



The Australian Infrastructure Audit 2019

Infrastructure Australia

October 2019

Suite 1, Level 1
165 Lambton Road
Broadmeadow, NSW 2292

Phone: 02 49699 600

info@hunterbusinesschamber.com.au
www.hunterbusinesschamber.com.au

Introduction

The Hunter Business Chamber (The Chamber) is the largest regional business chamber in Australia, established in 1886. The Chamber independently represents about 2,000 member organisations to all levels of government and is the peak business and industry association in the region, reflecting the interests of all sectors.

The Chamber is aligned with the NSW Business Chamber and advocates to government at all levels for policies that promote investment and growth.

The Hunter Region in NSW is Australia's largest regional economy, with a Gross Regional Product of more than \$50 billion per year, driving more than one quarter of the total economic output of NSW. The region encompasses 10 local government areas (LGAs) with a total population of nearly 700,000 and a workforce of 280,000¹. The region has an estimated 322,000 jobs, projected to increase to 384,000 by 2036.²

The Hunter is an economically diverse region encompassing strong foundations in resources, manufacturing and agriculture, with a fast-growing health, education and service sector and increasing focus on innovation and intellectual resources, including world-class education, health and medical research facilities. It supports a wide spectrum of complementary and emerging industries, including renewable energy technologies, defence and aerospace, tourism and the digital economy. It is situated on Australia's main east coast transport corridor with sophisticated infrastructure and two major international gateways in its airport and deepwater sea port.

The Hunter Business Chamber appreciates the opportunity to contribute feedback on the Australian Infrastructure Audit 2019. We endorse the submission made by the NSW Business Chamber and offer, in addition, the following comments on infrastructure priorities in the Hunter Region and how they align with or address the opportunities and challenges outlined in the Audit.

Regional Infrastructure Priorities

The Chamber has a strong focus on advocating for infrastructure that will enable business and industry growth and attract investment to the Hunter region. This was reflected in our platform for the 2019 NSW State and federal elections, which centred on transport infrastructure to improve connectivity and priority precincts that will drive employment growth, economic diversification and tourism as well as enhancing urban amenity and liveability.

¹ Remplan, City of Newcastle and Hunter Economy Profile <https://www.economyprofile.com.au/newcastle/industries/gross-regional-product>

² Hunter Regional Plan, p17 <https://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Hunter/Hunter-regional-plan/The-leading-regional-economy-in-Australia>

The Hunter Business Chamber welcomes Infrastructure Australia’s call in the Audit for more investment in satellite cities including Newcastle to ensure that key regions such as the Hunter have capacity to support national growth. We believe investment in priority infrastructure such as those projects detailed in this submission will better position the Hunter to alleviate Sydney’s housing and congestion pressures.

The Chamber supports a long-term approach to infrastructure investments that looks beyond short-term budgetary and funding cycles. The projects listed below will address in particular Challenge 9 and Opportunity 12, which deal with infrastructure constraints in fast-growing cities and the opportunity for satellite cities to relieve that pressure through growth.

FASTER RAIL CONNECTION WITH SYDNEY

A fast-rail link to Sydney will have a transformational impact on the economy and liveability of the Hunter, bridging the geographical divide between our region and Australia’s biggest city and financial centre. Faster rail between Sydney and Newcastle will connect jobs for the Hunter, encourage investment and reduce congestion on the M1, making both road and rail transport faster, safer and more convenient.

The CBD-to-CBD road trip between Newcastle and Sydney is approximately two hours, outside of the morning and afternoon peaks. The rail trip is much slower: the fastest trains complete the trip in about two and a half hours but the trip is typically closer to three hours. Faster rail could reduce the trip to two hours³, making a regular commute between parts of the Hunter and Greater Sydney more viable and competitive with similar journeys into the Sydney CBD from western Sydney.

The Committee for Sydney commissioned The Sandstone Mega-Region report published in June 2018⁴. The report found “currently, there is little integration between the six cities⁵” which is a reflection of “limited connectivity within and between the regional cities and Greater Sydney”.

The report asserted that “to improve integration between the six cities and create a successful mega-region, evidence suggests that a network of one-hour or less heavy rail connections between cities is needed, along with a coherent economic strategy that promotes complementary roles for each of the centres”. It noted that “integration enables greater housing choice and accessibility to jobs, as well as agglomeration economies in which people and firms cluster together”.

³ NSW Government, A Faster Rail Future for NSW <https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/a-fast-rail-future-for-nsw/>

⁴ The Sandstone Mega-Region; Uniting Newcastle, The Central Coast, Sydney and Wollongong, June 2018 https://www.sydney.org.au/wp-content/uploads/2015/10/Committee_The_Sandstone_Mega-region_Final_Web2.pdf

⁵ “Six cities” refer to Newcastle, Gosford, Wollongong, Sydney CBD, Parramatta and Liverpool.

The report also found that “using ‘off the shelf’ fast rail technology, there are great opportunities to improve connectivity between the six cities of the mega-region, as well as orientate Sydney towards its geographical centre of Parramatta”.

The report noted there was an opportunity to investigate fast rail and a 70-minute connection between Sydney and Newcastle. This included the desirability of identifying and protecting the required infrastructure corridors which should be an immediate step that would benefit from both Federal and State Government cooperation and collaboration.

While high-speed rail is the best option for intercity travel in the longer term, ‘faster rail’ between Sydney and Newcastle offers a viable short-to-medium-term solution for improving connectivity between the cities.

Faster rail between Newcastle and Sydney was listed as a long term Initiative in the 2019 Infrastructure Australia Priority List.

M1 EXTENSION TO RAYMOND TERRACE

A ‘missing link’ in the national highway route between Sydney and Brisbane, the M1 extension from Black Hill to Raymond Terrace will vastly improve connectivity on one of the most heavily used corridors for freight in NSW, reduce travel times and improve safety for all road users. The 2019-20 federal budget allocated \$1.6 billion to the project and the Chamber is keen to see the project, which has been in planning since 2004, progress quickly.

The Chamber maintains that key link roads will also need to be upgraded to maximise the benefit of the M1 extension by providing better connectivity to the region’s two global gateways, Newcastle Airport and the Port of Newcastle. These include:

- Dual carriageway on Cabbage Tree Road from Hexham to Williamtown
- Dual carriageway on Nelson Bay Road from Fern Bay to Williamtown

Improved access to Newcastle Airport and the Port of Newcastle is imperative to realising Greater Newcastle’s potential as a global gateway city. Upgrading of link roads to these assets will support their growth, boost tourism opportunities and improve connectivity and safety for local communities in Port Stephens and Newcastle.

The M1 extension to Raymond Terrace was listed a near term Priority Initiative in the 2019 Infrastructure Australia Priority List.

NEW ENGLAND HIGHWAY UPGRADE

The New England Highway upgrade, incorporating construction of the Singleton and Muswellbrook bypasses, was listed as a medium term Initiative in the 2019 Infrastructure Australia Priority List, however the Chamber believes there should be more urgency in regard to delivery of the bypasses.

Infrastructure Australia identifies that the current New England highway route, passing through the centre of Singleton and Muswellbrook, causes traffic congestion, safety and amenity issues and reduces land freight transport productivity.

The NSW State Government has pledged to fully fund the Muswellbrook Bypass but has committed only \$92 million of the required \$500 million-plus for the Singleton Bypass, which will require state and federal support. While it is understood the funding protocol between State and Federal government's is based on a series of project design and approval milestones being reached, the lack of a definite time frame for these much-needed bypasses has created uncertainty in these towns which has adversely affected business and their ability to grow their local economies.

NEWCASTLE INNER CITY BYPASS - FINAL STAGE

When complete, the Newcastle Inner City Bypass will vastly improve connectivity between Newcastle and Lake Macquarie and enhance access to the growing John Hunter Hospital precinct.

The proposed Rankin Park to Jesmond section of the bypass would provide traffic relief to the existing route of Lookout Road, Croudace Street and Newcastle Road, which is currently used by 40,000 to 60,000 vehicles each day.

The NSW Government committed to completing the 3.4-kilometre final stage from Rankin Park to Jesmond in 2014. Construction funding to deliver on this commitment is urgently needed to relieve cross-city traffic congestion and facilitate the expansion of the John Hunter Health and Innovation Precinct.

NEWCASTLE AIRPORT RUNWAY AND TERMINAL UPGRADE

A terminal upgrade and runway expansion at Newcastle Airport will open new opportunities for trade, tourism, employment and economic investment at this key global gateway. Upgrading the runway to Code E standard would position the airport to accommodate larger, longer-range aircraft. This would increase its viability as a destination for airline partners, opening new trade and tourism opportunities across Asia and in parts of North America and Africa. The airport boasts a capacity and capability to handle international flights however this is currently under-utilised.

There is an imminent opportunity to complete the runway upgrade in conjunction with maintenance and overlay works Defence has committed to undertake in 2020. The Airport is seeking government support for a \$147 million runway and airport upgrade. Economic modelling indicates that the upgrade would return more than \$6 billion to the regional economy over the next 20 years, and \$3.6 billion to the state economy, with the creation of

1,600 new jobs in the Hunter and an additional 850,000 visitors per year to boost the visitor economy.⁶

Increased capacity for international flights from Newcastle Airport would offer travellers from the Hunter, New England and North Coast areas an alternative starting point for overseas flights, relieving pressure on Sydney Airport and addressing the metropolitan airport congestion issues outlined in Challenge 47. It also addresses Challenge 50, regarding the accessibility and viability of regional aviation services. Increasing the runway would also increase capacity for and productivity of air freight, aligning with the opportunities for freight gateways supporting international trade and unlocking regional economic development through freight (Opportunity 72, Challenge 75 / Challenge 83).

LOWER HUNTER FREIGHT RAIL BYPASS

A freight rail bypass of Newcastle and parts of Lake Macquarie between Fassifern and Hexham has long been mooted and was previously listed by Infrastructure Australia (July 2017) in its 15-year pipeline of priority infrastructure projects. The bypass would improve productivity of freight transport between Sydney and Newcastle, support future growth plans and separate passenger trains from freight and coal trains.

Funds have been allocated by the State Government to investigate route options. The Chamber believes preservation of the preferred corridor is an urgent priority, as the urban fringe is fast encroaching on potential routes. The state government also controls some land holding in the vicinity and therefore the opportunity to complete investigations and potentially land acquisition is far more streamlined than might otherwise be the case.

Development of the Lower Hunter Freight Rail Bypass would help address the urban freight challenge, improve efficiency in the national freight chain and help unlock regional economic development through freight (Opportunities and Challenges 72 to 85). It would also allow the existing rail corridor to focus on passenger rail and be more responsive to increased residential density. This would deliver not only improved urban outcomes but also improve connectivity and sustainability given the benefits that accessible mass transit can bring.

JOHN HUNTER HEALTH AND INNOVATION PRECINCT

The proposed redevelopment of the John Hunter Hospital campus will deliver increased and improved clinical capacity and facilitate an enhanced health, education and research precinct servicing the region and northern NSW. The precinct will meet increasing demand for a broad range of health services and contribute significantly to the development of the Hunter's knowledge and research sectors, driving employment growth and economic diversification.

⁶ Newcastle Airport Runway Upgrade Project, Economic Impact Statement Overview

The NSW Government has committed \$780 million to Stage One of the precinct redevelopment. This new development will see a significant increase in clinical capacity and the doubling of the size of the hospital. The stage would also open up for further development a precinct for parallel providers. Stage Two, involving the redevelopment of the existing John Hunter Hospital building will facilitate an expansion of education and research facilities (the Hunter Medical Research Institute). This stage is similarly costed but as yet unfunded.

This project aligns with Opportunity 99, the co-location of major health infrastructure in cities with other health services, research, education and community infrastructure.

BROADMEADOW SPORTS AND ENTERTAINMENT PRECINCT

The redevelopment of the Broadmeadow Precinct will be a key piece of economic and social infrastructure. It will provide the region with a new community hub and a sporting, entertainment and tourism destination that will boost the Hunter's growing reputation as a premiere event venue and contribute to the state's visitor economy. A Master Plan has been developed for an integrated development combining contemporary residential and community spaces, cafes, restaurants, commercial uses and first class-sports and entertainment facilities.

The project precinct plans whilst well advanced have not been costed. Venues NSW is seeking funding from the NSW State Government to complete a comprehensive business case.

Conclusion

The Hunter Region is an area where governments can get value for their infrastructure dollar through the opportunity to support growth at a scale of additional investment significantly less than in the capital cities. It has capacity to build on existing infrastructure to realise a range of economic and social infrastructure proposals that will have wide-ranging benefits for the region and beyond.

At the broad scale, there is an opportunity to relieve infrastructure and congestion pressures on Sydney with improvements to major road and rail connectivity leading to reductions in travel time between the two centres. The Chamber believes this would encourage a two-way flow of commuters and investment, rather than making the Hunter a dormitory area of Sydney.

Within the region, priority infrastructure projects will support economic growth and diversification, as well as residential growth, and will help reinforce the Hunter's role as a leading regional centre with size and scale to support a diverse range of industry sectors and a growing population. These projects also demonstrate the capacity to add value to the economic output of not only the region but also the state and, in some cases, the nation.

Having Infrastructure Australia note and commend the projects will help ensure they attract the commitment and funding certainty required to ensure they advance and deliver the promised benefits.

The Chamber appreciates the opportunity to contribute to this consultation process and welcomes further engagement on these matters.

Contacts

Bob Hawes
CEO
02 4969 9600
info@hunterbusinesschamber.com.au

Amy De Lore
Policy & Public Affairs Manager
02 4969 9600
info@hunterbusinesschamber.com.au