

An aerial photograph of a coastal city, likely Newcastle, NSW, Australia. The city is built on a hillside overlooking a large, calm harbor. In the background, a range of mountains is visible under a clear blue sky.

BUSINESS HUNTER

NSW Pre-Budget Submission 2026-27

Learn more at
businesshunter.com

Introduction

Business Hunter values the opportunity to provide input into consideration of priorities for the 2026-27 NSW 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 leading national and international organisations. We are aligned with 17 local chambers of commerce and affiliated with regions and metropolitan areas across the state through the Business NSW network.

This submission seeks to highlight matters of relevance to the Hunter, reflecting the region's distinct economic profile, challenges and opportunities. It should be read in conjunction with the submission from Business NSW, which addresses many of the broad issues affecting business across the state, including tax reform, rising operating and insurance costs, housing supply constraints, energy uncertainty and affordability, and persistent skills and labour shortages. These issues are also felt acutely by businesses across the Hunter region and we work closely with Business NSW and affiliates in other regions to support and contribute to collective advocacy on these issues.

The Hunter region is a major economic engine for New South Wales, making a substantial contribution to state output, employment and exports through industries such as resources and energy, manufacturing, health, education, logistics and the visitor economy. Building on these strengths, the region is actively diversifying its economic base to support long-term resilience and growth, with significant investment underway in clean energy, advanced manufacturing, defence, health and innovation. This transition is positioning the Hunter to continue playing a critical role in the NSW economy while creating new industries, jobs and opportunities for future generations.

In 2025–26, Hunter region businesses have experienced mixed economic fortunes. Business confidence in the region has generally remained in negative territory, reflecting ongoing pressures from rising costs, skills shortages, insurance and energy price burdens, regulatory compliance and global economic uncertainty – issues echoed across the state in Business NSW surveys. However, regional feedback from the quarterly Business NSW Business Conditions surveys indicate some improvement in confidence, with expectations for better conditions ahead, and many businesses indicating intentions to maintain or grow employment.

Business Hunter acknowledges the NSW Government's continued focus on tackling key challenges affecting the Hunter's economy, particularly the transition to clean energy, housing availability and skills and workforce capability. These areas are fundamental to business confidence and long-term growth across the region. The Hunter remains well-positioned to continue making a substantial contribution to the State's economic objectives, but unlocking this opportunity will depend on sustained partnership and well-targeted investment that enables businesses to expand, innovate and create jobs. Growing alignment between government, industry, unions and the broader community provides a strong platform to generate enduring benefits for both the region and NSW.

Business Hunter respectfully submits the following regionally-focused recommendations for consideration as part of the 2026–27 NSW Budget process.



Bob Hawes

Chief Executive Officer, Business Hunter



Priority

Broadmeadow Precinct

The Broadmeadow Precinct is a strategically important economic and employment hub for the Hunter region, with the scale and location to support significant residential development, business investment, jobs growth and urban renewal. Its transformation presents a rare opportunity to unlock underutilised land on the fringe of the CBD, deliver modern commercial and mixed-use development, create a new entertainment and sporting hub and strengthen connections between industry, education, health and innovation precincts across the Hunter. Supporting the Broadmeadow Precinct will contribute to a more diversified and resilient regional economy, delivering benefits well beyond the immediate precinct.

Targeted budget investment in planning for infrastructure and enabling works will be critical to realising the precinct's potential and attracting private-sector interest. The announcement of the Hunter and Central Coast Development Corporation as the Delivery Coordination Authority and finalisation of the state-led rezonings of four parcels of government-owned land have laid the foundation for the planning and design of the precinct to begin in earnest. It is important that this momentum be maintained, to promote investor interest and confidence, and accelerate the delivery of much-needed housing, jobs and social infrastructure. The next step in this process is the development of an infrastructure delivery and coordination plan for Stage 1 of the precinct, as identified in the Broadmeadow Place Strategy, and associated business case.

Recommendation:

Ensure Hunter and Central Coast Development Corporation is resourced with funding in the next budget cycle to continue progressing the project through the development of an infrastructure delivery coordination plan and business case for Stage 1 of the precinct.



Priority

Newcastle Entertainment & Conference Centre

A centrepiece of the Broadmeadow Precinct will be a new Entertainment and Conference Centre that will transform Newcastle's ability to attract regionally and nationally significant conferences, sports and entertainment acts, and business and community expos.

The new Entertainment and Conference Centre is a focal point of the Hunter Park section of the Broadmeadow Precinct and planned for land within the scope of Venues NSW's remit. The proposed new Newcastle Entertainment Centre is widely acknowledged as a priority project central to the realisation of the Broadmeadow Precinct vision and is listed in the planning section of the [NSW Infrastructure Pipeline website](#). A final business case for the development of the 63-hectare Hunter Park has been completed and recent legislative amendments have paved the way for the development of complementary visitor and residential accommodation on Venues NSW land, which will allow the potential of the site to be fully realised.

Recommendation:

Commit funding to Venues NSW to progress the development of a new Entertainment and Conference Centre in Hunter Park, Broadmeadow.



Priority

John Hunter Hospital – Stage 2

JOHN HUNTER HOSPITAL

AND JOHN HUNTER CHILDREN'S HOSPITAL

The \$835 million development of the Acute Services Building currently under way within the John Hunter Health and Innovation Precinct (JHHIP) will expand and enhance critical care services that can't meet current demand, but this initial investment does not respond to all of the hospital's service demands.

Stage 2 funding is required to support new models of care that will better meet patient, staff and carer needs and allow the full scope of the John Hunter's clinical services plan to be realised. Stage 2 funding was always considered when the \$835 million Stage 1 was announced and with that development nearing completion, it is now timely the NSW Government provides a commitment that Stage 2 will be included in forward funding programs.

JHHIP Stage 2 addresses remaining capacity shortfalls and ageing infrastructure not resolved through the development of the Acute Services Building. As NSW's principal tertiary referral hospital, John Hunter Hospital requires additional inpatient, critical care and ambulatory capacity to meet demand and replace infrastructure that is 40 years old and no longer supports contemporary models of care.

Stage 2 would include:

- Construction of 15 new inpatient wards in a new inpatient tower adjacent to the Acute Services Building
- Refurbishment of three existing inpatient wards
- Fit-out of the new Intensive Care Unit (ICU) shell space to deliver 12 additional adult ICU beds
- New infusion lounge / chemotherapy unit
- Additional ambulatory care and consultation spaces
- Installation of new dental chairs.

A staged approach to further development could be considered, given the scale of investment required. Business Hunter understands an investment of up to \$75 million would address the following immediate needs:

- Fit-out of two additional inpatient wards which are 'cold shell' in the new Acute Services Building (\$25 million approx)
- New paediatric oncology unit (\$30-40 million approx)
- Refurbishment of an area for more administration services and staff amenity (\$5 million approx).

Recommendation:

Commit forward funding in the 2026-27 Budget to Stage 2 of the JHHIP, with immediate funding for the three priority projects outlined above.



Priority

Newcastle Airport route development & freight growth

The expansion and upgrade of Newcastle Airport is a major boost for the Hunter's visitor economy, an identified growth sector that will support the region's economic diversification as it continues to transition. The enhanced capacity of the airport will also be critical to delivery of the NSW Visitor Economy Strategy 2035, with aviation attraction a key pillar and nearly half of the forecast economic uplift targeted to come from regional areas.

The runway upgrade and opening of the Airport's International Terminal in 2025 have already reaped benefits, with the addition of new international and domestic routes to Bali, Singapore (via Bali), Perth and Hobart bringing thousands more passengers through the gateway.

Newcastle Airport estimates that with continued investment from Destination NSW in aviation attraction it can support 13 per cent of the targeted increase in NSW airline seats under the visitor economy strategy. As a priority, it is seeking the following:

- 35 million over three years to secure routes to six new destinations: Fiji, South Korea, Singapore, Japan, New Zealand and North America. This will be matched by a \$32 million investment from the Airport.

The Airport is also advocating for \$185 million over five years to create the Newcastle Airport Accelerated Aviation Growth Program to stimulate inbound domestic and international tourism, matched by \$65 million from Newcastle Airport.

Hunter International Air Freight Precinct: Freight represents the other significant regional economic opportunity facilitated by the growth and expansion of Newcastle Airport, with the business case identifying a \$6.5 billion uplift in gross regional product over 20 years.

To realise this opportunity, the Airport is looking to develop the Hunter International Air Cargo Facility. A feasibility study has been completed for the facility and supporting infrastructure and costed at \$49 million. The Airport is seeking \$1 million in the 2026-27 NSW Budget to support detailed precinct design, to bring the cargo facility to shovel-ready stage.

Recommendation:

Support Newcastle Airport's budget requests to drive airline attraction and new route development, particularly the six priority routes identified, and provide funding to undertake detailed precinct design for the Hunter International Air Cargo Facility.



Priority

International tourism trade marketing

Regional stakeholders have proposed the development of a regional tourism trade brand to fully leverage the marketing opportunities presented by the expansion and upgrade of Newcastle Airport. One of the leading proponents is the Hunter Joint Organisation (HJO), which represents the 10 member councils of the Hunter and has recognised that there is no single tourism identity – or brand – that can be used to promote the region.

The HJO has undertaken initial scoping work and consultation on the development of a Hunter Region Identity Toolkit for international trade audiences and has garnered support from key regional visitor economy stakeholders, including Destination Sydney Surrounds North (DSSN), Newcastle Airport, Destination Port Stephens, Hunter Valley Wine Tourism Association and Newcastle Tourism Industry Group. It is envisaged the project will be undertaken as a collaboration between key groups.

The HJO advises the project aims to increase international visitation and individual visitor spend and would support the injection of \$268 million into the Hunter economy in the first three years. It would stimulate business growth and local jobs through training and mentoring programs, especially with First Nations.

Recommendation:

Provide up to \$3.85 million funding to develop a cohesive region-wide identity and associated trade marketing activities with businesses.

An aerial photograph of a residential area. The houses have various roof types, including dark grey and reddish-brown tiles. Some houses feature solar panels on their roofs. The neighborhood is surrounded by green trees and lawns. A road runs through the center, with a few cars parked along the sides. The overall scene is a typical suburban development.

Priority

Enabling infrastructure for housing

The housing crisis is having a direct impact on business in the Hunter, posing challenges for workforce attraction and retention. Employees and jobseekers are finding it increasingly difficult to source affordable housing close to places of work, with employers reporting that positions are remaining unfilled due to their inability to attract workers. This is exacerbated in some locations by large workforces on major infrastructure projects that require temporary housing – a situation that will continue to affect housing supply throughout the region with the progression of the Hunter Transmission Project and Hunter-Central Coast Renewable Energy Zone (see following section and recommendation).

Business Hunter acknowledges the extensive planning reform program that has been instigated by the NSW Government in a bid to encourage and expedite new housing projects but barriers remain to investment and delivery. In the Hunter region, a significant barrier to housing development is the lack 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 risks involved, often deter developers from moving forward with projects, despite a clear and growing demand for housing.

Business Hunter and other regional advocacy organisations have long supported the establishment of a Hunter Growth Infrastructure Fund as a potential solution to this issue. Under this model, the state would provide upfront funding to construct necessary infrastructure in growth areas and recoup the investment from developers as the projects are sold down.

The HJO maintains that an investment of \$938 million in enabling infrastructure across the region could deliver more than 60,000 new homes, creating 60,000 jobs and returning \$37 billion in economic benefit to the region. It has collected data from its 10 member councils identifying specific priority projects in each LGA and the infrastructure required to accelerate them. Business Hunter suggests initiating the Fund as a pilot scheme that could potentially be replicated in other regions, with a start-up allocation of up to \$50 million.

Recommendation:

Create a Hunter Growth Infrastructure Fund to support the delivery of housing in the region's growth areas.



Priority

Renewable Energy Zone (REZ) legacy housing

The anticipated influx of a construction workforce to build transmission infrastructure to support the NSW Electricity Infrastructure Roadmap will put additional pressures on an already strained housing market in the Hunter, impacting housing supply, access and affordability. It also increases the risk of short-term accommodation being significantly subscribed for worker housing, with adverse impact on visitor economy opportunities, particularly in the Upper Hunter.

Councils that will be affected by this influx, including Muswellbrook and Lake Macquarie, have aired their preference for temporary housing to be constructed to a standard that can be converted to permanent housing for residents, in order to continue providing benefit to the community after the projects are finished. Muswellbrook Shire Council has adopted a policy to this effect, which will require operators of major projects in the shire to house workers in lodgings that are designed for reuse such as affordable housing, aged care or tourism.

A Temporary Worker Accommodation (TWA) and Legacy Housing Activation fund could assist with the delivery of enabling infrastructure on sites identified by relevant councils as suitable for both temporary work accommodation and long-term housing. This would assist affected councils with the cost of providing water, electricity, sewage and roadworks that will ensure the sites are suitable for use into the future.

Recommendation:

Commit \$40 million to establishing a Legacy Housing Activation Fund to support communities in REZs that will be affected by construction workforces.

The background image is an aerial photograph of the Newcastle city skyline and harbor. The city is built on a hillside overlooking a large harbor filled with many boats and yachts. The sky is a warm, golden color, suggesting sunset. In the foreground, there are several modern high-rise buildings, including a prominent yellow one. The text 'Priority' is overlaid in the upper left corner.

Priority

Newcastle Mines Grouting Fund

The Newcastle Mines Grouting Fund was established in 2015 to enable high-density development within the Newcastle Central Business District by mitigating cost uncertainty associated with mine grouting – a challenge unique to developed areas of the Hunter region. The fund played a critical role in catalysing more than \$3 billion in private investment and the delivery of over 2,000 apartments. However, the program was discontinued in 2023 as development activity in the Honeysuckle precinct, where the fund was predominantly applied, approached capacity.

Notably, only a small proportion of the initial \$17 million allocated to establish the fund was ultimately expended on mine grouting works. Despite limited drawdown, the certainty provided by the fund was instrumental in unlocking significant development activity. The success of the Newcastle model has since been recognised by Lake Macquarie City Council, which has established a Lake Macquarie Mines Grouting Fund, supported by \$10 million in funding from the Australian Government, to stimulate residential and commercial development in undermined areas.

While high-density development continues across the broader Newcastle CBD, projects continue to face significant additional costs, delays and financing challenges arising from the uncertainty and complexity of mine grouting requirements. These constraints are undermining the effectiveness of State Government policies designed to promote higher-density development and meet housing supply targets. Reinstating the Newcastle Mines Grouting Fund would directly address these barriers and restore investor confidence.

Recommendation:

Commit funding to reinstate the Newcastle Mines Grouting Fund to facilitate more higher-density development within the Newcastle CBD and support the delivery of new housing.



Priority

Newcastle Logistics Precinct

The 2024-25 NSW Budget committed \$115 million to establishing the Newcastle Logistics Precinct (NLP) at the former Intertrade site at the Port of Newcastle. This project is intended to address the additional portside storage capacity required to support the increased volume of oversized and overmass equipment required to be stored and ultimately transported on the road network to renewable energy projects, notably in the New England, Central West Orana and Hunter Central Coast REZs.

While significant effort has been made to best use this funding, Business Hunter understands additional funding for the NLP will enable the project to be built to specification, thereby optimising logistical operations, minimising project delay risks and providing investment confidence in the Hunter and NSW more broadly.

Given the NLP and Port to REZ projects will support more than \$50 billion in economic investment in the REZs alone, investment in this enabling infrastructure will support the Hunter in positioning itself as a strategic location for clean technology investment and renewable energy supply chains, increasing business and employment opportunities in the region. The added benefit of delivering the NLP to full capacity and specification is that it enhances the future adaptive reuse and diversification potential of the site to service future emerging industries and opportunities for the region.

Recommendation:

Commit additional funding to the NLP to allow it to be built to full operational capacity.



Priority

Business transition study

In the Hunter, the forecast decline of the pillar industries of coalmining and thermal power generation over coming decades will be offset by the growth of opportunities in the new-energy economy, as well as emerging and growing capabilities in defence, advanced manufacturing, tourism, freight and logistics, medtech and health.

An important part of the region's successful economic diversification journey will be ensuring existing businesses are supported to transition into and take advantage of new opportunities. Business Hunter believes that having clear insight into the nature of the businesses that make up the supply chain for these pillar industries, and their capacity and desire to adapt to new markets and industries, is fundamental to understanding the full economic impact of the transition and the scope of business supports that will be needed.

In response to the challenges of the Net Zero transformation, the NSW State Government has established the Future Jobs and Investment Authority (FJIA), which has within its remit the task of considering the approaching transformation and mitigating potential negative impacts on communities, the workforce and business.

Business Hunter regards the FJIA as a good vehicle for undertaking a business supply chain mapping and audit exercise of the nature described above – potentially as a pilot for other regions that will be significantly impacted by the Net Zero transition.

Recommendation:

Commission a comprehensive pilot audit of the ecosystem of businesses in the Hunter that rely on the mining and thermal power generation industries to fully understand and assess the full scope of transition impacts and inform future support initiatives.



Priority

Lower Hunter Freight Rail Corridor

The proposed Lower Hunter Freight Corridor will provide for a future dedicated freight rail line between Fassifern and Hexham, bypassing the Newcastle urban area. It will ease 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.

After decades of discussion and planning, a route for the Lower Hunter Freight Rail Corridor was confirmed by the NSW Government in 2022, but this important project has since stalled. Business Hunter 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 development along the existing main north line needed to meet the region's growing housing demand and support government initiatives for intensifying transport-oriented development near rail stations across the Newcastle and Lake Macquarie LGAs.

Recommendation:

Provide funding support to complete corridor planning and property acquisition for the Lower Hunter Freight Rail Corridor.

An aerial photograph of a landscape featuring a river flowing through a valley. A multi-lane highway bridge spans the river. In the background, a city with numerous buildings is visible under a clear blue sky.

Priority

Major road projects

Business Hunter commends the NSW and Commonwealth governments on investment in much-needed major road upgrades under way in the region that will enhance connectivity, improve safety and amenity for road users and boost productivity. We urge that forward funding continue in the NSW Budget to ensure full delivery of these projects on schedule.

These projects include:

- M1 Pacific Motorway extension to Raymond Terrace
- Hexham Straight upgrade
- Newcastle Inner City Bypass
- Singleton Bypass
- Mandalong Road upgrade
- Hillsborough Road upgrade – Stage 1
- Muswellbrook Bypass
- Nelson Bay Road upgrade.

In addition, we urge consideration of funding to be allocated to further sections of the Nelson Bay Road and Hillsborough Road upgrades.

Recommendation

Continue forward funding of major state/federal road projects under way in the Hunter to ensure timely progress and commit further funding to enable the upgrade of Nelson Bay Road between Williamtown and Fern Bay and Stage 2 of the Hillsborough Road upgrade.



Priority

Cessnock rail corridor

The Hunter Strategic Regional Integrated Transport Plan recognises the opportunity to revive rail transport to Cessnock by repurposing the disused Maitland to Cessnock corridor. While the last passenger services on the line ended in 1972, it continued carrying rail traffic until 2020 and there is a strong view among rail experts that the existing infrastructure could be upgraded at minimal cost to provide a cost-effective transport solution for what is one of the fastest-growing areas of NSW. The rail line would provide an important commuter connection and, importantly, link workers living in the Cessnock area with key places of employment in the region.

Business Hunter believes this is an important opportunity that warrants further investigation by the NSW Government while the track infrastructure remains in a condition conducive to a cost-effective upgrade.

Recommendation:

Commit funding to a scoping study on the feasibility and benefits of upgrading the Maitland to Cessnock rail corridor for commuter services.

Summary

Project / sector	Recommendation
Broadmeadow Precinct	Ensure Hunter and Central Coast Development Corporation is resourced with funding in the next budget cycle to continue progressing the project through the development of an infrastructure delivery plan for Stage 1 of the precinct, as identified in the Broadmeadow Place Strategy, and subsequent business case.
Newcastle Entertainment and Conference Centre	Commit funding to Venues NSW to progress the development of a new Entertainment and Conference Centre in Hunter Park, Broadmeadow.
John Hunter Hospital - Stage 2	Commit forward funding in the 2026-27 Budget to Stage 2 of the John Hunter Health and Innovation Precinct, with immediate funding for the three priority projects (Fit-out of two 'cold shell' inpatient wards, new paediatric oncology unit, refurbishment staff/administration areas).
Newcastle Airport route development and freight growth	Support Newcastle Airport's budget requests to drive airline attraction and new route development, particularly the six priority routes identified, and provide funding to undertake detailed precinct design for the Hunter International Air Cargo Facility.
International trade tourism marketing	Provide up to \$3.85 million funding to develop a cohesive region-wide identity and associated trade marketing activities with businesses.
Housing	Create a Hunter Growth Infrastructure Fund to support the delivery of housing in the region's growth areas.
REZ legacy housing	Commit \$40 million to establishing a Legacy Housing Activation Fund to support communities in REZs that will be affected by construction workforces.
Newcastle Mines Grouting Fund	Commit funding to reinstate the Newcastle Mines Grouting Fund to facilitate high-density development within the Newcastle CBD and support the delivery of new housing.
Newcastle Logistics Precinct	Commit additional funding to the NLP to allow it to be built to full operational capacity.

Project / sector	Recommendation
Business Transition study	Commission a comprehensive pilot audit (via the FJIA) of the ecosystem of businesses in the Hunter that rely on the mining and thermal power generation industries to fully understand and assess the full scope of transition impacts and inform future support initiatives.
Lower Hunter Freight Rail Corridor	Provide funding support to complete corridor planning and property acquisition for the Lower Hunter Freight Rail Corridor.
Major road projects	Continue forward funding of major state/federal road projects under way in the Hunter to ensure timely progress and commit further funding to enable the upgrade of Nelson Bay Road between Williamtown and Fern Bay and Stage 2 of the Hillsborough Road upgrade.
Cessnock Rail Corridor	Commit funding to a scoping study on the feasibility and benefits of upgrading the Maitland to Cessnock rail corridor for commuter services.

Thank you for the opportunity to contribute to consideration of the 2026-2027 NSW State budget.

Business Hunter welcomes further engagement on any of the projects or matters referenced in this submission.

For further information:

Bob Hawes

CEO

M: 0418 496 745

E: bob.hawes@businesshunter.com

Amy De Lore

Policy and Public Affairs Manager

M: +61 488 956 413

E: amy.delore@businesshunter.cmo



BUSINESS HUNTER

Learn more at
businesshunter.com