



Preliminary Economic Opportunities

Early insights of benefits from the extension of Newcastle Airport runway, prepared for **Hunter Global: our international future roundtable**



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Authors

Report prepared by:



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Project Partners



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Acknowledgement of Country

In the spirit of reconciliation, the Hunter Joint Organisation acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community

Background

Newcastle Code E Runway
Upgrade



About Newcastle Airport

Leased by the Commonwealth Government to Port Stephens and Newcastle City Councils, Newcastle Airport is located 15km north of Newcastle's City.

The catchment extends to Muswellbrook in the West (100km), Hornsby in the South (100km), and Taree in the North (140km).

Newcastle Airport serves a total catchment area of around 1.1m people.

The core catchment area – the people who live one-hour drive away from the Airport – is around 665,000 people.

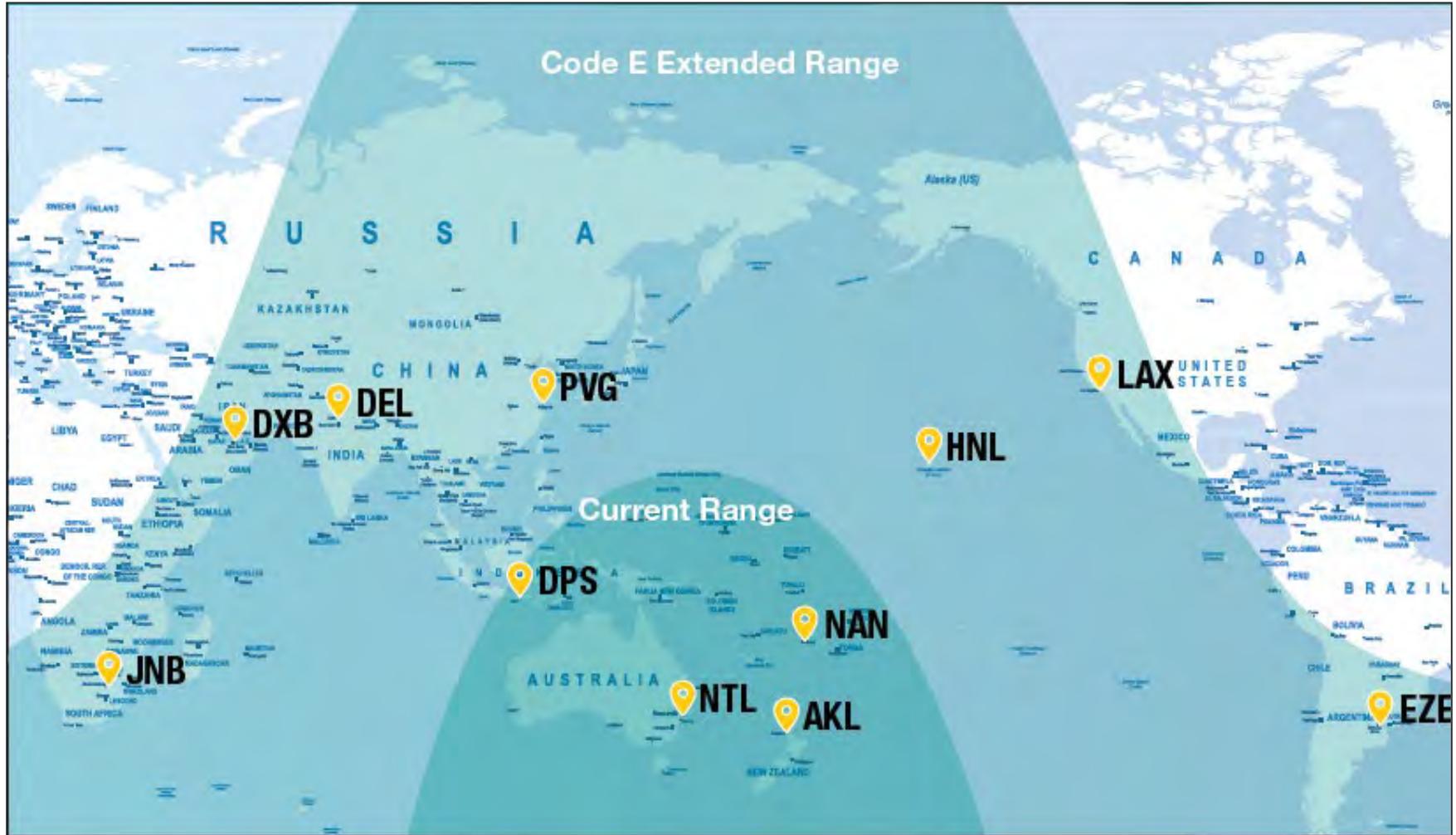
Current Airport Operations

According to Synergies Economic Consulting, the existing operations of the Newcastle Airport cluster (the airport and operations in close proximity that are directly related) combined with the annual impacts associated with domestic tourism facilitated by the airport were:

- Contribution to Gross State Product of **\$698.7 million**
- Additional factor income of **\$454.9 million**
- A total of **5,673 FTEs** supported

It is important to recognise that **64% of the above Gross State Product and additional factor income** is attributable to domestic tourism facilitated by the airport.

Newcastle Airport Code E runway upgrade



Code E runway upgrade benefits

The Code E runway upgrade project is to enable Newcastle Airport to accommodate longer range wide-bodied aircraft.

To hand the operation of these aircraft, the project requires three key upgrades:

1. Resurfacing of the runway to increase pavement strength
2. Provision of runway shoulders, and
3. Upgrades to airfield lighting.

Key benefits of the upgrade

- Additional economic activity associated with increased international tourist visitation and increased expenditure in the aviation and related sectors as a result of increased connectiveness with international centres
- Avoided costs (including time savings) for international passengers associated with the need to travel by road or rail to and from Sydney Airport
- Increased productivity of freight, with exporters able to ship through Newcastle Airport rather than having to transport freight to Sydney Airport
- Catalytic benefits associated with the improved productivity and enhanced capacity of the airport, particularly in the tourism industry

Direct Benefits of Future Airport Operations

According to Synergies Economic Consulting's Economic Impact Assessment, an upgraded airport will:

- Support **4,410 full time jobs**, and
- Deliver a **\$12.7 billion** economic boost to the region.

This includes **\$6.2 billion** additional regional income to the visitor economy and **\$6.5 billion** in gross regional product through freight opportunity.

Further additional benefits can be leveraged from the growth of other priority industries – insights provided in the following two sections.

A large commercial airplane is shown from a low angle on a runway, moving towards the viewer. The aircraft is white with dark accents around the cockpit and windows. The runway is dark asphalt with white lines. In the background, another aircraft is visible, and the sky is overcast. On the left side of the image, there is a large, colorful abstract graphic consisting of overlapping curved shapes in shades of blue, yellow, orange, and red. The text is overlaid on the blue portion of this graphic.

The Hunter Advantage

Industry & Investment Attraction

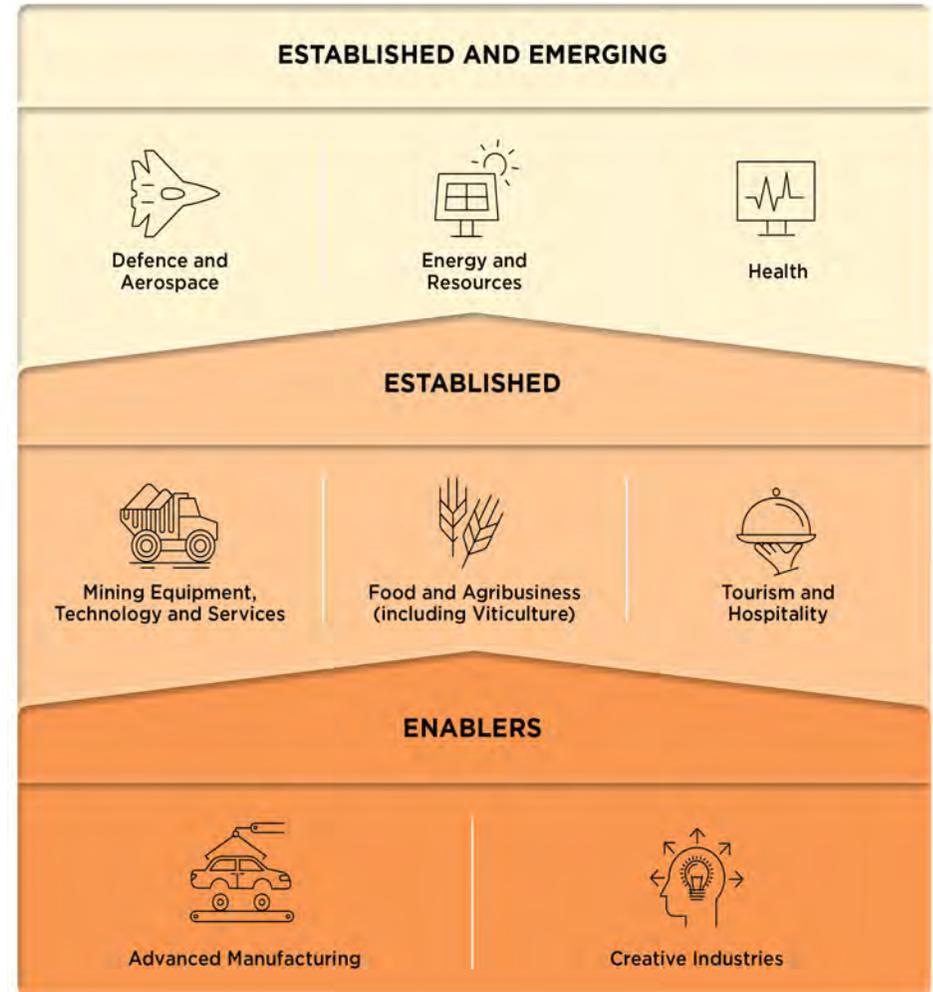
The Hunter Advantage Story

Collaborating with The Hunter and Central Coast Development Corporation and Department of Regional NSW, Astrolabe Group worked with over 60 government and industry stakeholders to define and prioritise the Hunter's industry sector strengths to support a compelling identity and brand for the region to attract investment.

Eight Sectors were identified:

- **Established and emerging regional opportunities** experiencing rapid change
- **Established industries** which will continue to support regional growth as the sectors adapt and change
- The Hunter's **enablers**, which support opportunities across the region regardless of industry sector.

For more information on the eight sectors, please see appendix A



A large commercial airplane is shown from a low angle on a runway, moving towards the right. The aircraft is white with dark accents around the cockpit and windows. The runway is dark asphalt with white lines. In the background, another aircraft is visible, and the sky is overcast. On the left side of the image, there is a large, colorful abstract graphic consisting of overlapping curved shapes in shades of blue, yellow, orange, and red.

Areas of Economic Opportunity

Newcastle Airport Code E upgrade

Project Partner Planning Group

A Project Partner Planning Group is being led by the Hunter Joint Organisation to leverage the critical step in upgrading the region's connectivity and providing opportunities for economic growth. Members of the group are:

Newcastle
Airport

Hunter Joint
Organisation

University of
Newcastle

Business
Hunter

Committee
for the Hunter

Astrolabe Group has been engaged by the Hunter Joint Organisation on behalf of the Project Partner Planning Group to develop the areas for growth – working with stakeholders to identify key opportunities and prioritise.



Areas of Opportunity and Priority

To guide Astrolabe's work on identifying and assessing areas of economic opportunity, the Project Partner Planning Group has identified the following regional industry sectors and areas of opportunity and/or gaps:

Areas of Opportunity	Priorities
1. Tourism / Visitors, Friends and Relatives (VFR)	• Connectivity
2. Business / education / research	• Freight
3. Agribusiness	• Regulation
4. Manufacturing	• Ease of access
5. Defence	• Creative & technology industries
6. Trade supply	

1. Tourism & Visitors, Friends and Relatives (VFR)

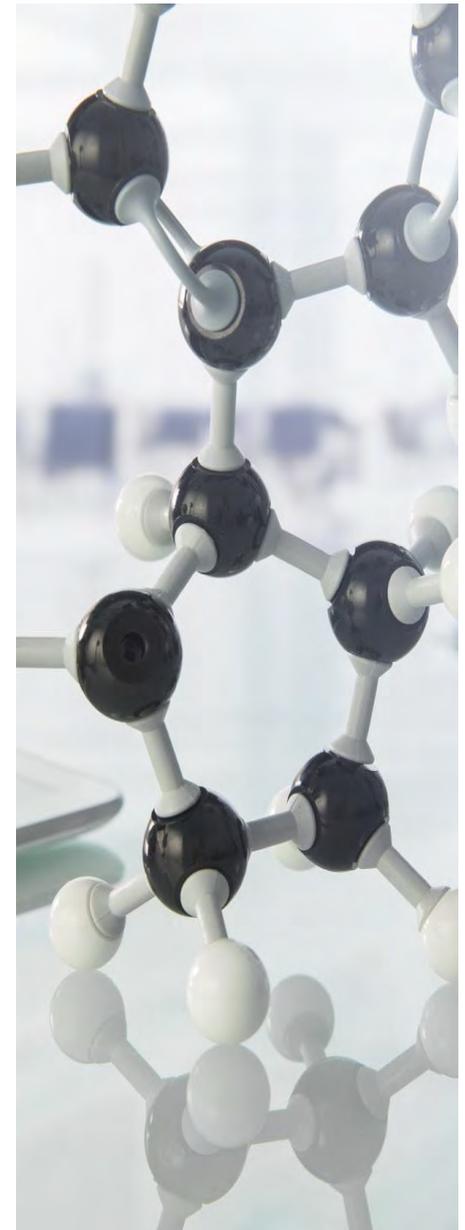
- The Hunter Region is a key tourist destination, attracting over 208,400 international visitors in 2019.
- The Hunter Valley is the region's premier tourist destination, and the most visited wine region in Australia. The region also offers a variety of visitor experiences including environmental tourism at Port Stephens, liveable and historical Newcastle City Centre, sailing in Lake Macquarie, surf beaches along the coast and eclectic villages.
- The key benefit of the Code E upgrade is the increased accessibility of the Hunter Region for international tourists.
- The increase in international visitors, arising from the Code E upgrade, is estimated to contribute \$82.8 million to Gross State Product annually (from FY2024).



Stock image

2. Business, Education and Research

- A key component of the business, education, and research opportunities created by the Code E upgrade relate to the creation of a collaborative export culture.
- A collaborative export culture involves the Port of Newcastle and Newcastle Airport working together to support the transport and distribution of goods, and a region focused on investing in the needs of SMEs.
- This opportunity for the region to become an attractive place SMEs to ground their exports is further encouraged by the Australian Trade and Investment Commission's Export Market Development Grants (EMDG) program.
- EMDG supports SMEs who are new to the export market, growing their business or establishing themselves internationally.



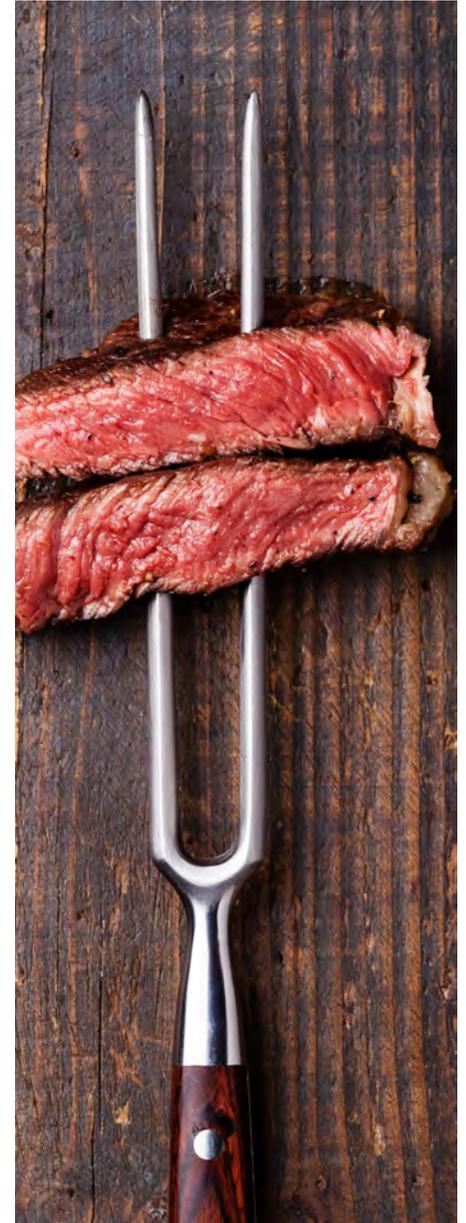
Stock image

3. Agribusiness

- As freight export is diverted from Sydney's Kingsford Smith Airport and Brisbane International Airport as a result of the Code E upgrade, there is a potential for Newcastle Airport to export more than 20,519 tonnes of freight worth at least \$2.1 billion.
- Investment NSW has identified the following international destinations for agribusiness in the Hunter region to focus on:
 - China
 - Japan
 - Korea
 - United Arab Emirates and Middle East
 - United Kingdom, and
 - Vietnam
- The growing export markets relevant to the Hunter region include:
 - Meat (especially beef, lamb, and pork)
 - Summer fruits and nuts
 - Aquaculture, and
 - Dairy
- Accessibility to these export markets will rely on support for SMEs to participate in the export market and a collaborative export culture.
- Well designed and specialised port infrastructure for produce conservation and transportation is crucial to the success of reaching these export markets.

Agribusiness (continued)

- According to Investment NSW, a growth in disposable household income in Vietnam will see a demand for meat products, with the market growing 10% pa. Demand for pork is set to increase by 13.9% pa and beef is set to grow 14.4% pa.
- Meat and seafood is also a growing demand for consumer in the UAE and Middle East, who, as a region, have low agricultural output but a high disposable income.
- The Middle East alongside Korea is reliant on the importation of food and agricultural needs to support their own region. As such, they are an important region for the Hunter Region to target.



Stock image

4. Manufacturing

- The Code E upgrade will strengthen existing and deliver new manufacturing opportunities
- There is an opportunity for manufacturing to growth its economic output while also facilitating economic diversification – particularly around defence manufacturing.
- Morrison Low's report into international air freight demand suggests that the region's manufacturing sector will gain the most benefit from the Code E upgrade – with estimates of total output increase to \$280.7 million and an additional 1408 FTE jobs in manufacturing over the 20 year period up to 2040.
- The relationship between manufacturing and the Code E upgrade reflect an ecosystem of interfaces and co-dependencies.
- Support is needed for the following key sectors to enable this ecosystem to grow and prosper.



Stock image

Manufacturing (continued)

Advanced food manufacturing

- As the export market grows, there is a demand for the region's producers to 'value-add' to their products. This is a crucial area for manufacturing as the region's producers need to diversify the markets for export, and be adaptable to market trends in food and beverage.
- In particular markets in the UAE, Middle East and Vietnam are trending towards convenient and packaged food, and non-alcoholic ready-to-drink beverages.

Freight manufacturing

- To support the growing export market, the supply chain infrastructure is needed to store, package and move freight prior to and during shipment.
- This will create a site-specific manufacturing industry that is central to supporting the manufacturing ecosystem.

Defence manufacturing

The NSW Department of Industry scoped out the Hunter region to become a key manufacturing region, that will support a national ecosystem of manufacturing:

- Defence systems and equipment
- Aircraft maintenance
- Crew training systems
- Mine disposal
- Further investment from Astra Aerolab is seeking to attract aviation, defence and aerospace-related manufacturing to Newcastle Airport, thus establishing the region as a fundamental contributor to the national manufacturing vision.

5. Defence

The Air 6000 New Air Combat Capability Facilities Project – RAAF Base Williamtown works

According to the Department of Defence, the proposed works at RAAF Base Williamtown include:

- An F-35A Operational Precinct
- Runway pavement upgrades
- Explosive ordnance preparation facilities
- Engineering infrastructure, and
- Replacement of displaced elements.



The F-35A Operational Precinct is proposed to provide a secure precinct which will be the basis of F-35A operations at RAAF Base Williamtown.

Defence (continued)

- The Astra Aerolab technology park, funded by the NSW Government, is Australia's newest defence and aerospace precinct.
- Astra Aerolab has secured significant investment and support from all levels of government, with Stage 1 civil infrastructure works now complete and future development underway.
- Astra Aerolab's defence and aerospace ecosystem includes leading Defence firms, such as BAE Systems, Lockheed Martin, Boeing, Raytheon and many other significant SMEs.

6. Trade supply

- To ensure the region benefits from the Code E upgrade, it will be crucial to foster a collaborative export culture between Newcastle Airport and Port of Newcastle. These Ports specialise in servicing different industries; however, through collaboration they can provide more than the sum of their parts and facilitate the diverse and growing ecosystem of trade supply in the region.
- As a result of the Code E upgrade the freight export market is set to grow. As transport costs are reduced and connections to the Ports becomes closer, the international market is set to become easily accessible to producers and suppliers.
- This is particularly advantageous for producers of perishable goods, as the risks and expenses of transport are reduced.
- Morrison Low's report into international air freight demand estimates that over the next two decades (up to 2039/40)
 - The cumulative economic impact derived from this export industry will equal a direct output of \$7.6 billion
 - More broadly for the region, the investment and growth of the export industry will make a total contribution of \$6.5 billion to Gross Regional Product (GRP)
 - And impact over 2500 FTEs

Trade Supply (continued)

- To ensure these opportunities for trade supply are benefited from, supply chain infrastructure must be invested in and maintained at the Ports.
- KPMG's report into international airfreight connectivity identified the supply chain characteristics necessary for agricultural products, which includes: packaging, handling, temperature control and transportation attributes, which all work to ensure a successful international delivery.
- Each Port has its own competitive advantage and unique infrastructure to support different freight, thus through working together will ensure that the variety of producers based in the region are supported and connected to the international market

Sources

This insights briefing has been informed by the following sources:

- *Synergies Economic Consulting, 2018, 'Final Report to Newcastle Airport: Economic Impact Assessment'*
- *Newcastle Airport, 2018, '2036 Newcastle Airport Vision'*
- *EY, 2019, 'Newcastle Airport Upgrade Cost Benefit Analysis'*
- *Centre for Supply Chain and Logistics, 2019, 'Complementary Freight and Supply Chain opportunities in Port of Newcastle and Newcastle Airport'*
- *KPMG, 2019, 'International air freight connectivity; Pre-feasibility study: A preliminary assessment of perishable agricultural air freight export products in Regional NSW'*
- *Astrolabe Group, 2021, 'The Hunter Advantage'*
- *Investment NSW, 2021, 'Food & Beverage, Agri-food (presentation)'*
- *Morrison Low, 2019, 'Newcastle Airport International Air Freight Demand Forecasts and Economic Impact Assessment'*

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Roundtable Breakout Session Outputs

Sectorial SWOT analysis



Roundtable breakouts

On 16 November 2021, over 50 industry experts from across the region came together at a virtual roundtable to identify the opportunities and priorities for the region to prepare for international connectivity.

The above section of this report were presented to participants before and during the roundtable event. Following this, participants of the roundtable were split into six different breakout groups to explore a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) of each of the following sectors as they relate to the Code E runway upgrade:

- Defence
- Business, education and research
- Tourism / Visitors, Friends and Relatives (VFR)
- Agribusiness
- Manufacturing
- Trade Supply



Defence

Participants included representatives from the Newcastle Airport, HunterNet, Business Hunter, the Hunter and Central Coast Development Corporation, the Hunter Joint Organisation, and Astrolabe Group.

Breakout Session: Defence

Strengths

- Simulation training opportunity and capability, attracting overseas customers
- Support from Port Stephens Council
- Missile defence - systems integration
- Code E enables opportunities and 'makes life easier'
- Regional workforce hub
- Maintenance facility, flying capability, access to international supply chains
- We are the centre of the ADF's airport combat capability
- AIR6500 – Likely for parts of this program to be created here – systems design & technology integration facility
- Loyal wingman – unmanned aircraft, likely that this capability will be located here
- F35 – 30yr lifespan only just beginning. New capabilities being introduced with 30-35yr lifespan. Aircraft & support systems
- Natural attraction in the context of industry
- BAE will have the Asia-Pacific regional hub – enabling capability
- Existing and substantial commitment and investment in Williamstown from RAAF
- Visiting forces for G=F35 – from USA, Singapore, etc.
- F35 – T7 for Boeing aircraft
- F35 Coating facility - \$100m build, which logically resides where the maintenance facility for F35 lives
- Direct access to key regional defence markets. Provides opportunity for some level of space support in that context, and while defence isn't contributing to it, can support RAAF from this runway of large aircraft
- Runway strengths and enables capability for defence

Breakout Session: Defence

Weaknesses

- Talent attraction and retention
- Compete with well-developed and well-funded Defence networks in other States
- Runway owned by Airport, not RAAF, which could limit some capabilities
- Compete with well-developed and well-funded Defence networks in other States
- Community understanding of investment into RAAF Williamtown is low
- Community support for the Defence sector in the region isn't strong
- Opportunities, but are there enough people to fill the jobs that will open with the correct capability?
- Hunter branding isn't strong
- Limit to the number of movements negotiated in the current deed (6 movements per hour (civilian) to be managed around normal flying program
- Narrow window of opportunity to meet the increased momentum and funding

Breakout Session: Defence

Opportunities

- Opportunity in cross-over for visitor economy and RAAF activities (i.e. Fighter world, Air Shows)
- Strategic partnerships with businesses in Western Sydney that do not wish to move to the region but have expertise that could resource existing businesses in the Hunter
- Increased funding and momentum attached to the Special Activation Precinct
- Also potential for moving/growth of fighter world, more attractive site and what it can offer
- Business attraction – force multiplier for Williamtown
- Opportunity to support Singleton ARMY Base by delivering army equipment
- Airport is only operating at about 30% of movements allowed currently
- Defining key noise corridor for increasing opportunity and capacity
- Future defence capability and capacity
- Special Activation Precinct Team and funding contribute to opportunities at Williamtown
- Submarine builds, opportunities here
- Opportunity to attract a specific workforce to the region – talent attraction
- Synergy of defence space with other sectors
- Training and operations for civilian and defence
- Freight and logistics – We need to ensure it works well with Defence and aerospace activities
- Promoting the region as a place to live and work
- Future proofing the region -urban encroachment
- Perception in the defence sector that we are now an international city, this creates a lot of opportunity internationally
- Increased advocacy around defence and aerospace sector – that there's a share and the Hunter can have its share as part of this

Breakout Session: Defence

Threats

- Need for RAAF approval of any increases or changes in capability
- Civilian / Defence balance
- We have a Civil/RAAF shared facility and should acknowledge that
- Negotiate extension of hours for defence to continue operating air tower
- Ability to find and attract highly technically skilled and trained people to meet opportunities
- Skills
- Competition between regions / states (particularly Western Sydney and Williamtown)
- Intransience of NSW Government to chase and incentivise defence support to come to the State and to Williamtown
- Community feeling – noise pollution related to increased RAAD capacity and capability
- Urban development encroachment
- Competition for resources and funding related to political seats, etc. Related to political climate in NSW
- Another threat is the connectors and enablers for the outward and inward movement to and from the airport. Delays in the progress of these will limit the realisation of the CODE E improvements. Also championing of the Freight and Logistics enablers (warehousing, processing, etc) needs to be timely. It all needs to be established for when the international operations commence in 2 years' time.



Business, education and research

Participants included representatives from the Port Stephens Council, University of Newcastle, Regional Development Australia (Hunter) Department of Regional NSW, City of Newcastle, Upper Hunter Development Corporation, AusIndustry, Wonaruah, the Hunter Joint Organisation, and Astrolabe Group.

Breakout Session: Business, education and research

Strengths

- Students can land direct in Newcastle
- Leverage capability that exists through RDA to scale – research opportunities (MedTech)
- Aligning skills for Airport – access to skills via university
- Attitude of collaboration within the Hunter
- Role of RDA as a connector is incredibly important – as an external connector
- Scale and clarity on who to go to for key organisations

Breakout Session: Business, education and research

Weaknesses

- What do international visitors see when they arrive – very different culturally. How do we attract international migrants to the region? A more global image of Newcastle
- Huge change is coming – specialisations of the region: logistics? Build on what we have learnt from the Coal Chain Coordinator
- Too focussed on too little. Scale of business we currently have in the Hunter
- Support around freight to be targeted and realising this benefit. What will freight deliver on this specific benefit?
- Transitioning trade into servicing defence requirements
- Change needs to be planned for
- Governance is a weakness – cross cutting initiatives needed
- Governance gap – tight horizontal and vertical governance dimensions on leveraging the opportunities. Significant level of investment from all 3 levels of Government
- More global image. Students not welcomed in local community. Need to connect back to their home community
- Integrate students more. Racism is still an issue. Newcastle needs to be more welcoming to students and international visitors more generally

Breakout Session: Business, education and research

Opportunities

- Number of opportunities for export sand foreign. Ideal of brining the parts within the Hunter together to build an ecosystem and tools to build on ambition
- UNSW and UoN important campus in Singapore – broadening of capability for UoN – great connection and opportunity to build strengths directly with Singapore campus. Key plank for supporting the future.
- Future of Newcastle as a hub – many international partnership agreements. Many with China. Also utilise what we currently have (e.g. summer sessions)
- CN cohorts of visitor economy – some that can be revisited for this
- Benefits of not having to go through Sydney Airport directly
- Lots of opportunity for visitor economy – Port Stephens has a strong market profile. Need for investment in new product development and expand offerings for when visitors come here
- More authentic regional visitor experiences
- Diversity of the region is an advantage – what is the product we are selling, who are the partners? 5 start plus needed
- Workforce for the future – how will we attract the talent we need for the future?
- Development of Hunter Business Attraction Committee for the Hunter. Practitioners working together
- Support and leverage benefit realisation and upgrade and messages make their way to the HBAC

Breakout Session: Business, education and research

Threats

Participants were not able to complete this part of the workshop due to time constraints



Tourism / Visitors, Friends and Relatives (VFR)

Participants included representatives from Newcastle Airport, NTIG, NSW Tourism Industry Council, Hunter Valley Wine Tourism Association, Worimi Local Aboriginal Land Council, Destination NSW, Lake Macquarie City Council, and Hunter Joint Organisation

Breakout Session: Tourism / Visitors, Friends and Relatives

Strengths

- Airline – low-cost base
- Operational – small facilities – efficient
- Availability of slots
- Cheap / low cost to travel and bags are enroute
- Diversity of product – enough offering at the moment
- Specialisation within the region of product which would be aligned to market
- Attractiveness of access to NTL
- Proximity to locations for Tourism
- Distance to Sydney – close but roads are busy
- Western Europe and USA South – Hunter / Newcastle is known
- Unis – Nihon / Singapore campuses
- Bi-lateral agreements for trade – favourable terms
- Some Asian countries know us – Korea, Japan – and some supply chain to be built upon
- Hunt population base – and we love to travel = good outbound

Breakout Session: Tourism / Visitors, Friends and Relatives

Weaknesses

- Need broader skills and training
- Events – not enough – we need more
- Lack of coordination across the region
- Domestic market is so dominant vs international
- Lack of a clear wish list – infrastructure / events – what's next? Broadmeadow precinct?
- Day trip only in the Hunter – for international travel
- Lack of packaging – number of commercial operators packaging enough
- Event infrastructure
- Route development – from other Airports
- Freight infrastructure
- Hub experience – NTL-BNE-LAX is still an issue
- We don't hunt in packs – coordination across the region
- We do not have one internationally significant product – i.e. a MONA / Guggenheim, Opera House – we do have diversity of experiences

Breakout Session: Tourism / Visitors, Friends and Relatives

Opportunities

- Do we need our MONA? – Let's develop long term vision for a major drawcard in the region
- Send I Execs / trade shows / bring in experts and do road trips -regional
- Need to show investment in flowchart – i.e. nothing then Airport \$66m, what's next?
- Good outbound opportunity – currently going out of Sydney
- Pre-campaigns – How do we align freight and passenger – can we identify markets now for Singapore – wine / cheese?
- Need Business Cases to attracting funding – two elections 2022
- Route attraction funding
- Low-cost carriers can stimulate demand
- Increasing O/N trip in the Hunter
- Land use leveraging – Repurposing buildings – reduce back of house/inc. front of house
- How to better utilise land and water for tourism purposes
- Multiculturalism – growing VFR
- Specialised training and skills development
- Use our local resources alongside tourism to drive support
- New HOPS branding projects – Regional NSW and HCCDC project
- Promote the market – all exposure – Branding work required
- Attracting more universities here
- Education VFR – UoN has strong targets for OS students
- Hunter Park, Broadmeadow – world class facility
- Need a calendar of events over the full year
- Big event for the region

Breakout Session: Tourism / Visitors, Friends and Relatives

Threats

- Land use – planning does not allow (see opportunity) enough flexibility for tourism
- Night time economy – lack of open venues
- Sunshine Coast example – they are organised and working together – other regions doing similar
- Local operators – manage the reputation – don't let it overwhelm them – can provide what we say and don't overpromise
- Leakage to Sydney and future Western Sydney
- Loss of key events to other regions / Sydney
- Sydney centric nature of funding



Agribusiness

Participants included representatives from Local Land Services, Hunter Valley Winey Tourism Association, Equine breeding, Newcastle Jockey Club, NSW Farmers, Meat & Livestock Association, Hunter Bell Dairy Co, Department of Regional NSW, industry advocates, the Hunter Joint Organisation, and Astrolabe Group.

Breakout Session: Agribusiness

Strengths

- Government and financial sponsors investing in regional identify
- Viticulture and tourism are closely linked
- TOCAL College and UoN already functioning and strong regional influence
- Equine industry in the Upper Hunter. Very important on a global scale. Should grow and capitalise
- Brand recognition (equine and viticulture)
- Accessibility to markets across NSW for products
- Rail, highway connections and link to the Port of Newcastle
- Hunter does well: large catchment and high diversity and broad
- Aquaculture
- We are already exporting to our global partners
- High diversity in production
- Intensive agribusiness relies on collaborative models
- Influx of land purchases that are buying up argi
- High capacity to get the right skills into primary production
- Leveraging other capabilities in Hunter – manufacturing and high value products. From grower to export
- High value global product – wine. They work collaboratively. This is the model and can be transferred to other parts of production
- Clean, green and healthy. Great start to build from this.
- Proximity to Sydney, Newcastle and Brisbane. Transport opportunities
- The cooperative models are key to feasibility
- Encourage State investment to road infrastructure and interstate distribution
- Primary production happening at scale, we now have the commitment to connect to rail
- Innovation and technology

Breakout Session: Agribusiness

Weaknesses

- Land used for other purposes
- Weakness of who owns data and move it from research to application
- Silos in Government – planning vs agriculture
- Lack of recognition of agricultural land
- Not keeping up with innovation opportunities
- Underutilise and undervalues environmental land. Lots of clearing is done for agricultural purposes and now acknowledgements of economic and environmental value
- A lot of small land holdings and don't have level of production, so are at risk of being bought up
- Making sure all industries are included and brought along
- Human resourcing
- Biosecurity
- Aboriginal land owners absent from many of these conversations
- Scale of production with lot sizes and business sizes
- Innovation and technology

Breakout Session: Agribusiness

Opportunities

- Being more competitive to interstate and intrastate to help with competitive growth
- Local training opportunities, work with Local Land Services and TOCAL College to capitalise on this. To keep people on the land.
- Opportunity to value add to on shore
- Review of supply chains
- Functionality and repurposing of existing resources
- Link into education and technology. Human skills. Will help exploit these opportunities Human Capital
- Leverage capability, networks, and supply chains and infrastructure
- Using viticulture as an exemplar – collaborative operators
- Value adding to raw product to move things into production line
- Diversity of product
- Niche industry with biodiversity and climate change
- Link to the port. Piece of work, assets and land not in public hands, how do we address this?
- Look at our supply chains, what is existing and what needs to be built
- Food providence and green credentials
- Focus on skills mapping
- Aligned with State objectives – moving away from coal
- Diversification of the region – can retrain workers in industries that are phasing out (e.g. coal)

Breakout Session: Agribusiness (continued)

Opportunities

- Efficiency of a supply chains especially perishable goods
- Airport will assist interstate product distribution
- Linking of industries – food, wine, tourism, lifestyle
- Networks around industries – some stimulus or targeted support would help build – e.g. dairy, oysters
- Large and untapped for water availability for the primary production sector over the next few years
- Industry associations can further develop and be an extra strength
- Provide opportunities for people in coal industry to move into agribusinesses. Diversification and transition away from coal is big opportunity
- Data and tech around the UoN
- Food, wine and tourism
- New land coming into region – ex mine sites. Could convert to agriculture. Picot coal industry land into the future.
- Collaboration with aboriginal land councils. Major land holder. Native food production and cultural tourism
- More water coming online with power stations decreasing
- Large and untapped for water availability for the primary production sector over the next few years
- Fantastic cultural sites, involve Aboriginal Land Councils
- Innovation and technology

Breakout Session: Agribusiness

Threats

- Land use conflicts
- Climate change
- High aged population and problem keeping people on land or to establish new farms
- Financial security of those operating in the market (smaller operators)
- Succession planning – ageing population
- Disconnect between people, technology, planning and law. Impacts collaboration. We don't keep pace with innovation. Planning lags behind. Land use conflicts as we look to grow
- Growing region – urban land, growing needs
- Land value (making different choices about land use)
- Biodiversity a challenge
- Tension on people coming in and buying Ag land.
- Lot size is an issue, and we will potentially see smaller lot sizes
- Biodiversity and biosecurity
- Innovation and technology



Manufacturing

Participants included representatives from HunterNet, Advanced Manufacturing Growth Centre, AmpControl, Australian Industry Group, Whitely Corporation, Committee for the Hunter, the Melt, the University of Technology Sydney, the Hunter Joint Organisation, and Astrolabe Group.

Breakout Session: Manufacturing

Strengths

- The people – significant knowledge and expertise, longstanding
- Maturity and respect in mutual collaboration
- Great collaborators – ecosystem
- Diversity and resilience in the sector
- What we've been through has strengthened us
- Formal and informal networks
- Businesses here already, established
- Connections
- There are good stories in the Hunter – has national position on map
- One message, multiple voices

Breakout Session: Manufacturing

Weaknesses

- Skills – need skilled migration, can be university students
- Lack of skill sets in organisations, manufacturing
- Talent development (relating to advanced manufacturing)
- Food products – currently weakness but potentially opportunity in the future
- Hard to compete with others with easier export/freight
- Transition economies need workers equipped to support
- Supply chain weakness today, opportunity in the future
- Time lag – extra week to get products out (e.g. medical) & associated cost currently that can be resolved with international airport capability
- Real estate – more expensive than Melbourne now
- Increasing cost of transport – ship freight
- Food and beverage exporters are not going through Newcastle
- Salary ceiling in the Hunter – are we attracting the right people?
- Manufacturing competes with mines for talent and mines are well placed to pay more

Breakout Session: Manufacturing

Opportunities

- Better profile and sharing case studies
- One new agent general supporting the Hunter
- Connection to Defence
- Accessibility to the region
- Growing networks – need for new messaging
- Access to technology / specialisation what we don't now have in the Hunter will be increased
- Smarter manufacturing process
- Leveraging the international connections
- Free Trade Agreements – would be great if an FTA session can be part of summit
- Reduced cost through increased access
- Better technology / sharing through airport access
- Go Global NSW Government Program
- Equine industry
- IFAM being set up
- More opportunities for US/UK/AU relationships

Breakout Session: Manufacturing

Threats

- Talent mobility
- If terminal is not up to scratch, missed opportunity
- Unclear timeline of completion
- Competition will be higher – export v import factor
- Housing affordability



Trade Supply

Participants included representatives from Austrade, Australian Rail Track Corporation, Avistra, Investment NSW, Port of Newcastle, Scorpion International, Westrac, Newcastle Airport, and the Hunter Joint Organisation.

Breakout Session: Trade Supply

Strengths

- Infrastructure capability: runway time, existing land, ARTC inland rail to water
- Accessibility to Regional NSW – North West + inland rail (X'ors congestion Syd) – connectivity to world
- Summit – co investment: strong P+P sectors' connection – 'sleeping giant'
- Existing customers: energy ss chain, defence and education – tap into these domestically and internationally
- Regional NSW / HCCDC – HIPS, Energy generation & transition – regional competitive advantage. Summit – what is & could be, accelerate investment incentive + international business
- Summit – Co-investment enhancement? Listed organisation buy land and own facilities -freight, defence technology: P+P groups together, property councils, Defence primes, trade enablers – start now for 2024. Market appreciates the opportunity here
- Commercial narrative diversification opportunity has been created – resilience and lessons learned – e.g. manufacturing
- 1st mover advantage

Breakout Session: Trade Supply

Weaknesses

- Freight physical distribution and consolidation (landside)
- Visitor economy: airport isolation (services and infrastructure)
- Action/planning taking too long: Nelson Bay Road; Special Activation Precinct boundary
- Newcastle Container Port
- Geographical distance re: jobs
- Factor shortages – competition with Sydney: Skills and staffing shortages, education pathways in region as well, growing in the region
- Accelerate private sector investment via public sector (loyal wingman Boeing went QLD pre-2019)

Breakout Session: Trade Supply

Opportunities

- Turn negative to positive regarding strengths
- Customer led solution: who is it on input side?
- Visitor economy: Public transport connection
- Accelerate private sector investment via public sector commitment
- Limit duplication
- Summit – essential planning priority task list for investment
- Smooth solution better than Sydney, Melbourne, Brisbane (e.g. equine)
- Ports synergy
- Newcastle Container Port
- Geographical distance opportunity e.g. jobs

Breakout Session: Trade Supply

Threats

- Sydney, Melbourne, Brisbane competition (Xs + Ms)
- Freight: 2hrs to Sydney

Appendix A

The Hunter Advantage



Priority Sectors: Established and Emerging



DEFENCE AND AEROSPACE

- Long-standing role supporting Australia's defence sector, home to key RAAF and Army bases, with leading capability in services and maintenance of technologies for defence and aerospace industries.
- Specialisation and expertise across the defence value chain. NSW's largest air force at Williamtown, directly employing 4,500 people and supporting numerous related industries. Home base for over 60 aircraft – including F35 Joint Strike Fighters, Hawk 127, and E-7A Wedgetail squadrons.
- Research, development and innovation clustering at Williamtown. The Astra Aerolab technology park, funded by the NSW Government, is Australia's newest defence and aerospace precinct. A further \$5 million commitment to establish a Special Activation Precinct (SAP) at Williamtown expected to bring more than 5,000 direct jobs.
- Leading research capabilities in defence and aerospace with strong industry collaboration headlined by the University of Newcastle (UoN) and Williamtown Aerospace Centre. Specialised study opportunities are offered by the UoN and Hunter TAFE, preparing for future generations in defence and aerospace.

Priority Sectors: Established and Emerging



ENERGY AND RESOURCES

- Globally renowned expertise in energy and resources sector, and extensive power and energy distribution networks. The Hunter generates over 44% of power needs for NSW, including coal-fired power stations operated by Origin Energy and AGL.
- Newcastle is the world's leading coal export port, exporting 158 million tonnes of coal valued at \$18.5 billion in 2020. The coal supply chain is well connected to regional, national and international markets through road and rail, Port of Newcastle and Newcastle Airport.
- Diversification from traditional energy sources to renewable sources driven by industry-leading research at the CSIRO Energy Centre and the UoN's Newcastle Institute for Energy and Resources (NIER).
- Alternative energy including plans for two of the world's largest battery projects (Eraring and Kurri Kurri) and the Hunter's selection to develop Australia's hydrogen supply chain. Human resources including 2,200 people directly employed in power generating industries. The Hunter also has an existing talent pool in energy processes and procedures, with experience in operating environments and managing high voltage assets.

Priority Sectors: Established and Emerging



HEALTH

- Growth will occur in population serving health sectors as the region grows. Health Care and Social Assistance is the largest employer, making up 15.5% of the Hunter's total workforce in 2020. This sector is projected to have the largest growth by industry in the Hunter in the short-term: 12% growth projected to May 2024.
- Population ageing will continue. The cohort with the largest growth rate in the Hunter is the 65+ age group, projected to grow by 37% to 2041 (Pre-Covid projection).
- A \$780 million NSW Government commitment to establish the John Hunter Health and Innovation Precinct including upgrading John Hunter Hospital and Children's Hospital.
- Research and innovation, led by the Hunter Medical Research Institute (HMRI), research expertise at the UoN and the Hunter's National Centre of Excellence for Health and Education supports role as a fast mover in medical technologies and pharmaceuticals – one of the Federal Government's Industry Growth Centres.
- The Health sector can co-design and co-deliver innovation alongside the other industry sector specialisations in the Hunter. For example, in a rapid response to COVID-19, local engineering company AmpControl developed a low-cost back-up ventilator solution.

Priority Sectors: Established



MINING EQUIPMENT, TECHNOLOGY AND SERVICES

- Today's mining industry is knowledge intensive with rising rates of R&D and innovation. As the region divests from coal-fired power generation, knowledge and skills can be transferred to the broader energy sector and other industries. The Hunter's Mining Equipment, Technology and Services (METS) sector is worth \$15 billion and is the third largest in Australia.
- Significant research capability in METS, led by NIER, supports innovative research in minerals and mining, next generation energy, energy storage, energy management, smart energy integration and resources production and distribution.
- METS is one of the six Industry Growth Centres identified by the Federal Government. The region has a supporting ecosystem of skills and talent across the METS value chain – extraction, logistics, and site rehabilitation – coupled with advanced manufacturing capabilities.
- An existing ecosystem to innovate, and SMEs that can start up and scale up. The advanced manufacturing capability will develop technology to drive sustainability and innovation in the mining sector. Ai Group's Hunter Manufacturing Innovation Cluster and HunterNet provide support for industry and help facilitate competitiveness and innovation

Priority Sectors: Established



FOOD AND AGRIBUSINESS (INCLUDING VITICULTURE AND EQUINE)

- The Hunter produced \$628 million of regional produce in 2017-18, primarily from cattle, milk and poultry and leads NSW regional output in commercial fisheries and aquaculture, eggs, milk and cultivated turf.
- Significant agribusiness – in 2016 there were over 3,500 agricultural businesses in the region, delivering almost \$950 million in wholesale value.
- A cluster of allied agribusiness research, training and industry collaboration, including UoN, NIER, CSIRO, NSW Department of Primary Industries, TAFE, and Tocal Agricultural College.
- Integration of agribusiness in tourism and lifestyle sectors. Despite producing just 2% of the State's grapes, the region is internationally renowned for its wine industry. The Hunter Valley has more wineries and cellar doors than any other wine region in Australia creating a significant tourism, function and hospitality economy which supports business diversity and resilience.
- The space to size and scale enables new and emerging market opportunities, such as intensive agriculture and food processing. This can support expanding existing industries (dairy, beef, cereals, oil seeds, wine and equine), and exploring emerging (industrial hemp, protected cropping) and new (processing plants) industries.

Priority Sectors: Established



TOURISM AND HOSPITALITY

- Existing assets – including the natural environment – can be leveraged for increased visitation and to support study and migration campaigns. Tourism injected nearly \$3 billion into the region in the year ending June 2019, off the back of a steady 4.2% annual increase in visitor numbers since 2010.
- The Hunter Valley is the region’s premier tourist destination, and the most visited wine region in Australia. The region also offers a variety of visitor experiences including environmental tourism at Port Stephens, liveable and historical Newcastle City Centre, sailing in Lake Macquarie, surf beaches along the coast and eclectic villages.
- Major annual events include the Hunter Valley Food and Wine Festival, V8 Supercars in Newcastle Surfest in Newcastle, live music events at Hunter Valley wineries, supported by a busy conference and wedding offer and boutique festival experiences.
- As international travel resumes, the Hunter can grow its share of international tourist visitation – facilitated by upgrades to Newcastle’s global gateways including increases capacity at Newcastle Airport and cruise ships at the Port of Newcastle.

Priority Sectors: Enablers



ADVANCED MANUFACTURING

- Advanced manufacturing in the Hunter contributes \$2 billion to the NSW economy and is second only to Greater Sydney. The Hunter's advanced manufacturing sector comprises almost 2,000 businesses and employs 19,656 people across mining, defence, chemical processing, construction and energy generation and distribution.
- A maturing innovation and research ecosystem is supported by specialised University and vocational education offerings, leading research facilities in NIER, the HMRI, and CSIRO's Energy Centre, smart cities infrastructure, and robust support from Business Hunter, HunterNet, Hunter iF and Ai Group. There is close alignment to the defence and aerospace industry.
- The 2018 *NSW Advanced Manufacturing Industry Development Strategy* lists emerging industry sectors that will require advanced manufacturing capabilities, including construction, defence, aerospace, medical technologies, food and beverage manufacturing, transport and mobility, energy technology and creative industries. The Hunter is well placed to build its capability across a number of these.
- The challenge for the Hunter is to host advanced manufacturing supply chains. Opportunities will stem from industry-research collaboration at NIER and CSIRO Energy Centre and the potential to scale and make things that are invented locally.

Priority Sectors: Enablers



CREATIVE INDUSTRIES

- Newcastle's post-industrial transition is anchored by creative industries and the innovation economy.
- The largest concentration of people employed in the creative industries in regional NSW – accounting for one in four creatives. The 2019 Hunter Creative Industries report identified more than 6,500 people were employed across the arts, design, the media and information technology sectors and contribute close to \$1 billion in Gross Regional Product.
- UoN launched its School of Creative Industries in 2017 with new facilities planned for at the UoN's City Campus. TAFE NSW's Hunter Street Campus specialises in fine arts training and is home to the Newcastle Art School and Newcastle Film School.
- The unified Hunter brand will rely on creative industries to create a compelling and distinct lifestyle and tourism offering. Creative industries are important contributors to vibrant communities, the expression of Hunter values and essential for sustainable economic diversification.
- New opportunities are emerging through a focus on smart cities and innovation, driven primarily by Newcastle and Lake Macquarie Councils, providing supporting infrastructure and growth for high tech SMEs.