



BUSINESS HUNTER

NSW Pre-Budget Submission 2025-26

Learn more at
businesshunter.com

Introduction

Business Hunter values the opportunity to provide input into consideration of priorities for the 2025-26 State Budget.

As the peak business group for Australia’s largest regional economy, Business Hunter has more than 4,400 member and affiliate businesses and industries spanning all sectors and sizes, from start-ups through to some of the Australia’s most prolific organisations.

Our connection to the statewide business community is strengthened through our affiliation with Business NSW, and we proudly contribute to and support their budget submission. The key issues dominating the state’s agenda, such as tax reform, rising business costs, escalating insurance premiums, housing shortages, energy uncertainty, and challenges with accessing skills and labour, are felt just as acutely in the Hunter region.

In framing our submission for the May 2025 Budget, Business Hunter is seeking to detail items of unique relevance for the Hunter region.

The business environment here in the Hunter is mixed. While some businesses are experiencing strong trading conditions, others are struggling. Balancing the support needed in this soft consumer economy remains a challenge, as the disparity in experiences among businesses calls for targeted and nuanced support to ensure the business environment is strong. We’re very conscious that one struggling business can pull several good ones down.

The level of investment, business and community interest, and knowledge of the Hunter region’s economic capacity and capability has grown significantly in recent times. We commend the collective of state parliamentary representatives who are based here, and others who have visited the region, consistently demonstrating a common knowledge, and champion the prospects and ambitions of the Hunter.

Business Hunter also commends the NSW Government on its steadfast commitment towards resolving constraints in housing, clean energy, skills and workforce development. These are key priorities for businesses in the Hunter.

The Hunter region has significant potential to contribute to the state’s economic ambitions, but this will only be realised if businesses are given the tools and support they need to succeed. The level of interest and recognition of the Hunter’s capacity for growth has never been higher, and there is growing alignment between government, business, unions, and the community on our region’s future prospects. However, achieving this vision requires ongoing collaboration and targeted investment in the factors that drive business success.

With this context in mind, we respectfully submit our 2025 Pre-Budget Submission for consideration.



Bob Hawes

Chief Executive Officer, Business Hunter

Overview

To ensure a thriving, resilient regional economy that supports our communities, we have identified seven priority areas requiring focused action and investment. These priorities address the region's immediate needs while paving the way for long-term growth and transformation:

1. Business Conditions
2. Workforce and skills development
3. Supporting regional transformation
4. A region globally connected
5. Social infrastructure
6. Housing availability and affordability
7. Economic infrastructure

Our top five

In addition to addressing the breadth of challenges and opportunities outlined in this submission, we have identified five priority projects that represent transformational opportunities for the Hunter region. These initiatives were chosen for their potential to drive substantial economic and social infrastructure benefits, not just for the Hunter, but for the state and beyond:

1. John Hunter Hospital Redevelopment Stage 2 funding
2. A new Entertainment Centre in Hunter Park, Broadmeadow
3. Newcastle Airport freight capability enhancement.
4. Workforce supply and demand study
5. Hunter business transformation appraisal

A full list of all **19 recommendations** can be found on pages 32-33 of this document.

A photograph of a man and a woman, likely the owners or staff of a cafe, standing behind a wooden counter. They are both smiling and wearing brown aprons. The man is on the left, wearing a grey t-shirt, and the woman is on the right, wearing a white t-shirt. In the foreground, there are stacks of plates and coffee-making equipment. The background shows a menu board and a refrigerator.

Priority 1

Business Conditions

The *Business Conditions Survey*, Business NSW's flagship research product, is conducted quarterly to measure business confidence, identify challenges, and gather feedback on relevant issues. This survey includes a mix of small, medium, and large enterprises and allows for the extraction of region-specific insights, including the Hunter region.

Although business confidence is improving, it remains firmly in negative territory. Measured on a scale of -100 to +100, the latest business confidence results indicate that businesses in the Hunter region are more pessimistic than the state average, currently -54. In the Hunter Valley, confidence is at -56, while Newcastle and Lake Macquarie is more severely impacted at -61. Across both regions, financial management, regulation and compliance are the top challenges faced by businesses.

In Newcastle and Lake Macquarie, over 50% of businesses have reported reduced sales demand, with lower purchase frequency and reduced quantities per order. The Hunter Valley is similarly impacted, with over 60% of businesses experiencing the same challenges. Furthermore, in Newcastle and Lake Macquarie, over 40% of businesses have observed increased payment times, which is another strain on business operations.

Business Costs

Across both regions, the **primary business costs** include **taxes, levies and government charges, insurance, wages, and energy**.

These issues, though significant in our local context, are not unique to our region. They occur across the state, which is why we fully endorse and support the submission put forward by Business NSW. By aligning ourselves with Business NSW's advocacy, we ensure that the concerns of Hunter businesses are represented in the broader context of statewide policy reforms that will benefit businesses across the Hunter and the state.

Through 65 recommendations, Business NSW emphasises the urgent need to reduce red tape to foster a dynamic and competitive business environment in NSW. Despite some government efforts to streamline processes, the regulatory burden on businesses has intensified, with SMEs disproportionately affected. A sharp rise in businesses identifying regulation and compliance as a major challenge is evident, not just in our region, but across the state, with survey results showing a dramatic increase in perceived regulatory difficulty and its impact on expansion plans.

The upcoming *"Seeing Red: NSW's Business Environment"* report by Business NSW will detail the cross-sectoral impacts of red tape, highlight affected industries, and propose solutions to alleviate these burdens.

To support economic growth, foster innovation, and improve NSW's competitiveness, Business NSW calls for streamlined regulatory reforms that reduce duplication, clarify rules, and simplify compliance processes. By addressing these challenges, the state can create a more supportive environment for businesses to thrive and drive long-term economic success.

Payroll tax and stamp duty charging regimes continue to act as significant barriers to economic growth. Business NSW advocates for reforms including lowering payroll tax rates and increasing thresholds, indexed to inflation; exploring a regional payroll tax rate to enhance competitiveness with other states; and reducing administrative burdens and shifting to alternative revenue streams in the long term.

Stamp duty reform is also critical to improving workforce mobility and addressing housing affordability. Broader tax system changes, such as lowering corporate tax rates and creating a Tax and Federation Reform Commission, are needed to improve Australia's global competitiveness and economic resilience.

The energy transition in NSW is accelerating, with significant investments in wind, solar, battery storage and pumped hydro. Initiatives such as the extension of Eraring Power Station's closure have improved the state's energy outlook in the short term, however high energy costs and reliability concerns remain pressing challenges for businesses, exacerbating operational expenses and undermining competitiveness.

Market forecasts predict sustained high wholesale electricity prices over the next four years, compounded by network upgrades and costs associated with the NSW Electricity Infrastructure Roadmap. Many businesses are struggling to absorb these costs, limiting their ability to invest in energy-efficient technologies. Addressing these issues is crucial to maintaining local manufacturing capabilities and strengthening NSW's competitiveness in global markets.

Insurance

Insurance premiums in certain classes continue to escalate. This trend is placing immense financial strain on regional businesses, particularly those operating in bushfire and flood prone areas, where risk exposure further inflates premiums.

In recent years our members have reported significant increases in all insurance costs. The situation has deteriorated to the point where many businesses are redirecting funds from other critical areas just to cover rising insurance costs. Alarming, some are opting to trade uninsured, exposing themselves to significant risks that threaten their viability.

The impacts of natural disasters on regional communities exacerbate these challenges, with the consequences being relatively greater than in metropolitan areas.

While insurance premiums are rising across the board, for a subset of businesses undertaking specific types of activity such as construction or tourism – two key sectors in the Hunter, insurance is either not commercially available, or only available at such prohibitively high prices that the business is in effect uninsurable. These businesses face impossible choices about whether to continue operating.

Recommendations

- NSW Government accelerate its promise to remove the Emergency Services Levy (ESL) and stamp duty tax from insurance premiums to make insurance more affordable for business and reduce risk to the business economy from operating without cover. Every day that the reform in this space does not take space, businesses are going without insurance.
- NSW Government to fund a study into coverage gaps in the NSW business market to ensure that the state's business economy is competitive. This would include a comparison to other markets and an assessment of the hurdles to overcome in NSW. Insurances such as product liability, transport, business continuity, workers compensation, public liability and professional indemnification could be included in the study. An example would be comparing the NZ PL market for activity-based businesses.

Leogate Estate Winery - Hunter Valley

Our insurance has increased from \$11,000 to \$70,000 in three years, despite zero changes to our operating parameters. There's no way we could have anticipated it and no way we can afford to pay it. We are currently trading uninsured

- Port Stephens based tourism business

A full-page background image showing two construction workers from behind, walking away on a vast, sandy construction site. They are wearing yellow hard hats and high-visibility green safety vests over dark clothing. The ground is uneven sand with some tire tracks and a few small rocks. The lighting suggests a bright, sunny day.

Priority 2

Workforce and skills development

The Hunter Net Zero Manufacturing Centre of Excellence, supported by a joint investment of more than \$60 million over four years from both the Albanese and Minns Labor Governments, represents a crucial step in addressing the region's skills gap as industries transition toward a net-zero economy. The facility, located at TAFE NSW's Tighes Hill campus in Newcastle, will play a pivotal role in meeting specific future skills demand for our region.

We also acknowledge efforts across the provision of a range of support through Skills NSW and the NSW Smart and Skilled programs to encourage the take up of VET opportunities with the likelihood this will deliver workforce benefits in the short to medium term.

Skills and workforce shortage and mismatch

Labour force and skills shortages remain a critical issue for businesses in the region, compounded by a lack of affordable housing and poor intra-regional transport links.

The Hunter region ranks third highest in NSW for businesses experiencing workforce shortages, with 81% of local businesses impacted. This challenge follows closely behind Riverina Murray (88%) and Western Sydney (86%), as highlighted in Business NSW's State of Skills 2024 report[1].

Australian Bureau of Statistics (ABS) labour market data supports this insight, revealing that unemployment in the Hunter has consistently tracked below state and national averages in recent times. This has not been the case historically. Meanwhile, the number of monthly job ads across the Hunter region as measured by the Jobs and Skills Australia Internet Vacancy Index (IVI) has remained steady (outside of seasonal variations) demonstrating the ongoing business need to attract new employees.

For businesses, workforce shortages manifest in a range of issues. Our most recent Business Conditions Survey reveals that nearly 60% of businesses in the Hunter reported operating below full capacity due to challenges in accessing workers with the necessary skills, and the ongoing need to upskill their existing staff. This is a concerning statistic that highlights the talent gap in our region.

These shortages are not just immediate operational challenges, they pose a significant barrier to the Hunter's anticipated ability to diversify into emerging industries including renewable energy, med tech, and advanced manufacturing – key priorities not just for the state, but also under the *Future Made in Australia Act 2024*.

Further, the region's workforce participation rate is lagging behind the state and national average, indicating we have un-tapped potential. If the participation rate recovered to pre pandemic levels or the current national average, the region's workforce would boast an additional 23,000 people. Reasons for the current sag are attributed to frustration on the part of job seekers unable to land roles, continuing impacts of the 'great resignation' and hidden unemployment by virtue of certain sections of the youth market that do not qualify for support owing to their parent's income circumstances.

The data and statistics also reveal concerning disconnects within the region's workforce ecosystem. For example, 30% (approximately 1,650) of the IVI advertised jobs in the Hunter region require degree-level qualifications, yet only 7.1% (approximately 1,300) of the pool of Jobs and Skills Australia active job seekers possess this level of education[2].

Despite the available support for upskilling and further education, earning graduate qualifications takes time and requires targeted action from both employers and potential employees.

A more immediate solution, and there are plenty of examples of this across the region, is for employers to relax their selection criteria for candidates with the right characteristics or transferrable skills, who are willing to upskill on the job.

Anecdotally, we understand there are a range of other mismatches, including public transport missing links that create invisible valleys between employers and suitable and available workers. Transport constraints including the lack of public transport are reported by employment providers as the single biggest reason why job seekers are unable to accept or sustain employment locally. These challenges, if not addressed, will hinder the region's economic growth and limit its ability to diversify into emerging opportunities in key sectors.

In the context of aiding transformation, we understand the Future Jobs and Investment Authorities are focused on driving investment to create jobs to replace those forecast to decline in coming years, particularly jobs of a 'high skilled, high paid' nature that provide continued direct and indirect economic benefits in our region.

If these growth impulses are to be realised, these efforts will need to take into consideration the mismatches and disconnects that exist within our region and the need to form a tailored response. The generic approach is demonstrably already failing us in a 'business as usual' scenario. These issues are likely to magnify under the lens of change as demands for new and expanded industry materialise.

We believe this issue warrants further exploration and would benefit from the facilitation of a pilot study across the region, which could potentially be led by the Future Jobs and Investment Authority in conjunction with federal bodies such as Jobs and Skills Australia and the Net Zero Economy Agency. This would involve a deep dive to fully analyse the pool of unemployed, their skills, employer requirements, and details and context of other barriers in the employment market.

The Hunter region, with its diverse industries and demographic characteristics and diverse training and educational offerings is ideally positioned to serve as a testing ground for such a study. With significant future demand, low unemployment rates below both state and national averages, the region presents a unique opportunity for targeted intervention and innovative solutions.

Recommendation

- Facilitate and fund a pilot study to identify and address the employment market shortcomings including workforce and skills mismatches in the Hunter region. Based on results, this could be extrapolated for the benefit of other regions across the state.



Priority 3

Supporting transformation

In response to the challenges of economic and social transformation in impacted communities, the NSW state government established the Future Jobs and Investment Authority, which has been complemented by the federal Net Zero Economy Agency (NEZA).

Both organisations have within their remit the task of considering the approaching transformation and mitigating the potential negative impacts on communities, the workforce and business.

A somewhat unique characteristic in the Hunter is that transformation is beyond just the forecast decline of the energy and mining sector. As such, our response must extend beyond just those two sectors.

Against the forecast decline of two pillar industries - power generation and coal mining, is the growth of promising new industries in the renewable and net-zero economy, as well as emerging and growing capabilities in Defence, advanced manufacturing, freight and logistics, MedTech, and health.

The opportunities arising from the adaptive re-use of former mining and power station lands have also been identified and are in the process of being investigated through the resources of a parliamentary inquiry. There is a genuine prospect that if the outcomes of the inquiry prove positive and feasible to implement, the region will be the beneficiary of an additional resource to assist in delivering the strategy for 'life after mining'.

Business Hunter holds the firm view that in the majority of growth and expansion scenarios, by working closely with the existing complement of business and industry, the best result will be achieved. The key to making the most of this is having a clear view on the 'DNA' of the businesses and their capacity and capability to participate and function in the revised scenarios.

Hunter business transformation appraisal

We recognise much has been done to predict and assess what change might look like for the Hunter into the future. This has predominately had a community and individual focus. In some cases, investigations have included detail where the business or industry impacted is the focus of a known change, such as the closure of a coal fired power station or a mine.

However, a significant gap remains in our collective understanding of the broader impact on businesses that rely directly and indirectly on these industries. These businesses, ranging from local suppliers and uniform providers to caterers and service companies, risk facing uncertainty as their customer base shrinks or shifts. Yet we know little of their short, medium and long term intentions; their level of resilience, how adaptable they are, their financial capacity and ability to reinvest if needed, their skills needs, and challenges involved in achieving their own plans.

As transformation progresses, upside opportunity may materialise and lead to change in the profile of business and industry. New industry and business may rely on different types of local business and industry support and the true ability for existing communities to provide this is relatively unknown.

The results of thorough investigations can provide valuable insights to pinpoint the need for targeted support mechanisms that address the unique challenges faced by these businesses and industries. It's not merely about workforce redeployment, it's about ensuring these businesses, key drivers of employment, are equipped to survive and thrive in a rapidly evolving economic landscape.

Until we accurately assess the full scope of the business ecosystem and the potential impact of impending change, it is difficult to ensure that businesses receive the support they need to safeguard local employment, maintain economic stability, and ensure that the region is well-positioned to benefit from the growth of the renewable energy sector.

The Need for Industry and Regional Planning

It is understood the government is continuing to work on the formulation of final versions of an Industry Plan and comprehensive Regional Plan.

In the context of other initiatives already in place, the finalisation of these respective strategies is very important, and the Budget should ensure it has capacity in current and forward estimates to deliver on the components of the plans. The government has, since taking office, cancelled or postponed a number of project and funding programs that had particular relevance to regional and rural areas. This has created uncertainty and raised unanswered questions about how to effectively collaborate with the government to achieve both its priorities and those of the community.



Equally important is the need to cascade and build on contemporary policies, such as the Future Made in Australia Act, which sets a national framework for clean energy, manufacturing, and industry development. However, without a corresponding regional and industry-specific plan to translate these high-level goals into local action, the Hunter is going to struggle to optimise the outcome from new opportunities. These strategic documents are critical for providing businesses with the clarity they need to adapt, invest in renewable technologies, and ensure long-term economic resilience.

Recommendations

- Hunter SME transformation appraisal - Commission a comprehensive pilot audit of the businesses ecosystem in the Hunter that rely on the coal-based energy sector to assess the full scope of transition impacts, preventing a secondary wave of fallout.
- Prioritise the delivery of the Industry Plan and Regional Plan, ensuring forward funding to deliver on the initiatives and ensure alignment with national initiatives like the *Future Made in Australia Act 2024*.

Priority 4

A region globally connected

The Hunter is poised for reinvention, one that will position it as a globally connected hub, driving economic growth and cultural vibrancy.

With the planned opening of a new airport terminal facility on 1 August 2025 and introduction of international flights from Newcastle Airport in late 2025, the region will gain new opportunities for travel and freight import and export, expanding access to international markets.

The Hunter region, known for its premium horse breeding products, vineyards and wine, and high-quality perishable food products including dairy, eggs, meat, and seafood, stands to benefit from faster, more reliable access to global markets with the introduction of international flights at Newcastle Airport.

These industries, along with others requiring time-sensitive shipping, such as medical devices and pharmaceuticals, will gain significant advantages from enhanced freight services.

As the freight import and export opportunities come online, the Newcastle Airport Air Cargo Terminal is the missing link in the Hunter's air-based supply chain, and capital funding for this project is key to unlocking the region's economic potential.

The region's growing reputation as an innovation and research hub, particularly in sectors like renewable energy, advanced manufacturing, and medical research, in addition to its strong existing industry base, presents exciting opportunities in international business tourism.

The Port of Newcastle, a critical asset to the region, is also set to play a more prominent role in the global economy, with the lifting of penalties on container trade opening new export pathways for businesses. This will further integrate the Hunter into global supply chains, enhancing economic prospects across key sectors.

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

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.

Recommendations

Newcastle Airport:

- Contribute \$27 million to establish a regional international air cargo terminal.

Port of Newcastle:

- 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.





Priority 5

Social Infrastructure

As our region prepares for a period of extraordinary growth and development, we'll also be demanding more of our social infrastructure across education, health, recreational, community and sports facilities. There are a number of key projects that stand out as regional enablers, capable of delivering enormous outcomes for the community, representing exceptional value for investment.

John Hunter Hospital Redevelopment, Stage 2

The NSW Government's initial \$835m investment, being Stage 1 of the John Hunter Hospital (JHH) redevelopment, will help to ensure modern, cutting-edge medical facilities continue to service the Hunter and New England Region. The Hunter New England Local Health District (HNELHD) is the largest health district in NSW. At its core, Stage 1 replaces an acute service hospital approaching 40 years old and a centre piece of the Local Health District's facilities. It is also one of the busiest hospitals in the state.

Stage 2 of the JHH redevelopment is the critical enabler for fully realising the benefits of Stage 1, addressing key shortfalls in capacity and functionality that remain. While Stage 1 delivered vital capital works and infrastructure upgrades, its full potential will only be unlocked through the complementary works and projects provided by Stage 2. It is understood this work includes an expansion of inpatient beds, enhanced diagnostic capabilities with PET/CT imaging, and critical new services such as an infusion lounge for chemotherapy, improved ambulatory care facilities, and an upgraded Intensive Care Unit (ICU).

The stage 2 investment will help prevent emergency department (ED) blockages, avoid delays or cancellations of elective surgeries, and prevent other operational challenges for the District.

Recommendations

- Commit funding for Stage 2 works of the John Hunter Hospital Redevelopment

John Hunter Health and Innovation Precinct Masterplan.

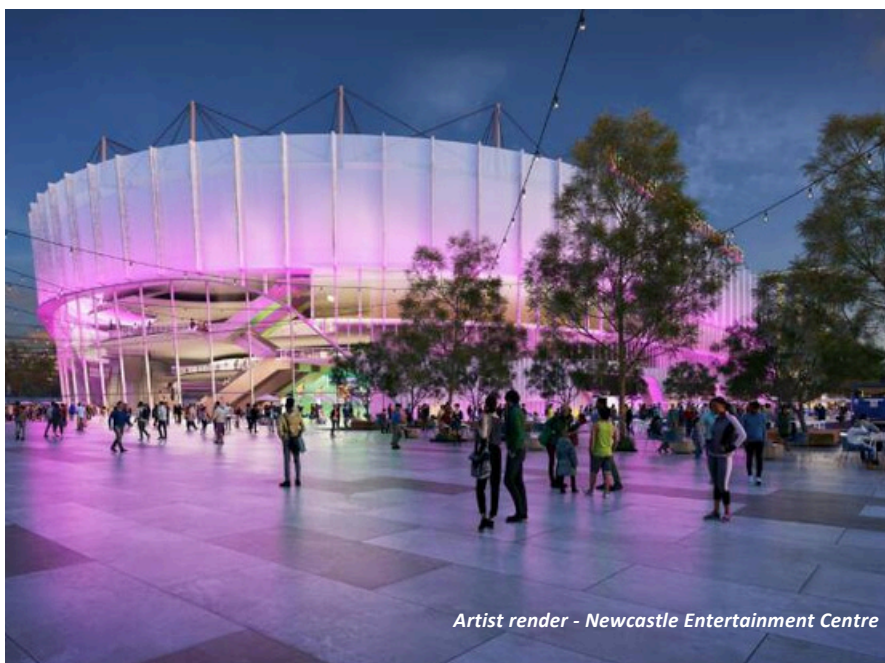
The JHH redevelopment sits amongst the broader John Hunter Health and Innovation Precinct (JHHIP). Business Hunter recently provided support for a separate application made to the federal government under the Regional Precincts and Partnerships Program – Stream One: Precinct development and planning. The application is seeking funds to fully master plan the JHHIP. It is aimed at maximising the possibilities that exist on the significant 88ha government landholding within and around the Precinct and could include ancillary health facilities, commercial establishments, ancillary research businesses and key worker and affordable housing.

Newcastle Entertainment and Conference Centre, Hunter Park, Broadmeadow.

Newcastle's aging infrastructure, particularly the 40-year-old Newcastle Entertainment Centre, presents a significant barrier to attracting large-scale regionally significant conferences, indoor sport and entertainment acts, and business and community expos. The facility lacks the modern amenity, flexibility, and capacity needed to host contemporary style gatherings and events.

A new, state-of-the-art second tier entertainment and conference centre would transform Newcastle's ability to compete in the regional market for business events which are more commonly attracted to similar styled facilities on the Gold Coast, Cairns, Ballarat and the soon to be completed facility in Geelong. A new Newcastle facility will position the city as a viable and attractive destination for second tier and regionally significant conferences, expos, and conventions and a worthy competitor to other second tier destinations in other states.

Recent developments, such as the introduction of two new 5-star and one four star hotels in Newcastle, also signal that the city is ready to cater to the demands of national and international business visitors and conferences.



Artist render - Newcastle Entertainment Centre

Business Hunter recognises that broader, precinct based planning is being undertaken in the Broadmeadow area. The Hunter Park component sits within the Broadmeadow precinct and has already been the subject of its own precinct planning dating back to 2017. The new Entertainment and Conference Centre is a focal point of this part of the redevelopment and is planned for land within the scope of Venues NSW remit. It does not rely on land being made available through planning for the broader precinct.

Recommendation

- Commit funding to Venues NSW for the development of a new Entertainment and Conference facility in Hunter Park, Broadmeadow.



Priority 6

Housing availability and affordability

At the state level, business continues to lead the Housing debate through the HousingNow! Alliance chaired by Business Western Sydney Executive Director David Borger. The Alliance released an updated manifesto that we support. More information on the asks and the Alliance can be found at <https://www.housingnow.com.au/>.

We recognise that several solutions are progressing to implementation, particularly in metro locations. In the regions, housing challenges are hugely varied, making a one-sized fits all approach impractical.

In the Hunter region, a significant barrier to housing development is the delivery of essential infrastructure, such as roads, utilities, and transport connections needed to support new builds. The upfront costs associated with these infrastructure components, coupled with the risk involved, often deter developers from moving forward with these projects, despite a clear and growing demand for housing.

Establishing a Hunter Growth Infrastructure Fund offers a potential solution to this issue by providing upfront funding for the required infrastructure in identified growth areas. Under this model, the state would provide the funding to construct the infrastructure and recoup the investment from developers as the projects are sold down. This approach has the potential to alleviate the difficulty developers encounter in funding up front infrastructure and relieve immediate housing supply constraints by enabling projects that are essentially ready to proceed but currently stalled. There are plenty of precedents for this approach, the most obvious being the use of HECS for tertiary education.

In 2015 the NSW Government set up the Newcastle Mines Grouting Fund (the Fund) to address the issue of mine subsidence and its impact on property development in the Newcastle CBD. Functioning like an insurance policy, the Fund stepped in to cover costs exceeding a certain threshold. This mechanism reduced uncertainty and risk associated with building in the city centre mine subsidence zone and encouraged new multi-storey housing and commercial development.

Prior to its removal in the 2022-23 Budget, the Fund was an unequivocal success in providing confidence to invest in the development of desperately needed housing supply and community infrastructure that could be delivered by the private market.

With its framework already in place, the Fund could be swiftly reinstated as a critical tool to accelerate housing supply, reduce risk for developers, and support the continued revitalisation of the Newcastle CBD.

We also note recent initiatives have extended the operation of a similar fund into Lake Macquarie. Business Hunter is supportive of moves to investigate the feasibility and possibility of extending the Fund to other precincts impacted by mine subsidence with a view to providing bespoke solutions in the future. This is particularly critical given the housing situation in the region and the targeting of former mining land s for adaptive re-use in proximity to villages and towns in the region.

Recommendations

- Create a Hunter Growth Infrastructure Fund and commit \$500m to the delivery of Hunter enabling infrastructure to unlock the existing pipeline for the region's housing and jobs.
- Reinstatement of the (previous Newcastle) Mines Grouting Fund and provide funding for broader investigations to potentially extend activity to other parts of the region.





Priority 7

Economic infrastructure

Parts of the Hunter region are undergoing a remarkable transformation in its transport infrastructure, with the Inner City Bypass, Singleton and Muswellbrook bypasses, M1 extension and Hexham Straight making substantial progress, promising to enhance connectivity, facilitate the movement of goods and people and ease congestion.

Looking ahead, we anticipate continued momentum on critical projects, including upgrades at Bob's Farm, Mandalong Road, and Hillsborough Road. These initiatives are vital to improving regional connectivity, reducing travel times, and bolstering economic productivity.

The recently released Draft Hunter Strategic Regional Integrated Transport Plan (SRITP) sets out an ambitious and forward-thinking vision for the region's transport infrastructure. We commend the government for its extensive stakeholder engagement throughout the consultation process, which has culminated in a comprehensive and well-informed draft. A recurring theme highlighted during the consultation was the limited availability of public transport options and services, which continues to act as a significant barrier to employment access for many in the region.

As highlighted under Priority 2 – Workforce and skills development, unemployment in the Hunter is at historic lows, demand for workers is high, and participation rates are soft. Public transport limitations have long been identified as a critical barrier preventing many potential workers across the region from accessing employment opportunities. This hypothesis is strongly supported by findings in the draft plan. Targeted improvements to public transport connections in key areas could deliver an immediate and measurable boost in workforce participation, expanding the available talent pool and improving employment outcomes across the region.

The draft plan has also identified several urgent opportunities to address safety concerns and increase the region's capacity for housing development.

Timely action on these issues is paramount to ensuring the Hunter remains well-positioned for future success. By investing in infrastructure in the Hunter region the government achieves enormous 'bang for buck' and demonstrably assists neighbouring regions as a consequence of the connections and linkages, both economically and physically, that exist.

The Draft Hunter SRITP outlines 57 recommendations, many of which are expected to be considered in the 2025-26 Budget. While these comprehensive proposals promise significant long-term benefits, we believe there are several opportunities for immediate action. Addressing these "low-hanging fruit" projects in the short term will help to alleviate pressing regional challenges, while momentum builds on longer term objectives contained in the Plan.

Recommendations

- Fund and commence upgrades to Lochinvar rail station to facilitate increased passenger services and provide appropriate travel choice to the surrounding residential growth areas in Lochinvar.
- Fund and commence upgrades to Metford station in recognition of significant local population growth.
- Fund and commence upgrades to the Newcastle Link Road and Minmi Road intersection to facilitate housing growth in and around Minmi and Cameron Park.
- Accelerate planning and funding for upgrades to Main Road connecting Kurri Kurri and Maitland.
- Complete place-based planning for Morisset, a location of strategic significance for population and jobs growth, incorporating planned developments, walking and cycling connections, and Morisset station.
- Commence upgrades to intersections on M1 Pacific Motorway between Raymond Terrace and Karuah including Medowie Road, The Bucketts Way and Italia Road.
- Implement bus and coach service improvements to better link existing and new housing estates to employment nodes including Beresfield, Cameron Park, Williamtown (Newcastle Airport) and Tomago.

Newcastle Freight Rail Corridor

As identified in the SRITP, the proposed Lower Hunter Freight Corridor will provide for a future dedicated freight rail line between Fassifern and Hexham, bypassing the Newcastle urban area, easing congestion by separating most rail freight from the Main North Railway line and improving reliability and safety.

This will not only enhance the efficiency of freight transport but also provide additional capacity on the Main North Line and opportunity for increased passenger rail services to Newcastle, stimulating economic growth and job opportunities in the region.

Business Hunter has consistently called for and supports the swift progression of planning, funding, and development of the Newcastle Freight Rail Corridor. The separation of these rail services will help ensure the efficient movement of freight while enabling the development along the existing main north line needed to meet the region's growing housing demand and key into government initiatives for intensifying TODs near rail stations across Newcastle and Lake Macquarie LGAs.

Recommendation

- Provide funding support to complete the corridor planning and property acquisition of the Newcastle Freight Rail Bypass.

Summary of recommendations

- NSW Government accelerate its promise to remove the Emergency Services Levy (ESL) and stamp duty tax from insurance premiums to make insurance more affordable for business and reduce risk to the business economy from operating without cover. Every day that the reform in this space does not take space, businesses are going without insurance.
- NSW Government to fund a study into coverage gaps in the NSW business market to ensure that the state's business economy is competitive. This would include a comparison to other markets and an assessment of the hurdles to overcome in NSW. Insurances such as product liability, transport, business continuity, workers compensation, public liability and professional indemnification could be included in the study. An example would be comparing the NZ PL market for activity-based businesses.
- Facilitate and fund a pilot study to identify and address the employment market shortcomings including workforce and skills mismatches in the Hunter region. Based on results, this could be extrapolated for the benefit of other regions across the state.
- Hunter SME transformation appraisal - Commission a comprehensive pilot audit of the businesses ecosystem in the Hunter that rely on the coal-based energy sector to assess the full scope of transition impacts, preventing a secondary wave of fallout.
- Prioritise the delivery of the Industry Plan and Regional Plan, ensuring forward funding to deliver on the initiatives and ensure alignment with national initiatives like the Future Made in Australia Act 2024.
- Contribute \$27 million to establish a regional international air cargo terminal.
- 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.
- Commit funding for Stage 2 works of the John Hunter Hospital Redevelopment

Summary of recommendations

- Commit funding to Venues NSW for the development of a new Entertainment and Conference facility in Hunter Park, Broadmeadow.
- Create a Hunter Growth Infrastructure Fund and commit \$500m to the delivery of Hunter enabling infrastructure to unlock the existing pipeline for the region's housing and jobs.
- Reinstate the (previous Newcastle) Mines Grouting Fund and provide funding for broader investigations to potentially extend activity to other parts of the region.
- Fund and commence upgrades to Lochinvar rail station to facilitate increased passenger services and provide appropriate travel choice to the surrounding residential growth areas in Lochinvar.
- Fund and commence upgrades to Metford station in recognition of significant local population growth.
- Fund and commence upgrades to the Newcastle Link Road and Minmi Road intersection to facilitate housing growth in and around Minmi and Cameron Park.
- Accelerate planning and funding for upgrades to Main Road connecting Kurri Kurri and Maitland.
- Complete place-based planning for Morisset, a location of strategic significance for population and jobs growth, incorporating planned developments, walking and cycling connections, and Morisset station.
- Commence upgrades to intersections on M1 Pacific Motorway between Raymond Terrace and Karuah including Medowie Road, The Bucketts Way and Italia Road.
- Implement bus and coach service improvements to better link existing and new housing estates to employment nodes including Beresfield, Cameron Park, Williamstown (Newcastle Airport) and Tomago.
- Provide funding support to complete the corridor planning and property acquisition of the Newcastle Freight Rail Bypass.

BUSINESS HUNTER

Learn more at
businesshunter.com