Hunter Regional Plan 2041 outline the increasingly important role Greater Newcastle and the Hunter region will play in realising prosperity for the state. As these plans suggest, there is much work ahead of us.

Success will require a collaborative effort, and a vital part of the mix is the regional voice, ensuring regional communities have a say on decisions that improve their lives. Whilst local members of parliament have an important role to play, the region is too big to ignore in terms of genuine and effective executive representation to government. This must be addressed.

State agencies, boards and committees based or represented in the Hunter lack direct reporting lines to a department secretary or ministerial office. When you consider the size of the region's economy and the role it must play in assisting to secure the future of the state, this must be addressed.

Similarly, the issues around transport in the region are catalytic and fundamental to facilitating the future for the region. At the fine grain, there are increasing calls from business and workers to examine workforce travel patterns as a component of solving the current labour force crisis being experienced. Our public transport commuter patronage is woeful and must change if we are to realise sustainability targets and facilitate the efficient and effective movement of people around the region.

At the strategic and project level, many significant road infrastructure programs appear to have slowed and timelines protracted, which greatly stresses the communities they are intended to benefit and places federal government financial support at risk.

Both sets of circumstances point to the region benefitting from greater autonomy and more direct responsibility for determining the prioritisation and delivery of transport services and infrastructure.

Land use planning for what will become redundant power station and mine sites is coming under a sharper focus and these extensive landholdings should be regarded as an asset and not a legacy. Their re-use offers the potential to accommodate a vast range of existing and new industry opportunities, particularly in the new energy economy.

The region needs to be engaged in the conversation, process and outcomes to look closely at alternatives rather than simply taking the technical planning pathway of enforcing development application conditions, some of which were written decades ago and have little relevance to the possibilities now being discussed.

Successful adaptive re-use of these sites could bring replacement and enhancement of business and industry activity that will not only preserve the traditional communities and towns nearby but have the real prospect of renewing and growing them into the future.

Hunter Park arguably represents the most significant urban redevelopment opportunity so close to a regional city anywhere on the east coast of Australia. The Honeysuckle project in Newcastle is a showcase of opportunity and renewal and Hunter Park should be next. The community of the region has worked hard with government to get the strategy and plans to the current state. We need to move to the next stage noting it cannot proceed without a significant amount of government commitment and funding, as was the case with Honeysuckle. Once government has defined its intentions and leads with investment, the private sector will follow, which was demonstrably the case with the revitalisation of the city of Newcastle.



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