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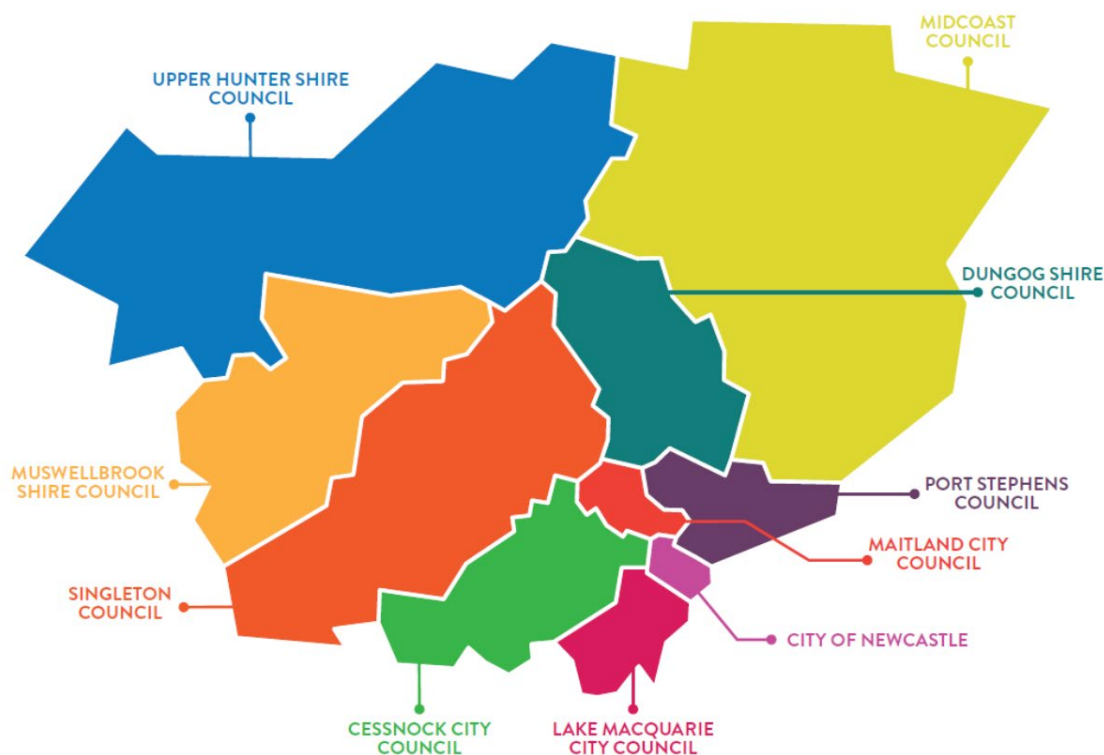
59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
P (02) 4978 4040 | F (02) 4966 0588

FOLLOW OUR PROGRESS



Hunter Joint Organisation Board Meeting Papers

11:00am, Thursday 8 June 2023



Videoconference Details

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1. Welcome and Apologies

1.1 Acknowledgement of Country

The Hunter Joint Organisation acknowledges the country and history of the traditional custodians of the lands upon which we meet today. We pay our respects to the Elders past, present and emerging, of our region, and of Australia.

1.2 Conflicts of Interest

The Chair asks for any potential Conflicts of Interest to be declared from members of the Board.

1.3 Closed Session - CEO Mid-Year Performance Review

At the Chair's request, a closed session of the Board will be held at the beginning of the meeting, prior to opening the public Hunter JO Board Meeting.

2. Minutes of Previous Meeting

2.1 Minutes of 13 April 2023

Hunter Joint Organisation Board Meeting Minutes

11:00am – 1:00pm, Thursday 13 April 2023

Hunter JO Boardroom, 4 Sandringham Avenue, Thornton

Voting Directors Present

Cr Jay Suvaal,	Cessnock City Council
Cr John Connors,	Dungog Shire Council
Cr Kay Fraser,	Lake Macquarie City Council
Cr Nuatali Nelmes,	Newcastle City Council
Cr Steve Reynolds,	Muswellbrook Shire Council
Cr Sue Moore,	Singleton Shire Council (Chair)
Cr Claire Pontin,	MidCoast Council
Cr Maurice Collison,	Upper Hunter Shire Council
Cr Philip Penfold,	Maitland City Council

Non-Voting Members Present

Ken Liddell	General Manager, Cessnock City Council
Adrian Panuccio,	General Manager, MidCoast Council
Greg McDonald,	General Manager, Upper Hunter Shire Council
Jeremy Bath,	CEO, Newcastle City Council
Wayne Wallis,	General Manager, Port Stephens Council
David Evans,	General Manager, Maitland City Council
Derek Finnegan,	General Manager, Muswellbrook Shire Council

Hunter JO Board Papers_8 June 2023

Apologies

Jason Linnane,	General Manager, Singleton Council
Morven Cameron,	CEO, Lake Macquarie City Council
Gareth Curtis,	General Manager, Dungog Shire Council
Cr Ryan Palmer,	Port Stephens Council

Staff in attendance

Joe James, CEO,	Hunter Joint Organisation
Steve Wilson,	Director Regional Policy and Programs, Hunter JO
Tim Askew,	Director of Programs, Hunter JO
Kali Somerville,	Media and Communications Officer, Hunter JO
Lisa Lord,	Manager of Finance and Administration, Arrow & Hunter JO
Bonnie Gradwell,	Business Administration Trainee, Hunter JO (Secretariat)
Candace Woodyatt,	Business Administration Trainee, Arrow Collaborative Services

Also Present

Scott Goold,	Deputy Director Regional Development, Regional NSW
Paul Burton,	Community Assets Planning Team Leader, Port Stephens Council
Deanne Nelson-Pritchard,	Principal Estuary Officer
Catherine Pepper,	Manager, Environment & Sustainability, Maitland City Council

The formal meeting opened at 11:00am.

Item 1 Welcomes and Apologies

1.1 Acknowledgement of Country

The Chair opened the meeting and welcomed the Board with an Acknowledgement of Country.

Resolved: That the apologies be noted.

Moved: Sue Moore, Seconded: John Connors, Carried.

1.2 Conflicts of Interest

The Chair called for any conflicts of interest to be registered by members of the Board.

1.3 Closed session

Board closed session from 12.37pm to 12.50pm At the direction of the Chair, the Board held a closed session for confidential matters. It was agreed the matters discussed would remain in closed council.

Item 2 Minutes of Previous Meeting

2.1 Minutes of 16 February 2023

The minutes were taken as read.

Resolved: That the minutes of the previous meetings of 16 February 2023 be adopted

Moved: Sue Moore, Seconded: John Connors, Carried.

Item 3 Confirmation of Minutes & Business Arising from Minutes

3.1 Hunter Joint Organisation Board Action Register

The report was taken as read.

3.2 Greater Newcastle Metropolitan Plan Action Register

The report was taken as read.

3.3 Subcommittee for Economic Evolution Action Register

The report was taken as read.

Item 4 Presentations

4.1 Update on outcomes from the Hunter Sports Plan Advisory Group

Presenter: Paul Burton, Community Assets Planning Team Leaser, Port Stephens Council and Amanda McMahon, Coordinator Recreation and Facilities, Singleton Council.

This presentation provided an update on the implementation of the Hunter Sport and Active Recreation Plan, including an overview of a proposed delivery model for priority actions of a regional nature that have been identified by the Advisory Group for delivery through the Hunter JO.

4.2 Update on the Hunter Estuary Coastal Management Program

Presenters: Deanne Nelson-Pritchard, Principal Estuary Officer and Catherine Pepper, Manager Environment & Sustainability, Maitland City Council

This presentation will provide an update to the Board on the progress of the Hunter Estuary Coastal Management Program and its relevance to the whole of river and its catchment.

Item 5 Correspondence

The Correspondence was noted.

Resolved:

- ***That the update report be received and noted.***
- ***That Trent Bagnall be invited to present at a future meeting of the Hunter JO Board regarding the Venture Fund, in conjunction with a presentation on the outcomes and recommendations arising from the Hunter Venture Fund project delivered by the Hunter JO.***

Moved: John Connors, Seconded: Kay Fraser, Carried.

Item 6 Items for the Hunter JO Board – For Decision

6.1 Hunter JO Audit Procurement Issue

*Board closed session from 12.37pm to 12.50pm At the direction of the Chair, the Board held a closed session for confidential matters. **It was agreed the matters discussed would remain in closed council.***

6.2 Cities Power Partnership – Regional Partnership Agreement

Steve Wilson Director Regional Policy and Programs, Hunter JO spoke to this report providing an update and sort endorsement from the Board.

Resolved: That the Board endorse the Regional Partnership Agreement with Cities Power Partnership.

Moved: John Connors, Seconded: Kay Fraser, Carried.

6.3 Review and refocus of Hunter JO Advocacy Priorities and Planning

Steve Wilson Director Regional Policy and Programs, Hunter JO spoke to this report providing an update to the Board.

Resolved: That the Board endorse the proposed approach for refocusing and refining the next stage of advocacy priorities and planning.

6.4 Hunter Offshore Wind Zone

The Board discussed the recommendations within the report.

Resolved: That the Hunter JO Board defer the report and recommendations therein until after the Mayors have each conferred with their individual Councils.

Moved: Philip Penfold, Seconded: Steve Reynolds, Carried.

Item 7 Items for the Hunter JO Board – For Noting

7.1 CEO Report – Collaboration & Advocacy

The report was taken as read and noted.

Resolved: That the report be received and noted.

7.2 Hunter JO Financial Reports – February 2023

The report was taken as read and noted.

Resolved: That the Financial Reports for year-to-date February 2023 be received and noted.

7.3 Hunter JO Sub-Committees Standing Update

The report was taken as read and noted.

Resolved: That the Board note the updates on the Hunter JO Sub-Committees.

7.3.1 Greater Newcastle Metropolitan Plan Steering Committee

The report was taken as read.

7.3.2 Circular Economy Sub Committee

The report was taken as read.

7.3.3 Subcommittee for Economic Evolution

The report was taken as read.

7.4 Simtables for Community Empowerment

The report was taken as read and noted.

Resolved: That the Board Note the information provided in the report.

7.5 Hunter Events Economic Analysis

The report was taken as read and noted.

Resolved: That the Board note the information provided.

7.6 Hunter JO Program Status Report

The report was taken as read and noted.

Resolved: That the report be received and noted.

7.7 Hunter Jo Program Delivery Highlights and Report

The report was taken as read and noted.

Resolved: That the report be received and noted.

Item 8 Matters Raised by Member

8.1 Voice to Parliament

The Board discussed the proposed motion and the variable status of internal discussions within Member Councils with regards to the Voice to Parliament.

Resolved: The Hunter JO reaffirms its in-principal support for the Indigenous Voice to Parliament and advocates for funding to be made a to Council's who wish to hold local events in support of the Yes campaign.

Moved: Jay Suvaal, Seconded: Claire Pontin, Carried.

8.2 Update on outcomes from the Hunter Sports Plan Advisory Group

Paul Burton, Community Assets Planning Team Leaser, Port Stephens Council and Amanda McMahon, Coordinator Recreation and Facilities, Singleton Council provided the Board with an update on the implementation of the Hunter Sport and Active Recreation Plan and sort endorsement from the board.

Resolved: That the Hunter JO Board;

- ***Endorse the Hunter Sport and Active Recreation Priority Actions Plan.***
- ***Endorse the proposed delivery model identified in Table 2 as a model for facilitating delivery of the priority initiatives in which the Hunter JO is identified as lead organisation.***

Moved: Jay Suvaal, Seconded: Steve Reynolds, Carried.

8.3 Hunter Estuary Coastal Management Program Update

The report was taken as read and noted.

Resolved: That the Board note the information provided in the report.

Item 9 General Business

Alison McGaffin Director Regional NSW, announced her 12 month secondment from Regional NSW to TAFE NSW.

9.1 Compliance & Governance Calendars

The calendars were noted.

Meeting Closed: 12:37pm

3. Confirmation of Minutes & Business Arising from Minutes

Recommendation:

- That the minutes of the previous meetings of 16 February 2023 be adopted

3.1 Hunter Joint Organisation Board Action Register

I.D	Action	Mtg Date	Status	Due	Notes
HJO-19-13	That a discussion of Audit, Risk and Improvement Committees be added to the agenda for the HJO for discussion at a later date	29 Aug 2019	On hold	Revised Due date: March 2021 Revised Status: On Hold (no update since March 21)	Mar2021: GMAC have discussed and indicated to put on hold until the framework is finalised and provided from OLG. GMAC 25 March 2021 meeting resolution is as follows: That no further investigation of shared resourcing of ARICs be completed until the OLG Framework has been finalised, and at that point only if member councils' express interest in sharing resources (if this option is allowed within the Framework).
HJO-20-63	<u>Cities Power Partnership Options</u> That the Board endorse the Hunter JO exploring a Regional Partner arrangement with CCP (the first region in Australia to do so) in line with Option 3: Collaboration Pledges Partnership.	Apr-21	Complete	December 2021 May 2022 December 2022 April 2023	June 23 – MOU endorsed by Hunter JO Board April 2023 Mar23. A draft MOU has been prepared for the Hunter JO Board to consider for endorsement. Refer Agenda Item 7.3 February 2023: A draft Regional Partnership Agreement has been drafted on which we are awaiting the outcomes of a final review from CPP. Pending this feedback it is expected that the Agreement will be provided to the April 2023 Hunter JO Board meeting for consideration. The draft Agreement is strongly aligned to the strategic priorities included in the Hunter JO Strategic Plan 2022-32 December 2022: No change from previous update September 2022 - Following the 11 Councils in the Hunter joining the Cities Power Partnership Program, the Hunter Joint Organisation (Hunter JO) in March 2021 accepted an

I.D	Action	Mtg Date	Status	Due	Notes
					<p>invitation from the Cities Power Partnership (CPP) to become its first 'Regional Partner'. We are the first region nationally to achieve this and were acknowledged in the NSW Parliament.</p> <p>The CPP pledges established have been linked and incorporated into the Climate Change IP&R Package. Hunter JO staff are currently collaborating with CPP to prepare a draft MOU. The intention of this partnership is to formalise collaboration between the organisations in order to support informed and coordinated local government climate initiatives in the Hunter region. The aim would be to ensure we enter into a partnership with mutual commitments and benefits that will support each party to achieve its aims.</p> <p>June 2022 - No change from previous update</p> <p>April 2022: The focus moving forward will be to complete formalising the partnership agreement. During the regional mapping of the CSP's as part of the Hunter JO Strategy project, we will also review the CPP Program links and objectives identified in the region. Discussion will continue with the Climate Council to formalise the draft regional priorities, engage with Council staff, bring them back to the Board and incorporate them into the Hunter JO Strategy and Partnership Agreement.</p> <p>Jan2022: The collaboration with CPP, has included the incorporation and embedding of the CPP information and pledges into the Climate Change IP&R Package as a preparation step. The focus moving forward will be to complete formalising the partnership agreement.</p>
HJO-20-65	<p><u>World Masters Games</u></p> <p>Establish a Regional Events Strategy Working Group.</p> <ul style="list-style-type: none"> • Review opportunities and costs associated with 	Apr-21	Underway	<p>Feb-2022</p> <p>June-2022</p> <p>June-2023</p>	<p>June 23: JMP Associates have been appointed to deliver the Major Event Feasibility with initial findings underway. Final outcomes of the Study will be available in August 2023.</p>

I.D	Action	Mtg Date	Status	Due	Notes
	<p>hosting the World Masters Games.</p> <ul style="list-style-type: none"> • Scope out the development of a bid for the 2029 World Masters Games on behalf of the Hunter Region. • Review existing strategies and develop a roadmap for the implementation of key actions to attract major events to the region. 			August 2023	<p>Mar 2023: A Request for Quotation process is currently underway for a consultant to complete a major Events Feasibility study. This includes identifying the feasibility of hosting a Commonwealth Games or World Masters event, along with identifying other events the region could attract over the next five years.</p> <p>Feb 2023: In progress (as per previous updates)</p> <p>December 2022 – In progress, as per previous updates</p> <p>September 2022 – As per previous update</p> <p>August 2022 – As per previous update</p> <p>July 2022: As reported to the April 2022 Board meeting, the Major Event Feasibility component of the Accelerating Event Economies project will be assessing the feasibility, technical requirements and gaps in our region for running major sporting event e.g. Commonwealth Games, World Masters etc.</p> <p>April 2022: Refer report included in Agenda Item 7.8 - Accelerating Event Economies (A2E)</p> <p>Nov2021: Hunter JO Board resolved August 2021 to integrate consideration of 2029 World Masters Games bid opportunities and challenges within the scope of the Accelerating Event Economies (A2E) project.</p> <p>Jan2022: Project Officer has been recruited to deliver Accelerating Event Economies (A2E) project, commencing 17 Jan 2022. Stakeholder engagement and development of consultant briefs also commencing regarding undertaking a regional event and asset audit, which will underpin this action.</p>

I.D	Action	Mtg Date	Status	Due	Notes
HJO-20-71	<ul style="list-style-type: none"> • THAT the Hunter JO draft correspondence to the NSW Government regarding funding and action required on the Hunter Sports Precinct in Broadmeadow • That the drafted correspondence be reviewed out of session by the Board prior to sending. 	10 Jun 21	In progress	July 23 Sep 22	<p>May 2023: Chair of GNMPSC considering repurposing letter following visit by GCC and subsequent media.</p> <p>February 2023: Draft correspondence has been circulated for feedback on 27 January 2023.</p> <p>December 2022: CEO to provide draft correspondence to GMs/CEOs in advance of Nov GMAC meeting for feedback</p> <p>September 2022: Still awaiting advice from the Hunter JO Board on if this matter should still be pursued.</p> <p>Nov2021: Propose to revisit this matter in 2022 once the GNMPSC has reformed post-local government elections</p> <p>Sep2021: A draft has been completed by the CEO and has been included in Correspondence. The original intent of the correspondence has been overtaken by a government announcement on Hunter Park</p> <p>Mar2022: The CEO has now met with the Venues NSW Project lead, Phil Paris, on two occasions to discuss his process for building a business case for Hunter Park and exploring how the Hunter JO can support the business case and stakeholder engagement.</p>
GMAC-20-051	That the Board endorse the Hunter JO reviewing the status of each member Council EV fleet and charging plans, to inform potential regional initiatives on EV charging and Fleet transitions.	27 Jan 22	In progress	August 2023	<p>June 23: EV Feasibility studies are underway with all Hunter councils (excluding Lake Macquarie and Muswellbrook, who have received Destination Charging grants). A scope variation has been facilitated to support Councils like Newcastle who are further down the EV path, to help them promote EV chargers to businesses. Further support is available for Councils to use the findings of their EV Feasibility studies to apply for future NSW government EV charging grants.</p> <p>Mar23: Through the partnership established with the Office of Energy & Climate Change through the Net Zero Acceleration (JONZA) program, OECC have advised that</p>

I.D	Action	Mtg Date	Status	Due	Notes
					<p>they will be completing Electric Vehicle Feasibility Studies for all LGAs in the region excluding Lake Macquarie and Muswellbrook, who have recently received Destination Charging grants.</p> <p>December 2023: We have received advice that the funding application submitted by the Hunter JO to the Regional NSW Business Case and Strategy Development Fund for the preparation of a Regional Electric Vehicle Strategy has been unsuccessful. However, an alternative funding application submitted to the NSW Governments' Joint Organisation Net Zero Action (JONZA) funding program, has been successful. This will provide some limited capacity to scope opportunities to progress delivery of this action when the project commences in May 2023.</p> <p>December 2022 - No change to previous update. Advice remains pending on the outcome of the funding application.</p> <p>September 2022 – A funding application has been submitted by the Hunter JO to the Regional NSW Business Case and Strategy Development Fund for the preparation of a Regional Electric Vehicle Strategy.</p> <p>August 2022 - Pending allocation of internal resources</p>
	The Chair asked that a request be made to the Port of Newcastle and the Newcastle Airport to present to the Hunter JO Board in early 2023.	Dec 22	Complete	Jun 2023	<p>June 23: Presentations have been scheduled for the June 2023 Board meeting from Peter Cock, CEO Newcastle Airport and August 2023 from the Port of Newcastle..</p> <p>Mar23: Executive Officer in correspondence with both Port and Airport to find suitable date for presentations to Hunter JO Board</p>
HJO-23-001	<ul style="list-style-type: none"> That the Hunter JO Board endorse the draft Funding Deed, with clarification in Part C of the Deed differentiating the Directors of Arrow and 	16 Feb 23	Complete		Mar23: Final Funding Deed provided to Auditor, update at Item 7.1.

I.D	Action	Mtg Date	Status	Due	Notes
	<p>Hunter JO in terms of decision-making for each Board;</p> <ul style="list-style-type: none"> • Pending confirmation that the Auditor General will recognise revenue from Arrow for purposes of assessment of Hunter JO as a going concern, that the Hunter JO Chair is authorised to execution the Funding Deed on behalf of Hunter JO • That, the Hunter JO Annual General Meeting be called, to take place virtually on a date after the execution of the Funding Deed and by 28 February 2023 (or such other date as OLG agrees to extend the lodgement deadline). 				
HJO-23-002:	<ul style="list-style-type: none"> • That the Financial Reports for year-to-date December 2022 be received and noted. • That the Board note the changes to the revised Forecast, as set out in Attachment 15, and adopt the revised annual Forecast as the revised Annual budget for FY22/23. • That a report be provided to the next meeting of the Hunter JO Board, alongside the Financial Reports, reconciling the original approved Hunter JO budget for 2022/23FY with grants received 	16 Feb 23	Complete	Apr 2023	<p>Apr23: Reconciliation of financials now completed, taking into consideration grants received for ongoing financial reporting.</p> <p>Mar23: Reconciliation between approval 2022/23FY budget and grants received is in draft from Head of Finance with Director Hunter JO P&P. Final report to be brought to April Hunter JO board Meeting as requested</p>
HJO-23-003:	<p>That the Board endorse the proposed advocacy priorities and communication strategies to be implemented during the final weeks of the NSW election campaign.</p> <p>That the Waste Levy be added as one of the advocacy priorities for the NSW election campaign, and added to the broader Hunter JO Advocacy priorities document</p>	16 Feb 23	Complete	25 th March 2023	<p>Mar23: NSW Government Election Advocacy Strategy implemented in accordance with the Board's resolution. Refer CEO Report for details on delivery and outcomes.</p>

I.D	Action	Mtg Date	Status	Due	Notes
HJO-23-004:	That the Board note the findings and opportunities identified in the KPMG analysis and endorse the Hunter JO team working with Council staff and industry stakeholders to review and identify options for progressing implementation of the opportunities identified.	16 Feb 23	Complete	30 November 2023	<p>June 23: A copy of the KPMG report and accompanying project outputs were disseminated to the Board at its April 2023 meeting.</p> <p>Mar23: A copy of the KPMG is provided with the Board Papers – refer Agenda Item 8.5. Options for progressing implementation of the opportunities identified in the KPMG report will be reviewed in conjunction with the remaining outputs to be delivered under the Accelerating Event Economies Project (due for completion 30 June 2023), which will include the Major Events Feasibility Study.</p>
HJO-23-005:	That the Hunter JO requests clarification from the Minister for Transport on the rationale for the distribution of the grant funds between Rural & Regional and Greater Sydney/Outer Metropolitan Councils	16 Feb 23	Complete	March 2023	May23: Correspondence sent to incoming Ministers; Hon John Graham MLC – Minister for Roads, and Hon Jenny Aitchison MP – Minister for Regional Transport & Roads
HJO-23-006:	That Trent Bagnall be invited to present at a future meeting of the Hunter JO Board regarding the Venture Fund, in conjunction with a presentation on the outcomes and recommendations arising from the Hunter Venture Fund project delivered by the Hunter JO.	13 Apr 23	Complete	June 2023	Jun23: Trent Bagnall will be providing a presentation at the SubCommittee for Economic Evolution Meeting on 8 June 2023, all Board Members are invited to attend.
HJO-23-007:	Hunter Offshore Wind Zone: That the Hunter JO Board defer the report and recommendations therein until after the Mayors have each conferred with their individual Councils.	13 Apr 23	Underway	August 2023	Jun23: This item will be returned to the agenda in the second half of 2023, after consultation with individual councils.

3.2 Greater Newcastle Metropolitan Plan Action Register

Date: 13th April 2023

Delivery Status	Complete	In progress	Stalled / Off track
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Mtg Date	Responsibility	Action	Status
13 April 2023	Transport for NSW	Contact details to be provided to City of Newcastle for the most appropriate Transport for NSW representative with whom Council can engage in relation to planning work around extension of the light rail network.	In progress
13 April 2023	Transport for NSW & Hunter JO	Hunter JO and Transport for NSW representatives to work together to look at opportunities for designing a collaborative process through which to align regional priority transport outcomes across councils and key agencies, and bring back to the Subcommittee for consideration.	In progress
16 Feb 2023	Hunter JO	Prepare background papers and invite senior State Agency representatives to provide briefings to the Subcommittee in line with endorsed schedule.	In progress (ongoing activity)

3.3 Subcommittee for Economic Evolution Action Register

Date: 13th April 2023

Delivery Status	Complete	In progress	Stalled / Off track
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Mtg Date	Responsibility	Action	Delivery Status
13 April 2023	Hunter JO	Refine Hunter JO advocacy focus and advocacy asks around the establishment of a regional transition authority to reflect the policy announcement by the NSW Government that it will establish an authority.	Complete
13 April 2023	Hunter JO	Organize a briefing session including RfR Expert Panel and key senior agency representatives to demonstrate the opportunities and benefits that can be realised from changes to the policy and planning pathway to facilitate the adaptation of mining and industrial lands. The session would aim to distil key lessons from companies including Blackrock and AGL.	In progress
13 April 2023	Hunter JO	Acquire and circulate to the Subcommittee the guidelines on post mining approvals recently released by NSW Mining, Exploration and Geosciences (MEG)	In progress
13 April 2023	Hunter JO	Prepare report to Hunter JO Board on the outcomes of the Hunter Venture Fund project, recommending a shift in focus for the Hunter JO moving forward, to one of primarily advocating to other levels of government, the need for establishment and government co-investment in a Venture Fund and Innovation Entity.	Complete
16 Feb 2023	Lithgow City Council	Craig Butler, CEO Lithgow City Council to arrange meeting to explore opportunities for collaborative policy and advocacy across “coal mining and coal generated energy” regions, targeting action from State and Commonwealth Governments to plan and support the economic evolution needed as a matter of urgency in these regions.	In progress
8 December 2022	Morven Cameron, Jason Linnane, Derek Finnigan	Provide information on each Council’s current approach / policy / processes for facilitating land use change to facilitate reuse of mining and industrial lands	In progress
8 December 2022	Morven Cameron	Invite Blackrock to present to the Subcommittee on the processes they have undertaken, and lessons learned in seeking approvals for their development involving reuse of former mining / industrial land.	Invitation to be extended pending the Blackrock development commencing.

Mtg Date	Responsibility	Action	Delivery Status
13 October 2022	Hunter JO	In consultation with the Chair, where it is considered that a monthly meeting of the Subcommittee may not be required, that a written update on the status of actions be distributed in place of a meeting.	Ongoing
8 th September 2022	Hunter JO	<p>Prior to providing the Hunter Venture Fund report to the full Hunter JO Board:</p> <ul style="list-style-type: none"> Continue to engage more broadly to both further test the concept, and to attempt to leverage commitments from other levels of government and stakeholders to support establishment of the Entity and Fund to ideally minimise/avoid the need for local government financial contributions Document brief examples of where this concept has worked- domestically and internationally Establish a clearer narrative as to the “why and what” of the entity and fund and the benefits to Member Councils and their communities 	Complete. Report on outcomes provided to 13 th April SEE meeting and 8 th June Hunter JO Board meeting.

4. Presentations

Outcomes from the Accelerating Event Economies (A2E) project and recommended model for ongoing approach to events attraction

Presenter: Kim Carland, Program Lead – Hunter JO

This presentation will provide a synopsis of the range of outputs generated through the Accelerating Event Economies (A2E) project, including three high level options for ongoing regional collaboration around events attraction, which are drawn from those identified in the KPMG “Hunter Event Economic Analysis Report”. The recommendation from GMAC (25th May 2023 meeting) is to proceed with the Business as Usual (plus A2E outputs) model, to be monitored and reassessed in 12 months’ time.

NB The presentation will be delivered at the time of the Boards consideration of Agenda Item 6.6.

5. Correspondence

Report Author: Louisa Bulley, Executive Officer

Responsible Officer: Joe James, CEO

Executive Summary:

This report provides an update on correspondence sent and received in relation to GMAC and the Hunter Joint Organisation Board.

Correspondence Sent:

- Attachment 1: Correspondence to the NSW Office of Regional Economic Development re letter of support for nomination to the National Economic Development Awards.
- Attachment 2: Correspondence to the Office of Local Government re: Request for further extension on submission of financial statements.
- Attachment 3: Correspondence sent to elected Ministers requesting meetings, and congratulating on appointment (as listed below);

<u>Minister</u>
The Honourable Christopher John Minns MP Premier
The Hon. Prue Car Deputy Premier, Minister for Education and Early Learning, Minister for Western Sydney
The Honourable Penelope Gail Sharpe MLC Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage
The Honourable John Graham MLC Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, Minister for Jobs and Tourism
The Honourable Daniel Mookhey MLC Treasurer
The Honourable Joanna Elizabeth Haylen MP Minister for Transport
The Honourable Paul Scully MP Minister for Planning and Public Spaces

The Honourable Tara Moriarty MLC

Minister for Agriculture, Minister for Regional New South Wales, Minister for Western New South Wales

The Honourable Ron Hoenig MP

Minister for Local Government, Vice-President of the Executive Council

The Honourable Anoulack Chanthivong MP

Minister for Better Regulation and Fair Trading, Minister for Industry and Trade, Minister for Innovation, Science and Technology, Minister for Building, Minister for Corrections

Correspondence Received:

- Attachment 4: Correspondence from Office of Local Government re: contact details for new Minister for Local Government
- Attachment 5: Correspondence from Office of NSW Premier re: correspondence received.
- Attachment 6: Correspondence from Department of Planning and Environment re nomination of Hunter JO representative for Hunter Urban Development Program Committees
- Attachment 7: Correspondence from Office of Local Government re: update on audit process and extensions provided.

Recommendation: That the update report be received and noted.

To whom it may concern,

Re: National Economic Development Awards Nomination - NSW Office of Regional Economic Development (ORED)

On behalf of the Hunter Joint Organisation (JO), I write in support of the nomination being submitted by the NSW Office of Regional Economic Development (ORED), to the Economic Development Strategic Thinking category of the 2023 National Economic Development Awards.

The implementation of the Regional NSW Investment Attraction Strategy 2022-27 has established the key vision, objectives and priorities to attract \$1 billion in private sector investment and 15,000 high value jobs into regional NSW over the next five years. To support delivery of the Strategy, the \$145m Regional Investment Activation Fund has been established, focusing on 27 of the strategy's actions designed to make regional NSW the location of choice for investors and activate the economic potential of priority locations and key industries in our regions. Implementation has been further supported through the delivery of world-class FDI training, to assist 60+ local governments across regional NSW to capitalise on a range of investment opportunities in their respective Council areas.

The Strategy directly supports communities in the Hunter Region and across regional NSW, by showcasing them as the location of choice for investors, through promoting the target industries, competitive advantages, endowments and "live" investment opportunities. This directly supports the strategic objectives established by the ten Member Councils of the Hunter JO to:

1. Support a clear, place-based, integrated whole-of-government policy and planning approach to drive the region's economic evolution and jobs of the future.
2. Support efforts that position the Hunter globally in its areas of competitive and comparative strength.
3. Support and mature the innovation ecosystem in order to drive commercialisation of ventures and start-ups in the region which will provide growth in future jobs.
4. Improve and accelerate the regions access to investment and capital markets to underpin the innovation ecosystem and the redevelopment of industrial and mining assets.

We congratulate ORED for their leadership in delivering this innovative and targeted Australian first Strategy, and their work in progressing implementation of its vision in collaboration with local government and other key stakeholders across regional NSW.



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

We look forward to continuing to collaborate with the Office of Regional Economic Development in this important initiative well into the future.

Yours sincerely

Joe James, CEO



13 April 2023

Brett Whitworth
Deputy Secretary, Local Government
NSW Office of Local Government
Locked Bag 3015
NOWRA NSW 2541

Dear Mr Whitworth

Extension request - submission of 2021/2022 Financial Statements

In accordance with Section 416(2) of the *Local Government Act 1993* (the Act), the Hunter Joint Organisation is seeking an application for an extension of time for the submission of its 2021/22 financial statements.

As per our correspondence of 20 February 2023, the Hunter Joint Organisation (Hunter JO) was working to resolve the auditor's concern of the Hunter JO as a going concern.

To address this concern and in order for the Auditor General to issue an unqualified opinion on the 21/22 Financial Statements, the Auditor General has indicated that there are two steps required;

- (1) Execution of the legally binding funding deed that sets out Arrow's commitment to continued financial support of the Hunter JO and
- (2) A board approved budget for the 23/24 year that includes the funding amount from Arrow to Hunter JO, to which a binding commitment has been made by Arrow pursuant to the Funding Deed.

The first of these steps, being execution of the Funding Deed, has been completed. The second step, being the board approved budget as described above, will be completed at the Hunter JO board meeting on 8 June 2023.

The Hunter JO will schedule the auditor attendance for sign off on the 21/22 Financial Statements for shortly after 8 June 2023 and subsequently lodge the 21/22 audited Financial Statements as soon as possible after this date (but prior to 30 June 2023)

We are therefore requesting a final extension through to the 30 June 2023, in order to achieve the Auditor Generals recommended steps.

Hunter Joint Organisation's sub-contracted auditor, Mr Cameron Hume of RSM, and Mr Furqan Yousuf, Director of Financial Audit Services of the Audit Office of New South Wales both support Joint Organisation's application.



ABN 19 949 536 343

59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
P (02) 4978 4040 | F (02) 4966 0588

FOLLOW OUR PROGRESS  

Accordingly, Joint Organisation requests an extension up to 30 June 2023 for the submission of its 2021/22 financial statements.

Should you require any further information, please do not hesitate to contact myself on 0405 217 249

Yours sincerely,

A handwritten signature in black ink, appearing to read "James", is written over a light blue rectangular background.

Joe James
Chief Executive Officer



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Anoulack Chanthivong, MP
Minister for Local Government
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Anoulack,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election as Member for Macquarie Fields and your appointment as Minister for Better Regulation and Fair Trading, Minister for Industry and Trade, Minister for Innovation, Science and Technology, Minister for Building, and Minister for Corrections.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating closely with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

As the largest regional economy in New South Wales, we see great opportunity to partner with the State Government to secure a sustainable future, not only for the communities of the Hunter, but for NSW and the Commonwealth.

The Hunter JO has developed a clear list of [Advocacy Priorities for the Region](#), to shape how we would like to partner with the incoming State Government. I would welcome the opportunity to meet with you, and to provide a briefing on behalf of the 10 Mayors of our region in collaboratively delivering the best for our region.

Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Tara Moriarty, MLC
Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Tara,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election and your appointment as Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Jo Haylen, MP
Minister for Transport
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Daniel,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election as Member for Summer Hill and your appointment as Minister for Transport.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. John Graham, MLC
Minister for Roads
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear John,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election and your appointment as Minister for Roads.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Penny Sharpe, MLC
Minister for Climate Change, Minister for Energy, Minister for the Environment, and Minister for
Heritage, Leader of the Government in the Legislative Council
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Penny,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election and your appointment as Minister for Climate Change, Minister for Energy, Minister for the Environment, and Minister for Heritage, and Leader of the Government in the Legislative Council. The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council
Hunter JO Board Papers_8 June 2023



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Prue Car, MP
Member for Londonderry, Deputy Premier, Minister for Education and Early Learning, and Minister
for Western Sydney
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Prue,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election as Member for Londonderry, and appointment as Deputy Premier of NSW, Minister for Education and Early Learning, and Minister for Western Sydney.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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The Hunter JO has developed a clear list of [Advocacy Priorities for the Region](#), to shape how we would like to partner with the incoming State Government. I would welcome the opportunity to meet with you, and to provide a briefing on behalf of the 10 Mayors of our region in collaboratively delivering the best for our region.

Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Chris Minns, MP
Premier
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Chris,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election as Member for Kogarah, and appointment as Premier of New South Wales.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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I would welcome the opportunity to meet with you, and to provide a briefing on behalf of the 10 Mayors of our region in collaboratively delivering the best for our region.

Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

The Hon. Daniel Mookhey, MLC
Treasurer
52 Martin Place
SYDNEY NSW 2000

Date: 12 April 2023

Dear Daniel,

Subject: Opportunity for engagement with the Hunter JO

I am writing on behalf of the Hunter Joint Organisation (Hunter JO) to congratulate you on your successful election campaign, re-election and your appointment as NSW Treasurer.

The Hunter JO, and I as their Chair, are looking forward to working and collaborating with you, and with the incoming State Government over the coming term.

As you would be aware, the Hunter JO represents the ten councils of the Hunter and MidCoast Region; Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, City of Newcastle, Port Stephens Council, Singleton Council, Upper Hunter Shire Council. Our region has a population of over 773,135, and a population forecast of 949,833 by 2041.

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Congratulations again on your appointment, and we look forward to hearing from you.

Yours Sincerely,

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Shire Council



Office of Local Government

5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

Our Reference:
Contact:
Phone:

A859073
Client Services
02 4428 4100

Mr Joe James
Executive Officer
Hunter Joint Organisation Of Councils
admin@ssalimited.com.au

4 May 2023

Dear Mr James

As you would know, on 5 April 2023, the Hon. Ron Hoenig MP was appointed as Minister for Local Government. Contact details for Minister Hoenig's Office have been published on the Parliament of NSW website and are:

Ministerial Office: Suite 1603,
52 Martin Place,
Sydney NSW 2000

Parliament House: Suite 811, Parliament House,
Macquarie Street,
Sydney NSW 2000

Postal: GPO Box 5341,
Sydney NSW 2001

Email address: office@hoenig.minister.nsw.gov.au

Telephone: 02 7225 6150

These details can also be accessed on the Parliament of NSW website at www.parliament.nsw.gov.au/members/Pages/Member-details.aspx?pk=97.

I look forward to continuing to work with you and the broader local government sector to create thriving communities for the people of NSW.

Yours sincerely

Brett Whitworth
Deputy Secretary, Local Government



Ref: 00018736

noreply@salesforce.com <noreply@salesforce.com>

on behalf of

DPC Correspondence <premier@dpc.nsw.gov.au>

Mon 2023-05-01 2:21 PM

To: Louisa Bulley <louisab@hunterjo.com.au>

Dear Councillor Moore

Thank you for your request to meet with the Premier. This email is being sent on behalf of the Office of the Premier, and your request has been noted.

As you will appreciate, the Premier receives a significant number of diary requests and he is unable to accept them all. On this occasion the Premier will be unable to accept your invitation.

As the Minister for Skills, TAFE and Tertiary Education and Minister for the Hunter, The Hon Tim Crakanthorp, has primary responsibility for this matter, I have forwarded your meeting request for consideration.

If you have any further enquiries about this matter, please contact the Office of the Minister for Skills, TAFE and Tertiary Education and Minister for the Hunter.

Thank you for your request.

Regards

Department of Premier and Cabinet

GPO Box 5341, Sydney NSW 2001

dpc.nsw.gov.au |

Please note that this email address is not monitored for replies. Any further correspondence should be submitted through the [Premier's webform](#).

CC: The Hon Tim Crakanthorp, Minister for Skills, TAFE and Tertiary Education and Minister for the Hunter 

Mr Joe James
CEO
Hunter Joint Organisation
4 Sandringham Avenue
PO BOX 3137
Thornton NSW 2323

Via email: ceo@ssalimited.com.au

22 May 2023

Subject: Urban Development Program – Hunter Joint Organisation Nomination

Dear Mr James,

Thank you for your nomination to join the Upper Hunter and Mid-Coast, and Lower Hunter and Greater Newcastle Urban Development Program Committees as an observer member.

The Committees determined to not support the Hunter Joint Organisation's request to join the Committee, noting committee members are members of the Hunter Joint Organisation.

Whilst the Committee determined not to support the request at this time, the Department of Planning and Environment is able to brief the Hunter Joint Organisation on a bi-annual basis, providing updates to the Hunter Joint Organisation Board on progress to implement the *Hunter Regional Plan 2041* and any relevant regional or strategic policy recommendations.

Should you have any questions, Thomas Holmes, Manager, Urban Development Program at the Department of Planning and Environment can be contacted on 02 9860 1583 or via Thomas.holmes@planning.nsw.gov.au.

Yours sincerely,



Dan Simpkins
Director, Central Coast and Hunter
Department of Planning and Environment

5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

Our Reference:
Contact:
Phone:

A858579
Performance Team
02 4428 4142

Mr Joe James
Hunter Joint Organisation of Councils
PO Box 3137
THORNTON NSW 2322

Email: admin@ssalimited.com.au


Dear Mr James

I am writing to draw your attention to the legislated requirement for Joint Organisations (JO) to submit their financial statements to the Office of Local Government (OLG) by 31 October each year. This is a fundamental function of JOs and failure to meet this requirement can be an indicator of poor governance.

The JO applied for three extensions to lodge its 2021-22 financial statements due to the drafting of a funding agreement. While I appreciate this issue, OLG expects that the JO should now have implemented mechanisms and processes to ensure the financial statements are submitted within the legislative timeframes.

In order to satisfy OLG that the JO will meet its statutory requirement to lodge its 2022-23 financial statements on time, it is requested that the JO provide:

- the strategies implemented to address compliance with the legislative timeframes and any significant audit risks raised;
- copy of an agreed audit plan, including reporting dates; and
- copy of the 2021-22 management letter and the JO response.

It would be appreciated if your Responsible Accounting Officer could provide the requested information prior to 26 June 2023.

Yours sincerely

 24 May 2023

Brett Whitworth
Deputy Secretary, Local Government

6. Items for the Hunter JO Board - For Decision

6.1 Hunter JO Draft Budget & Member Contributions 2023-24FY

BUDGET SUMMARY – HUNTER JOINT ORGANISATION

CORE FUNCTIONS:

- Identifying key regional strategic priorities
- Advocating and building collaborations around these priorities

CAPITAL EXPENDITURE:

- Motor Vehicle - Replacement \$65,000
- Laptop \$ 2,500

STAFF

- Budgeted FTE: 2

KEY ASSUMPTIONS:

- Assumes existing organisation structure
- Arrow Funding \$150,000
- Fee for Service to Hunter JO Policy and Programs team \$150,000
- Member contributions based on increase by applicable rate peg on 22/23 member contributions
 - Average increase 4.1%
- Miscellaneous income made up of 50% of executive staff (CEO & EO) costs, charged to Arrow
- Staff CPI 3% and SOORT rate

BUDGET SUMMARY - HUNTER JOINT ORGANISATION		
REVENUE	5,325,446	
Cost of Sales	-	0%
Direct Labour	-	0%
GROSS PROFIT / (LOSS)	5,325,446	100%
General & Administration	43,154	1%
Corporate Overhead	200,040	4%
Occupancy Costs	15,231	0%
Depreciation	24,863	0%
Information Technology	16,255	0%
Overhead Labour	516,904	10%
Employee Costs	14,164	0%
Executive Team		0%
Travel & Accommodation	9,072	0%
Motor Vehicle	20,358	0%
Project Expenses	4,307,599	81%
TOTAL OVERHEAD EXPENSES	5,167,639	97%
NET PROFIT / (LOSS) - OPERATIONS	157,807	3%
Other Income	-	
Other Expenses	(150,000)	
Extraordinary Expenses	-	
NET PROFIT / (LOSS) BEFORE TAX	7,807	

Member Contributions – Hunter JO & Environment Program

As resolved by the Hunter JO Board at their meeting of 13 February 2020, the contributions for member councils to fund the Hunter JO Program are determined as follows;

- *Member contributions comprised of; a fixed contribution of \$25,000 per member council, and a variable fee contribution using a hybrid model of 50% determined by population and 50% determined by rate base;*

A summary of member council contributions to the Hunter JO has been included below:

RATE PEG INCREASE				
Members	Total Contribution 23/24	Total Contribution 22/23	% increase on 22/23	Rate Peg 23/24
Cessnock	50,901.37	48,678.30	4.57%	3.80%
Dungog	30,933.87	29,526.82	4.77%	4.40%
Lake Macquarie	107,783.57	104,773.79	2.87%	3.70%
Maitland	66,401.08	61,467.14	8.03%	5.90%
MidCoast	67,980.49	65,631.95	3.58%	3.90%
Muswellbrook	34,976.56	33,840.15	3.36%	3.70%
Newcastle	104,687.00	101,482.98	3.16%	3.70%
Port Stephens	54,456.38	52,190.98	4.34%	4.40%
Singleton	37,381.54	35,912.10	4.09%	3.90%
Upper Hunter	32,291.24	31,191.32	3.53%	3.70%
Total Member Councils Fees	587,793.10	564,695.54	4.09%	4.11%

The assumptions underpinning the contributions are as follows;

- Member Rates increased by applicable council rate peg
- Variable Fees for population based on 2021 data increased by Change in population % (as per IPART rate peg information paper 23/24) ABS population data report not released until 23/4/23 by LGA for FY2021
- Variable Fees for rate base, based on Council Audited Financial Statements 2022

NOTE: the % increase does not directly reflect the rate peg increase, as the variable fee (based on population and rate base) changes from year to year and this has an affect on the total paid by each council.

Environment Program Contributions

A 7% CPI increase has been applied to next year's Environment program contributions.

Participating Council	2022/2023	2023/2024
Cessnock	\$ 32,098	\$34,345
Dungog	\$15,274	\$16,343
Lake Mac	\$32,098	\$34,345
Mid Coast	\$32,098	\$34,345
Maitland	\$32,098	\$34,345
Newcastle	\$32,098	\$34,345
Port Stephens	\$32,098	\$34,345
Singleton	\$21,819	\$23,346
Upper Hunter	\$19,637	\$21,012
Muswellbrook	\$17,456	\$18,678
Central Coast	\$32,098	\$34,345
Total	\$298,872	\$319,793

Recommendation:

- That the Member Contributions for the Hunter JO and Environment Program for 2023-24FY be endorsed for presentation to the Hunter JO Board at its June Meeting.
- That the Hunter JO Draft Budget for the 2023-24 budget be endorsed for presentation to the Hunter JO Board at its June Meeting.

Report Author: Steve Wilson, Director Hunter JO

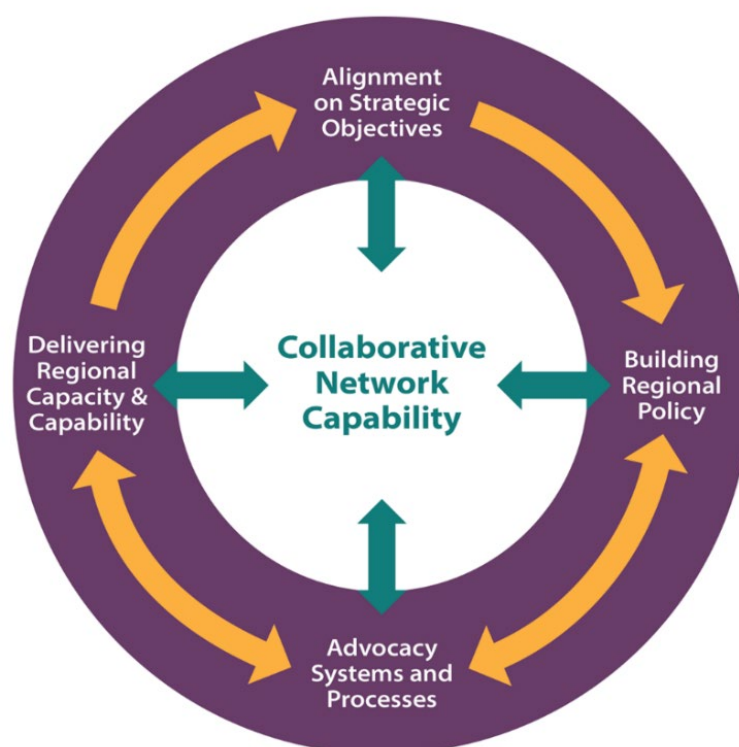
Responsible Officer: Joe James, CEO

Purpose:

To seek the Board's endorsement of a process for authorising funding and grant proposals being pursued by the Hunter JO, and to approve the current suite of grant applications that have been submitted or are currently in preparation.

Background

The Hunter JO Strategic Plan adopted in December 2022 identifies a wide range of strategic objectives and directions which represent the aligned interests and priorities of the Board. The activities of the Hunter JO team to progress delivery these strategic directions are delivered via the value chain functions represented in the following figure. Within this value chain there is a strong interdependency between the various functions (i.e. strategic alignment on objectives, policy development, advocacy, and building regional capacity and capability).



Under the current Hunter JO delivery model, the ability to attract external grants and funding is fundamental to providing the capacity needed to progress delivery of the range of priorities identified in the strategic plan. In addition to grants funding all of the direct operational costs of the various programs and initiatives being delivered by the Hunter JO (e.g. Circular Economy, Hunter Global Tourism, Airports Strategy, Disaster Resilience, Major Events Feasibility Study etc), the administration revenue received from grants also contributes substantially to funding the fixed operating costs of the JO. This is because annual Council member contributions combined with revenue from the Arrow businesses does not fully fund all of the fixed costs needed to deliver the value chain functions identified

above. There has always been an apportionment (and therefore a dependence) on administration revenue from grant funded projects to fully fund these fixed expenses. For example, the draft 2023/24 budget requires a total grant revenue of \$6,173,090 (of which \$4,423,090 is currently confirmed) to generate the required level of grants administration to balance the Hunter JO Policy & Programs Divisional budget.

Given the significant and important role that external grant funding contributes to achieving the collective goals of the Board, the purpose of this report is twofold:

1. To endorse a process for determining / approving funding and grant opportunities being pursued by the Hunter JO
2. To review, with a view to authorising, the current focus, nature and extent of grant funding proposals being pursued by the Hunter JO (NB this review process will be included as a standing “Grants and Funding Opportunities” item in all future Board reports.

1. Proposed process for approving funding applications

In formulating an approval process around the focus of external grant funding opportunities being pursued, it is important to recognise that the timeframes involved in preparing and submitting grant applications are generally very limited and will predominantly fall outside Board reporting and meeting schedules. As such it will generally be impractical to seek endorsement from the Board for every grant application at the time it is being considered and prepared.

As such the following process for approving funding and grant proposals is recommended:

a) Eligibility criteria

- Grant proposals and the outcomes they would aim to deliver should align with one or more of the objectives and strategic directions identified in the Hunter JO Strategic Plan 2032
- Funding from the grant should align with the financial sustainability objectives of the Hunter JO. For example, this includes the ability to incorporate project administration costs (or similar), and wherever possible provide for more sustained (ie longer) delivery timeframes that provide for greater certainty around annual budget and resource planning.
- The amount of administrative compliance required to deliver the grant should not place an undue administrative burden on the limited resources available within the JO to manage and report on compliance.

b) Authorisation

All proposed grant applications will be canvassed with the Hunter JO CEO to determine any potential “red flags” and to confirm alignment with the broader strategic directions of the Hunter JO Board and Strategic Plan 2032. Information provided to the CEO will include a summary of the proposed application outlining:

- Funding program and agency
- Project summary and proposed outcomes
- Level of funding being requested
- Alignment with Hunter JO Strategic Plan 2032
- Key project partners
- Timeframe for submission

NB.

- 1. Authorisation from the CEO will determine whether the proposal proceeds to a full application being prepared and submitted.**

- 2. In circumstances where the CEO identifies a potential “red flag” or other uncertainty in relation to the Board providing approval, and where time permits, information on the proposed application will be circulated for the Board’s consideration out of session.**

c) Board Authorisation

Information on grant applications approved by the CEO will be reported for consideration by the Board at its next available meeting, with the view to seeking the Board’s endorsement. The level of detail it is proposed to provide to the Board can be seen in the table below and includes:

- Funding program
- Date of submission
- Grant focus
- Amount of funding requested
- Status of assessment and/or approval
- Alignment to Hunter JO Strategic Plan and Hunter JO Regional

NB In the event that the Board does not concur with the CEO’s authorisation, the funding application can always be withdrawn, even where it has already been formally submitted to the funding authority.

2. Board review of current funding applications

The table provided in Attachment 8 provides an overview of current funding applications being pursued by the Hunter JO for which the Board’s consideration and authorisation is being requested.

Recommendation:

That the Board endorse:

- 1. The proposed process for CEO and Board approval of grant funding applications**
- 2. The current grant opportunities being pursued by the Hunter JO.**

Hunter JO Funding and Grant Opportunities

Funding Program	Grant Focus and Assessment Status	Amount Requested	Member Council contributions	Alignment to Hunter JO Strategic Plan and Advocacy Priorities
<p>Regional NSW Growing Regional Economy Fund</p> <p><i>Submitted 23 May 2023</i></p>	<p>Shiraz to Shore</p> <p>EOI to undertake detailed design and construction for a key section of the Shiraz to Shore route through the Hunter Valley.</p> <p><i>NB While applications generally require a 25% financial contribution to the project, following advice from the funding authority, the Hunter JO has applied for extenuating circumstances to avoid this requirement given the structure and collaborative nature of our organisation and the regional focus and scope of the project.</i></p> <p>Status</p> <p>Advice Pending</p>	\$10,000,000	Cessnock City Council – staff in kind contribution to project management delivery	<p>Strategic Plan</p> <p><i>Objectives</i></p> <p>1.1 Within the region there is a robust integrated transport solution that underpins the experience/liveability and productivity of its residents and visitors comparable to its global peers.</p> <p>3.5 We are recognised as a destination of choice for international and domestic visitors.</p> <p><i>Strategic Directions</i></p> <p>1.1.5 Identify and facilitate regional approaches for active transport outcomes that deliver connectivity, health, liveability and economic benefits.</p> <p>3.5.1 Support a coordinated approach and collaborate around regional tourism promotion to grow jobs in the region.</p> <p>4.5 A region with enriched neighbourhoods and places supported by planned infrastructure that promotes community cohesion, active living and pride in culture and heritage.</p> <p>Advocacy Priority</p> <ul style="list-style-type: none"> • Infrastructure and transport systems that connect the region • Our unique lifestyle and attractive environment is protected and enhanced <p>Advocacy Policy</p>
<p>Get NSW Active Program</p> <p><i>Submitted 6 January 2023</i></p>	<p>Shiraz to Shore Feasibility & Preferred Route</p> <p>To undertake a strategic assessment to determine the feasibility and preferred route of the Hunter vineyards section of the widely supported Shiraz to Shore 100km cycle trail, connecting communities, tourists and local businesses. The project will:</p> <ul style="list-style-type: none"> • balance safety, amenity, feasibility and local landholder and stakeholder inputs for the route following an extensive local stakeholder engagement program. • produce the indicative costs and key elements 	\$220,495	Cessnock City Council – staff in kind support	

Funding Program	Grant Focus and Assessment Status	Amount Requested	Member Council contributions	Alignment to Hunter JO Strategic Plan and Advocacy Priorities
	<p>to enable the project to move through to the next stage.</p> <p>Status Unsuccessful</p>			<p>1 Improving connectivity of the region's cycling experiences and networks, and increasing cycle tourism, provides clear benefits to local communities and economies. These include:</p> <ul style="list-style-type: none"> • new jobs within the visitor economy • preventive health outcomes • enhanced recreational opportunities and • social connectivity <p>1 environmental benefits such as reducing car use and contributing towards net zero emissions targets.</p> <p>2 Our communities deserve:</p> <ul style="list-style-type: none"> • Excellent facilities and services providing diversity and amenity (eg access to health services, shops, restaurants, events, sporting and cultural facilities etc) • Unique, diverse and accessible environmental features (waterways, beaches, mountains, bushland and agricultural hinterland).
<p>NSW EPA Bin Trim Program</p> <p><i>Submitted 31 March 2023</i></p>	<p>The Hospitality Circularity Network</p> <p>The project seeks to engage hospitality SMEs across the region, to build their capacity to evaluate and adopt circular solutions for their business operations and supply chains, focusing on organics and single use items. The project will also seek to create or strengthen existing business networks and assist them to collaborate and co design practical solutions that benefit from network efficiency and scale.</p>	\$498,971	All Member Councils – in kind support	<p>Strategic Plan</p> <p><i>Objectives</i></p> <p>2.1 We are recognised as innovative leaders in Council capacity building and policy support for climate change action, resilience and disaster preparedness</p> <p>3.4 A region that is built around Circular Economy principles as a driver of future jobs</p>

Funding Program	Grant Focus and Assessment Status	Amount Requested	Member Council contributions	Alignment to Hunter JO Strategic Plan and Advocacy Priorities
	Status Advice Pending			4.2 Making use of our opportunity to drive circular evolution of our region's economy <i>Strategic Directions</i>
Local Government Waste Solutions Fund Round 1 <i>Submitted 31 March 2023</i>	Hunter Circular Knowledge Hub To create and pilot a digital circular knowledge hub for two distinct user groups – for council staff, and for the community at large. The aim is to address the information accessibility and knowledge barriers that prevail and frustrate uptake of circular services and recovery pathways in the region. By creating tools to broaden participation, these solutions will be supported to scale and increase their impact. The project will gather information on services and solutions available in the region, then deploy tools that will present that information in a user-friendly format designed specifically for that group's needs. Status Advice Pending	\$293,469	All Member Councils – in kind support	2.1.3 We drive opportunities to collaborate, adopt system thinking and circular economy opportunities to reduce our impact on climate change and increase resilience. 3.4.1 Support knowledge sharing and embed Circular Economy principles in our strategies and plans to provide a pathway to future jobs creation in our local supply chains and services. 4.2.1 Support meeting our future regional infrastructure and operations for circular outcomes. Advocacy Priorities <ol style="list-style-type: none"> 1 All levels of government contribute to ensuring the Hunter's successful economic evolution 2 A resilient region prepared for change Advocacy Policy <ol style="list-style-type: none"> 1. Significant funding and investment is needed to implement circular economy and waste management initiatives to unlock economic growth and sustainability for the Hunter region. 3 As we transition to a clean energy future, we need to evolve the Hunter's economy to ensure a steady increase in the region's economic outputs, so that the dominance of coal is replaced with other products and services, at a level that will:

Funding Program	Grant Focus and Assessment Status	Amount Requested	Member Council contributions	Alignment to Hunter JO Strategic Plan and Advocacy Priorities
				<ul style="list-style-type: none"> Replace and provide more jobs than those currently provided by traditional heavy industries Maintain and improve the lifestyle and opportunities available for our local communities. <p>2. The economic evolution needed in the Hunter requires intervention and investment across all sectors and levels of government. Investment that accelerates and amplifies market driven investment in innovation and capitalises on the region's existing natural strengths and attributes is the priority</p>
<p>EPA Sustainability Partnerships Program 2023-24</p> <p><i>Submitted 2 March 2023</i></p>	<p>Landfill Emissions Data Management Program (Landfill Emissions DMP)</p> <p>To establish a landfill emission data management program for councils to assist in understanding their baseline landfill emissions, and building a model data management framework and tools to support the collation and interpretation of landfill emission data.</p> <p>Status</p> <p>Initial EOI has been successful. More detailed application now submitted.</p> <p>Advice pending</p>	\$199,650	All Member Councils – in kind support	<p>Strategic Plan</p> <p><i>Objectives</i></p> <p>2.1 We are recognised as innovative leaders in Council capacity building and policy support for climate change action, resilience and disaster preparedness</p> <p>2.2 We take leadership and drive regional best practice in climate action</p> <p>4.4 Supporting our region to be on the path to net zero emissions and paving the way with smart innovative solutions that increase liveability</p> <p><i>Strategic Directions</i></p> <p>2.1.1 We provide guidance and support packages to embed Climate Change action, resilience and disaster preparedness into Councils Integrated Planning and Reporting (IP&R) framework.</p>

Funding Program	Grant Focus and Assessment Status	Amount Requested	Member Council contributions	Alignment to Hunter JO Strategic Plan and Advocacy Priorities
				<p>2.1.3 We drive opportunities to collaborate, adopt system thinking and circular economy opportunities to reduce our impact on climate change and increase resilience</p> <p>2.2.1 We lead the way in regional best practice and work with all levels of government to drive policy and strategy on climate change.</p> <p>4.3.1 Our Councils are well supported in protecting and enhancing the environment through regional programs, data collection, support resources and capacity building.</p> <p>Advocacy Priority</p> <p>1. The region needs to be prepared for change, and able to withstand and recover from natural and human induced risks (i.e. natural disasters, climate change, economic and social disruption and change).</p> <p>Advocacy Policy</p> <p>Our communities deserve:</p> <ul style="list-style-type: none"> • Unique, diverse and accessible environmental features (waterways, beaches, mountains, bushland and agricultural hinterland).
NSW EPA Regional Illegal Dumping Program	<p>Regional Illegal Dumping Program</p> <p>To support Member Councils manage illegal dumping by:</p> <ul style="list-style-type: none"> • Delivering a regional approach to target illegal dumping • Supporting employment of skilled officers to undertake compliance action against illegal dumpers 	\$2,668,341 (over 5 years)	All Member Councils eligible to receive direct funding from NSW EPA (via Hunter JO) for activities	<p>Strategic Plan</p> <p><i>Objectives</i></p> <p>4.3 Our natural environments including our bushland, estuaries, waterways and beaches are protected and enhanced.</p> <p><i>Strategic Directions</i></p>

Funding Program	Grant Focus and Assessment Status	Amount Requested	Member Council contributions	Alignment to Hunter JO Strategic Plan and Advocacy Priorities
	<ul style="list-style-type: none"> Undertaking proactive measures to prevent illegal dumping Increasing capacity to target problematic and complex illegal dumping incidents. <p>Status Successful, subject to all Member Councils signing MOU.</p>		that align to the Regional RID Program	<p>4.3.1 Our Councils are well supported in protecting and enhancing the environment through regional programs, data collection, support resources and capacity building.</p> <p>Advocacy Priority Our unique lifestyle and attractive environment is protected and enhanced</p> <p>Advocacy Policy Our communities deserve:</p> <ul style="list-style-type: none"> Unique, diverse and accessible environmental features (waterways, beaches, mountains, bushland and agricultural hinterland).

Report Author: Steve Wilson, Director Hunter JO

Responsible Officer: Joe James, CEO

Purpose:

To seek the Board's endorsement of the "Hunter Global: The Flightpath to our Future" report (refer Attachment 9).

Alignment with [HunterJO Strategic Plan 2032](#) and [Hunter JO Advocacy Priorities](#)

Strategic Theme(s)	1. Connectivity, 3. Jobs & A Growing Economy
Objective(s)	1.2 Through its Port and Airport the Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle and growth in products and services to replace the economic output of thermal coal. 3.3 A globally focused region that drives talent attraction and retention 3.5 We are recognised as a destination of choice for international and domestic visitors
Strategic Direction(s)	1.2.1 Partnering with airport and port to identify and pursue priority actions to enable access to international markets for the benefit of the region. 1.2.2 Influence government policy to prioritise the importance of access to international markets for the benefit of the region. 1.2.3 Leading collaboration in the region between government, industry and community to ensure the benefits of international markets are region wide. 1.2.4 Support a transport access strategy for regional connectivity to and from the airport. 3.3.1 Support efforts that position the Hunter globally in its areas of competitive and comparative strength. 3.5.1 Support a coordinated approach and collaborate around regional tourism promotion to grow jobs in the region.
Hunter JO Advocacy Priorities	<i>Advocacy Priority</i> A globally focused Hunter connected to international markets <i>Advocacy Policy</i> A globally focused Hunter connected to international markets will underpin the Hunter's successful economic evolution. Efficient and effective access to global markets to attract investment and talent to evolve our economy, and to sell our products and services on the world stage, will be key to this success.

Background

The Hunter is a region currently facing the downturn of its traditional industries while also experiencing a fast-growing population. The Hunter's economy needs to evolve to maintain its substantial economic contribution to the State and Federal economies.

Direct competitive access to international markets will underpin this transition and safeguard the future of the Hunter. This is because efficient and effective access to global markets will be critical to attracting investment and talent to evolve the region's economy, and to enable the export of new products and services to the world.

The upgrade of Newcastle Airport's runway to Code E international standards and significant supporting infrastructure upgrades means that the Hunter will now host an international airport by 2024. This represents an opportunity to underpin significant economic evolution and growth for the region. The growth of Newcastle Airport, and of the communities and industries linked to this growth, will be a key future driver of the region's economic evolution beyond coal. This is because a globally connected Hunter, via Newcastle Airport and the Port of Newcastle, will be key to creating an economically prosperous city-region.

Report

To support the region to capitalise on the opportunities outlined above, the Hunter JO has been leading the Hunter Global Initiative, a regional collaborative effort designed to identify how the region as a whole can capitalise on the international opportunities arising from the upgrades to the airport. Key partner organisations involved in the initiative to date, and in crafting the *"Hunter Global: The Flightpath to our Future"* report include Newcastle Airport, Committee for the Hunter, Business Hunter, and the Institute for Regional Futures (University of Newcastle).

The *Flightpath* report represents a key milestone in the Hunter Global initiative. It has been developed following significant stakeholder participation achieved through a virtual roundtable in November 2021, the whole-of-region Hunter Global summit in February 2022, and ongoing collaboration and engagement since that time to further explore, refine and prioritise the opportunities identified. The work undertaken since the summit, including the relationships that have been established, has also led directly to the significant new regional program initiatives now being implemented by the Hunter JO, including the Hunter Global Tourism and Regional Airports Strategy (Freight and Logistics) projects.

The Flightpath report aims to encourage and support stakeholders invested in the Hunter region to make the most of the numerous economic and social opportunities that have, and will, emerge from the Newcastle Airport upgrades.

The report establishes a vision that *"The Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle"*.

This report discusses the economic opportunities created by the Airport's upgrade as 'above the wing' – the movement of people between destinations – and 'below the wing' – the movement of goods and freight between destinations.

This report also sets out the priority actions necessary to ensure the region is ready for take-off in line with the Hunter Global vision. These priority actions have been drawn from expert input, participant feedback from the summit, and post-summit engagement with the Airport and other stakeholders. Each action has a specific focus based on whether its outcome is principally focused on regional advocacy, regional planning and priority setting, or regional collaboration.

Next Steps

The Flightpath report is a resource that now provides the region with an important framework for collaboration moving forward, through which key regional stakeholders can align priorities and efforts to progress shared aspirations around the Airports role in actively supporting and facilitating the region's

economic evolution, an evolution that will hinge substantially on the ability to access international markets.

Importantly, the vision and priorities identified in the Flightpath report are not those of the Hunter JO alone, but represent a collective vision drawn from the wealth of stakeholders involved in the Hunter Global initiative to date. By articulating the support and consensus of the region around the importance and value of the Airport to the region's economic evolution and liveability, the Flightpath Report will play an important role in:

- Supporting efforts and activities to attract international interest and investment, both in the Airport itself and more broadly in region-wide infrastructure and services that are needed to support both above and below the wing business opportunities and growth.
- Presenting a unified vision and demonstration of regional support for the airport's ongoing growth and development, which will support efforts by the Airport to attract new airline carriers and routes for both passengers and freight.
- Identifying research, program development and advocacy priorities that will build the business cases for attracting both private and government investment. For example, the business case projects currently being delivered by the Hunter JO (i.e. Hunter Global Tourism and Regional Airports Strategy -Freight and Logistics) have arisen directly from the Hunter Global work to date.
- Attracting State and Federal Government grant funds to the region to support delivery of the vision and accompanying suite of actions identified in the Flightpath report.

Collaboration will continue to be instrumental to effective delivery of the Hunter Global Vision. To this end, the Hunter JO is continuing to work with both the original project partners and broadening this engagement to other key stakeholders to:

- Establish a governance framework and approach that facilitates efficient, nimble and effective ongoing (and expanding) communication and collaboration between the range of organisations who will be key to delivery of the Flightpath report recommendations.
- Mapping existing initiatives (and the connections between them) already underway across the region that are consistent with the priorities and directions included in the Flightpath report.
- Engaging the contributions of partner organisations in the direct design and delivery of projects arising from the Hunter Global Initiative (which are included in the Flightpath report). For example, participation by external organisations in Project Management Teams and Advisory Groups for the Hunter Global Tourism and Regional Airports Strategy (Freight & Logistics) projects that are currently being delivered by the Hunter JO.

Subject to the Board's endorsement of the Flightpath Report, a strategy for communicating and socialising the existence, availability and opportunities for utilising the report to regional stakeholders will be developed and delivered in collaboration with project partners.

Recommendation:

That:

- 1. the Board endorse the "Hunter Global: The Flightpath to our Future" report; and**
- 2. the Hunter JO team continues to collaborate with project partners and key regional stakeholders to facilitate delivery of the opportunities and directions it includes.**

Hunter Global: The Flightpath to our Future



Proudly led by the Councils of the Hunter Region

Hunter Joint Organisation
4 Sandringham Ave, PO Box 3137,
Thornton, NSW 2322
admin@hunterjo.com.au

Author

Hunter Joint Organisation



Acknowledgement of Country

We acknowledge the Traditional Custodians of the land and pay our respects to Indigenous Elders past, present and future.

Proudly funded by the NSW Government.



Project Partners



Delivery of the project has been supported by Astrolabe Group.



Disclaimer

While the Hunter Joint Organisation takes reasonable steps to ensure that the information included in this resource is correct, it provides no warranty or guarantee that information is accurate, complete, or up to date. The Hunter Joint Organisation does not accept any responsibility or liability for any actions taken as a result of, or in reliance on, information included in this publication.

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Part One

Executive Summary

3

Executive Summary

Hunter Global: The Flightpath to our Future aims to encourage and support stakeholders invested in the Hunter region to make the most of the numerous economic and social opportunities that have, and will, emerge from the Newcastle Airport upgrades.

Our vision throughout the Hunter Global initiatives is that the Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle.

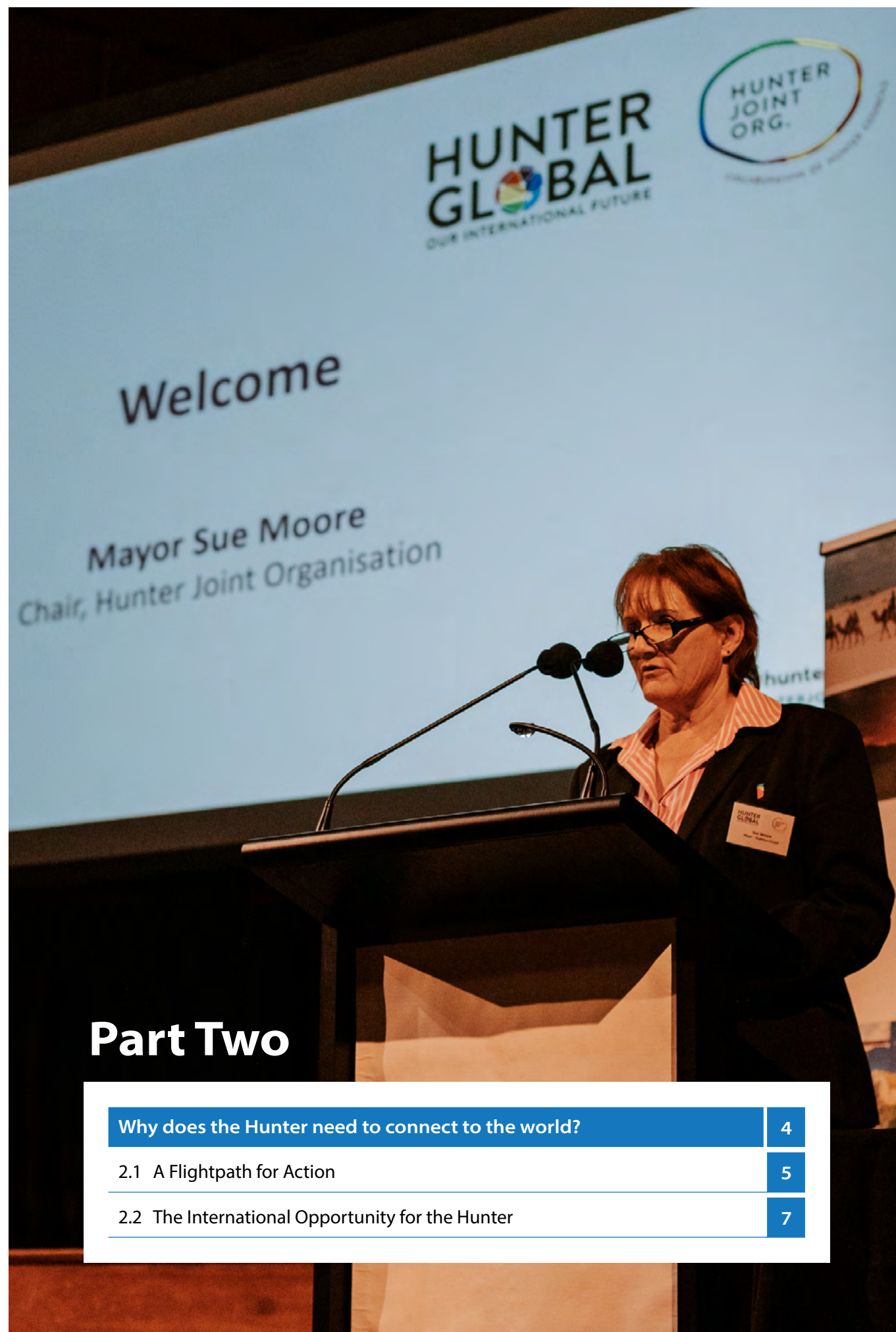
This vision is simultaneously about looking to the future of our region, as well as addressing the change that is upon us with the forecast reduction in the demand for coal. This demand is currently demonstrated by \$24 billion in coal exports annually, representing fifty percent of the Hunter's annual exports.

This report discusses the economic opportunities created by the Airport's upgrade as 'above the wing' – the movement of people between destinations – and 'below the wing' – the movement of goods and freight between destinations. Hunter Global's success relies on the Hunter region capitalising on these new economic opportunities, guided by a shared vision for the region's prosperity.

Hunter Global is not a new initiative. It has been built on the collaborative successes between the Newcastle Airport and numerous regional partners over many years.

This report sets out the priority actions necessary to ensure the region is ready for take-off in line with the Hunter Global vision. These priority actions have been drawn from expert input, participant feedback from the summit, and post-summit engagement with the Airport and other stakeholders.

Each action has a specific focus based on whether its outcome is principally focused on regional advocacy, regional planning and priority setting, or regional collaboration. We hope that this Flightpath provides a useful guide and point of reference for government, industry and community alike in ensuring the success of the Hunter region.



Part Two

Why does the Hunter need to connect to the world?

4

2.1 A Flightpath for Action

5

2.2 The International Opportunity for the Hunter

7

Why does the Hunter need to connect with the world?

2.1 A Flightpath for Action

The Hunter JO intends that this report articulate the next steps in the Hunter Global initiative in order to facilitate the coordination of regional stakeholder actions that will unlock the economic and social opportunities triggered by increased access to global markets.

This report gives an overview of the activities led by the Hunter Joint Organisation (Hunter JO) that have contributed to Hunter Global - strategically positioning the Hunter region for success and growth. [Hunter Global: Our International Future](#) is a region-wide initiative led by local government, through the Hunter JO, to boost collaboration, planning and advocacy to capitalise on the Newcastle Airport runway and terminal upgrade.

The Hunter JO is not alone in championing opportunities for the continued economic prosperity of the Hunter region. In addition to the 10 Member Councils, the Hunter Global initiative is supported by a number of key project partners including Newcastle Airport, the University of Newcastle, Business Hunter, and Committee for the Hunter.

This report should be of interest to all stakeholders, existing and emerging, who are passionate about seeing the Hunter region reach its full potential on the international stage.





2.2 The International Opportunity for the Hunter

The Hunter is a region currently facing the downturn of its traditional industries while also experiencing a fast-growing population. The Hunter's economy needs to evolve to maintain its substantial economic contribution to the State and Federal economies.

The Hunter exports \$24 billion of coal each year, which amounts to a third of our total economic output and roughly half of our exports. As we approach one million people by 2040, radical intervention is required to maintain the liveability and economic prosperity of the Hunter to build a region resilient to changing global energy demands.

Individual economic opportunity, principally in the form of employment and creation of comparable incomes, needs to be maintained and improved as the region diversifies away from coal which will require support and investment from all levels of government.

Direct competitive access to international markets will underpin this transition and safeguard the future of the Hunter. This is because efficient and effective access to global markets will be critical to attracting investment and talent to evolve the region's economy, and to enable the export of new products and services to the world.

Arising from the united and collaborative voice of the region, in May 2021, the Commonwealth Government announced \$66 million in funding to upgrade the Newcastle Airport's runway to Code E international standards. As can be seen from Figure 1, this upgrade will be a gamechanger for the region in terms of its ability to reach international markets.

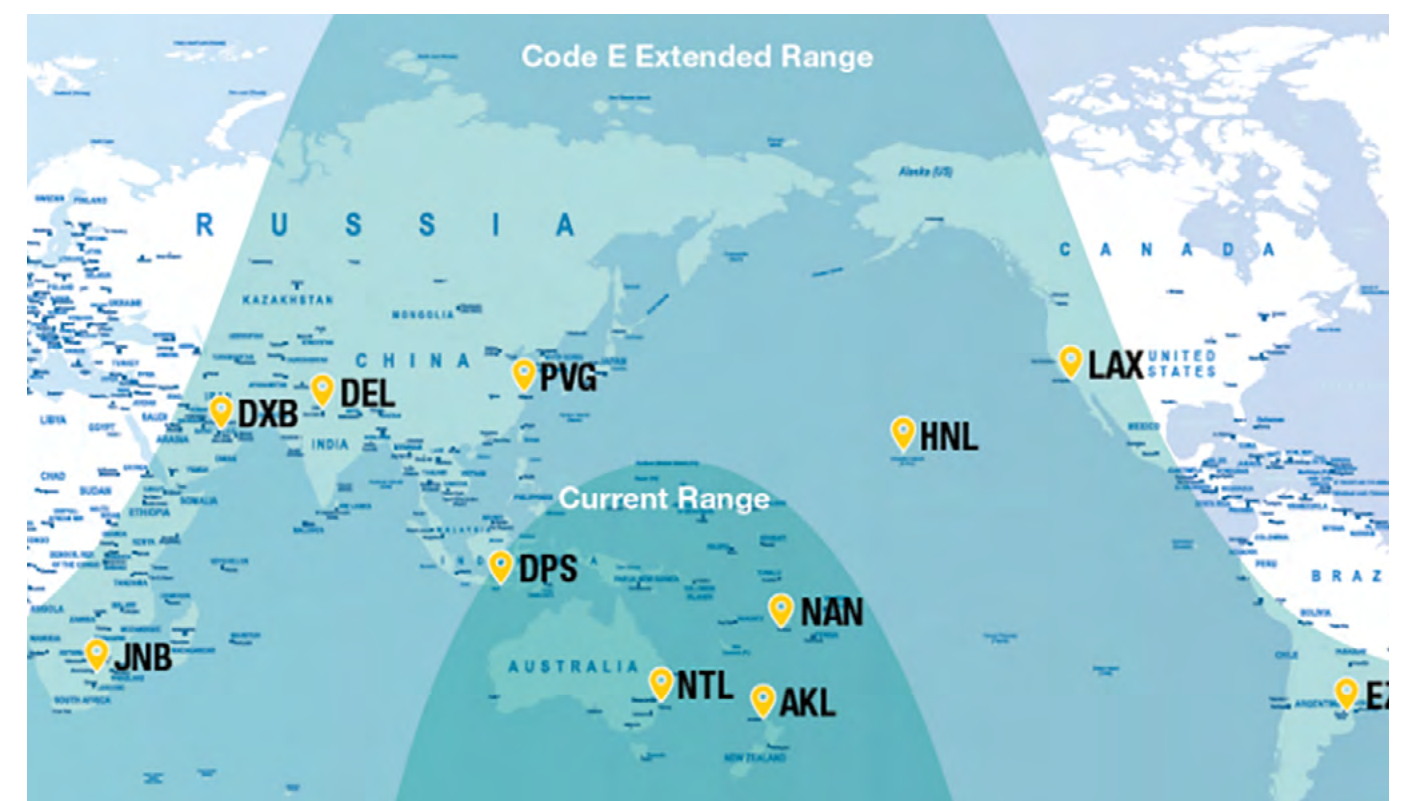


Figure 1: Code E Extended Range (sourced from Newcastle Airport)

¹ <https://hunter.org.au/scott-morrison-confirms-66-million-will-be-set-aside-for-newcastle-airport-runway-upgrade/>



Building on the announcement of the runway upgrade, in April 2022, the Commonwealth Government announced \$55 million in funding for the upgrade of the Airport's international passenger terminal.

According to the Airport upgrade's Economic Impact Assessment, these upgrades will generate 4,400 jobs (FTE)³ over 20 years. Over the same time, it will generate an additional \$6.2 billion in income for the visitor economy and \$6.5 billion in additional business activity through increased freight access.

This is in addition to the already significant contribution that the airport contributes to the Hunter's economy. In 2018, the airport and nearby related operations, including the annual impacts of domestic tourism from the airport, amounted to \$698.7 million in Gross State Product, supporting 5,673 jobs (FTE)³.

These upgrades to the Newcastle Airport have received bi-partisan report, demonstrating recognition across the political spectrum of the substantial importance of the airport in the region's internationally focused economic future.



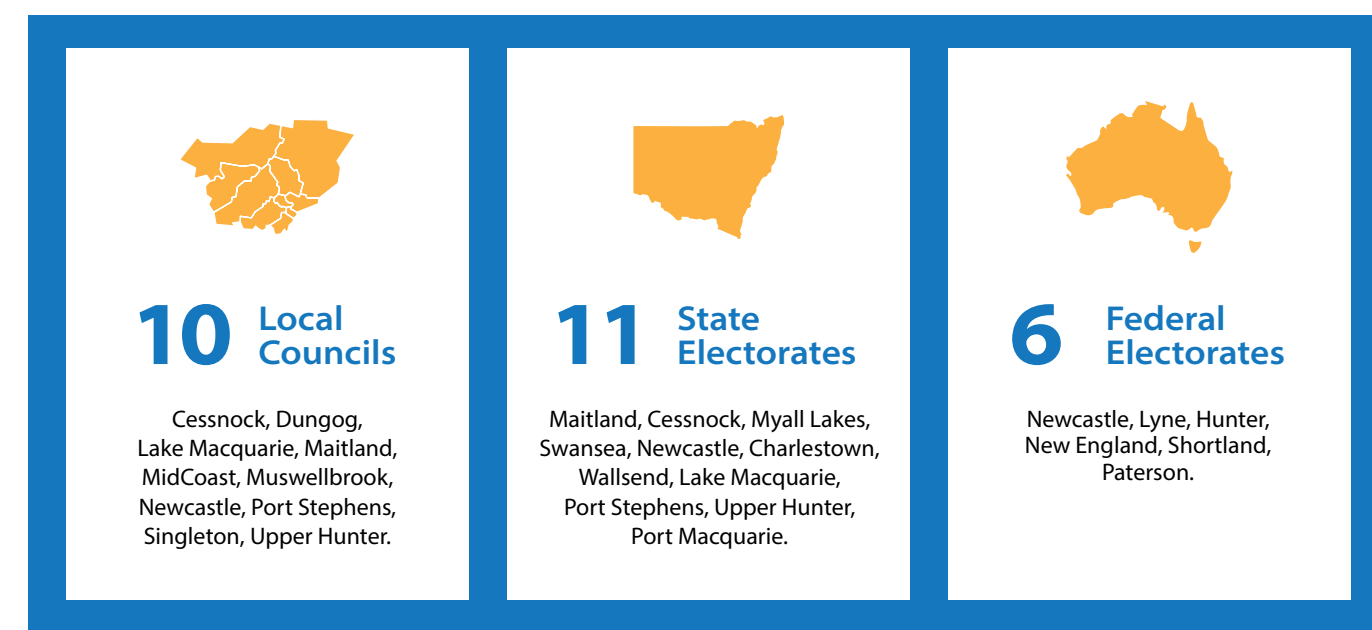
Watch Greater Newcastle and the Hunter:
When we get to the world stage
to find out more about the Hunter's international opportunities.

The Hunter Region

According to the 2021 census, the Hunter region is home to 682,465 people with predictions for the region to be home to more than one million people within the next 30 to 40 years⁴.

The Hunter is the largest regional economy in Australia, ranking above Tasmania, the Northern Territory, and the Australian Capital Territory in terms of economic output. It drives around 28% of regional NSW's total economic output and is the largest regional contributor to the State's gross domestic product.

The Hunter's exports amount to \$45 billion per annum, of which coal is approximately half. The region's economy has a diverse industrial base; however, there is still a high sensitivity to coal and energy transition which requires the growth of industry and production opportunities.



The Newcastle Airport

Newcastle Airport is less than a 20-minute drive to the Newcastle City Centre and 30-minutes to tourist and economic destinations such as Nelson Bay, Lake Macquarie, and the Hunter Valley wine country.

The Airport is co-located with the Williamstown Royal Australian Airforce (RAAF) Base, offering unique access to the airfields and runways of its military neighbour. The Airport site is leased jointly to Port Stephens Council and the City of Newcastle by the Commonwealth Government of Australia.

Newcastle Airport's catchment extends to Taree (140km north), Upper Hunter (100km west), and Hornsby (100km south). The core catchment – people who live within one hour's drive from the Airport – is around 665,000⁵ people and growing.

The Hunter JO

The Hunter JO is a collaborative body that brings together the ten councils in the Hunter region to provide a united and local voice for its communities. As the hub for local intergovernmental collaboration, the Hunter JOs statutory mandate includes identifying key regional strategic priorities, advocating for these priorities, and building collaborations around these priorities with other levels of government, industry, and community.

²<https://nationals.org.au/opening-the-hunter-to-the-world/>

³Synergies Economic Consulting, August 2018; Final Report to Newcastle Airport: Economic Impact Assessment

⁴<https://rdahunter.org.au/hunter-region/#~:text=THE%20HUNTER%20IS%20AUSTRALIA'S%20SEVENTH,CHALLENGES%20FOR%20THE%20REGION'S%20FUTURE.>

⁵Newcastle Airport, March 2018; 2036 Newcastle Airport Vision



Part Three

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Hunter Global: Charting the Flightpath to our Future

By 2024, the Hunter will host an international airport, offering a once-in-a-generation opportunity for the region's economic growth and diversification. Supported by funding from the Commonwealth Government, significant upgrades to Newcastle Airport infrastructure including a runway built to Code E international standard and construction of a new international passenger terminal, represent an opportunity to underpin significant economic evolution and growth for the region.

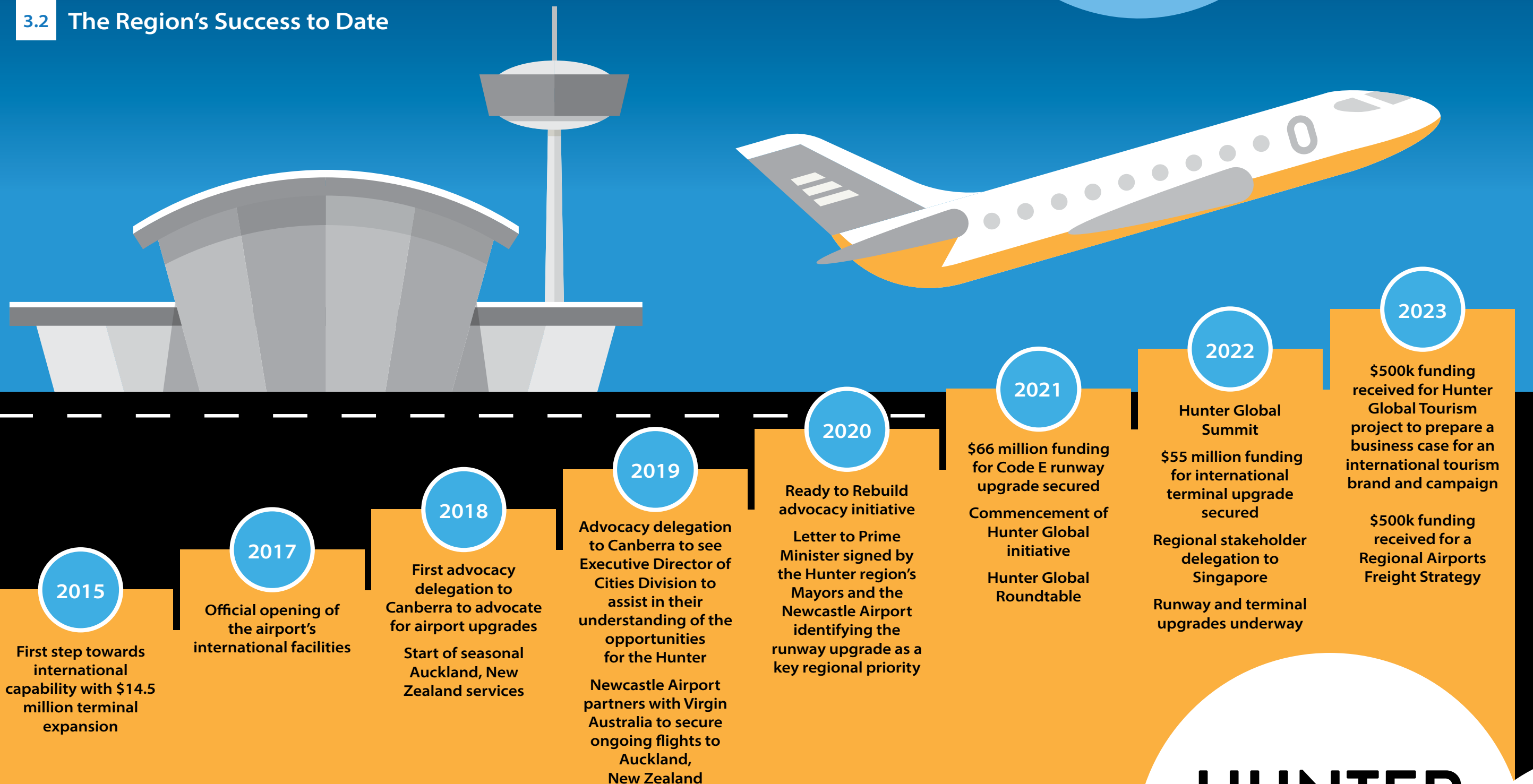
The growth of Newcastle Airport, and of the communities and industries linked to this growth, will be a key future driver of the region's economic evolution beyond coal. This is because a globally connected Hunter, via Newcastle Airport and the Port of Newcastle, will be key to creating an economically prosperous city-region. This can provide our communities with a vibrant and unique lifestyle, linked to growth in products and services, to replace the current economic output of thermal coal. Growing international connectivity through the airport is therefore fundamental to ensuring the Hunter region can continue to grow and evolve as a powerhouse of the state and national economies.

To support the region to capitalise on this opportunity, this Flightpath report has been developed following significant stakeholder participation achieved through a virtual roundtable in November 2021 and a whole-of-region summit in February 2022. This Flightpath report outlines priority objectives and actions for how the Hunter as a whole can capitalise on the international opportunities arising from the upgrades to the airport, particularly for areas of strategic opportunity and regional competitive advantage including tourism, business, education, research, agribusiness, manufacturing, and defence. Alignment around, and collaboration in pursuing these directions will ensure our communities are able to capitalise on the significant opportunities the airport presents for our regional economy and liveability.

3.1 The Hunter Global Vision

The Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle.

3.2 The Region's Success to Date



Historical

Expansions and upgrades of the Newcastle Airport have been a long-term priority for the Hunter region. Terminal upgrades in 2014-15 saw the first significant step in the Airport's international capability, with a \$14.5 million terminal expansion delivering new arrival halls and a dedicated area for permanent customs, immigration, and quarantine services in readiness for future international services.

* For our full collaborative history and success to date, refer to [Appendix A](#)

**HUNTER
GLOBAL**
OUR INTERNATIONAL FUTURE

Hunter Global Summit

In February 2022, we hosted a two-day Hunter Global Summit, the direction of which was informed by previous work in this space. This whole-of-region summit provided a platform for stakeholders to come together to collaboratively identify the opportunities for the Hunter arising from the enhanced international connectivity that an upgraded Newcastle Airport will provide.

There were also opportunities to co-design strategies and a way forward to ensure the region is activated to capitalise on these international opportunities. Summit delegates heard from aviation industry specialists and senior leaders in government and business about the global avenues the Airport offers to the region. This Flightpath report is built directly on the outcomes from the Hunter Global Summit.



[Watch Greater Newcastle and the Hunter:
Our Journey to Global Connectivity](#)





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Ready for Take-off




4.1 Collaborating for Success

This section of the Flightpath report sets out the priority actions to ensure the region is ready for take-off in line with the Hunter Global vision.

The following actions will support achievement of the Hunter Global vision through driving and curating the opportunity to grow certain products and services into new markets. Actions are separated into three key priority areas:

Priority Areas	
Foundational Actions	These are the actions that are necessary to underpin the future establishment of both above and below the wing opportunities.
Above the Wing Actions	These are the actions focused on tourism, education, business, and talent attraction opportunities.
Below the Wing Actions	These are the actions focused on import and export opportunities for freight and cargo.



Actions are grouped around the three focus areas of regional advocacy, regional planning and priority setting, and regional collaboration.

Key Focus Areas	Outcomes
 Regional Advocacy	Alignment through a strong and united regional voice facilitates place-based decision making and targeted investment that delivers on the Hunter Global vision and priorities.
 Regional Planning and Priority Setting	Clear evidence-based plans and priorities for the region are identified for collaborative implementation by key partners and stakeholders to achieve the Hunter Global vision.
 Regional Collaboration	A collaborative framework and systems are established, that encourage and drive action and accountability from key partners and stakeholders, in delivering the Hunter Global vision.

NB: The actions included in this report provide strategic direction for a range of stakeholders across the region. While the Hunter JO has coordinated this piece of work it is not primarily responsible for ongoing delivery of identified actions.

4.2 Hunter Global Action Plan

Foundational Actions		
Key Focus Area	Action	Impact
	Identify key stakeholders to form a Hunter Global partner group to ensure delivery of the Flightpath report recommendations.	Ensuring regional leadership, clarity of objective and accountability around the delivery of the Flightpath to our Future report recommendations.
	Build regional awareness and support of the Hunter Global Flightpath alongside the delegation of key activities.	Ensuring the roadmap is supported by key stakeholders will reinforce the document's legitimacy and regional alignment, which is critical to effective advocacy.
	Map a clear ecosystem of partners, collaborators, and stakeholders and their interests, influence, and impacts on international connectivity in the Hunter.	This mapping will identify and prioritise stakeholders and their needs as they relate to the delivery and progress of the Hunter Global initiative.
	Leverage regional support, to attract priority new international flight partners and connecting destinations, including for example whole-of-region representation in trade missions and delegations.	Demonstrating regional alignment to potential new airlines and underpinning the case for the diverse economic opportunities available to them.
	Collaborate to present a unified position and voice to generate funding and investment to attract international flights that will provide direct connections for businesses.	More regular flights will make it easier for international businesses to establish and operate in the Hunter and to retain talent in the region.
	Invest in development of a transport masterplan that prioritises and improves accessibility for people and freight from across the region to key international transport and export hubs including Newcastle Airport and the Port of Newcastle.	<p>Building a regional prism on enabling infrastructure that might be critical for economic development in other areas of the region.</p> <p>Prioritising key infrastructure and transport services (e.g., distribution hub) to enable efficient passenger transport and freight to and from the airport from across the entire region.</p>

Foundational Actions		
Key Focus Area	Action	Impact
	Establish a permanent Australian Border Agencies presence at Newcastle Airport to be ready upon activation of the runway and terminal upgrades.	To provide the resources necessary to facilitate the import and export of goods, services, and people through the Newcastle Airport.
	<p>Collaboratively develop and deliver action plans for priority sectors identified through the Hunter Global initiative, including:</p> <ul style="list-style-type: none"> • Business, Education & Research • Defence • Tourism & Visitors, Friends, and Relatives (VFR) • Trade supply • Manufacturing & Construction • Mining, Energy & Technology Services • Agribusiness • Medtech & Health 	Identification, alignment, and prioritisation of actions specific to the sectors where clear competitive advantages exist, will drive the readiness of each sector and shape sector-specific investment to capitalise on international market opportunities.
	Advocate for the renewal of the NSW Government Aviation Attraction Fund beyond 30 June 2023 as an important funding mechanism for leveraging increased domestic and international flights through Newcastle Airport.	Greater capability to attract airlines to Newcastle Airport.
	Identify skills needed for the region to be internationally ready and identify gaps and opportunities via a skills audit, to inform the development of an international skills development program.	<p>Understanding the skills gaps (capacity and capability) that may impact the Hunter region's ability to obtain the economic benefits created by the Airport's upgrade.</p> <p>Vocational training and capacity building will be essential to building the region's capability to meet the specific needs of different international market opportunities.</p>






Regional Advocacy



Regional Planning and Priority Setting



Regional Collaboration

Foundational Actions		
Key Focus Area	Action	Impact
	Develop a skills and talent attraction and retention strategy that builds on the existing Hunter and Identity Positioning strategy work.	Identifying and improving the facilities, resources and lifestyle opportunities needed to attract and retain necessary skills and talent to the region to capitalise on both above and below the wing opportunities.
	Explore and consider opportunities to embed and improve sustainability for Newcastle Airport and the activities it enables across the region, as it continues to grow as a primary driver for the Hunter's economic evolution.	Positioning Newcastle Airport and the Hunter to capitalise on decarbonisation and sustainability drivers in international markets.
	Continue to build on the recognition of the Hunter Global initiative, through the design and delivery of a series of regional events to progress the core priorities of the Flightpath report.	Continued engagement of regional stakeholders in the Hunter Global journey.

Above the Wing Actions		
Key Focus Area	Action	Impact
	Work actively with Destination NSW and Destination Sydney Surrounds North to collectively promote the Hunter region as-a-whole to international markets.	This will ensure priorities and resources across Local Government and State Agencies are aligned in their focus and efforts to increase the level of international visitors directly entering the region.
	Collate existing market research to identify core international markets aligned to the region's key tourism assets and experiences.	Priority markets will be identified for targeting international marketing resources and activities.
	Complete an International Visitor Expectations Audit and Benchmark of our region.	Identification of the experiences, assets, and facilities currently present in the region compared to what an international visitor would expect as part of a destination experience.
	Identify key barriers and opportunities for attracting international visitors directly to the region via Newcastle Airport.	Ability to develop more effective strategies and campaigns for attracting international visitation to the region.
	Develop and invest in a regional tourism marketing campaign to create a unified and collaborative approach to the promotion of the region as a key international destination.	Creating strong and unified destination branding and marketing will position the Hunter as an international tourism brand, growing the number of international tourists and enticing them to stay and spend longer in the region.
	Attract investment to develop and enhance both existing and new events, tourism products and infrastructure that create and connect experiences and compelling itineraries for the international tourism market.	Creating connected region wide experiences for visitors will facilitate and entice international visitors to stay longer and visit more of the region.





Regional Advocacy








Regional Planning and Priority Setting



Regional Collaboration

Above the Wing Actions		
Key Focus Area	Action	Impact
	Work with and support the region's First Nations peoples to unlock world class Indigenous tourism experiences.	To support the region's Indigenous communities in developing and marketing tourism experiences to promote their unique and diverse cultures.
	Support and encourage investment in digital connectivity and the elimination of mobile blackspots across the region.	To ensure international tourists can access information that will support them navigate their way throughout the entire region, utilising digital technology and resources.
	Collaborate to ensure all of region representation at international tourism events where tourism buyers are present.	A unified demonstration by the various regional tourism stakeholders of their collective commitment to attract and provide a unique and quality experience to meet international expectations and demand.
	Identify and attract leading five-star international businesses and experiences to establish in the region.	Provide international quality experiences and services as a key drawcard to attracting global visitation.

Below the Wing Actions		
Key Focus Area	Action	Impact
	Develop a holistic export strategy for the Hunter region, including plans to upgrade freight and supply chain infrastructure.	A holistic export strategy will identify the strategic industry needs, priorities, and opportunities (e.g., infrastructure needs, skills development, export ready products, etc.) that will ensure the Hunter region can share the benefits created by a growing export industry.
	Unlock an import/export concierge service to help local and international businesses explore international opportunities.	An import/export concierge service will provide direct support for industries across the region to access and capitalise upon international markets.
	Develop a regional freight strategy to identify and address barriers to the movement of freight both intra and inter regionally.	To improve connectivity and capacity of freight transport across the region to the airport as a key international gateway.
	Work with industry to identify opportunities, strategies and infrastructure needed to enable the further development and attraction of a freight forwarding ecosystem in the Hunter.	Improving the capacity for Hunter industries to import and export key goods and services through Newcastle airport.
	Attracting and securing investment for freight export and import enabling airport infrastructure.	To provide the necessary enabling infrastructure to facilitate the import and export of goods and services via the airport.



Regional Advocacy



Regional Planning and Priority Setting



Regional Collaboration



Part Five

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Appendix A:
The Region’s Success to Date

- ☒ **2014 - 2015**
- Expansions and upgrades of the Newcastle Airport have been a long-term priority for the Hunter region. Terminal upgrades in 2014-15 saw the first significant step in the Airport's international capability, with a \$14.5 million terminal expansion delivering new arrival halls and a dedicated area for permanent customs, immigration, and quarantine services in readiness for future international services⁶.
- ☒ **2017**
- Official opening of the airport’s international facilities.
- ☒ **2018**
- Initial delegation to Canberra to meet with Federal Minister and representatives to advocate for further airport upgrades.
 - Start of seasonal Auckland, New Zealand services.
 - 2036 Newcastle Airport Vision (Master Plan) Launches.
 - \$11.7 million in funding by the NSW Government, and \$8 million in co-funding from Newcastle Airport creates a world-leading aerospace commercial precinct (Astra Aerolab) adjacent to Newcastle Airport.
 - The Greater Newcastle Aerotropolis Pty Ltd entity is created.
- ☒ **2019**
- Delegation to Canberra to see Executive Director of Cities Division for an “officer to officer” exchange to assist in their understanding of the opportunities for the Hunter.
 - Newcastle Airport partners with Virgin Australia to secure ongoing international flights to Auckland, New Zealand.
 - Newcastle Airport signed a Heads of Agreement with major defence contractor BAE Systems Australia to lease land on the 76-hectare Astra Aerolab site.
 - Stage 1 works commenced on the Astra Aerolab development.

⁶Newcastle Airport, 2015; Building our future: Newcastle Airport Annual Report 2014/15



2020

- The Hunter JO and Committee for the Hunter champion the Federal Government for \$400 million for a range of projects, including Newcastle airport Code E Runway Upgrade as part of the Ready to Rebuild initiative.
- Letter to Prime Minister signed by the Hunter region's Mayors and the Newcastle Airport identifying the runway upgrade as a key regional priority.
- On 27 May Williamstown was announced as a Special Activation Precinct (SAP) by the NSW State Government. Anticipated to generate more than 15,000 jobs state-wide, the precinct signals a new era of investment for the region and unlimited potential for the Airport and Astra Aerolab in the future.



2021

- **Securing the Code E runway upgrade, May 2021** - After targeted advocacy and broad support across the Hunter region, the Newcastle Airport was able to attract \$66 million in funding from the Commonwealth Government to deliver an upgrade of the Airport's runway to a 'Code E' international standard.
- **Code E runway upgrade** - In order to release billions of dollars in economic benefit, the Airport's runway required an upgrade to Code E status, allowing it to accommodate long-range, wide-bodied aircraft.
This upgrade will directly connect the Hunter to the rest of the world. In doing so, it will create an immediate and permanent stimulus to the visitor economy, generate a substantial uplift in freight activity and deliver significant jobs and growth to Australia's largest regional economy. The benefits will be felt across the economy by multiple sectors and over a broad geographic area in regional Australia.
- **Commencement of the Hunter Global Initiative, August 2021** - In August 2021, the Hunter JO commenced the Hunter Global initiative with financial support from the NSW Government. With its expertise in collaboration and an ability to connect with intergovernmental stakeholders, the Hunter JO took a leading role to mobilise stakeholders to guide the development of Hunter Global.
- **Hunter Global Roundtable, November 2021** - The Hunter Global Roundtable took place in November 2021 and brought together leading industry experts to identify the potential opportunities and barriers for the region to capitalise on the opportunities created by the Code E upgrade.
A copy of a report including the insights collected during the roundtable event, is available on the Hunter JO's website.



2022

- **Hunter Global Summit, February 2022** - The Roundtable informed the direction of a two-day Hunter Global Summit, which took place in February 2022. This whole-of-region summit provided a platform for stakeholders to come together to collaboratively identify the opportunities for the Hunter arising from the enhanced international connectivity that an upgraded Newcastle Airport will provide. There were also opportunities to co-design strategies and a way forward to ensure the region is activated to capitalise on these international opportunities. Summit delegates heard from aviation industry specialists and senior leaders in government and business about the global avenues the Airport offers to the region. This Flightpath report is built directly on the outcomes from the Hunter Global Summit.
More information: Watch [Greater Newcastle and the Hunter: our journey to global connectivity here](#).
- **Securing the Newcastle Airport Terminal Upgrade, April 2022** - On 14 April 2022, the Commonwealth Government announced \$55 million in funding for the upgrade of the Airport's international passenger terminal.
In welcoming this announcement, the CEO of Newcastle Airport, Dr Peter Cock, acknowledged the Hunter JO's efforts in delivering the Hunter Global Summit as key to the Airport attracting the funding.
- **Terminal Upgrade** - This upgrade is essential to process the long-haul aircraft, which can carry close to four hundred passengers – a significant increase from the 180 passengers carried by the Airport's domestic fleet.
This is a nationally significant project and, combined with the Code E upgrade of the runway, is a game-changer for the Hunter region. With the final piece of the puzzle now secured, our region is moving towards true global connectivity.
The terminal will not only offer convenience to travellers who want to fly internationally. It will also drive significant, sustainable economic benefits across the region through inbound tourism and new freight-related industries, including import and export.
- **Regional Delegation May 2022** - Key regional stakeholder delegation to Singapore to engage with key international airlines to clearly articulate the size of the opportunity, while demonstrating strong and unified support from the region.
Runway and terminal upgrade works underway with the airport on track to be international-ready by 2024.



2023

- The Hunter JO received \$500k funding from the Regional NSW Business Case and Strategy Development Fund for a Hunter Global Tourism project to provide insights into international markets' motivation, interest and opportunities to develop a business case for an international tourism brand and campaign.
- The Hunter JO received \$500k funding from the Regional NSW Business Case and Strategy Development Fund for a Regional Airports Freight Strategy to develop a Hunter Region Aviation and Air Freight Strategy action plan which will identify priority planning and infrastructure needs.

Appendix B: International Opportunities for the Region

As well as immediate benefits through job creation, the Newcastle Airport's upgrade is the opportunity to leverage opportunities for the region for economic diversification and growth:

- Additional economic activity is associated with increases in international tourist visitation and expenditure in the aviation and related sectors
- 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

Priority Areas of Economic Opportunities

In addition to delivering signature events, the Hunter Global initiative has included research and analysis to guide the development of this roadmap. Stemming from Astrolabe's work identifying preliminary economic opportunities, the Hunter JO has identified the following priority areas of economic opportunity:

Tourism and 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 and adventure tourism across all 10 Local Government Areas.

The opportunities created by international visitors are estimated to contribute \$82.8 million to Gross State Product annually (from FY 2024-25)

Business, Education and Research

A key component of the business, education, and research opportunities created by the Airport's upgrade relate to the creation of a collaborative export culture. The collaboration between the Port of Newcastle and the Newcastle Airport will attract small and medium enterprises to ground their exports in the Hunter region, improving their capacity to reach new international markets affordably.

Collaboration between business, education and research will attract international talent to live, study and work in the Hunter region, creating new entrepreneurial opportunities that capitalise on the region's land, resources, and workforce.

The opportunity to ground exports in the Hunter region is further encouraged by the Australian Trade and Investment Commission's Export Market Development Grants program.

Agribusiness

As freight export is diverted from Sydney's Kingsford Smith Airport and Brisbane International Airport due to the Airport's upgrade, there is a potential for Newcastle Airport to export more than 20,519 tonnes of freight worth at least \$2.1 billion annually.

Several unique and prosperous agribusiness opportunities face the Hunter region, with key international markets including China, Japan, Korea, Vietnam, the United Arab Emirates, and the United Kingdom.

Growing agribusiness export markets suitable for the Hunter include meat (especially beef, lamb, and pork), summer fruits and nuts, aquaculture, and dairy.

Capitalising on these agribusiness opportunities will need complementary investment in freight and logistics to maximise the lifespan of products from farm to (international) plate.

Manufacturing

The Code E upgrade will strengthen existing, and deliver new, manufacturing opportunities, particularly in advanced food manufacturing, freight manufacturing, and defence manufacturing.

- Advanced food manufacturing – as the export market grows, there will be a demand for the region's producers to 'value-add' to their products. This may include producing more convenient and packaged foods and ready-to-drink beverages (alcoholic and non-alcoholic).
- Freight manufacturing - The Hunter region's supply chain infrastructure will need to be fit-for-purpose to support a growing export market. This includes the infrastructure needed to store, package, and move freight before, during and (for imports) after shipment.
- Defence manufacturing - The NSW Government has identified the Hunter region as a key manufacturing region for defence systems and equipment, aircraft maintenance, crew training systems, and mine disposal.

Defence

Opportunities for the defence industry are focused on the Air 6000 New Air Combat Capability Facilities Project at the RAAF Base Williamtown. 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.

The NSW Government has made a significant investment in Astra Aerolab. A technology park, Astra Aerolab is Australia's newest defence and aerospace precinct, with current tenants including leading Defence firms, such as BAE Systems, Lockheed Martin, Boeing, Raytheon, and many other significant SMEs.

Trade Supply

To ensure the entire Hunter region benefits from the Airport's upgrade, it will be crucial to foster a collaborative export culture across all tiers of Government, industry, and local businesses. The establishment of a strong relationship between the Newcastle Airport and the Port of Newcastle will be of paramount importance.

Although each port will have its own specialities, they can provide more than the sum of their parts by facilitating a diverse and growing ecosystem of trade supply. Opportunities to establish infrastructure and services in locations convenient to both the Airport and the Port of Newcastle will improve the efficiency of trade supply.

⁶<https://www.newcastleairport.com.au/news/newcastle-airport-celebrates-win-for-the-region-after-55-million-funding-announced-for-terminal-upgrade>



4 Sandringham Ave, Thornton NSW 2322
02 4978 4020 • admin@hunterjo.com.au
www.hunterjo.com.au

Report Author: Steve Wilson, Director Hunter JO

Responsible Officer: Joe James, CEO

Purpose:

To inform the Board of the outcomes of the Hunter Venture Fund project and to clarify and seek the Board's endorsement on the role of the Hunter JO moving forward in relation to this initiative.

Alignment with [HunterJO Strategic Plan 2032](#) and [Hunter JO Advocacy Priorities](#)

Strategic Theme(s)	Jobs & A Growing Economy
Objective(s)	<p>3.1 Coordinated planning and investment by all levels of government that empowers the region and its residents to maintain and grow jobs, economic opportunities and quality of life</p> <p>3.2 Accelerated and amplified market driven investment in innovation that capitalises on the region's existing natural strengths and attributes which create jobs in future industries</p>
Strategic Direction(s)	<p>3.1.2 Support the establishment of an entity that has the authority and resources from the Commonwealth and NSW Government necessary to provide the institutional capacity and expert and empowered, place-based planning and decision-making capability.</p> <p>3.2.1 Support and mature the innovation ecosystem in order to drive commercialisation of ventures and start-ups in the region which will provide growth in future jobs.</p> <p>3.2.2 Improve and accelerate the regions access to investment and capital markets to underpin the innovation ecosystem and the redevelopment of industrial and mining assets.</p>
Hunter JO Advocacy Priorities	<p><i>Advocacy Priority</i></p> <p>All levels of government contribute to ensuring the Hunter's successful economic evolution.</p> <p><i>Advocacy Policy</i></p> <ol style="list-style-type: none"> As we transition to a clean energy future, we need to evolve the Hunter's economy to ensure a steady increase in the region's economic outputs, so that the dominance of coal is replaced with other products and services, at a level that will: <ul style="list-style-type: none"> Replace and provide more jobs than those currently provided by traditional heavy industries Maintain and improve the lifestyle and opportunities available for our local communities. The economic evolution needed in the Hunter requires intervention and investment across all sectors and levels of government. Investment that accelerates and amplifies market driven investment in innovation and capitalises on the region's existing natural strengths and attributes is the priority.

Background

Identification of the need for a place-based Hunter Venture Fund originated in 2019 through the collaborative 2050 Foundation work that was led by the Hunter JO at the time. This work clearly identified the need for a regional collaborative and coordinated response (policy, planning and funding) across all levels of government, to address the growing gap between where the Hunter regional economy was and where it needs to be by 2050, given the global shift in reliance on coal.

The 2050 Foundation provided a blueprint for the evolution of the regional economy focusing on four key pillars:

1. Building the capability of the workforce
2. Transformation of land and water assets
3. Small and medium enterprise diversification
4. Accelerated capital flows to the region for investment.

The Hunter Venture Fund project directly relates to the fourth pillar, and at its 10 June 2021 meeting, the Hunter JO Board confirmed its commitment to exploring the concept of a Hunter Venture Fund when it resolved to *“retain a primary focus on advocacy and facilitation efforts aiming to secure significant private sector investment, including through the Hunter Venture Fund concept, into new industries that can reduce long term risk and create new jobs”*.

The Hunter Venture Fund project

In line with the Board’s resolution the Hunter Venture Fund project was designed to explore the design, feasibility and demand for a place-focused venture fund with potential to be co-funded by all levels of Government, research and industry partners in order to:

- Accelerate the flow of capital into the Hunter region to support the innovation ecosystem and drive investment;
- Activate a pipeline of projects that attracts ongoing private sector investment; and
- Address industry concerns around access to a depth of readily available capital for early-stage ventures in the Hunter.

Based on their significant investment sector specific experience, the company CircPartners were engaged by the Hunter JO to progress this work, focusing on:

- Investigating opportunities for enhancing the Hunter’s innovation ecosystem
- Engaging with the key stakeholders including government agencies, research institutions, selected Hunter Ventures (primarily in the Energy & Resources, Health Innovation and Defence & Aerospace sectors), Innovation Ecosystem Participants and Venture Fund Managers
- Exploring concerns of innovative Hunter-based businesses and considering potential approaches which may address these concerns
- Recommending a potential structure, function & design for potential solutions and considering their “commercial executability”.

The central thesis being tested was whether a ‘placed-based’ fund (unusual in the investment landscape), where the use of government ‘seed’ investment would enable the fund to offer a more attractive risk profile to private capital than could otherwise be achieved, would be an attractive product to investors.

At an overall level the work completed by CircPartners has:

1. Confirmed there is a need, interest and support for a place-based (Hunter focused) Venture Fund to:

- Support ventures which may leverage opportunities in energy transition or diversify Hunter economic activity away from energy
 - Address local concerns with depth of readily available capital for early-stage ventures in the Hunter
 - Address Australia-wide concerns with gaps in available early-stage capital for ventures with specific characteristics.
2. Identified the need for a Hunter focused Innovation Entity to:
- Support the commercialisation of research and other innovation generally in the Hunter region
 - Support ventures which may leverage opportunities in energy transition or diversify Hunter economic activity away from energy
 - Provide investors in (and managers of) any local fund with confidence that there is a pipeline of viable Hunter investment opportunities

Subsequent engagement with industry and investors has highlighted that there is an appetite for a fund that would finance commercial pilot projects in clean tech and advanced manufacturing (e.g. Hydrogen pilot scale, new manufacturing capacity for novel products).

The report documenting the outcomes of the work undertaken by CircPartners is provided in Attachment 10.

Next Steps

Up until now the Hunter JO has taken the lead role in exploring and confirming the strong level of interest and support for a Hunter placed Venture fund and associated Innovation Entity, and the focus and structure of how these could function. Based on more recent engagement with key regional stakeholders, the opportunity has also been identified that a fund and entity could and should also operate at both the scale of start-up as well as the scale of commercial pilot funding (similar to the Clean Energy Finance Corporation). Notionally this could be a 'venture fund' (say \$50m) and an advanced manufacture / clean energy commercial scale fund (say \$500m).

Moving forward however, in the context of the resources available to the Hunter JO team, it is recommended that Hunter JO's role now be scaled back to one focused primarily on advocating for the establishment of one or more 'Hunter Funds' to other levels of government, rather than being the primary organisation attempting to drive the design and delivery of the Funds.

Under this approach, the focus of efforts by the JO would predominantly include opportunistic advocating to other levels of government on the need for establishment and government co-investment in a Hunter Clean Energy / Advanced Manufacture Commercial Pilot Fund and/or a Venture Fund and Innovation Entity, as a key policy and delivery mechanism for accelerating and amplifying market driven investment into the region to drive the significant economic evolution that is needed.

Recommendation:

That the Board:

1. **Accept the report prepared by CircPartners for the Hunter JO;**
2. **Endorse a shift in focus for the Hunter JO regarding the Hunter Venture Fund, to one of primarily advocating to other levels of government, the need for establishment and government co-investment in a Hunter Clean Energy and Advanced Manufacture Commercial Pilot Fund and a Hunter Venture Fund and Innovation Entity, as a key policy and delivery mechanism for accelerating and amplifying market driven investment into the region to drive the significant economic evolution that is needed.**

Hunter Innovation Opportunity

Insights Report

14 November 2022

Final Draft
Commercial in Confidence

Executive Summary

We see opportunity to better support and accelerate local ventures enabling economic transition



Building a **globally relevant scale** lithium-ion battery manufacturing facility at **Tomago** – with a total **capital investment of \$230m+** creating **1,700 direct jobs** as well as **6,500 indirect jobs**



Commercialising a **new type of thermal energy storage** developed at the University of Newcastle, with **initial commercial manufacturing being established at Waratah**

These businesses and their supply chains can generate material investment and job creation

Executive Summary

We will diversify our economy by supporting innovative businesses to leverage regional strengths

- **Hunter JO has been actively monitoring the potential impact of the global energy transition on the Hunter region's economic prosperity**
 - We know that the global energy transition will reduce our coal exports and our coal-fired electricity generation
 - But we also know our region is diverse & resilient – and we have successfully navigated the impacts of global economic transition before
 - Our experience with closure of the BHP steelworks demonstrated that:
 - Significant government support for the region is critical
 - The best form of government intervention is that which accelerates and amplifies existing competitive advantages into new products and services
- **We are buoyed by the new investment opportunities created by the global energy transition – but know it will only ever be part of a broader solution**
 - We have undeniable strengths in existing infrastructure relevant to the energy transition – our bulk deep-water port and our electricity transmission assets
 - There is significant planned investment in energy transition and hydrogen projects which leverages this infrastructure on a 5-10+ year view
 - However, the energy transition project pipeline is not certain
 - It is also not clear that enough of the hydrogen value chain will be based locally for the sector to be a like-for-like replacement for coal
- **But we know that our regional economy is about much more than just energy**
 - We have other infrastructure and human capital strengths which can be leveraged – including:
 - The University of Newcastle and the diverse group of research institutions and commercialisation pathways with which it is aligned and supports
 - The Williamstown aerospace precinct which includes RAAF Base Williamstown and Newcastle international airport
 - The John Hunter Hospital and its emerging health innovation precinct, and the large & diverse local health district it supports in Hunter New England
 - We have human capital and capacity to execute advanced manufacturing – leveraging our traditional strengths in mining, power generation & aerospace
 - We have a vibrant and rapidly developing innovation ecosystem which is enabling the identification and execution of local solutions to global challenges

Executive Summary

We will require multi-level government cooperation to unlock innovation potential in our region

- **We see opportunity to support local innovators to leverage our regional strengths in a global marketplace**
 - We have a well functioning – but still developing – innovation ecosystem
 - We are producing investible ventures – we have observed many successful exits and capital raisings, and new ventures continue to emerge
 - However, we observe barriers to the local ecosystem realising its full potential:
 - Early-stage funding is difficult to secure locally – meaning Australia-wide funding gaps are amplified in the local context
 - Local commercialisation support lacks depth and consistency
 - Connectivity between the ecosystem and infrastructure & human capital could be optimised
 - We believe that by addressing these barriers we can unlock the true potential of the Hunter's innovation ecosystem
- **We see clear role for government to play in unlocking the potential of our local innovation ecosystem**
 - We do not believe that the private sector or other key ecosystem participants will address existing barriers in the absence of government intervention
 - We propose an Entity which would coordinate commercialisation support and execution partner relationships for local ventures
 - We propose a Fund which would provide a dedicated local venture funding source
 - We anticipate this would overcome early-stage capital depth issues which are amplified in the region
 - We anticipate the Fund would see significant interest in co-investment from investors such as superannuation funds with ESG-orientated⁽¹⁾ mandates
 - The ultimate objective of the proposed solution is to enable a self-sustaining innovation ecosystem in the region on a 5-year view
- **We believe that by supporting the innovation ecosystem we can enable diversification of the region's economy in the face of global economic transition**

Executive Summary

We see two necessary roles for government in enhancing the Hunter's innovation ecosystem

Hunter Innovation Entity ('Entity')

- We propose that a Hunter Innovation Entity ('Entity') is established to achieve the following objectives:
 - Support the commercialisation of research and other innovation generally in the Hunter region
 - Support ventures which may leverage opportunities in energy transition or diversify Hunter economic activity away from energy
 - Provide investors in (and managers of) any local fund with confidence that there is a pipeline of viable Hunter investment opportunities
- We propose that the Entity focus on those sectors on which the Hunter BAC⁽¹⁾ is focused – but not to the exclusion of other sectors
- We propose that the Entity procure the delivery of incubator, pre-accelerator & accelerator programs
 - We envisage pre-accelerator and accelerator activities would be specific to each of the sectors of focus for the Entity and Fund
- We propose that the Entity would have a small internal team which would deliver core functions – but otherwise delivery is by third parties
- We propose that the Entity would build consensus as an advocate for the ecosystem – not exercise command & control over the ecosystem
 - We propose that a key role of the internal Entity team is to maintain genuine ecosystem connectivity and coordination
 - We envisage this will incorporate engagement with corporates, infrastructure owners, research institutions and others

Hunter Venture Fund ('Fund')

- We propose that a Hunter Venture Fund ('Fund') is established to achieve the following objectives:
 - Support ventures which may leverage opportunities in energy transition or diversify Hunter economic activity away from energy
 - Address local concerns with depth of readily available capital for early-stage ventures in the Hunter
 - Address Australia-wide concerns with gaps in available early-stage capital for ventures with specific characteristics
- We propose that the Fund is managed by an experienced external manager selected in a process which also establishes Fund design
- We propose that the Fund would be an initial minimum of \$50m in size, with opportunity to expand size and mandate on successful deployment
- We propose that any Fund investment mandate require the majority (but not all) funds to be deployed to Hunter-linked businesses – noting that:
 - The viability of a new fund for a fund manager requires it to be at least \$50m to \$100m in size; and
 - The pipeline of available Hunter opportunities may not support such scale or be consistent with other objectives of the fund manager
- We propose that the fund investment mandate would focus on sectors which are the current sectors on which the Hunter BAC⁽¹⁾ is focused

Hunter JO Board Papers_8 June 2023

Notes: (1). Hunter BAC is the Hunter Business Attraction Committee which is maintained by the Department of Regional NSW.

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Executive Summary

We see financial support from government as necessary for both Entity and Fund

Hunter Innovation Entity ('Entity')⁽¹⁾

- Participants in innovation ecosystems typically have broad incentives to perform functions proposed for the Entity, but typically have limited resources available to execute on such
 - This means that the ecosystem is less likely to independently undertake what is required by the Entity relative to the commercial fund management sector which has incentives to establish a Fund
- Feedback from key participants in the ecosystem is that while they have experience in executing programs proposed to be executed by the Entity, they don't have an ability to continuously self-fund programs
- We envisage government will be required to fund effectively all of the cost of the Entity – but note opportunity to seek co-contributions from key partners such as the University of Newcastle
- We note that this commitment is expenditure – but also note that there may be an opportunity for the Entity to earn a return on funds provided to accelerator participants as seed capital in exchange for equity

We recommend \$1.5m+ pa of funding is secured for 5+ years for the Entity – with that amount co-funded by government, research and industry partners

Hunter Venture Fund ('Fund')⁽¹⁾

- Fund managers will receive fees in exchange for managing the Fund – comprised of base management fees linked to the size of the Fund and performance fees linked to the underlying performance of the Fund
 - This commercial structure means that commercial fund managers might establish a Fund independently of government – but does not mean that government support is not required for a Fund
- Feedback from the funds management industry has indicated that material government support is likely to be required to enable the Fund to be executed as proposed
- We expect government providing financial support to a Fund in the form of a 25-50% co-investment in the fund alongside other capital arranged by the fund manager in the ordinary course of their business
- We note that this is likely to be structured as a co-investment alongside third party investors, which is likely to mean that government can treat such as an asset and earn a return, rather than a one-off expense

We recommend a minimum initial Fund size of \$50m – with 25-50% of this being co-investment by government and the balance raised by the fund manager

Hunter JO Board Papers_8 June 2023

Notes: (1). We anticipate that the Entity will be a public company limited by guarantee and that the Fund will be an externally-managed Early-Stage Venture Capital Limited Partnership ('ESVCLP').

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1

Report Context

Report Context

This report explores the role for government in supporting the Hunter's innovation ecosystem

Hunter Joint Organisation's Role

- Hunter Joint Organisation ('Hunter JO') is the joint organisation of the 10 local governments in the Hunter region
- Hunter JO has been exploring the opportunity to provide positive support to innovative Hunter ventures for a number of years
- Hunter JO believes that a well-functioning innovation ecosystem is important to achieve economic diversification given the global energy transition
- Hunter JO's ultimate objective is to enable the full potential of the local innovation ecosystem to be unlocked – and become self-sustaining – on a 5-year view

Role of Circ Partners

- In late 2021 Hunter JO appointed Circular Energy Partners ('Circ Partners') to investigate opportunities to enhance the Hunter's innovation ecosystem
- Since then Circ Partners has been working to conduct further investigations, which has included:
 - Engaging with the following:
 - Department of Regional NSW's Hunter-based team
 - Hunter Business Attraction Committee ('Hunter BAC') established by the Department of Regional NSW
 - Chairpersons of the 3 sub-groups of the Hunter BAC – Energy & Resources, Health Innovation and Defence & Aerospace
 - Selected Hunter Ventures – primarily in the Energy & Resources, Health Innovation and Defence & Aerospace sectors
 - Selected Innovation Ecosystem Participants – including the University of Newcastle, Hunter Angels and John Hunter Health & Innovation Precinct
 - Selected Venture Fund Managers who have made material investments in Hunter-based ventures
 - Exploring concerns of innovative Hunter-based businesses and considering potential approaches which may address these concerns
 - Recommending a potential structure, function & design for potential solutions and considering their "commercial executability"
- **This report summarises insights from investigations and recommends a potential approach to unlock potential of the Hunter's innovation ecosystem**
Hunter JO Board Papers_8 June 2023

2






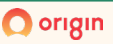









Hunter Regional Context

Hunter Regional Context

Energy Transition Project Pipeline

Some local energy transition projects are expected to result from global energy transition

Investment Pipeline – Energy Transition

Proposed Investment	Lead Proponents	Status	Project Detail	Investment
Green Energy Generation & Storage				
Hunter Power Project	 	Construction	660MW gas/hydrogen-fired generator by 2023	\$600m+
Hunter-CC Renewable Energy Zone	 + Partners TBC	Planning	2GW generation & 1GW storage (TBC)	\$3bn+
Waratah Super Battery	 + Partners TBC	Planning	700MW battery by 2025	\$700m+
Liddell Battery		Planning	150MW battery by 2023 (500MW potential)	\$150m+
Eraring Battery		Planning	700MW battery by 2025	\$700m+
Kurri Kurri Battery		Planning	400MW battery by 2023 (1.2GW potential)	\$400m+
Green Hydrogen				
Hunter Hydrogen Network		Concept	Staged project spanning Hunter & New England	TBC
Port of Newcastle Hydrogen Hub	  	Concept	40MW electrolyser based at Port of Newcastle	\$100m+
HV Industrial Clean Energy Hub	 	Concept	Liddell & Bayswater-based electrolysers	TBC
Hunter Valley Hydrogen Hub	 	Concept	55MW electrolyser based at Kooragang Island	\$150m+

Hunter-CC REZ plans likely incorporate other energy transition investments proposed by the private sector

Announced hydrogen projects have modest initial plans – with larger domestic & export projects anticipated from 2030

- Hydrogen project activity is extremely positive, however:
 - Projects that do proceed will initially be at a “trial” scale – with larger “commercial” scale domestic & export projects likely only after 2030
 - It is not clear that enough of the hydrogen value chain will be based locally for the sector to be a like-for-like replacement for coal

However, these new energy projects are not likely to be a like-for-like replacement for coal

Hunter Regional Context

Business Attraction Committee

We engaged with ventures in the 3 sector sub-groups of the NSW government's Hunter BAC⁽¹⁾

Energy & Resources

Context

- Focused on opportunities which leverage existing energy infrastructure in the region including Newcastle bulk deep-water port, the planned hydrogen hub and the NSW government's planned Hunter-Central Coast Renewable Energy Zone

Chairperson

- Chaired by Professor Alan Broadfoot who is Executive Director of the Newcastle Institute for Energy and Resources ('NIER') at the University of Newcastle ('UoN') and a Director of the NSW Energy and Resources Knowledge Hub

Selected Ventures⁽²⁾

- We engaged with the following ventures relevant to this sub-group



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Notes: (1). Hunter BAC is the Hunter Business Attraction Committee which is maintained by the Department of Regional NSW. (2). Case Studies on Selected Ventures are included in Appendix A of this Report.

Health Innovation

Context

- Focused on thematic which leverage the \$835m redevelopment of the John Hunter Hospital Health & Innovation precinct in Newcastle and the \$350m pilot of the Single Patient Digital Health Record program in Hunter New England health district

Chairperson

- Chaired by neurologist Dr. Chris Levi who is Director of the John Hunter Health & Innovation Precinct ('JHHIP'), Non-Executive Director of Hunter Medical Research Institute ('HMRI') and a Conjoint Professor of Medicine at the University of Newcastle ('UoN')

Selected Ventures⁽²⁾

- We engaged with the following ventures relevant to this sub-group



Defence & Aerospace

Context

- Focused on opportunities in defence industry predominantly located in commercial centres – such as the planned Astra Aerolab – adjacent to the Williamstown RAAF base which hosts JSF capabilities as well as Newcastle international airport

Chairperson

- Chaired by Tim Owen AM who is also Chair of the Hunter Defence taskforce and a Defence Industry Adviser at HunterNet (and is a former member of the air force and deputy commander of the Australian Forces in Iraq and Afghanistan)

Selected Ventures⁽²⁾

- We engaged with the following ventures relevant to this sub-group



Hunter Regional Context

Ventures in the Innovation Ecosystem

We see strong evidence of a well-functioning – but still developing – Hunter innovation ecosystem

Commentary

Recent Exits

- The ecosystem has created genuine value for early-stage investors:
 - The clinical-stage Newcastle-based oncolytic virus company **Viralytics** was acquired by Merck & Co for **\$502m** in **2018**
 - The Newcastle-based workforce management software company **Pegasus** was acquired by US-based Avetta for **\$160m** in **2021**

Recent Fundraisings

- The ecosystem is delivering investible product for venture investors:
 - MGA Thermal⁽¹⁾** is a Hunter-based venture with a new type of thermal storage which completed an **\$8m Series A** raising in **2021**
 - Energy Renaissance⁽¹⁾** owns a lithium-ion battery Gigafactory in the Hunter which has raised ~**\$25m** of capital **since 2019**














Emerging Opportunities

- The ecosystem continues to see emerging ventures:
 - Lamynox⁽¹⁾** is developing a potential treatment solution for short-sightedness resulting from research at the University of Newcastle
 - VSPC⁽¹⁾** has developed IP in nanotechnology for solid-state battery storage and is now seeking to develop Hunter-based manufacturing

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Notes: (1). Case Studies are included in Appendix A of this Report.

Selected Ventures by Sector

Sector	Case Study ⁽¹⁾	Others
Energy & Resources	  	    
Health Innovation	  	
Defence & Aerospace	 	
Others		  

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Hunter Regional Context

Participants in the Innovation Ecosystem

We see strong evidence of a well-functioning – but still developing – Hunter innovation ecosystem

Commentary

- We have well-developed **research institutions** which have a long history commercialising research with industry – with our University playing an important role in most of these
- We have emerging **commercialisation resources** for ventures, including a dedicated angel investor network which provides funding & mentoring to emerging ventures
- We have well-defined **precincts & clusters** which enable focused effort which leverages the human capital and infrastructure strengths of the Hunter region
- We have a number of privately-owned **advanced manufacturing** firms which are supporting ventures to execute new products, particularly in energy & aerospace
- We have **undeniable strengths in our existing and planned infrastructure** – which will greatly benefit emerging business in energy transition, amongst others

Selected Participants by Type

Type	Key Members
Research Institutions	      
Commercialisation Resources	    
Precincts & Clusters	    
Advanced Manufacturers	  
Advocacy & Coordination	   
Infrastructure	    

Hunter Regional Context











Key Ecosystem Participants (1 of 2)

Further detail on the roles & relationships of key members of the ecosystem is set out below







Roles & Relationships

Organisation Relevant Background







Research Institutions

	Government Entity responsible for scientific research which has its Energy Centre based in Newcastle which hosts its solar and energy research hub	
	Medical research institute which enables the translation of world-class medical research into products and practice, with examples including Viralytics	
	Research institute that drives productivity and sustainability through applied research which delivers transformation solutions in energy and resources	
	Research & development and innovative product development solutions in electrical and electronic engineering; Ampcontrol is lead partner in the JV	
	Leading global university based in Newcastle which has demonstrated strength in commercialisation of research; lead or partner in many institutions	

Commercialisation Actors

	Independent, not-for-profit incubator and registered training organisation which supports and grows SMEs across three campuses in the Hunter	
	For-profit angel investor group which invests in emerging Hunter businesses; 30+ active investors and mentors investing more than \$2m per annum	
	Independent, not-for-profit innovation support organisation which developed a plan to unite, scale and champion the Hunter's growing ecosystem	
	UoN's incubator and accelerator which fuels the success of innovators and entrepreneurs by connecting them with community, coaching and capital	
	For-profit industrial prototyping lab and innovation accelerator with campuses at Lake Macquarie (Dantia) and Muswellbrook (under construction)	

Precincts & Clusters

	Globally significant defence & aerospace precinct under development on 76ha of land adjacent to RAAF Base Williamtown and Newcastle Airport	
	Think tank focused on zero-emissions economy which is developing the Hunter Renewable Energy Industrial Precinct	
	Initiative of the Hunter New England Local Health District which will embed innovation in infrastructure being redeveloped at John Hunter Hospital	
	Hydrogen supply chain development focus in the Hunter-CC-Orana regions in conjunction with UoN and 14 other partner organisations	

Hunter Regional Context




Key Ecosystem Participants (2 of 2)

Further detail on the roles & relationships of key members of the ecosystem is set out below





Roles & Relationships

Organisation Relevant Background






Advanced Manufacturers

	Electrical engineering firm with innovation focus; lead on ResTech JV; partnered on LAVO, LeoLabs LEO satellites, Horizon's SAPS and C-19 ventilators
	Privately owned company executing a lithium-ion battery Gigafactory at Tomago
	Advanced engineering and manufacturing firm which specialises in vehicles, electric vehicles and defence & aerospace; partnered on LAVO

Advocacy & Coordination

	Independent and inclusive champion for people of the Hunter and their enterprises, providing effective advocacy and thought leadership
	Collaborative task force focused on demonstrating the capability of established Hunter defence industry suppliers to government and prime contractors
	Initiative within the new Department of Regional NSW which has a dedicated facilitation and promotion capability in the Hunter region
	Joint organisation of the 10 local governments in the Hunter region which is seeking to provide thought leadership for innovation ecosystem support

Physical Infrastructure

	Australia's primary fighter base which will host most of the F-35 Joint Strike Fighters and supports a large adjacent aerospace industrial precinct
	The east coast's largest deep-water port facility which is actively exploring opportunity to participate in green hydrogen export opportunities
	John Hunter Hospital is the only trauma centre outside Sydney and is undergoing an \$835m redevelopment, including embedded innovation precinct
	NSW's second international airport which provides national & international connectivity and services 1.3 million passengers annually
	Proposed multi-billion dollar Renewable Energy Zone which is anticipated to be declared by the NSW Government in Q2 2022



3

Feedback from Local Ventures

Feedback from Local Ventures

Key Themes

Engagement with Hunter ventures has identified three consistent & genuine concerns

Access to Funding

“In the early days we found securing seed capital incredibly difficult.

“We spoke to over 90 investors in a well-run process supported by external advisers.

“The people we met were often excited by the idea of an Australian Gigafactory – but sceptical of Australia’s ability to manufacture and compete against imports. Many perceived manufacturing as a noisy, dirty, labour-intensive business with lower returns.

“We self-funded our seed capital needs and added clean energy believers to our register later. Post-Covid, with our pilot facility operating and the Gigafactory nearing completion – access to funds isn’t an issue. We were lucky – many others won’t be.

“We need to help other manufacturers bridge this early-stage funding gap. Otherwise, the country will lose out on the jobs, economic benefits, and supply-chain strength vital in this post-Covid world.”

Brian Craighead
Founder

Access to Commercialisation Resources

“When our research group prepared to found and spin out from the University in 2019, we needed to rapidly educate ourselves on commercialisation. At the time, there were few options for local programs that suited us.

“We were fortunate to secure a place in CSIRO’s ON program in Sydney – which was incredibly beneficial but required us to travel which distracted us when we needed to be focused on executing the business.

“We also benefited materially from the assistance of a mentor to negotiate the terms of our IP licensing arrangements with the University of Newcastle – which was critical to enable us to secure venture funding.

“The strong network of commercialisation programs and mentors was crucial to our success, and took some time to find locally.”

Alex Post
Co-Founder and Chief Technology Officer



Access to Commercialisation Opportunities

“Access to revenue contracts is one of the greatest hurdles for a start-up to overcome in demonstrating the viability of ventures to funders, particularly for ventures with B2B or B2G models.

“Supporting ventures to gain access to revenue contracts – or to the infrastructure or capability necessary to execute on a product or service – would be a game-changer for local ventures.”

Name Undisclosed
Partner

Venture Fund Manager Not Disclosed

Feedback from Local Ventures

Specific Concerns & Solutions

Engagement with Hunter ventures has identified three consistent & genuine concerns

Access to Funding

Concern

- Hunter ventures that are viable generally do secure funding, but it takes time and effectively all early-stage venture funding comes from outside the region – the exception being \$2m+ pa provided by Hunter Angels
- Hunter ventures experience the same gaps in early-stage funding which are generally common across Australia's innovation ecosystem – but which are amplified due to the lack of local funding depth

— Further detail on gaps in early-stage funding are set out in *Appendix B Australian Venture Funding Depth*

Solution

- A funding source which has a geographic bias to the Hunter and mandate flexibility
- A mechanism to coordinate access to funding sources inside and outside the region

Access to Commercialisation Resources

Concern

- Hunter ventures need support to convert ideas into commercially viable businesses – this is both upskilling leaders in the venture, and securing specialist external guidance from others who have done it successfully before
- While there have been historical support programs – such as I2N's multiple accelerator programs – there is absence of consistent, coordinated support and availability of appropriate specialist external guidance

Solution

- A local incubator, pre-accelerator & accelerator capability which:
 - is well resourced long-term so that benefits of short-term intensive support are not “lost” on premature withdrawal; and
 - enables access to specialist external guidance that genuinely assists ventures to achieve commercialisation objectives

Access to Commercialisation Opportunities

Concern

- Hunter ventures need access to revenue markets, infrastructure and capability to accelerate commercialisation – and in many cases these things require engagement with entities that may be difficult to access
- Many corporates and institutions have strengths which enable them to identify and execute innovation – but they typically experience challenges doing so within traditional business structures

Solution

- A local coordination resource which enables access for Hunter ventures to entities controlling markets, infrastructure or capability
- A framework within which deep collaboration can be established between the ecosystem and corporates & research institutions

4

Role for Government

Role for Government

Proposed Dual Solutions

We see two necessary roles for government in enhancing the Hunter's innovation ecosystem

Hunter Innovation Entity ('Entity')

- We propose that a Hunter Innovation Entity ('Entity') is established to achieve the following objectives:
 - Support the commercialisation of research and other innovation generally in the Hunter region
 - Support ventures which may leverage opportunities in energy transition or diversify Hunter economic activity away from energy
 - Provide investors in (and managers of) any local fund with confidence that there is a pipeline of viable Hunter investment opportunities
- We propose that the Entity focus on those sectors on which the Hunter BAC⁽¹⁾ is focused – but not to the exclusion of other sectors
- We propose that the Entity procure the delivery of incubator, pre-accelerator & accelerator programs
 - We envisage pre-accelerator and accelerator activities would be specific to each of the sectors of focus for the Entity and Fund
- We propose that the Entity would have a small internal team which would deliver core functions – but otherwise delivery is by third parties
- We propose that the Entity would build consensus as an advocate for the ecosystem – not exercise command & control over the ecosystem
 - We propose that a key role of the internal Entity team is to maintain genuine ecosystem connectivity and coordination
 - We envisage this will incorporate engagement with corporates, infrastructure owners, research institutions and others

Hunter Venture Fund ('Fund')

- We propose that a Hunter Venture Fund ('Fund') is established to achieve the following objectives:
 - Support ventures which may leverage opportunities in energy transition or diversify Hunter economic activity away from energy
 - Address local concerns with depth of readily available capital for early-stage ventures in the Hunter
 - Address Australia-wide concerns with gaps in available early-stage capital for ventures with specific characteristics
- We propose that the Fund is managed by an experienced external manager selected in a process which also establishes Fund design
- We propose that the Fund would be an initial minimum of \$50m in size, with opportunity to expand size and mandate on successful deployment
- We propose that any Fund investment mandate require the majority (but not all) funds to be deployed to Hunter-linked businesses – noting that:
 - The viability of a new fund for a fund manager requires it to be at least \$50m to \$100m in size; and
 - The pipeline of available Hunter opportunities may not support such scale or be consistent with other objectives of the fund manager
- We propose that the fund investment mandate would focus on sectors which are the current sectors on which the Hunter BAC⁽¹⁾ is focused

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Notes: (1). Hunter BAC is the Hunter Business Attraction Committee which is maintained by the Department of Regional NSW.

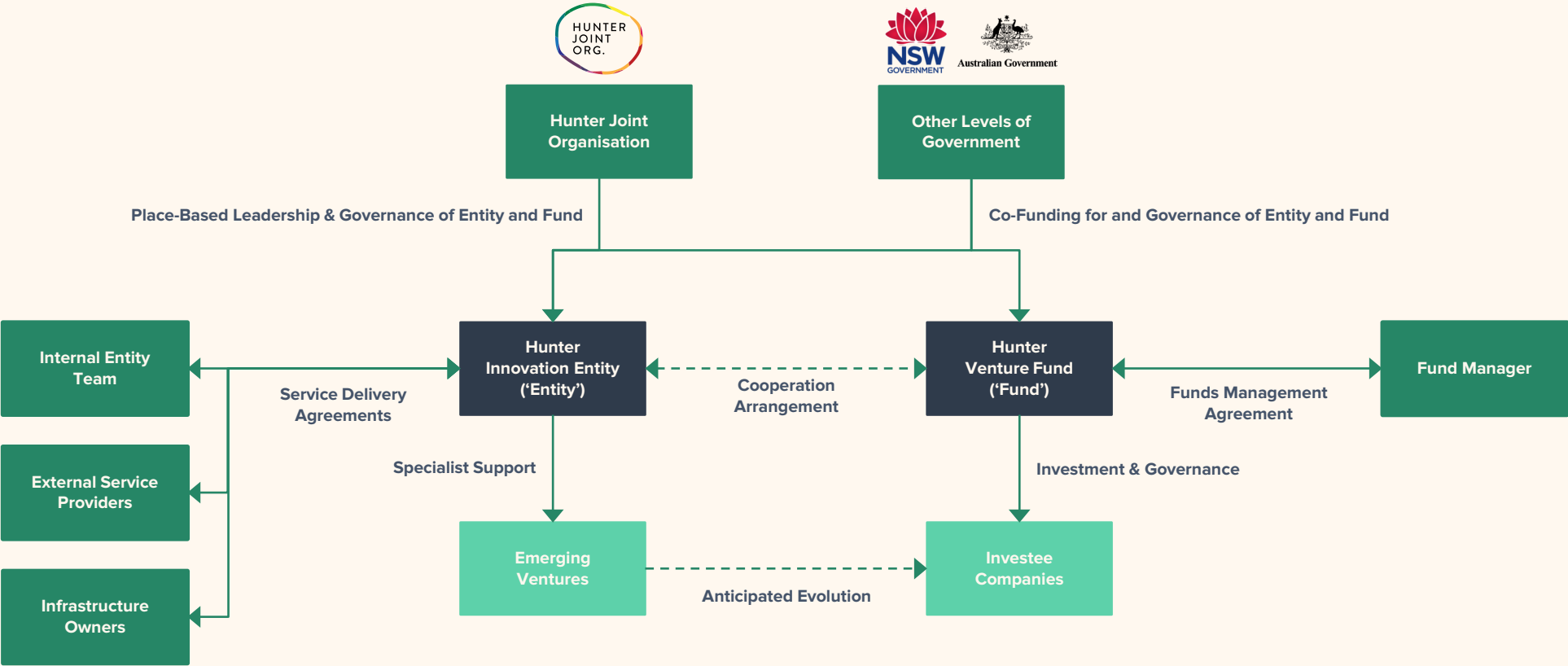
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Role for Government

Outline of Proposed Approach

We envisage an Entity and a Fund cooperating closely to accelerate Hunter-based ventures

Outline – Proposed Approach⁽¹⁾



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Notes: (1). We anticipate that the Entity will be a public company limited by guarantee and that the Fund will be an externally-managed Early-Stage Venture Capital Limited Partnership ('ESVCLP').

Role for Government Required Financial Support

We see financial support from government as necessary for both Entity and Fund

Hunter Innovation Entity ('Entity')⁽¹⁾

- Participants in innovation ecosystems typically have broad incentives to perform functions proposed for the Entity, but typically have limited resources available to execute on such
 - This means that the ecosystem is less likely to independently undertake what is required by the Entity relative to the commercial fund management sector which has incentives to establish a Fund
- Feedback from key participants in the ecosystem is that while they have experience in executing programs proposed to be executed by the Entity, they don't have an ability to continuously self-fund programs
- We envisage government will be required to fund effectively all of the cost of the Entity – but note opportunity to seek co-contributions from key partners such as the University of Newcastle
- We note that this commitment is expenditure – but also note that there may be an opportunity for the Entity to earn a return on funds provided to accelerator participants as seed capital in exchange for equity

We recommend \$1.5m+ pa of funding is secured for 5+ years for the Entity – with that amount co-funded by government, research and industry partners

Hunter Venture Fund ('Fund')⁽¹⁾

- Fund managers will receive fees in exchange for managing the Fund – comprised of base management fees linked to the size of the Fund and performance fees linked to the underlying performance of the Fund
 - This commercial structure means that commercial fund managers might establish a Fund independently of government – but does not mean that government support is not required for a Fund
- Feedback from the funds management industry has indicated that material government support is likely to be required to enable the Fund to be executed as proposed
- We expect government providing financial support to a Fund in the form of a 25-50% co-investment in the fund alongside other capital arranged by the fund manager in the ordinary course of their business
- We note that this is likely to be structured as a co-investment alongside third party investors, which is likely to mean that government can treat such as an asset and earn a return, rather than a one-off expense

We recommend a minimum initial Fund size of \$50m – with 25-50% of this being co-investment by government and the balance raised by the fund manager

Hunter JO Board Papers_8 June 2023

Notes: (1). We anticipate that the Entity will be a public company limited by guarantee and that the Fund will be an externally-managed Early-Stage Venture Capital Limited Partnership ('ESVCLP').

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5

Structuring Considerations

Structuring Considerations

Entity Detail

The primary role of the Entity is proposed to be to deliver incubator & accelerator programs

Commentary

- Key details of the proposed permanent incubator program – and the periodic accelerator programs – are set out to right
- We anticipate Pre-Accelerators will be required in additional to Accelerators to assist ventures to meet entry criteria for an Accelerator
 - Prototyping facilities within “makers spaces” will be critical – see following page
- We anticipate that the Entity will have a CEO, an EIR⁽¹⁾ and a business development team at minimum to manage delivery of the Incubator and direct the balance of activity
- We anticipate that the bulk of program delivery for the Pre-Accelerator and the Accelerator will be undertaken by third parties following a selection process administered by Entity
- We anticipate that the Accelerator and Pre-Accelerator programs will be the majority of expenditure by the Entity across the proposed 5+ year funding period
- The cost of the internal Entity team which delivers the Incubator and administers the balance of the program is expected to be a large minority of expenditure

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Notes: (1). EIR is Entrepreneur in Residence. (2). I2N Hub Honeysuckle located at 16 Honeysuckle Drive, Newcastle. (3). Satellites may include Upper Hunter Innovation Precinct, Dantia, NIER/ResTech, JHHIP, Astra Aerolab.

Commentary

Element	Incubator	Accelerator
Applicability	• Entrepreneur or SME with an innovative idea to be tested in market, and who needs to build a team and map out an execution plan	• Scale-up or SME with a product or service which is already in market and which is seeking to grow rapidly
Objective	• Provide space and resources for a venture to explore how they might best execute their idea; continue to build the start-up community	• Supporting venture to develop and execute a plan to accelerate its revenue, delivery or capital raising outcomes
Delivery	• Delivered directly by Entity with specialist support from external resources such as mentors & angels and for education programs	• Delivered predominantly by external third parties which specialise in sector; supported by funding and material input from Entity
Resources	• Periodic access to EIR ⁽¹⁾ , mentors, angel investors and the Entity’s BD team; other generic resources (i.e. IP education)	• Specialist, dedicated mentor support and access to specialist resources appropriate to the cohort participating
Funding	• No explicit funding provided to ventures, but co-working space and generic resources made available at nominal ongoing cost	• Potential for amount of Seed Funding (i.e. \$50,000) to be provided by Fund/Entity in exchange for equity interest
Timing	• No set program – affording venture participants the flexibility to define the best execution approach for them	• Structured, timetabled program over a 3-6 month period which has a defined end with a “demo day” or “pitch event”
Location	• Hub-and-spoke model with one central location (i.e. I2N Hub ⁽²⁾) and multiple satellite locations which each build community ⁽³⁾	• Centralised location relevant to sector specific program – such as NIER/ResTech, JHHIP and Astra Aerolab

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Structuring Considerations

Entity Access to Infrastructure

Enabling access to infrastructure owned by third parties will also be a critical role for the Entity

Commentary

- Effective execution by the Entity will require leveraging of existing infrastructure owned by third parties – and the procurement of additional infrastructure where gaps are identified
- The primary infrastructure required is expected to be makers spaces and innovation labs – positively, both exist or are in advanced stages of planning – and may be available to be leveraged by the Entity
- It is recommend that the Entity have the flexibility to consider a co-contribution to the costs of executing such infrastructure, particularly where new infrastructure is required

Commentary

Gap

Detail

Makers Space

- A “makers space” is collaborative work spaces for making, learning, exploring and sharing that include equipment such as 3D printers, laser cutters, CNC machines, soldering irons and other engineering and manufacturing equipment
- Access to makers spaces is important for start-ups seeking to make physical products – as the entry process for an accelerator or access to seed funding typically requires a start-up to have a working prototype of its product
- There are a number of existing makers spaces in the Hunter today – such as ResTech at the University of Newcastle which hosts electrical and electronic engineering equipment which would be of considerable valuable to start-ups

Innovation Lab

- An “open innovation lab” is a place to enable corporates, SMEs and the research base to connect through a range of projects design to increase collaborative innovation and routes to market for innovation
- Open Innovation Labs will be an important tool in enabling collaboration between the innovation ecosystem and research institutions & corporates in each of the 3 sectors of focus for the Entity (which are proposed to align with the Hunter BAC⁽¹⁾)
- Labs are already included in emerging plans for precincts at JHHIP (Health Innovation) and Astra Aerolab (Defence & Aerospace) – and a number of different locations could support this for Energy & Resources

Structuring Considerations

Fund Detail

The proposed approach to a Fund is set out below – subject to further market engagement

Detail on Fund Approach

	Element	Indicative Proposal	Commentary
Fund	Fund Vehicle	• Early Stage Venture Capital Limited Partnership ('ESVCLP')	• Fund Vehicle externally managed by selected fund manager
	Fund Term	• 10-year closed-end fund; 5-year deployment period	
	Fund Style	• Venture; early-stage focus; seed to mid/late-series investor	• Targeted on funding gaps identified
	Fund Size	• Minimum \$50m; maximum \$100m	
Investments	Investment Style	• Lead/sole lead seed and co-lead/participate subsequent rounds	• Ability to lead at seed stage is considered important
	Investment Size	• \$1m to \$3m at seed; progressively larger in subsequent rounds	
	Target Sectors	• 3 key sectors of focus for the Hunter BAC	• Propose that majority of Fund is deployed to Hunter-linked ventures
	Governance ⁽¹⁾	• Established by fund manager; independent majority targeted	
Investors	Fees	• >2% pa base management fee; >20% carry over an 8% IRR	• Expect managers will require higher fees for fund smaller than \$100m
	Returns	• Targeting 15% pa contributed IRR (net of management fees)	
	Investor Type	• Institutional & sophisticated investors and government	• Opportunity for retail investors could be considered
	Government	• Government co-contribution directly into fund	• Nature of government contribution considered on following pages

Commentary on Mandate & Governance

- Ensuring that the intended investment mandate of Hunter JO and the NSW government is executed by the fund manager is critical
- We recommend that two approaches be implemented to achieve this:
 - Fund investment mandate is clearly established in a formal agreement between government and fund manager for any government co-contribution
 - Ultimate investment decision making authority is via a skills-based IC with independent member(s) nominated by government

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Notes: (1). Decision making on all proposed investments is customarily undertaken by an Investment Committee ('IC') established by the Fund Manager.









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Structuring Considerations

Fund Deal Pipeline

Engagement has demonstrated that there is a pipeline of local opportunities for a Fund

Fund Deal Pipeline

Name	Business Description	Next Fundraising		Relevance to Hunter	
		Round	Amount		
Energy					
	Lithium-ion battery cathode materials	Series A	\$30m	Cathode powder manufacturing potentially located at Tomago (Port Stephens)	
	Thermal energy storage technology	Series B	\$20m+	Hardware manufacturing facility under construction at Waratah (Newcastle)	
	Lithium-ion battery manufacturing	Other	\$25m	Battery hardware Gigafactory under construction at Tomago (Port Stephens)	
Health					
	New eye drop solution for short-sightedness	Seed	\$1m	Team based at the University of Newcastle at Callaghan (Newcastle)	
	Contract manufacturing of pharmaceuticals	Series B	\$5m	Contract manufacturing facility to be located in Hunter region (confidential)	
	New cancer immunotherapy combinations	Series A	\$25m	Conduct R&D activities at New Lambton (Newcastle) with HMRI and University ⁽¹⁾	
Defence & Aerospace					
	Cyber security for defence supply chain	Seed	\$2m	Head office and core team potentially located at Williamtown (Port Stephens)	
	Defence simulation provider	Series A	\$3m	Head office and team located at Broadmeadow (Newcastle) with local growth	

Case studies for each of these businesses are included in Appendix A of this report

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Notes: (1). HMRI is the Hunter Medical Research Institute and University is University of Newcastle; HMRI and the University provide research & development support to ImmVirX; the University is also a key stakeholder in HMRI.

Structuring Considerations

Build or Partner?

We recommended the Fund pursue established funds management and innovation partners

Entity Context

- We recommend that one or more Innovation Ecosystem Partner(s) be selected to accelerate and/or incubate ventures to be funded by the Hunter Venture Fund – as opposed to establishing a new internally managed function to accelerate and/or incubate ventures
 - We recommend that one or more partners are considered in this regard given the experience of each partner is likely to be specific to a particular opportunity or sector
- A number of considerations have informed this recommendation:
 - Some potential partners may be able to consider a material investment in a Fund which supports commercialisation of research by such organisations
 - Some potential partners have strong existing relationships with government which are likely to be of material benefit in discussions with government about supporting any Fund
 - Some potential partners may prefer to maintain ownership of IP/patents generated from research – which can complicate the relationship if not managed up-front

Fund Context

- We recommend that a Funds Management Partner be selected to act as a manager of any Hunter Venture Fund – as opposed to the Hunter Venture Fund being established as a new internally managed fund which builds its own team
 - Examples of externally managed government funds include Victoria's \$30m Venture Growth Fund – managed by venture fund manager OneVentures, to which the Victoria government contributed \$15m
 - Examples of internally managed government funds include the Clean Energy Finance Corporation ('CEFC'), Australian Renewable Energy Agency ('ARENA'), and Northern Australian Infrastructure Fund ('NAIF')
- A number of considerations have informed this recommendation:
 - Existing fund managers have demonstrated investment track record and deal pipeline which will be beneficial in demonstrating execution capability to potential government and industry partners
 - Existing fund managers have demonstrated investment track record and existing investor relationships which can be relied upon to ensure that commercial investment can be secured alongside government
 - Customary funds management fees for venture funds may not support the investment management team required for a Fund initially – a risk that may be better managed by an existing funds manager

Alternative approaches can be considered if government has a preference for such alternatives

Structuring Considerations

Relevant Fund Precedents

We have engaged with two relevant similar funds established in recent years

Victorian Venture Growth Fund

- We had an opportunity to engage with an Investment Director at the venture debt fund manager which bid for the role to act as the external administrator (fund manager) for the Victorian Growth Fund ('VGF') to understand more about the fund
- VGF was established by the Victorian Government (Invest Victoria) to increase the level of investment in start-ups, upskill the workforce of Victoria, develop new industries and support job creation and economic growth
- OneVentures was selected as the fund manager of VGF in late 2021 following a competitive tender process involving other experienced Australian venture debt fund managers – the manager is responsible for making all investment decisions and for managing all assets of the fund
- VGF will make loans of \$0.5m to \$5m on terms of 6 months to 4 years to start-ups at an interest rate which reflects the relatively high-risk nature of start-ups, using structures which are covenant light and with no requirement for personal guarantees from directors
- VGF is primarily focused on start-ups that are high-growth, have a proven product market-fit, have a low cash burn rate, are profitable (or a close to), have strong sustainable unit economics, and have a substantial existing equity base with supportive equity investors (Series A onwards)
- VGF has an initial fund size of \$30m of which \$15m was contributed by the Victorian government and \$15m was raised by OneVentures

Australian Business Growth Fund

- We had an opportunity to engage with Dries Venter (Head of Origination) and Dev Koppikar (Business Development Manager) at Australian Business Growth Fund ('ABGF') to understand more about the fund and the process through which it secured government support
- The Australian Business Growth Fund ('ABGF') was established in 2020 as a public-private partnership between the Australian government and six banks which was purpose-built to back SME business to pursue growth activities
- The ABGF was developed by CEO & Managing Director Anthony Healy and has secured participation from ANZ, CBA, NAB and WBC as well as HSBC and Macquarie – with an initial capital commitment of \$540m to deploy
- The ABGF fund provides patient growth capital to Australian SMEs, filling a gap in the market between late-stage venture capital and larger buyout funds, and enabling owners to maintain control of their businesses
- The ABGF has established an in-house funds management team which is responsible for investment origination and asset management – and the four largest bank contributors provide
- The ABGF has an 11-person board comprised of an Independent Chairman (Mike Baird), Managing Director (Anthony Healy), Nominee Directors of the 6 banks and 2 Independent Directors

We note neither has been established to address the specific funding gaps identified in this report

Structuring Considerations

Future Direction

We have recommended a modest initial starting point with opportunity to expand with success

Context

- The starting point for the proposed Fund is intentionally modest
- We propose that the initial focus is on the lack of depth in early-stage venture capital – which is being experienced Australia-wide, not just in the Hunter
 - This lack of depth – the “need” for the Fund – is intuitive to, or readily verifiable by government and other partners sought for the Fund
 - This is expected to translated into a higher probability of execution of a Fund initiative
- This modest initial fund size can be flexed to be more ambitious if it is clear that the NSW government is open to it during early engagement
- There are also other gaps in capital market availability which may be impeding outcomes in line with the long-term objectives of the region’s councils

Future Opportunity

- The most logical expansion opportunity for a Fund would be to extend into a growth equity fund – similar to the ABGF noted on the prior page
- However, the incentive for such expansion is more likely to be driven by the commercial the objectives of the Fund rather pure public policy objectives



Feedback from the Ecosystem

Feedback from the Ecosystem

Venture Fund Managers

Feedback indicates that there will be good interest in the Fund from managers and investors

Undisclosed Venture Fund Manager (VFM 1)

- VFM 1 is a founder with a successful exit who is now an active angel investor in Hunter-based ventures, a partner in an established venture fund manager, and a principal investor in (and arranger of capital for) emerging venture fund managers
- VFM 1 has reviewed multiple drafts of this report and provided insight and comment at each stage, and has also made connections with a number of other innovation ecosystem participants that have reviewed and made contributions to this report

Feedback

- VFM 1 confirms that there is significant early-stage deployment opportunity in the Hunter and that government support – for both the Agency and the Fund – would contribute materially to the development of the Hunter's innovation ecosystem
- While VFM 1 agrees that the Hunter region experiences the same lack of depth in seed funding as Australia does generally, they also noted that venture fund managers may not naturally be inclined to back capital-intensive business models (regardless of government support)
- VFM 1 has reviewed the Fund proposal in detail and indicates that the indicative Fund approach proposed is likely to see genuine interest from third-party venture investors – subject to comment above and an appropriate venture fund manager being selected to manage the Fund

Undisclosed Venture Fund Manager 2 (VFM 2)

- VFM 2 is a senior leader in the Australian venture funds industry who co-founded two of Australia's leading venture fund managers is currently managing partner of one of these (this fund manages \$500m+ of third party capital and includes material investments in Hunter-based ventures)
- VFM 2 reviewed a final draft of this report and provided insight and comment, and has offered to make introductions to a handful of established Australian fund managers with growth ambitions who may have interest in managing any Fund – for further near-term engagement

Feedback

- VFM 2 provided feedback that they believe a Fund as contemplated is executable, with feedback on key aspects including:
 - Deal flow will likely support a minimum economic fund size of \$50m
 - Investors are likely to be attracted by differentiated deal flow
 - Leveraging regional strength is a critical part of the investor story
 - Established but growing managers are likely to have interest in this
 - Government support will be critical to manager & investor confidence
- VFM 2 noted that the venture ecosystem in the US developed similarly to the expansion targeted with this initiative, albeit gradually – with activity initially concentrated in two or three cities, but gradually expanding as venture investment opportunities grew in smaller, regional cities

Feedback should be sought from other managers in parallel with re-engagement with government

7

Way Forward

Way Forward

Recommendations

We recommend the following is undertaken to further develop the proposed solution

Recommendation Detail

Item	Recommendation
General	
Build Consensus in Hunter	Hunter JO to hold a workshop with a select group of 15 leaders in the Hunter's ecosystem to ensure one regional voice to government
Government Participation	Hunter JO to engage directly with NSW and Australian governments with respect to potential support for both the Entity and the Fund
Hunter Innovation Entity	
Innovation Partnerships	Hunter JO to formalise potential partnerships with local organisations critical to executing the incubation & acceleration capacities
Role of the Hunter JO	Hunter JO to explore opportunity to provide ongoing support to the initiative
Hunter Venture Fund	
Investment Pipeline	Hunter JO to continue to maintain the investment pipeline to provide further evidence of a pipeline of investible opportunities in the region
Fund Manager Partnerships	Hunter JO to continue to socialise the fund opportunity with fund managers with a view to identifying participants for a selection process ⁽¹⁾

We suggest actions are progressed in parallel with a staged re-engagement with government

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Notes: (1). At this stage we have not recommended direct engagement with investors such as superannuation funds as we expect this will be undertaken by interested fund managers in their ordinary course of business.

Way Forward










Potential Execution Partners (1 of 2)

We recommend selected engagement with partners the long list of ecosystem participants







Opportunity for Exploration with Potential Execution Partners

Organisation Opportunities for Exploration





Research Institutions

	Collaborate on commercialisation of solar & energy research; access to Energy Centre precinct at CSIRO Mayfield	
	Collaborate on commercialisation of medical research ; access to HMRI precinct at John Hunter Hospital	
	Explore commercialisation opportunities from energy & resources sector research ; access to NIER precinct at UoN Callaghan	
	Collaboration on incubation & acceleration programs in electrical and electronic engineering; access to ResTech precinct at UoN Callaghan	
	Collaborate on research commercialisation in multiple areas noted	

Commercialisation Actors

	Collaborate on incubation & acceleration programs	
	Collaborate on emerging ventures, leverage appetite to make angel investments and to provide mentoring support ; integrate with Fund	
	Adopt Hunter iF as the Hunter Innovation Entity	
	Collaborate on incubation & acceleration programs ; access to I2N precinct at Honeysuckle	
	Collaborate on incubation & acceleration programs ; coordinate with proposed national fund (pre-seed & seed stage); access to two precincts	

Precincts & Clusters

	Collaborate on incubation & acceleration programs in defence & aerospace; access to AA precinct at Williamtown	
	Collaborate on incubation & acceleration programs in energy	
	Collaborate on incubation & acceleration programs in health ; access to John Hunter health innovation precinct at John Hunter Hospital	
	Collaborate on incubation & acceleration programs in energy and advanced manufacturing opportunities in hydrogen sector	

Way Forward




Potential Execution Partners (2 of 2)

We recommend selected engagement with partners the long list of ecosystem participants



Opportunity for Exploration with Potential Execution Partners

Organisation Opportunities for Exploration

Advanced Manufacturers






	Access to advanced manufacturing capability , including engineering , prototyping and manufacturing capacity
	Access to advanced manufacturing capability , including engineering , prototyping and manufacturing capacity
	Access to advanced manufacturing capability , including engineering , prototyping and manufacturing capacity

Advocacy & Coordination

	Collaborate on advanced manufacturing and other opportunities in hydrogen sector for Hunter businesses
	Collaborate on defence & aerospace opportunities for Hunter businesses
	Continue dialogue about coordinating support for emerging Hunter ventures



Physical Infrastructure

	Establish framework through which access is able to be explored for ventures
	Establish framework through which access is able to be explored for ventures
	Establish framework through which access is able to be explored for ventures
	Establish framework through which access is able to be explored for ventures
	Establish framework through which access is able to be explored for ventures



A









Appendix Fund Deal Pipeline

Fund Deal Pipeline

Overview of Pipeline

This Appendix A sets out case studies on each of the opportunities included in the Fund pipeline

Fund Deal Pipeline

Name	Business Description	Next Fundraising		Relevance to Hunter
		Round	Amount	
Energy				
	Lithium-ion battery cathode materials	Series A	\$30m	Cathode powder manufacturing potentially located at Tomago (Port Stephens)
	Thermal energy storage technology	Series B	\$20m+	Hardware manufacturing facility under construction at Waratah (Newcastle)
	Lithium-ion battery manufacturing	Other	\$25m	Battery hardware Gigafactory under construction at Tomago (Port Stephens)
Health				
	New eye drop solution for short-sightedness	Seed	\$1m	Team based at the University of Newcastle at Callaghan (Newcastle)
	Contract manufacturing of pharmaceuticals	Series B	\$5m	Contract manufacturing facility to be located in Hunter region (confidential)
	New cancer immunotherapy combinations	Series A	\$25m	Conduct R&D activities at New Lambton (Newcastle) with HMRI and University ⁽¹⁾
Defence & Aerospace				
	Cyber security for defence supply chain	Seed	\$2m	Head office and core team potentially located at Williamtown (Port Stephens)
	Defence simulation provider	Series A	\$3m	Head office and team located at Broadmeadow (Newcastle) with local growth

VSPC is large-scale battery input materials (cathode) manufacturer considering a Hunter location

About the Business

- VSPC Limited ('VSPC') is a wholly-owned subsidiary of ASX-listed company Lithium Australia Limited (ASX:LIT) which develops advanced battery materials
- VSPC has developed patented nanotechnology for the manufacture of lithium ferro phosphate ('LFP') powders for lithium-ion batteries ('LIBs')
 - LFP is the result of 15+ years of work in nanotechnology development at VSPC's dedicated R&D facility at Wacol near Brisbane, Queensland
 - LFP powders are critical for future LIB supply chains as manufacturers like Tesla and Ford move away from chemistries reliant on cobalt
 - LFP-type LIBs are already >50% of the market and the end market is expected to grow 5x to >US\$10 billion by 2030
- In April 2021 VSPC completed a Pre-Feasibility Study (PFS) for a 10,000 tonne per annum LFP powder manufacturing facility
 - At 10,000 tonne per annum (tpa) VSPC would be the largest LFP cathode power producer outside China with >5% share of the market
 - VSPC has applied for a federal grant to support a 3,500 tpa demonstration plant
 - VSPC has now commenced a Definitive Feasibility Study ('DFS')⁽¹⁾
- VSPC has considered a number of international and Australian locations for the proposed commercial-scale plant
 - VSPC has been attracted to proximity to the Port of Newcastle to enable import of raw materials and export of cathode powders

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Notes: (1). DFS is Definitive Feasibility Study – which is customarily the final feasibility study completed prior to a Final Investment Decision being made on a project.

Capital Requirements

- VSPC self-funded development of its patented LFP nanotechnology – as well as a PFS a for commercial-scale manufacturing project
- VSPC's DFS is estimated at a cost of ~\$4m – which will initially be internally funded but allowable under the federal grant
- VSPC is also actively considering construction funding options for the initial 3,500 tonne per annum stage of the project
- Stage 1 is expected to cost \$65m+ over a 2 year construction duration from an anticipated commencement date in late 2022 / early 2023

Round	Timing	Amount	Use of Funds
Seed	n/a	n/a	Funding for patented process & PFS
Series A	2022	\$30m	Early stage funding (DFS and early procurement)
Series B	2023	\$30m+	Funding to complete construction of Stage 1

Relevance to Hunter

- VSPC is considering Tomago (near Newcastle) as a potential location for the construction of the commercial-scale manufacturing project
- Stage 1 is a \$65m capital investment which will generate 57+ jobs for a 20+ year operating life – of which 50+ will be high-value jobs
 - Project has flexibility to double or triple capacity based on demand
- There is also potential to establish local supply chains for raw material inputs to the LFP process (lithium, iron, phosphate)

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MGA is a globally-relevant thermal storage technology with a manufacturing base in the Hunter

About the Business

- MGA Thermal ('MGAT') is an Australian company with a new type of thermal storage called Miscibility Gap Alloys ('MGA')
- MGA was developed by the two co-founders of MGAT – Erich Kisi and Alexander Post – while at the University of Newcastle
- Modular bricks of MGA can be stacked into insulated storage tanks to store energy for use in a range of applications
 - Potential applications include improving electrical grid stability, space heating, industrial process/waste heat, and electric vehicles
 - Initial focus is on enabling intermittent energy sources such as the sun and wind to provide base load electricity for the grid
- MGAT established a pilot manufacturing facility in the Hunter in 2020 and recently raised funding to undertake a significant capacity expansion
 - Pilot plant was funded with \$0.5m of seed funding from CP Ventures and matched funding in form of a \$0.5m Australian government grant
- MGAT has a partnership with E2S Power ('E2S') to implement thermal energy storage in retired power generation plants in Germany
 - E2S is developing a Thermal Energy Storage ('TES') unit which uses MGA blocks as a TES material
 - E2S is working with major power utilities in Europe on a 50 megawatt hour pilot installation of a TES in an operating power plant
- MGAT's investors include CP Ventures, Main Sequence Ventures, Alberts Impact Capital, Climate Venture Capital and MELT, amongst others

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Capital Requirements

- MGAT is advanced in sourcing capital relative to others presented – but is a future investment opportunity for any potential fund
- MGAT completed a \$8.2m Series A round in 2021 to fund expansion to commercial-scale manufacturing capacity in the Hunter for its MGA bricks
- Additional capital is expected to be required by the business to further expand manufacturing capacity – dependent on sales performance
- Specialist seed investors played a critical role in assisting MGAT to negotiate critical agreements for commercialisation of MGA technology

Round	Timing	Amount	Use of Funds
Seed	2020	\$0.5m	Pilot manufacturing plant
Series A	2021	\$8.2m	Expand manufacturing capacity
Series B	2022	\$20m+	Further expand manufacturing capacity

Relevance to Hunter

Direct:

- MGAT's pilot and commercial-scale manufacturing facility are located at Molycop's facility at Waratah (near Newcastle)
- Total capital investment to date is \$9m and employment is 14 FTEs – with significant potential to expand over time

Indirect:

- MGAT's technology has the potential to enable the continued operation of coal-fired power stations such as Liddell and Bayswater

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Energy Renaissance is building a globally-relevant battery manufacturing facility in the Hunter

About the Business

- Energy Renaissance ('ER') is a privately-owned Australian company which invents and manufactures lithium-ion battery ('LIB') technology
 - ER's superStorage™ platform is engineered and designed for security, safety, cost and heat management for stationary and transport uses
- ER is building the first advanced manufacturing facility for Australian-designed battery storage systems at Tomago (near Newcastle)
 - A \$7m temporary manufacturing facility named 'Apollo' is in the advanced stages of construction and production of LIBs is expected to imminently commence construction
 - A \$28m permanent manufacturing facility named 'Renaissance One' is expected to commence construction imminently and be capable of producing 66 megawatts per annum of LIBs within 6-12 months
- ER is targeting production capacity of 5+ gigawatts (5,000+ megawatts) per annum at Renaissance One within 5 years
 - Full production capacity will require a further \$200m of capital investment require 1,700 employees

Round	Timing	Amount	Use of Funds
Seed	2019	\$1.5m	Commercialisation
Series A	2020	\$7m	Pilot-scale manufacturing
Strategic	2022	\$25m	Strategic raise for large-scale manufacturing

Capital Requirements

- ER is advanced in sourcing capital relative to others presented – but the difficulties it experienced in securing early-stage capital are very relevant
- ER secured \$1.5m of seed capital in 2019 – which was supplemented by \$0.5m of Australian government grant funding (manufacturing)
 - During this seed round the company and its advisers approached 90+ venture and private equity funds about funding the business
 - All 90+ managers declined to invest – due primarily to early stage of business and/or the capital-intensive manufacturing required
- ER noted to us that access of a flexible capital source at its seed stage could have enabled them to have commenced development of Renaissance One earlier, potentially at a larger initial scale
- ER also noted to us that the assistance of a professional fund manager in identifying, securing and negotiating a foundation revenue contract could have achieved the same outcome

Relevance to Hunter

- ER is expected to continually invest in additional production capacity at its Renaissance One manufacturing facility at Tomago (near Newcastle) over a period of 5+ years
- Renaissance One will ultimately require a total of \$230m+ of capital investment and deliver 1,700 direct (6,500 indirect) jobs for the region at its targeted ultimate scale

LAMYNOX is a new treatment for short-sightedness identified by vision sciences research at UoN

About the Business

- LAMYNOX is a new eye drop product which aims to treat the condition myopia – commonly known as short-sightedness
- LAMYNOX is an innovation of Associate Professor Sally McFadden at the University of Newcastle ('UoN')
- Sally's research in vision sciences supports the ground breaking discovery that the cause of myopia is primarily environmental, rather than genetic
 - Sally developed a novel mammalian animal model for myopia and high myopia, enabling development of novel treatments
 - LAMYNOX slows the progression of myopia and can stop high myopia developing – which is a leading cause of blindness
- The market potential of LAMYNOX is significant – the incidence of myopia has increased dramatically in one generation, and by 2050 it is expected to impact 50% of the world's population
 - Traditional spectacles and contact lenses can correct vision but do not reverse the excessive growth of the eyeball
 - The only competitive drug available paralyses the muscles of the eye and causes blurred vision and other side effects
- Patents have been secured in the US and filed in China, Singapore and Hong Kong – with patent filings planned for Europe and Japan in the near term (supported by seed funding)
- In October 2021 Sally was awarded third place in the NSW Pearcey Awards University Pitch Competition, receiving a cash prize and mentoring from a previous competition winner

Capital Requirements

- A new corporate entity will be established in the near term to undertake further development of LAMYNOX and to explore other potential treatments for myopia
- External funding is being sought for this entity to progress LAMYNOX through customary clinical trials before partners are sought for the manufacture, marketing & distribution of the product
- Seed funding is currently being sought to enable establishment of the new corporate entity, commence patent processes in Europe & Japan, and to conduct preparation for clinical trials

Equity Round	Timing	Amount	Use of Funds
Seed	2022	\$0.7m	Safety testing, trial preparation, patents
Series A	2023	\$5.4m	Phase I & II trial execution
Series B	TBC	TBC	TBC

Relevance to Hunter

- On a 5-10 year view there is potential for significant capital investment and high-value job creation from manufacture of LAMYNOX in the Hunter
- A commercialisation pathway for research innovation from UoN is critical to the viability of a Hunter-based innovation ecosystem
- LAMYNOX has the potential to be a life-changing treatment for short-sightedness for billions of people globally

Fund Deal Pipeline

Canngea Canngea

Canngea is a contract pharmaceutical manufacturing business seeking to establish in the Hunter

About the Business

- Canngea is a privately-owned Australian business which is seeking to be the leading pharmaceutical-grade cannabis manufacturing and distribution organisation in Australasia
- Canngea is seeking to establish Australia's first and largest contract manufacturing facility in the Hunter (location confidential) to grow and manufacture pharmaceutical grade products for its B2B customers
 - The manufacturing facility will enable an end-to-end solution for clients – including growing, harvesting, extracting, packaging, labelling and distributing client branded products
 - It will house an on-site analytical laboratory capable of extraction, tissue culture and formulation for cannabis products – as well as automated packaging, compliant labelling and logistics & distribution
- Canngea will employ world-class, proven technologies at its contract manufacturing facility in the Hunter and has obtained necessary licenses from the TGA⁽¹⁾ to manufacture medicinal cannabis in Australia
- It is important to note that Australia is the only jurisdiction globally that treats medicinal cannabis as a purely pharmaceutical product – meaning stringent Australian requirements are always applied
- Canngea's manufacturing facility is expected will commence detailed design & construction in 2022, requiring capital investment of \$8.5m across 5,000m² of space, creating 30 FTE positions at full capacity
- Environmental sustainability is a critical element of Canngea's approach – which a solar battery and on-site water recycling planned for its Hunter manufacturing facility

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Notes: (1). TGA is Therapeutic Goods Administration.

Capital Requirements

- Canngea has successfully raised \$3.5m+ in Seed and Series A funding to date which has been used to establish a global supply chain to support its end-to-end solution for B2B customers
- Canngea is seeking \$5m of Series B funding in the near term which will primarily fund the design & construction of its manufacturing facility located in the Hunter (location confidential)

Equity Round	Timing	Amount	Use of Funds
Seed	2019	\$1m	Establishment, license, business setup
Series A	2021	\$2.5m	Planning, facility design & long-lead items
Series B	2022	\$5m	Facility design & construction

Relevance to Hunter

- Canngea has established a global supply chain but will establish its contract manufacturing facility in the Hunter (location confidential) which has a capital investment of \$8.5m and will create 30 jobs
- Canngea has ambitious future growth plans, and has secured adjacent land to enable it to substantially expand its initial contract manufacturing footprint

ImmVirX is developing next-generation cancer treatments alongside key Hunter institutions

About the Business

- ImmVirX is a privately-owned Australian life sciences company which is focused on developing next-generation, receptor targeted oncolytic viral immunotherapies to transform outcomes for patients with some of the most prevalent and challenging cancer types
 - ImmVirX was founded in July 2019 by the team from Viralytics, a clinical-stage ASX-listed and Newcastle-based oncolytic virus company which was acquired in June 2018 by Merck and Co for \$502m
- ImmVirX is developing proprietary bio-selected RNA viruses with the capacity to selectively infect and kill cancer cells while also inducing tumour inflammation and achieving immune cell infiltration - potentially leading to the generation of specific innate and adaptive immune responses against cancer cells
 - Their viral candidates are intended to increase the anti-tumour activity of current cancer immunotherapies, including immune checkpoint inhibitors, CAR-Ts and other cell therapies – and are targeted against a range of difficult-to-treat cancers, including colorectal, gastric, pancreatic and ovarian cancer.
- ImmVirX's team is based at the state-of-the-art R&D facilities at the Hunter Medical Research Institute ('HMRI')⁽¹⁾ and is supported by the University of Newcastle's Research Associates ('TUNRA')
 - ImmVirX recently announced the extension of its existing Research Services Agreement with the University of Newcastle and HMRI through to 2024

Capital Requirements

- ImmVirX is in the unique position of having had immense financial success with their predecessor company Viralytics – and so did not face common challenges securing seed capital
- The company completed a \$25m Series A capital raising in November 2021 to conduct the first human studies of its new cancer treatments which have potential application for ovarian, colorectal & gastric cancers

Equity Round	Timing	Amount	Use of Funds
Seed	2019	\$3m	Establishment, trial preparation
Series A	2021	\$25m	Execution of initial phases of human trials
Series B	TBC	TBC	TBC

Relevance to Hunter

- ImmVirX's and its predecessor organisation Viralytics have integral links to Hunter institutions in the University of Newcastle and HMRI – with Viralytics having evolved from research innovation at the University
- Both companies have generated high-value employment opportunities in R&D in the Hunter both directly and through partner organisations in the University and HMRI

GuardWare's solutions will enable Australian SMEs to increase share in defence procurement

About the Business

- GuardWare is an Australian business seeking to address data control and security issues which are precluding the local SME industrial base from participating in defence procurement
 - GuardWare is a partnership between e-Safe Systems Australia and Goal Group – who have an existing solution for 1 million users which can be readapted and further developed into defence
- GuardWare is a unique Australian innovation cyber product which allows the Primes (global defence contractors) to distribute data through supply chains while retaining complete oversight and the ability to retract access
 - This capability is considered critical to enable the Primes to utilise Australian SME industrial base, rather than their existing global supply chains, and to enable the government to further mandate such
- GuardWare is proposed to be designed around the established product capabilities and approaches of e-Safe Systems™ Australia over a planned 18-month period
 - e-Safe Compliance™ is a mature enterprise grade data security solution which has more than 1 million users across multiple sectors and has already been utilised by Australian defence SMEs
- Market potential for GuardWare is significant – in Australia the Defence spending of \$270bn+ is forecast over the next decade
 - There is currently no existing competitor which provides the capability which is being developed by GuardWare
 - GuardWare is ultimately targeting a global market for its product and can be used in the healthcare and finance sectors

Capital Requirements

- GuardWare is currently seeking our Seed funding to complete product redevelopment for Defence and to run trials with Defence Primes and SMEs
- GuardWare will later require additional funding to grow GuardWare in Australia – then subsequently in international markets and potentially in the healthcare and finance sectors

Round	Timing	Amount	Use of Funds
Seed	2022	\$2m	Product development & defence customer trials
Series A	2023	\$5m	Australian product growth
Series B	2024	\$10m	International product growth & adjacent markets

Relevance to Hunter

Direct:

- GuardWare intends to establish its head office and development & sales functions in Williamstown (Port Stephens) – generating capital investment of \$10m+ and creating 30 FTE jobs in the region within 5 years

Indirect:

- GuardWare is critical to increase the participation of the local SME industrial base in the \$270bn+ of Australian government Defence spending over the next decade
 - For example, this could include increased local SME industrial base participation in JSF activities at Williamstown

Fund Deal Pipeline

Applied Virtual Simulation



AVS is a leader in simulation-based training for defence in Australia, particularly land-based

About the Business

- Applied Virtual Simulation ('AVS') is a privately-owned Australian defence simulation technology company established in 2016 – best defined as a simulation systems integrator and a simulator OEM
- AVS delivers innovative solutions for individual and collective training that provide soldiers, NCO's and officers with the skills and knowledge needed to succeed on the modern battlefield
- AVS's flagship system – the Protected Mobility Tactical Trainer ('PMTT') – is in service with the Australian Army at the School of Transport and is a crucial enabler for soldier and NCO training
- AVS's other training systems include:
 - Protected Route Clearance Capability ('PRCC') facilitates training for combat engineers in mounted and dismounted route clearance operations through a desktop training system
 - Remote Weapons Stations ('AWS's') are stand-alone units with built-in hardware and software that provide training in a classroom on operations such as system start-up, weapon zeroing and fault finding
- AVS has doubled its revenues in each year to \$4m+ in FY20 and employs a team of 15 FTE, primarily at its Broadmeadow (Newcastle) head office
- Simulation demand from defence is significant and growing – Army has mandated that all major platform acquisitions will make use of simulation technology and they plan to spend \$650m on it over 10 years

Capital Requirements

- AVS is aiming to become defence's preferred supplier of simulation-based training – consistent with this it has tendered for material new simulation contracts in partnership with defence primes
- AVS is planning to \$3m of external capital in 2022 to support its growth ambitions – noting it has largely 'bootstrapped' itself to a position of profitability & growth without external capital to date

Equity Round	Timing	Amount	Use of Funds
Seed	n/a	n/a	n/a
Series A	2022	\$3m	Accelerate simulator product growth
Series B	TBC	TBC	TBC

Relevance to Hunter

- AVS's head office is located in Broadmeadow (Newcastle) where it employs a skilled workforce of 15 FTE – primarily software and hardware engineers
- AVS is planning to scale its hardware and software engineering capability in the near-term, pending contract awards – with FTE and capital investment requirements TBC
 - This is likely to result in the relocation of AVS's head office to the Williamstown (Port Stephens) precinct – given proximity to defence industry adjacent to the Williamstown RAAF base

B

Appendix Australian Venture Funding Depth

Australian Venture Funding Depth

Identified Gaps in Funding (1 of 2)

Limited depth in early-stage capital is a concern for emerging Hunter-based businesses (ventures)

Commentary

- Australia’s early-stage or venture capital (‘VC’) market is maturing rapidly – but is less mature relative to places like the US
- To date this has meant that local VC capital providers (‘VC funds’) have focused on the traditional investment preferences of VC funds internationally
 - These preferences are typically for Software-as-a-Service (‘SaaS’) businesses⁽¹⁾ – or other business with a similar risk-reward profile
 - These types of businesses are preferred on the basis that they optimise risk-reward for VC funds
 - They typically spend less time in the “valley of death” – reducing downside risk to capital⁽²⁾
 - They typically require less capital – increasing upside to capital in the event the business is successful
- This preference for such businesses means early-stage capital is harder to secure for more capital and/or labour-intensive businesses
- This concerns Hunter JO – as capital and/or labour-intensive business are more likely to drive local investment and job creation

Detail – Gaps in Funding Availability

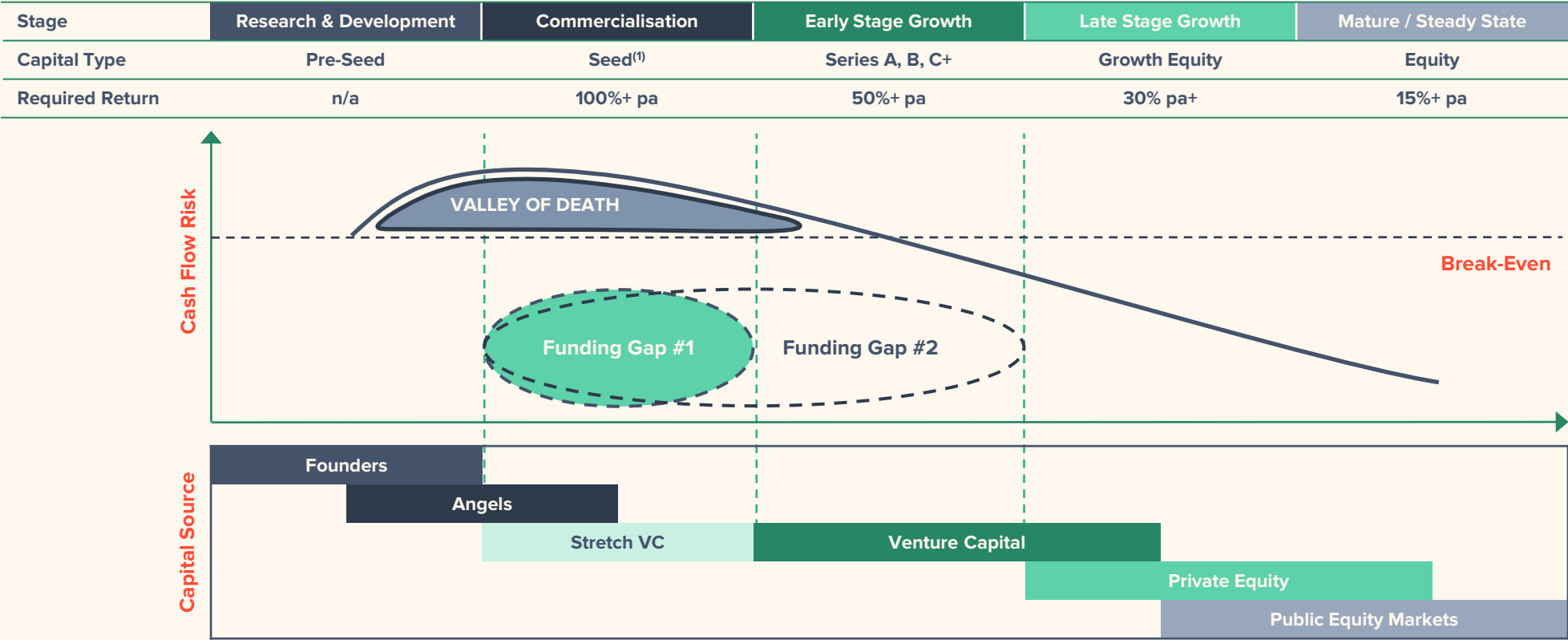
Gap	Detail
Gap #1: Seed Capital for Non-SaaS ⁽¹⁾ Businesses	• Limited funding market depth in seed capital ⁽²⁾ generally – the earliest stage of early-stage capital – for emerging Hunter businesses which fall outside the traditional investment preferences of VC funds for SaaS and software businesses
Gap #2: Seed+ Capital for Intensive Businesses	• Limited funding market depth in early-stage growth capital ⁽²⁾ generally for emerging Hunter businesses with capital and/or labour intensive business models – in addition to limited depth of seed capital ⁽²⁾ generally

Australian Venture Funding Depth

Identified Gaps (2 of 2)

Seed and early-stage growth capital enables ventures to proceed through their highest-risk stages

Stylised Capital Lifecycle for a Business



Lack of depth in such capital may inhibit economic diversification in the Hunter in the long-term

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Notes: (1). Seed capital is typically the first external capital raised by an emerging business which is used to commercialise a product or service and to demonstrate market interest in such a product or service.

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Report Author: Kim Carland, Program Lead

Responsible Officer: Tim Askew, Director Programs.

Purpose:

1. To provide the Board with an overview of the suite of outputs from the Accelerating Event Economies project, including information, tools and resources available for the region to support local and regional event attraction and hosting.
2. To provide and seek endorsement of GMAC's recommendation on the three options identified for an ongoing regional approach to events attraction following completion of the A2E project (at which point current project funding will end).

Link to Hunter Joint Organisation Strategic Plan 2022-2026

Strategic Theme(s)	<ul style="list-style-type: none"> 1. Connectivity 3. Jobs and a Growing Economy 4. Liveability
Objective(s)	<p>1.2 Through its Port and Airport the Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle and growth in products and services to replace the economic output of thermal coal.</p> <p>3.1 Coordinated planning and investment by all levels of government that empowers the region and its residents to maintain and grow jobs, economic opportunities and quality of life</p> <p>3.3 A globally focused region that drives talent attraction and retention</p> <p>3.5 We are recognised as a destination of choice for international and domestic visitors</p> <p>4.1 We are recognised as a destination for hosting world class events that align with our unique offering</p> <p>4.6 A region that is connected, inclusive and fair</p>
Strategic Directions	<p>1.2.1 - Partnering with airport and port to identify and pursue priority actions to enable access to international markets for the benefit of the region.</p> <p>1.2.3 - Leading collaboration in the region between government, industry and community to ensure the benefits of international markets are region wide.</p> <p>3.1.1 - Support a clear, place-based, integrated whole-of-government policy and planning approach to drive the region's economic evolution and jobs of the future.</p> <p>3.3.1 - Support efforts that position the Hunter globally in its areas of competitive and comparative strength.</p> <p>4.1.1 - Support a coordinated approach and collaborate around events and tourism.</p> <p>4.1.2 - Identify opportunities for growth and diversification of the regional events and tourism economy.</p> <p>4.6.2 - Support an increase in the availability of jobs and services closer to people.</p>

Hunter JO Advocacy Priorities	<p><i>Advocacy Priority</i></p> <p>4. A globally focused Hunter connected to international markets</p> <p><i>Advocacy Policy</i></p> <ul style="list-style-type: none"> • A globally focused Hunter connected to international markets will underpin the Hunter's successful economic evolution. Efficient and effective access to global markets to attract investment and talent to evolve our economy, and to sell our products and services on the world stage, will be key to this success.
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Background

The Hunter JO was successful in securing over \$860k through the Bushfire Local Economic Recovery Fund (BLERF) to undertake the Accelerating Event Economies (A2E) project. This project, which will complete projects until June 2023 to build a foundation for events attraction to the region.

A dedicated regional stakeholder group that has been meeting monthly to guide the delivery of all actions, including representatives from each member Council, State Government agencies and industry.

The objectives of A2E are to:

- Streamline event management and planning in the region across council boundaries to create efficiencies for event managers and planners and attract them to our region, building economic recovery, resilience and diversification in response to the bushfires and other rising uncertainty.
- Encourage investment through identified gaps and opportunities for event assets across the region
- Build on the collective tourism objectives for the region to be recognised as a destination of choice

Summary of Accelerating Event Economies achievements

A stakeholder group with representatives from our ten Member Councils' tourism and events teams, along with Destination Sydney Surrounds North, Committee for the Hunter, and Department of Regional NSW have met monthly since March 2021 and attended five workshops throughout the project to influence the outcomes.

The robust conversations as a stakeholder group, and extensive efforts of multiple consultants are all culminating in assets that will help position our region to achieve our vision of being 'recognised as a destination of choice for world class events that align with our unique offering'.

An Events10 brand has been developed to represent the 10 council destinations across the Hunter, along with a website providing a wealth of information collated during the project that has now launched to help position our region as a destination of choice for events. We're also planning to host a one-day conference on 26 July 2023 to provide an overview of all the information, tools, and resources developed as part of the project, along with networking opportunities to assist with building collaborative relationships across the region. Along with Members of the Hunter JO Board, Federal and State Government Ministers and Hunter based Members of Parliament will be invited to the launch of the Events10 products to be held during the conference.

A summary of the resources and information completed (or currently being finalised) under the project includes:

- KPMG Hunter Event Economic Analysis Report
- KPMG Event Economic Modelling Tool

- KPMG Event Prioritisation and Assessment Framework
- Event Licencing Recommendations Report
- Event Planning Guide
- Facilities audit
- Consistent templates for event management
- Website to promote the region
- Hunter Event Prospectus
- Cross Regional Itineraries
- Major Event Feasibility Study
- Regional Marketing until December 2023

Potential Regional Event Attraction Business Models

The KPMG work identifies three potential business models to address the opportunity to continue to collaborate beyond the life of the A2E project, at which point current funding will end, in order to attract events that benefit multiple (or all) LGAs within the region. Further consultation with our regional stakeholders has been completed to further refine these models, the outcomes from which were presented as high level options to GMAC at its 25th May 2023 meeting. These included:

Option	Key Elements	Indicative Financial Costs (shared across participating councils)
Option 1 – Business As Usual (BAU) + A2E tools	No regional coordination. <ul style="list-style-type: none"> • Individual application of the A2E tools by councils. • Events10 website will be hosted for three years. • Individual council contact details provided on the website. 	Nil
Option 2 – collaborate	Minimal touch to: <ul style="list-style-type: none"> • Coordinate leads from the Events10 website - one point contact • Lead a regional events/tourism Advisory Committee for cross collaboration • Coordinate a calendar of events for the Hunter pre-launch to avoid audience dilution. • Facilitate an annual forum for Council event licencing staff 	Part time resource (estimated four days per month) - Approx \$45,400 Plus additional minimal budget to implement projects as required.
Option 3 - proactive	Option 2 plus: <ul style="list-style-type: none"> • Secure - Proactively seek partnerships and events to bring to our region. 	Full time resource - \$220,000 Plus additional event acquisition costs per council

	<ul style="list-style-type: none"> • Develop – Implement training to support the growth of grass-roots events. • Market – Identify opportunities for shared marketing for events and destination info. • Grow – Identify events to grow and source funding. 	
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GMACs recommendation was to proceed with the Business as Usual (plus A2E outputs) model, to be monitored and reassessed in 12 months' time.

Recommendation:

That the Board:

1. **Note the key outcomes achieved to date in delivering the A2E project.**
2. **Endorse GMAC's recommendation for option one 'Business as Usual plus A2E outputs' approach to attract and host events in our region, to be monitored and reassessed in 12 months' time.**

Report Author: Steve Wilson, Director Hunter JO

Responsible Officer: Joe James, CEO

Background

At the 16th March 2023 meeting of the NSW Joint Organisation Chairs Forum, a report was submitted and discussion held regarding correspondence from the Central NSW JO to the NSW Auditor General regarding concerns about anomalies in the Common Planning Assumptions (refer Attachment 11).

The outcome of the discussion was a recommendation that each of the JO Chair's seek endorsement from their own Boards to write to the Auditor General echoing the concerns expressed in the Central NSW JO correspondence. The objective of taking this approach across the JOs network is to amplify the concerns raised with a view to influencing the Auditor General to initiate a review of the planning assumptions and how they are being utilised by NSW Government Agencies.

Draft Content for Correspondence:

Re: Concerns about anomalies in the NSW Common Planning Assumptions

Joint Organisations are statutory local government entities established by the NSW Government, through the NSW Local Government Act 1993, to support councils work together for better rural and regional outcomes, and to enhance the way local and state governments work together to plan and deliver important regional infrastructure and investment.

The core statutory functions established for Joint Organisations by the NSW Government are:

- 1. Strategic planning and priority setting – to establish strategic regional priorities for the Joint Organisation area and to establish strategies and plans for delivering those priorities*
- 2. Intergovernmental collaboration - to identify and take up opportunities for inter-governmental cooperation on matters relating to the Joint Organisation area.*
- 3. Shared leadership and advocacy - to provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities.*

The ten Member Councils of the Hunter JO (Cessnock, Dungog, Lake Macquarie, Maitland, MidCoast, Muswellbrook Shire Council, City of Newcastle, Port Stephens, Singleton and Upper Hunter Shire Council) represent the largest regional economy in Australia and one of the fastest growing metropolitan areas in NSW. However, with \$23 billion of the region's economy attributed to coal exports annually, the Hunter is on the precipice of enormous change as it responds to changing global energy demands. To maintain its significant contribution to Australia's state and national economies, the region needs a clear, place-based, integrated whole of government policy and planning approach to drive the Region's economic evolution.

Central to achieving this is the need to more realistically acknowledge and plan for the region's high level of population growth. In contrast to this need however, the NSW Common Planning Assumptions, the agreed information assets that must be utilised by all NSW Government Agencies for planning and infrastructure delivery, are consistently underestimating actual and forecast levels of population growth not only in the Hunter, but more broadly across Regional NSW.

Given the consistent inaccuracy of the forecasts provided by the Common Planning Assumptions, the Hunter JO commissioned its own research to identify projected population figures for the Hunter Region to inform the work of the Hunter JO and Member Councils. This work found that even under upwardly revised projections released by the NSW Government in 2022, the maximum population forecast for 2041 remained at levels comparable to only the lower-level scenarios identified through the Hunter JO commissioned research. Furthermore, there continues to be a significant disconnect between what

regional Local Government Areas are experiencing and the projections provided by the Common Planning Assumptions.

The consistent underestimation of population growth by NSW Government Agencies arising from use of the NSW Common Planning Assumptions has both significant and detrimental impacts for the region's economic growth and liveability, most notably:

- The timing and level of investment in core infrastructure such as schools, hospitals, housing and transport infrastructure is not fit for purpose for the actual population levels that eventuate.*
- Inefficient and wasteful expenditure of NSW Government funds that could otherwise be avoided through improved population forecasting and integration with government agency planning processes.*
- Significant loss of public confidence and elevated levels of community frustration in the nature and delivery of a range of NSW Government land use planning, infrastructure and other services.*

It is for these reasons that we urge the NSW Audit Office to review the integrity, efficacy and value of the NSW Common Planning Assumptions as a tool for informing NSW Government Agency planning processes. At a minimum, we recommend that scenario planning for alternative population numbers should be a mandatory requirement of these processes.

Recommendation:

That the Board endorse drafting correspondence (using the content provided) from the Hunter JO to the NSW Auditor General expressing concerns about the NSW Common Planning Assumptions.



CENTRAL NSW JOINT ORGANISATION

Chair Cr Kevin Beatty, Mayor, Cabonne Council

Central NSW
Joint Organisation

PO Box 333

Forbes NSW 2871

Phone: 0428 690 935

Email: jenny.bennett@centraljo.nsw.gov.au

Website: www.centraljo.nsw.gov.au

15 March 2022

Document ID: 4381021

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Ms Margaret Crawford
NSW Auditor General
Audit Office of NSW
GPO Box 12
Sydney NSW 2001

Dear Ms Crawford,

Re: Concerns about the anomalies in the Common Planning Assumptions

Local Government Regional Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 200,000 people covering an area of more than 50,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, Weddin, and Central Tablelands Water.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: https://docs.wixstatic.com/ugd/51b46b_31886650ecf546bc916f15e99a733b3e.pdf

As a region we have spent decades watching investment in strategy, infrastructure and services constrained by Treasury's Common Planning Assumptions. As a Cabinet directive, State agencies **must** use these assumptions. Both the State and Local Government find themselves investing in workarounds but ultimately investing time and money in strategies that plan for negative growth in a significant number of our communities and a lower level of growth than lived experience in others.

Unfortunately for the communities of NSW the significant spend on strategy in region using population data that has historically proved wrong by up to 100% and in the current socio-economic climate is significantly wrong - has serious implications for government investment in region. For example, investment in infrastructure such as schools and hospitals will not be fit for purpose for the actual population growth. This leads to a consistent, serious and substantial waste of public money; beyond the waste of money on the plans themselves. Uneconomical, inefficient or ineffective use of resources, resulting in a serious and substantial loss of public funds also leads to a loss of public confidence.

Given the waste of public money, this region believes this is an issue that ought be addressed by the Auditor General.

An example is one of our member councils Parkes, the Common Planning Assumptions that they will have a population decline to 2041 when the State and Federal Governments are investing in Inland Rail, the Newell Highway and the Special Activation Precinct. Recently plans to build the largest plastic processing factory in Australia anticipating 800 jobs were announced by the Deputy Premier in Parkes. 3000 more jobs

The Central NSW JO speaks for over 157,000 people covering an area of more than 47,000sq kms comprising of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, and Weddin.

are estimated to be required as a result of just the Special Activation Precinct in just this one LGA.¹ There are other population drivers in Parkes such as the growth of staff in its TfNSW Office, various other construction activities and "tree changers." This growth is being mirrored across the region.

Using incorrect population planning assumptions leads State agencies to lose confidence in their own plans. This leads to further work and expenditure to understand the real State of affairs and at worst, writing strategies that become shelf ware. It also generates frustration in region where consultation after consultation is taken up with advocacy on Common Planning Assumptions.

There are a number of examples happening in region now. TfNSW estimate over 30,000 jobs will be created over the decade of the Great Western Highway Upgrade where care is being taken to employ local, grow our own and target youth and aboriginal participation. The Regional Leadership Executive is looking at ways to support TfNSW with this growth. Concurrently they have drafted the Central West and Orana Regional Transport Plan using the Common Planning Assumption which show population decline in Lithgow in 2041.

Arguably, the Common Planning Assumption stifles any attempt at long term planning by State agencies ultimately leading to poorer quality plans.

Central NSW Councils was very grateful to DPE for its investment development of the WRI Region Shapers' Report. Arguably the 64,000 jobs coming into region identified in the Region Shapers' Report is the most significant planning issue in region requiring an all of region response.² However, as the agency MUST use common planning assumptions, the impacts of these 64,000 are not considered in the report.

Finally, DPE Water are developing Regional Water Strategies that among other things makes long term plans for the water security of the region. Constrained by the rules on Common Planning Assumptions they are looking for alternatives using scenario planning to inform water infrastructure priority. Given the challenges in the recent drought it is imperative that the population data is correct where for example in Bathurst and Orange it is out by close to 100%.

February data from the Commonwealth Bank reveals quarterly migration from capital cities to regional areas over the past two years is averaging 15 per cent higher than the two years pre-COVID 19.³

At the very least scenario planning for alternative population numbers should be mandatory. This should be informed by lived experience in region including anticipated construction, the Parkes SAP, the Renewable Energy Zone and the migration from cities to regional Australia.⁴

Please contact Executive Officer Jenny Bennett on 0428 690 935 if you would like to discuss any of the above any further.

Yours sincerely,



Cr Kevin Beatty

Chair

Central NSW Joint Organisation

¹ https://shared-drupal-s3fs.s3-ap-southeast-2.amazonaws.com/master-test/fapub_pdf/A+Parks/Parkes+SAP+-+Economic+Analysis+report.pdf

² Western Research Institute "Region Shapers" 2021

³ https://www.commbank.com.au/articles/newsroom/2022/02/Pandemic_drives_city-dwellers_regions.html

⁴ <http://www.regionalaustralia.org.au/home/regional-movers-index/>

The Central NSW JO speaks for over 157,000 people covering an area of more than 47,000sq kms comprising of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, and Weddin.

7. Items for the Hunter JO Board – For Noting

7.1 CEO Report

Report Author: Joe James, CEO

Responsible Officer: Joe James, CEO

Executive Summary:

The purpose of this report is to provide an overview of key collaboration and advocacy engagement since the last meeting of the Hunter JO. This includes key networks, meetings, workshops and forums in which the CEO and staff have recently participated in to facilitate and support intergovernmental collaboration.

The report provides an update for the last period on:

- Political Engagements
- Media Coverage
- Regional Submissions
- Collaboration and Stakeholder Engagement including:
 - Hunter JO convened workshops, forums and events
 - Existing Standing Engagements (convened by Hunter JO and local government)
 - Existing Standing Engagements (convened by others)
 - Proposed New Standing Engagements
 - Additional Strategic Engagements (if any)

Political Engagements

Political Representative	Purpose / Outcomes (where relevant)
Upcoming Engagements	
The Hon. Tim Crakanthorp, Minister for Skills, TAFE and Tertiary Education, and Minister for the Hunter, and Member for Newcastle	<p>The Minister has confirmed he will be available to attend the Hunter JO Board meeting on 8th June. The focus of the engagement will include:</p> <ul style="list-style-type: none">• Providing an overview of NSW Government priorities for the Parliamentary term• Discussion of Hunter JO Advocacy Priorities <p>A pre-briefing with the Minister's office has been arranged prior to the Hunter JO Board Meeting with the CEO and Director Hunter JO.</p>
The Hon. Penny Sharpe, MLC, Minister for Climate Change, Minister for Energy, Minister for the Environment, and Minister for Heritage <i>Friday 2nd June 2023</i>	<p>It is planned that Cr Sue Moore, Cr Jay Suvaal, Joe James & Steve Wilson will participate in this meeting with the Minister. While the five advocacy priorities of the Board will be raised, given the Ministers portfolio responsibilities, particular emphasis will be placed on those priorities relating to:</p> <ul style="list-style-type: none">• NSW Waste Levy• The need for a a clear, place-based, integrated whole of government policy and planning approach to drive the Region's economic evolution.
<i>ALGA Conference Ministerial Engagements</i>	<p>The Hunter JO has reached out to the following regarding engagement during ALGA, and is waiting to hear back for confirmation on potential dates for meeting;</p>

Political Representative	Purpose / Outcomes (where relevant)
	<p>Hon. Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government</p> <p>Hon. Chris Bowen MP, Minister for Climate Change and Energy</p> <p>Hon. Kristy McBain MP, Minister for Regional Development, Local Government and Territories</p> <p>The Hon. Carol Brown, Assistant Minister for Infrastructure and Transport</p> <p>The Hon. Jenny McAllister, Assistant Minister for Climate Change and Energy</p> <p>Hon. Julie Collins MP, Minister for Housing, Minister for Homelessness, Minister for Small Business</p>
<i>James Chisholm, Net Zero</i>	<p><i>During the ALGA Conference a meeting has also been scheduled with James Chisholm, Deputy Secretary: Net Zero Economy Taskforce, Department of Prime Minister & Cabinet.</i></p> <p><i>The CEO has previously met representative of the Net Zero Taskforce, and will be engaging regarding the developments in this area, and priorities for the Hunter JO.</i></p> <p><i>A key item on which to seek intelligence will be the introduction of the proposed federal 'transition authority'.</i></p>
Completed Engagements	
<p>The Hon. Kate Washington, Minister for Families and Communities, and Disability Inclusion, and Member for Port Stephens</p> <p>18th May 2023</p>	<p>Cr Sue Moore, Cr Jay Suvaal, Cr Pontin, Joe James & Steve Wilson participated in this meeting with the Minister. Key focus areas included:</p> <ul style="list-style-type: none"> Identifying the Government's key overall priorities, including public education, health, housing (including social housing) and the delivery of all election promises. Understanding the priorities of the Minister's portfolio including finding suitable land for affordable housing and disability inclusion Identifying that while the direct overlap of the Hunter JOs specific advocacy priorities with those of the Minister's portfolio are not immediately apparent, the Ministers' priorities have a significant impact on the livability of local communities. Discussing in depth each of the Hunter JOs five core advocacy priorities The impacts of the Emergency Services Levy on Councils Confirming that there is clear recognition and interest from the Hunter based Ministers and MPs of the value of collaborating with the Mayors through the JO to present a united front on key issues affecting the region, and collectively pursuing opportunities that will benefit the region. <p>Direct actions arising from the meeting included:</p>

Political Representative	Purpose / Outcomes (where relevant)
	<ul style="list-style-type: none"> Hunter JO to collate direct financial impacts from Member Councils arising from the Emergency Services Levy and provide to the Minister

Media Coverage

Media Outlet(s)	Focus	Summary of coverage
ABC Radio Newcastle <i>Tuesday 23rd May 2023</i>	Shiraz to Shore Proposal	Mayor Jay Suvaal, Hunter JO Board Deputy Chair, delivered a radio interview providing an overview of the region-wide Shiraz to Shore cycleway proposal, anticipated benefits to the region and current project initiatives underway.
Newcastle Herald, The Maitland Mercury, The Great Lakes Advocate, The Singleton Argus, Camden Haven Courier, The Gloucester Advocate, Port Macquarie News, Manning River Times, The Port Stephens Examiner, The Muswellbrook Chronicle, Dungog Chronicle, The Hunter Valley News, The Macleay Argus, The Scone Advocate, The Cessnock Advertiser <i>Tuesday 9th May 2023</i>	Federal Budget Priorities	<p>A summary of the Hunter JO's federal budget priorities was provided to the Newcastle Herald, encompassing:</p> <ul style="list-style-type: none"> - Transition authority - Integrated transport - Circular economy <p>These priorities were all rooted in our key principles of coordinated whole of government approach, place-based decision making and sufficient resource support.</p> <p>Link to Article (Newcastle Herald)</p>

Awards and Recognition

World Circular Economy Forum: Eloise Lobsey (Program Lead - Circular Economy), has been invited to attend the World Circular Economy Forum in Helsinki as part of an Australian delegation. Eloise received the invitation based on her role with the Hunter JO, reflecting the value and recognition of the work being led by the JO in the Circular Economy space.

Regional Submissions

There were no regional submissions during the reporting period.

Collaboration and Stakeholder Engagement

Hunter JO convened workshops, forums and events	
Events10 Conference <i>26 July 2023</i>	A one-day conference is being planned to provide the Hunter Events Industry with an overview of the outcomes from the Accelerating Event Economies project, including tools and information available to help position our region as a destination of choice for events that align with our unique offering. Along with Members of the Hunter JO Board,

	Federal and State Government Ministers and Hunter based Members of Parliament will be invited to the launch of the Events10 products to be held during the conference.
Existing Standing Engagement (convened by Hunter JO and Local Government)	
Contaminated Land Working Group <i>Convened by Hunter JO</i> <i>29 March 2023</i>	A presentation on cattle tick dips was provided by Ballina Council and guests from the Northern Rivers regions joined the discussion. Regular roundtable allowed Councils to share recent sites and challenges, generating good discussion.
Regional Resilience Program Advisory Committee <i>Canberra Region JO</i> <i>Monthly</i>	Monthly meetings chaired by CRJO and attended by JOs and NSW Reconstruction Authority (NSWRA). Discussion is currently focused around the proposals for the Monitoring and Evaluation component of the project, of which assessment is underway. Subject-specific working groups have been established, due to commence during May and June. NSWRA gave a high-level overview of how each JO is tracking in terms of reporting, Hunter JO is on track.
Simtables JO Group <i>Convened by Hunter JO</i> <i>2 May 2023</i>	Monthly meeting held on 2 May 2023. Hunter JO shared information about possible purchase of flood modelling from JBA Risk to utilise in the Simtable program.
Hunter Net Zero Network <i>Convened by: Hunter JO</i> <i>26th April 2023</i>	At this initial meeting of the network, the Hunter JO introduced the network and its purpose and provided an overview of the Net Zero Acceleration Program and Cities Power Partnership regional partnership agreement. A guest presentation was provided by Chargeworks, who will be conducting EV charging feasibility studies in eight Hunter council (funded by NSW Treasury). Finally, a roundtable was held where council staff were invited to share their work, goals and regional priorities.
Regional Waste Managers Network (Hunter Regional Waste Strategy Group) <i>Convened by: Hunter JO</i> <i>30th March 2023</i>	The Group met on 30 March 2023, with 8 councils in attendance. The EPA was invited to talk to the group on the issue of lithium ion batteries (storage and handling risks), and the group was advised the EPA were working through the various levels of issues this waste stream is presenting, and as an interim measure would be imminently circulating some guidelines to councils. Other presentations to the group included Utilitarian (app) and Matter (smart bin sensing).
A2E Tourism and events stakeholder reference committee <i>Convened by: Hunter JO</i> <i>Monthly</i>	Monthly meetings are continuing to steer outcomes of the remaining website and marketing materials being developed under the A2E project.
A2E Regional Events Stakeholder Group <i>Convened by: Hunter JO</i> <i>Monthly</i>	The focus of this group currently includes organising the one day workshop being planned to provide the Hunter Events Industry with an overview of the outcomes from the Accelerating Event Economies project, including tools and information available to help position our region as a destination of choice for events that align with our unique offering.

Hunter Global Tourism Steering Committee <i>Convened by: Hunter JO</i>	Glenn Caldwell, General Manager Destination Sydney Surrounds North, and Burcak Sezer, Executive General Manager Marketing and Communications, Newcastle Airport have been appointed to this new project Steering Committee.
City of Newcastle SDG Collaborative meeting <i>Convened by: City of Newcastle</i> <i>4th May 2023</i>	A presentation on the Hunter JO Strategic Plan 2032 was delivered to the meeting. Feedback confirmed strong alignment between the strategic directions of the Hunter JO Strategic Plan and the focus and directions of the SDG Collaborative Group.
NSW Joint Organisation Executive Officers Network <i>Convened by: JO Network</i> <i>Fortnightly</i>	This network continues to meet on a fortnightly basis. Focus areas include: <ul style="list-style-type: none"> • Cross JO engagement with key NSW Government agency representatives • Cross regional information sharing and collaboration in delivery of the Disaster Resilience and Net Zero grant programs, under which a number of JOs received funding • Identifying opportunities for more direct collaboration and engagement with state agencies re the funding and delivery of place-based programs
Hunter Global Partners <i>Convened by: Hunter JO</i> <i>10 May 2023</i>	A workshop session was held to map the status of any existing delivery, directions or opportunities against the actions identified in the Hunter Global Flightpath report and to explore governance framework / options to support collaborative implementation and monitoring of delivery of the report. Organisations participating in the workshop included the Hunter Global project partners - Newcastle Airport, Business Hunter, Institute for Regional Futures (UoN) and Committee for the Hunter.
Sustainable Education Group <i>Convened by: Hunter JO</i> <i>Monthly</i>	This group continues to meet monthly to share, cross promote where possible and collaborate in the Education Space. Our May meeting included a presentation by Jo Taranto from Good for the Hood who talked about her education offer for the region, including an '@home' program that can be delivered on behalf of councils.
Existing standing engagements (convened by others)	
Royalties for Rejuvenation Expert Panel <i>Convened by: Department of Regional NSW</i> <i>1 May 2023</i>	Agenda included briefings on: <ul style="list-style-type: none"> - Regional NSW Portfolio and Election Commitments including establishment of Regional Transition Authorities - REZ Skills and Workforce analysis by Mark Apthorpe and Thomas Watt - Skills and Workforce development activity underway for Upper Hunter by Scott Gould and Tanya Peterkin (Regional NSW) and Amber Bibby (Training Services NSW) - Port of Newcastle - Clean Energy Precinct <p>An action plan is being developed and guidelines for grant from RfR Fund are being finalised for Ministerial approval.</p>
Upper Hunter Economic Diversification Working Group	Discussion of the Upper Hunter Social Enterprise Implementation Plan. [Note: Hunter JO will not be providing a representative at this point due to capacity constraints].

<p><i>Convened by: Department of Regional NSW</i></p> <p><i>14th April 2023</i></p>	<p>Discussion of the outcomes of Upper Hunter Renewables RoundTable Report.</p> <p>[Note: Significant skills mapping has now been done. Significant focus on roundtable is about the long term thinking and the focus on schools to promote messages about the opportunity in clean energy industries]</p>
<p>Hunter Regional Leadership Executive</p>	<p>The May RLE has been cancelled awaiting impacts of change of Government.</p>
<p>Hunter Central Coast CMP Practitioners Roundtable</p> <p><i>Convened by: Department of Planning & Environment</i></p> <p><i>24th March 2023</i></p>	<p>This meeting included an update on the Lake Macquarie Coastal Management Program (CMP), Estuary Monitoring app and Hunter Offshore Renewable Energy proposal. Council staff participating in the meeting indicated support for the proposal, with Council submissions being drafted.</p>
<p>Joint Organisation Net Zero Acceleration (JONZA)</p> <p><i>Convened by Sustainable Councils (OECC / NSW Treasury), Weekly meetings</i></p>	<p>Weekly meetings with the JONZA group continue. Recent discussion has mostly been around the recruitment process, with all JOs now having a Net Zero Officer appointed. The network is very collaborative and the officers from other JOs are very open and willing to share their expertise and experiences.</p>
New Standing Engagements	
<p>Nil</p>	
Additional Strategic Engagements	
<p><i>World Circular Economy Forum,</i></p> <p><i>Convened by: Nordic Innovation</i></p> <p><i>30 May – 2nd June 2023</i></p>	<p>Eloise Lobsey (Program Lead - Circular Economy), will be attending the World Circular Economy Forum in Helsinki as part of an Australian delegation. Eloise received the invitation based on her role with the Hunter JO, reflecting the value and recognition of the work being led by the JO in the Circular Economy space.</p> <p>The Forum will feature sessions with leading global Circular Economy experts, with attendees expected from more than 100 countries. An overview of the Forum Program and Speakers can be seen at https://wcef2023.com/about/. The Australian Delegation has been pulled together by Dr Nicole T Garofano, Head of Circular Economy Development, Planet Ark Environmental Foundation. Planet Ark operate the Australian Circular Economy (ACE) Hub.</p>
<p>Unlocking Local Capital: Lessons from the United States, Canada, and elsewhere on how Newcastle can tap local investment for community development.</p> <p><i>Convened by: City of Newcastle, 5th May 2023</i></p>	<p>Attended a presentation from Michael Shuman, a U.S.-based attorney, economist, and author on what local investment options might be available in Australia through the unlocking of local capital. This included how, by mobilising local investors we can move some of their capital into local businesses, projects, and people, to accelerate the growth of its economy. However, federal government law changes may be necessary.</p>
<p>Resilient Hunter Platform</p> <p><i>Convened by: Greater Cities Commission</i></p>	<p>The Greater Cities Commission has approached the Hunter JO with a proposal for the Resilient Hunter Platform, an extension of the Resilient Sydney Platform developed by Resilient Sydney (via City of Sydney). The Resilient Sydney Platform collates environmental data for each Council to</p>

<i>Various meetings</i>	help them track environmental performance, provide a standardised evidence-base for decision making, and enable collaboration, action and advocacy to better plan for future communities. Initial meetings and a workshop have been held with Hunter JO, GCC and Resilient Sydney showcasing the tool and discussing a proposal for Hunter JO to take on the role of Program Sponsor for the region. This role would require Hunter JO to support Councils in the roll out of the tool, facilitate training sessions, and build capacity in the region. This proposal and context for Hunter JO will be presented to GMAC as more details become available.
Hunter Insights Series: The Geography of Jobs <i>Institute for Regional Futures (University of Newcastle), 4th May</i>	Drawing on research and data from the Hunter Research Foundation Centre and latest research from the Institute for Regional Futures, the seminar focused on unpacking the underlying drivers behind the region's employment trends, delving into the spatial variations in employment needs and highlighting issues for decision-makers across key sectors moving forward. A key finding from the research is the need to move beyond sector-based thinking, to build a workforce with transferable skills across sectors and to develop human capital that is nimble, adaptable and resilient to change.
In Conversation: Climate-related risk and Corporate ESG – Opportunities and challenges for business in the Hunter's fossil fuel transition <i>Convened by: Committee for the Hunter, 23rd May</i>	The Hunter JO CEO participated as an expert panellist at this event, which analysed and discussed the Hunter Region's transition into a low carbon economy and the key challenges, risks, and opportunities through legal, financial, engineering and venture funding lenses. Other expert panellists included Persia Navidi, Partner - Hicksons Lawyers and Adam Davis, Technical Practice Leader, Sustainability and Resilience ANZ - AECOM.
Port of Newcastle Clean Energy Precinct Industry Briefing <i>Convened by: Port of Newcastle 3rd May 2023</i>	Briefing contained: <ul style="list-style-type: none"> - Member for Newcastle Sharon Claydon on her vision for the clean energy industry, - CEO Craig Carmody's vision for diversification of the Port and Hunter Region, - three panel experts across utilities, production projects, skills and training pathways, - Clean Energy Precinct Team on how the project has developed over the last two years and project priorities ahead. Key takeaways were: <ul style="list-style-type: none"> - that the clean energy ecosystem cross multiple LGA's (reaching all the way to Muswellbrook) - is still nascent and will need clear policy alignment and a huge amount of capital to scale and be internationally competitive (Note the competition from current US policy settings) - Hydrogren production will require a huge amount of water which Hunter Water says is available but contains significant assumptions about use of recycled water for cooling production systems

Recommendation: That the report be received and noted.

Report Author: Louisa Bulley, Executive Officer & Steve Wilson, Director Hunter JO,

Responsible Officer: Joe James, CEO

This report provides an update on the current advocacy priorities, activities and systems development being undertaken by the Hunter JO.

1. NSW Parliamentary Engagement

As reported at the April 2023 Board meeting, correspondence has been forwarded to newly appointed Government Ministers who hold portfolios in areas of direct interest to the Hunter JO advocacy priorities, and to all Hunter-based MPs elected to the new Parliament. As well as extending congratulations on their election and/or appointment as a Minister, this correspondence requested meetings to discuss the aligned advocacy priorities of the ten Mayors.

As reported under in the CEO report “Political Engagements”, to date this has resulted in the following engagements:

- The Hon. Tim Crakanthorp, Minister for Skills, TAFE and Tertiary Education, and Minister for the Hunter, and Member for Newcastle (8th June 2023 – Hunter JO Board meeting)
- The Hon. Penny Sharpe, MLC, Minister for Climate Change, Minister for Energy, Minister for the Environment, and Minister for Heritage (2nd June 2023)
- The Hon. Kate Washington, Minister for Families and Communities, and Disability Inclusion, and Member for Port Stephens (18th May 2023)

It should be noted that we have heard consistently through various networks that the new Ministers are rarely accepting any meetings during May, to enable them to focus on their new roles and the first sitting of Parliament.

2. ALGA Conference

The Hunter JO has reached out to the following regarding engagement during ALGA, and is waiting to hear back for confirmation on potential dates for meeting;

- Hon. Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government
- Hon. Chris Bowen MP, Minister for Climate Change and Energy
- Hon. Kristy McBain MP, Minister for Regional Development, Local Government and Territories
- The Hon. Carol Brown, Assistant Minister for Infrastructure and Transport
- The Hon. Jenny McAllister, Assistant Minister for Climate Change and Energy
- Hon. Julie Collins MP, Minister for Housing, Minister for Homelessness, Minister for Small Business

During the ALGA Conference a meeting has also been scheduled with James Chisholm, Deputy Secretary: Net Zero Economy Taskforce, Department of Prime Minister & Cabinet.

The CEO has previously met representative of the Net Zero Taskforce, and will be engaging regarding the developments in this area, and priorities for the Hunter JO.

A key item on which to seek intelligence will be the introduction of the proposed federal ‘transition authority’.

3. Advocacy Plans

At its April 2023 meeting the Board resolved to proceed with a more project-based approach to the next stage of advocacy work to be delivered by the JO, which for each of the agreed advocacy priorities determined by the Board, will establish:

1. Objectives and expectations (i.e. outcomes) for the campaign
2. Project deliverables (i.e. outputs) and timeframes for their delivery
3. Resources allocated to project delivery (i.e. money and staffing)
4. Reporting frequency and processes for monitoring (and revaluating where required), changes in campaign schedule, resources and scope.

The five advocacy priorities confirmed by the Board for which to apply this new approach were those endorsed by the Board in the lead up to the NSW Government election. The advocacy focus and advocacy asks associated with each of these have since been refined to reflect the election of the new Government and in some cases, the accompanying change in policy directions and commitments that have occurred as a result. The refined advocacy priorities include:

Advocacy Focus	Advocacy Ask(s)
1. The region needs a clear, place-based, integrated whole of government policy and planning approach to drive the Region's economic evolution.	<ol style="list-style-type: none"> 1. Commit to the following principles for a regional transition authority: <ul style="list-style-type: none"> • A clear vision and plan for the region's economic evolution • Has the authority to influence the efforts of various government agencies to align with the plan. • Sufficient resources to successfully and rapidly deliver the plan. • Ensure local government representation in place-based decisions that affect local communities. 2. A commitment that the NSW Government will partner with the region's councils to jointly approach the Commonwealth Government, to explore a city-region deal for the Hunter. This would specifically include exploring resources from the Commonwealth necessary to drive and deliver the Region's economic evolution.
2. There is an urgent need for legislation and policy change to provide clarity, certainty and a clear pathway to enable adaptation and reuse of mining and industrial lands to support the region's economic evolution	<p>Commit to establish a clear and properly resourced process that:</p> <ul style="list-style-type: none"> • Has necessary support and engagement from relevant government agencies and local government. • Makes recommendations on policy and legislative change to provide a clear planning pathway to enable the adaptation and reuse of mining and industrial lands as a key driver of the region's economic evolution
3. International and intra-region connectivity through integrated transport planning, infrastructure and services will be fundamental to the region's successful economic evolution	<p>A commitment to work with the region's councils to fund, resource and complete a study that establishes a clear vision, credible concept plans, and staged delivery plans for:</p> <ul style="list-style-type: none"> • An integrated public transport solution for the metropolitan heart of the region • Delivery of consistent, rapid services into the metropolitan heart from surrounding strategic centres, with sufficient increased frequency to make them a practical commuter option • Prioritising and improving the movement of freight from across the region to key international transport and export hubs

Advocacy Focus	Advocacy Ask(s)
4. Policy and funding should not leave some communities worse off, but should address the structural inequities where regional communities bear an undue road funding burden compared with capital city counterparts	A commitment that the NSW Government will collaborate on a process with local government that develops and applies a more equitable model for allocating roads funding across metropolitan and regional areas, that equalises the per kilometre funding for all areas.
5. Significant funding and investment is needed to implement circular economy and waste management initiatives to unlock economic growth and sustainability for the Hunter region.	That the NSW Government commit to, and implement in partnership with Local Government, a process that ensures transparency of waste levy funds and explores the feasibility and mechanisms to return 100% of Waste Levy contributions for reinvestment in local and regional Circular Economy initiatives and waste avoidance infrastructure and services.

Preparation of the plans for each of these priorities is underway, with the draft plan for Priority #5 (Waste Levy) completed to a stage that will now be distributed to the Board for review and input. This draft plan will now provide the template on which the more rapid development of the remaining plans will occur.

4. Review of Advocacy Framework and Priorities

In August 2023 it will have been 12 months since the Hunter JO Advocacy Framework and Priorities document was endorsed by the Board. In line with the approach that this should be a living document that is routinely updated, a complete review of the document has now commenced. This review will reflect significant progress achieved since the document was endorsed in refining the advocacy priorities, advocacy asks and advocacy processes of the Hunter JO. It will also incorporate a number of new evidence-based advocacy positions drawn from the significant network collaboration and capacity building program work being undertaken by the Hunter JO team to deliver the range of objectives and strategic directions identified in the Hunter JO Strategic Plan 2032.

A draft Advocacy Framework and Priorities document highlighting amendments will be provided to the Board for consideration when the review process is completed.

5. Development of process for agile media and advocacy opportunities

Further to CEO's performance KPI's, a process for engaging in agile media and advocacy is under development by the CEO, Director Hunter JO, Executive Officer, and Media & Communications Officer.

Recommendation: That the Hunter JO Advocacy Report be received and noted.

Report Author: Lisa Lord, Head of Finance

Responsible Officer: Joe James, CEO

INCOME STATEMENT – April 2023

INCOME STATEMENT HIGHLIGHTS

	Month		YTD		Annual Budget	
	Actual	Budget	Actual	Budget	Approved	Revised
Revenue	353,485	95,485	4,728,041	1,672,245	1,863,215	4,440,164
Labour	-	-	-	-	-	-
Subcontractors	-	-	-	-	-	-
Materials / Other	-	-	-	-	-	-
Gross Profit	353,485	95,485	4,728,041	1,672,245	1,863,215	4,440,164
Overheads	311,323	59,303	4,280,325	1,221,185	1,346,022	4,053,970
Operating Profit	42,163	36,182	447,716	451,060	517,194	386,194
Other Income / Expenses	-	-	-	-	-	-
Net Profit	42,163	36,182	447,716	451,060	517,194	386,194
Hunter JO Policy & Programs Subsidy	(3,081)	(29,281)	(364,205)	(442,805)	(501,366)	(370,367)
Total NPBT	39,082	6,901	83,511	8,255	15,828	15,827

Budget has since been revised from the formal reforecast completed in December 22, as a direct result of a further reduction in the contribution from Arrow.

Current month and YTD Net result for the JO is ahead of budget, however it is expected that budget will be on target for 30 June 23. Timing issues pay a part in the actuals being ahead at this point in time.

Detailed Income Statement following this report.

BALANCE SHEET – April 2023

HIGHLIGHTS	YTD
BALANCE SHEET	Actual
Assets	
Cash	4,626
Trade Debtors	2,164,323
Other	192,296
Liabilities	
Trade Creditors	53,920
Employee Leave Entitlements	87,922
Unspent Grant Funding	15,000
Other	2,248,811
Total Group Net Assets	(44,408)

Net Assets have improved from 30 June 22, as a result of profits shown in Income Statement.

Trade debtors are sitting very high and are directly related to grant funds outstanding, however since completion of this report, 100% of these have been paid.

Intercompany loan value has also decreased since the payment of the grant funds have been received.

Unspent grant funds as at 30/4/23 are \$15,000.

Detailed balance sheet following this report.

CASHFLOWS – April 2023

HIGHLIGHTS	YTD
CASH ON HAND	Actual
Opening Balance - Cash on Hand	165,473
Arrow Net Increase / (Decrease)	(160,850)
Closing Balance - Cash on Hand	4,623
Plus Trade Debtors / Creditors	(53,920)
Available Working Capital (Cash)	(49,297)
Less restricted funds	
Employee Leave Entitlements	87,922
Unspent grant funds received	15,000
Unrestricted funds	(152,219)

Cashflows have been under pressure, with a total YTD Net decrease in cash of \$160k. This Qtr. has continued to see a slow down in cash net movement from previous quarters.

Trade debtors are grant related invoices and when received are transferred to the Hunter JO Policy and Programs team (within Arrow) to project manage the grant.

Detailed consolidated cashflow report following this report at Attachment 12.

Recommendation:

- **That the Income Statement for period ending May 2023 be received and noted.**



INCOME STATEMENT - SUMMARY													Forecast - Budget Variance Commentary			
APRIL 23	CURRENT MONTH				% Variance Current	YEAR TO DATE				% Variance Current	Approved	Forecast	% Variance			
	Actual	Current	Budget 22	(Dec) Current		Actual	Current	Budget 22	(Dec) Current		(Dec 22) Annual Budget	Annual Budget		Forecast		
on variances of 10% or more of a line item or 2.5% of revenue or expenditure total																
REVENUE																
MEMBERSHIP SUBSCRIPTIONS																
Member Councils		47,058		47,058	0%		470,580		470,580	0%		564,696		564,696	0%	
Other				-					-			-		-		
PROJECT FUNDING																
Commonwealth Grants		-		-			-		-			-		-		Additional grants received
State Grants		258,443		-			3,304,214		244,822	1250%		244,822		2,952,771	1106%	
Member Councils Project Funding		-		-			298,870		298,870	0%		298,870		298,870	0%	Further reduction to Arrow Funding - adjustment to be taken up May 24
Other Project Funding		-		-			-		-			-		-		
Internal Project Funding _Arrow		20,663		20,663	0%		319,125		319,125	0%		360,450		229,450	-36%	
Internal Project Funding - LGL		4,592		4,592	0%		70,917		70,917	0%		80,100		80,100	0%	
Internal Project Funding - Goodchat		2,296		2,296	0%		35,458		35,458	0%		40,050		40,050	0%	
MISCELLANEOUS																
Trainee Incentives		-		-			-		-			-		-		
Miscellaneous Income		-		-			2,180		4,160	-48%		4,160		4,160	0%	
Other		20,435		20,877	-2%		226,698		228,314	-1%		270,068		270,068	0%	
Revenue - Total																
		353,485		95,485	270%		4,728,041		1,672,245	183%		1,863,215		4,440,164		
GROSS MARGIN																
		353,485		95,485	270%		4,728,041		1,672,245	183%		1,863,215		4,440,164		
Gross Margin %																
		100%		100%			100%		100%			100%		100%		
GENERAL & ADMINISTRATION																
Accounting Fees																
Advertising & Promotions		-		80	-100%		236		796	-70%		956		956	0%	
Audit & Assurance		1,290		1,290	0%		12,900		12,900	0%		15,480		15,480	0%	
Bad Debts																
Bank Charges		21		35	-41%		228		324	-30%		394		394	0%	
Catering & Functions		278		600	-54%		3,518		3,594	-2%		8,594		8,594	0%	
Corporate Overheads		10,570		10,570	0%		105,700		105,700	0%		126,840		126,840	0%	
Filing Fees																
Insurance - PI & PL		755		755	0%		7,551		7,550	0%		9,060		9,060	0%	
Insurance - Volunteers																
Legal Fees		-		-			5,653		5,181	9%		5,181		5,181	0%	
Miscellaneous		-		-			904		1,372	-34%		1,372		1,372	0%	
Photocopier charges		-		50	-100%		-		350	-100%		450		450	0%	
Postage		-		-			13		73	-83%		73		73	0%	
Printing & Stationery		27		20	34%		227		797	-72%		2,317		2,317	0%	
Professional Fees																
Quality Assurance & Audit		-		150	-100%		-		1,050	-100%		1,350		1,350	0%	
Records Storage / destruction																
Scanner - Lease payments																
Subscriptions and Licences		1,167		685	70%		9,460		7,172	32%		8,542		8,542	0%	
Telephone - Landline		40		30	33%		331		301	10%		361		361	0%	
Telephone - Mobile		91		150	-39%		982		1,468	-33%		1,768		1,768	0%	
Board Functions - Venue Hire		-		-			2,356		2,204	7%		2,954		2,954	0%	
OCCUPANCY COSTS																
Rent & Outgoings		1,154		1,155	0%		34,057		34,063	0%		36,373		36,373	0%	
												-		-		
DEPRECIATION																
Depreciation - Building												-		-		Adjustment. Previously claimed DV, s/be PC
Depreciation - Computer		435		18	2269%		863		184	370%		221		221	0%	
Depreciation - Furniture & Fittings		-		-			-		-			-		-		
Depreciation - Motor Vehicles		1,804		1,804	0%		18,042		18,042	0%		21,650		21,650	0%	
INFORMATION TECHNOLOGY																
IT Management		369		333	11%		3,443		3,593	-4%		4,259		4,259	0%	
Repairs & Maintenance - IT		-		-			-		-			-		-		
IT Software Maintenance / Support		140		222	-37%		609		1,882	-68%		2,326		2,326	0%	
Website Maintenance / Support		13		68	-81%		329		474	-31%		609		609	0%	
OVERHEAD LABOUR																
Wages & Salaries		32,954		31,339	5%		362,344		350,242	3%		412,920		412,920	0%	
Superannuation		3,408		3,291	4%		37,939		36,775	3%		43,357		43,357	0%	
Payroll Tax		-		-			-		-			-		-		
Workers Compensation		750		743	1%		7,299		9,927	-26%		11,412		11,412	0%	
FBT		1,940		1,940	0%		19,400		19,402	0%		23,283		23,283	0%	
Leave Provisions		(6,666)		1,730	-485%		10,966		20,366	-46%		23,826		23,826	0%	
EMPLOYEE COSTS																
Recruitment		-		-			-		-			-		-		
Training & Development		-		-			3,952		5,688	-31%		5,688		5,688	0%	
Uniforms		-		-			-		-			-		-		
Staff Amentities		-		-			-		-			-		-		
TRAVEL & ACCOMODATION																
Meals & Accomodation		68		100	-32%		1,510		1,419	6%		1,819		1,819	0%	
Fares & Parking		658		580	13%		8,335		5,799	44%		6,959		6,959	0%	
Milleage Allowance																
MOTOR VEHICLE																
Fuels & oils		875		1,035	-15%		9,341		10,211	-9%		12,281		12,281	0%	
Insurance - Motor Vehicle		345		345	0%		4,948		3,448	44%		4,137		4,137	0%	
Registration and CTP Insurance		-		186	-100%		1,825		3,128	-42%		3,500		3,500	0%	
Repairs & Maintenance - Motor Vehicle		394		-			1,979		2,017	-2%		2,017		2,017	0%	
Vehicle Hire																
PROJECT EXPENSES																
Project Funding Disbursement		258,443		-			3,603,084		543,692	563%		543,692		3,251,641	498%	Transfer of funding Invoiced by HJO to Arrow - additional grants received
Grant Disbursement		-		-			-		-			-		-		
Consultants		-		-			-		-			-		-		
Overhead Expenses - Total																
		34,915		30,583	425%		4,280,325		1,221,185	251%		1,346,022		4,053,970	498%	
% of Revenue																
		88%		62%	157%		91%		73%	137%		72%		91%		
NET PROFIT - OPERATIONS																
		42,163		36,182	17%		447,716		451,060	-1%		517,194		386,194	34%	
Net Profit Margin																
		12%		38%			9%		27%			28%		9%		

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OTHER INCOME / (EXPENSES)									
OTHER INCOME									
Profit / Loss on sale of asset	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-		
OTHER EXPENSES									
Interest	-	-	-	-	-	-	-		
RPPD Funding	(3,081)	(29,281)	-89%	(364,205)	(442,805)	-18%	(501,366)	(370,367)	-26%
									Reduction due to increased grant revenue received

Report Author: Steve Wilson, Director Hunter JO

Responsible Officer: Joe James, CEO

7.4.1 Greater Newcastle Metropolitan Plan Steering Committee

13th April 2023 Meeting

This meeting was the first time that the new “Roundtable with the Mayors” meeting format was implemented. The purpose of the Roundtable sessions are to provide a forum between the five Lower Hunter Mayors and the senior representatives from NSW Government agencies to update and engage in collaborative discussion on priority planning and project priorities for the GNMP area.

The first agency to participate in the Roundtable was Transport for NSW. In light of the broad scope and nature of regional connectivity and transport priorities identified by the Subcommittee and Hunter JO Board, the session focused on the following strategic elements:

- Hunter Regional Transport Plan
- Hunter JO connectivity and transport priorities in relation to the Regional Transport Plan
- How do we start to build a transparent, structured and collaborative approach to regional prioritisation

Transport for NSW representatives participating in the roundtable included:

- **Matthew McKibbin**, **Executive** Director Planning for Places
- **Luke Homann**, Director North Region – Strategic Transport Planning
- **Peter Marler**, Transport Planning Manager - Transport Planning, Northern

Discussion during the session focused on:

- Opportunities for improved transparency, engagement, collaboration and alignment between Councils and Transport for NSW when planning and prioritising infrastructure to better align with regional population growth and accompanying pressure on infrastructure (ie to address an existing disconnect between planning and transport infrastructure).
- Improving flexibility in planning responses to the varied planning and transport related pressures that the region is experiencing (ie different locations may require different solutions).
- Creating a common understanding and interpretation of transport planning needs and priorities across key stakeholder organisations (e.g. Transport for NSW, Department of Planning, Greater Cities Commission, Councils, Hunter JO).
- The importance of transport connectivity to key regional assets (e.g. Newcastle Airport and Port of Newcastle) and catalyst areas.
- The importance of a clear integrated transport strategy for the GNMP area, in which the majority of the region’s population lives and moves between, that identifies and plans the fundamental structural change required to increase access to and utilisation of public transport as an available and preferred transport option.

A key outcome from the Roundtable session is that representatives from the Hunter JO and Transport for NSW will work together to look at opportunities for designing a collaborative process through which to align regional priority transport outcomes and bring this back to the Subcommittee for consideration.

Refer GNMP Action Register for specific actions arising from meeting.

8th June 2023 Meeting

The proposed focus of the 8th June GNMP Roundtable with the Mayors session was engage with Department of Planning & Environment, Department of Regional NSW and Greater Cities Commission to

understand and discuss changes in Agency priorities and directions arising from the newly elected State Government. Based on agency advice that the timing of the meeting would be too early to be able to communicate any potential changes (ie they are still being determined), and that Matt Endacott, Lower Hunter and Greater Newcastle Commissioner would be unable to attend the meeting, it has been determined to defer the GNMP meeting and accompanying Roundtable to the 10th August meeting. Deferring the meeting has also facilitated the opportunity for engagement by the full Board with the new Minister for the Hunter, the Hon. Tim Crakanthorp MP.

7.4.2 Circular Economy Sub Committee

The Subcommittee last met on 30th May 2013. Key focus areas / outcomes included:

1. A letter will be written to the Federal Minister for the Environment, Tanta Plibersek, to:
 - Communicate the region's successes to date in the Circular Economy
 - Outline the existing networks that are already established in the region
 - Request participation by the Hunter in the Ministerial Advisory Group.
2. Planning the delivery of two events in this calendar year for the Circular Economy, focusing on:
 - Launching the revamped www.huntercircular.com.au website
 - A larger event in November 2023 providing a Circular Economy Expo to showcase the people of the Hunter and their achievements in the Circular Economy space
3. A presentation was provided by Dantia outlining the latest on the Circular Economy Living Lab
4. A presentation was provided on the recently revamped www.huntercircular.com.au website
5. All of the Councils participating in the Subcommittee provided case studies on Circular Economy work that is underway within their LGAs. These examples will be collated through a case study request form developed by the Hunter JO and included on the Hunter Circular website.
6. The Hunter JO provided an outline of the recently commenced CE textiles project. A think tank event is being planned for the 20th June 2023 to workshop circular solutions for textile waste.

7.4.3 Subcommittee for Economic Evolution

The Subcommittee last met on 13th April 2013. Key focus areas included:

- Reframing the Hunter JO Advocacy Ask regarding a regional transition authority from "establishing" an authority to shaping its structure, funding and focus. This reflected the NSW Government's announcement that it would establish a regional transition authority.
- Progressing the establishment of the policy and planning framework needed to facilitate the reuse of mining and industrial lands:
 - Singleton Council has indicated it can play a lead role in bringing Councils together to progress this work.
 - There would be benefit in discussing and distilling the outcomes from developers such as Blackrock who have had to navigate the existing planning system to utilise former mining land
 - Mining, Exploration and Geoscience (MEG) have recently released a post mining approval guideline
- Progress update from the Royalties for Rejuvenation Expert Panel on which Joe James sits as a representative.
- Discussion of the next steps and role of the Hunter JO in regard to the Hunter Venture Fund project (NB the outcomes of this discussion are included as a standalone report in these Board Papers).

Recommendation:

That the Board note the updates on the Hunter JO Sub-Committees and the deferment of the 8th June GNMP Subcommittee meeting and Roundtable until 10th August.

Report Author: Steve Wilson, Director Hunter JO

Responsible Officer: Joe James, CEO

The Program Status Report included in Attachment 13 provides the Board with an “at-a-glance” overview of the range of operational projects currently being delivered by the Hunter JO. Key Information provided by the report includes:

1. Alignment of each project to the strategic themes included in the Hunter JO Strategic Plan 2032
2. Project name
3. Source of project funding
4. Status of project delivery in relation to project schedule, resourcing and scope
5. Scheduled delivery date.
6. A brief update where impacts on project schedule, resourcing and scope are being experienced.

Recommendation: That the report be received and noted.

Regional Programs and Capacity Building

Program Status Report - June 2023							
Strategic Themes	Project	Funding	Schedule	Resourcing	Scope	Delivery Date	Updates by Exception
CONNECTIVITY							
<div><div></div><div></div><div></div></div>	Cycle Tourism Strategy (Shiraz to Shore)	Grant				30-09-2023	
<div><div></div><div></div><div></div></div>	Airports Strategy (Freight and Logistics)	Grant				30-09-2023	
RESILIENCE							
<div><div></div><div></div><div></div></div>	Transforming Resilience with the IP&R Framework	Grant				30-06-2023	A six month project extension is being requested from the funding authority. This would facilitate more effective design and delivery of the remaining project outputs, and accommodate the planning and start up of new resilience projects now also coming online.
<div><div></div><div></div><div></div></div>	Act Now on Coastal Adaptation	Grant				30-06-2023	
<div><div></div><div></div><div></div></div>	Disaster Risk Reduction	Grant				30-06-2024	
<div><div></div><div></div><div></div></div>	Simtables for Community Empowerment	Grant				1-06-2023	
JOBS AND A GROWING ECONOMY							
<div><div></div><div></div><div></div></div>	Circular Economy Eco-System	Grant				30-06-2023	
<div><div></div><div></div><div></div></div>	Circular Economy Procurement	Grant				30-06-2023	
<div><div></div><div></div><div></div></div>	Circular Economy Precincts and Futures Hub	Grant				30-09-2023	
<div><div></div><div></div><div></div></div>	Hunter Global Tourism	Grant				30-09-2023	
LIVEABILITY							
<div><div></div><div></div><div></div></div>	Accelerating Event Economies	Grant				31-12-2023	
<div><div></div><div></div><div></div></div>	Illegal Dumping Program	Grant				31-03-2027	
<div><div></div><div></div><div></div></div>	Small Acts Big Change	Grant				30-06-2023	
<div><div></div><div></div><div></div></div>	Community Recycling Centres	Grant				30-06-2023	
<div><div></div><div></div><div></div></div>	Net Zero Acceleration	Grant				30-06-2024	
<div><div></div><div></div><div></div></div>	Contaminated Land Program	Grant				15-12-2023	

ON TRACK

MODERATE IMPACT

CRITICAL IMPACT

COMPLETED

7.6 Hunter JO Program Delivery Highlights

Report Author: Steve Wilson, Director Hunter JO

Responsible Officer: Joe James, CEO

This report provides a selection of highlights from the broader Hunter JO delivery program. These highlights generally reflect new or updated initiatives, key project achievements, or where a change to a project's schedule, resourcing or scope is occurring.

An update on the full range of projects being delivered by the Hunter JO team, along with recent intergovernmental collaboration activities, is also provided in the attached Hunter JO Program Report (refer Attachment 14).

HIGHLIGHTS

1. Connectivity

Objective 1.1 Within the region there is a robust integrated transport solution that underpins the experience/liveability and productivity of its residents and visitors comparable to its global peers.

Cycle Tourism Strategy (Shiraz to Shore)	
Program / Project Lead	Kim Carland
Purpose: Significant opportunity exists to link existing and planned cycleway infrastructure across Hunter JO member Councils; to create an integrated region wide network. This would provide both a valuable region wide recreational resource for residents, and the foundation upon which to generate economic and business development by holistically promoting the region as a key cycling destination. The purpose of this project is to prepare and implement a cycle tourism masterplan / Destination Management Plan for the region.	
Project Update A tender process for this project has been launched and a tender assessment panel established. This panel includes representatives from the Hunter JO, Cessnock City Council and City of Newcastle. Contracts will be entered into with the successful consultant by mid to late May 2023. Terms of Reference have also been developed and invitations extended for two stakeholder advisory groups for the following project components: <ol style="list-style-type: none">1. Shiraz to Shore Strategy2. Shiraz to Shore infrastructure.	
Related Strategic Directions 1.1.2 Proactively facilitate collaboration with key state agencies to support delivery of connectivity solutions that suit the regions current and future needs. 1.1.5 Identify and facilitate regional approaches for active transport outcomes that deliver connectivity, health, liveability and economic benefits. 1.4.1 Embed the direction of net-zero in all our connectivity strategies to provide a pathway and level of confidence to investors and community to support the transition to more sustainable transport outcomes 3.5.1 Support a coordinated approach and collaborate around regional tourism promotion to grow jobs in the region.	

3.5.2 Identify opportunities for growth and diversification of employment based in the tourism economy.

4.1.1 Support a coordinated approach and collaborate around events and tourism.

4.1.2 Identify opportunities for growth and diversification of the regional events and tourism economy.

4.1.2 Identify opportunities for growth and diversification of the regional events and tourism economy.

2. Resilience

Objective 2.1. We are recognised as innovative leaders in Council capacity building and policy support for climate change action, resilience and disaster preparedness.

Simtables for Community Empowerment	
Program / Project Lead	Chris Dart
Purpose: Simtables provide a “State of the Art” tool that can be used to engage communities in localised place-based emergency information sessions. This project has purchased two Simtables for the collective use of member Councils and to provide direct support to Councils in undertaking the extensive community engagement associated with their use.	
Project Update The project has continued to progress well and remains on track for completion by 1 June 2023. Key achievements, outputs and outcomes of the project to date include: <ul style="list-style-type: none">• 43 x Simtable community workshops/ events.• 24 x Simtable demonstrations or training sessions.• 5 x Simtable loans.• Community support resources procured:• Production of Community Case Study videos, including:<ul style="list-style-type: none">• Core video, demonstrating the use and purpose of the Simtable• Burrell Creek (MidCoast LGA) community case study• Completion of a Simtable user guide and workshop outline. The total number of Simtable activities delivered are well in excess of the targets established for the project.	
Related Strategic Directions 2.1.2 We drive council capacity building opportunities supported by an evidence base to improve regional resilience and community awareness. 2.2.2 Engage and provide thought leadership in local, national and global climate change and resilience networks. 2.3.1 Apply and obtain financial grants for regional programs that support a resilient region. 2.3.2 Facilitate and manage regional programs that support a resilient region.	

3. Jobs & A Growing Economy

Objective 3.4. A region that is built around Circular Economy principles as a driver of future jobs.

Circular Economy Ecosystem	
Program / Project Lead	Eloise Lobsey
Purpose: <ol style="list-style-type: none"> 1. Provide and improve circular economy communication for all circular economy eco-system participants in the Hunter and Central Coast 2. Build circular economy knowledge through education and capacity building opportunities for Hunter JO member councils and Central Coast Council 3. Develop and improve circular economy data and analytics systems for use by all circular economy eco-system participants in the Hunter and Central Coast 	
Project Update <p>The new Hunter Circular website was soft-launched in mid-May. Further user testing and planning will be undertaken prior to a hard-launch of the website in the new financial year.</p> <p>The newly launched website can be viewed at www.huntercircular.com.au</p>	
Related Strategic Directions <p>2.1.3 We drive opportunities to collaborate, adopt system thinking and circular economy opportunities to reduce our impact on climate change and increase resilience.</p> <p>3.4.1 Support knowledge sharing and embed Circular Economy principles in our strategies and plans to provide a pathway to future jobs creation in our local supply chains and services.</p> <p>3.4.2 Support implementation of the Hunter Central Coast Circular Economy Roadmap.</p> <p>4.2.1 Support meeting our future regional infrastructure and operations for circular outcomes.</p> <p>4.2.2 Reduce carbon emissions through better waste and materials management.</p> <p>4.4.2 Support regional collaboration around clean energy and future energy initiatives and industries.</p>	

Liveability

Objective 4.2 Making use of our opportunity to drive circular evolution of our region's economy

Objective 4.3 Our natural environments including our bushland, estuaries, waterways and beaches are protected and enhanced

Community Recycling Centres	
Program / Project Lead	Susan MacDonald
Purpose: <p>To deliver a regionally coordinated approach to promoting community awareness of Community Recycling Centres (CRC's).</p>	
Project Update <p>New regional CRC videos have been viewed by over half a million people (568,542) during March and April, with video played on 666,959 occasions. Cessnock, Lake Macquarie, MidCoast, Port Stephens, Singleton and Upper Hunter Shire Council each received a 45second video that promotes their CRC, as well as a 30second video featuring safe battery disposal.</p>	

Related Strategic Directions

2.1.3 We drive opportunities to collaborate, adopt system thinking and circular economy opportunities to reduce our impact on climate change and increase resilience.

4.2.2 Reduce carbon emissions through better waste and materials management.

Objective 4.4 Supporting our region to be on the path to net zero emissions and paving the way with smart innovative solutions that increase liveability.

Net Zero Acceleration

Program / Project Lead	Anna Flack
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Purpose:

To support Member Councils reduce their carbon emissions to achieve their part in the State's Net Zero target of 50 per cent reduction by 2030 and Net Zero by 2050. This includes employing a staff member dedicated to progressing the JO and its member councils toward net zero emissions, and to provide a link to other NSW government support mechanisms.

Project Update

Recruitment of the Hunter JO Net Zero Officer to deliver this project has been completed, with the successful applicant commencing 23 May 2023.

The first meeting of the Regional Net Zero Network initiated under this project was delivered on 26th April, in which there was strong engagement from Member Councils.

EV Feasibility studies are underway with all Hunter councils (excluding Lake Macquarie and Muswellbrook, who have received Destination Charging grants). A scope variation has been facilitated to support Councils like Newcastle who are further down the EV path, to help them promote EV chargers to businesses. Further support is available for Councils to use the findings of their EV Feasibility studies to apply for future NSW government EV charging grants.

Related Strategic Directions

4.4.2 Support regional collaboration around clean energy and future energy initiatives and industries.

4.4.1 Provide support and identify opportunities on regional collaboration around Electric Vehicles.

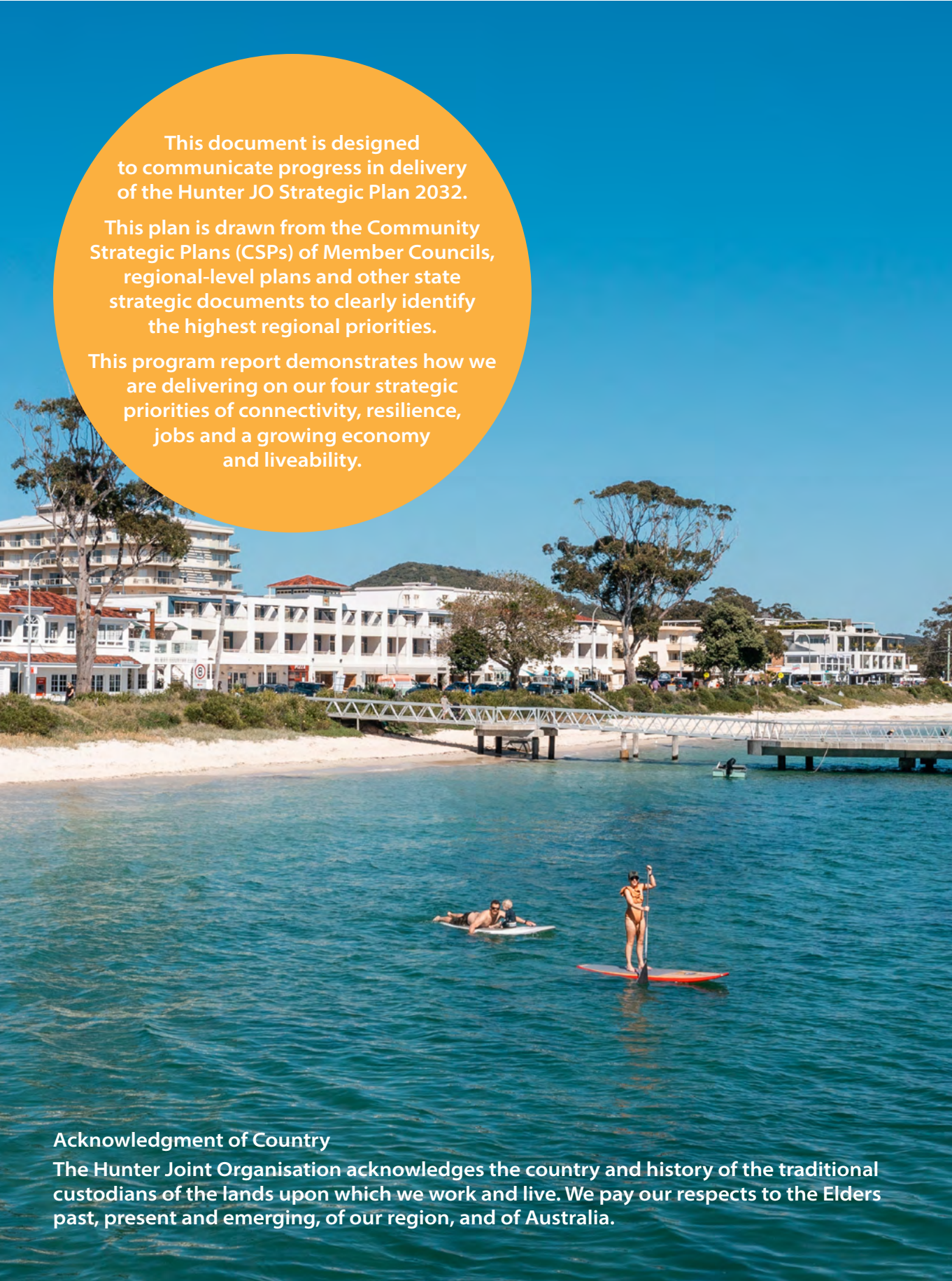
2.2.1 We lead the way in regional best practice and work with all levels of government to drive policy and strategy on climate change.

2.2.2 Engage and provide thought leadership in local, national and global climate change and resilience networks.

Recommendation: That the report be received and noted.



Hunter JO Program Report June 2023



For all enquiries please contact Hunter Joint Organisation on 02 4978 4020 or email rppd@hunterjo.com.au.
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Who we are

The Hunter Joint Organisation (Hunter JO) is a collaborative body that brings together the ten councils in the region to provide a united and local voice for our communities. As the hub for local intergovernmental collaboration, our statutory mandate includes identifying key regional strategic priorities, advocating for these priorities, and building collaborations around these priorities with other levels of government, industry and community.

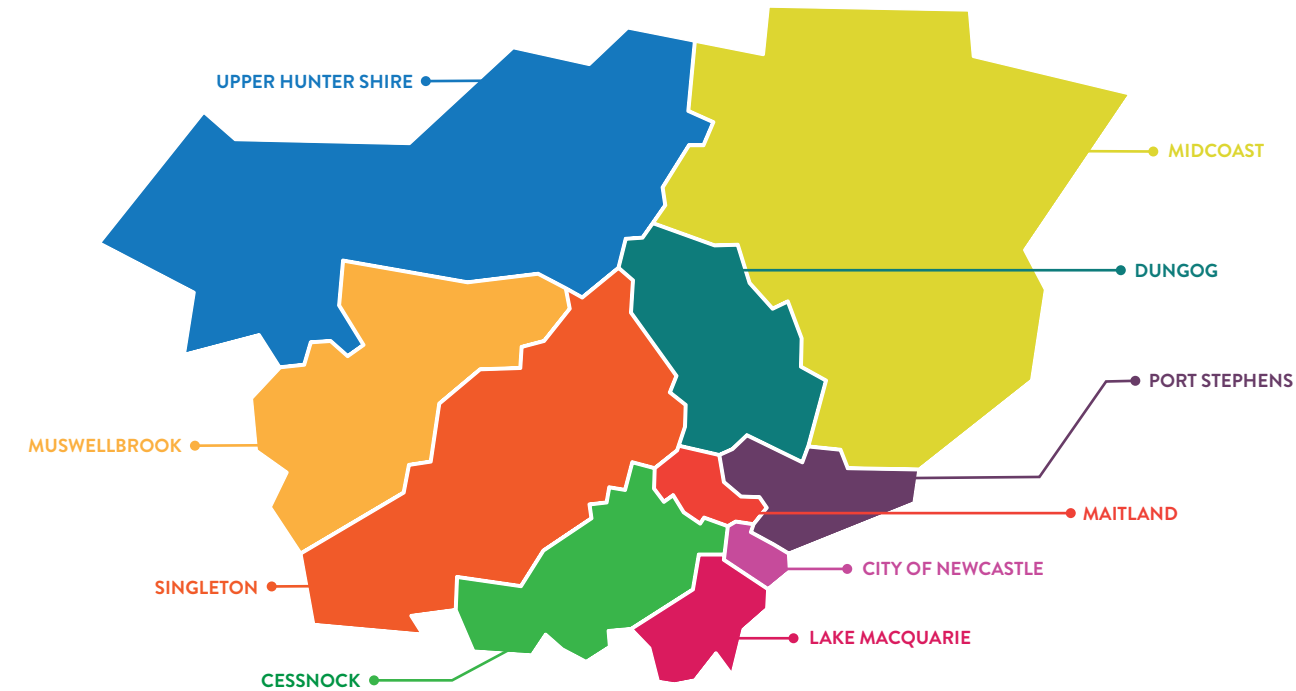
Our statutory functions defined by the NSW Local Government Amendment (Regional Joint Organisations) Act 2017 comprise:

Strategic Planning and Priority Setting
 To establish strategic regional priorities for the Joint Organisation area and to establish strategies and plans for delivering those strategic regional priorities.

Regional Leadership and Advocacy
 To provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities.

Intergovernmental Collaboration
 To identify and take up opportunities for intergovernmental co-operation on matters relating to the Joint Organisation area.

The Hunter Joint Organisation (JO) is a collaborative body that brings together the ten Councils in the region to provide a united and local voice for our communities.



Our Vision

- We are a Region that:
- Is globally connected and whose residents enjoy transport and digital infrastructure and systems that enhance their economic and lifestyle opportunities;
 - Is prepared for change and ready to withstand, adapt and recover from natural and human induced risks;
 - Has an economy that continues to grow and evolve as a powerhouse of the state and national economies, providing more and higher quality jobs; and
 - Will protect, preserve and improve the high standard of liveability and pristine environments.



Our Mission
 As the hub for local intergovernmental collaboration, we strengthen our communities by being the local voice on strategic issues in the Hunter Region.

Our Board

The Hunter JO Board is made up of members from each of our member councils, with each Mayor as a voting representative, and the General Managers of each of the councils in a non-voting capacity.

Our Board also includes a representative from NSW Government.



Cr Sue Moore
Mayor Singleton Council



Cr Jay Suvaal
Mayor Cessnock City Council



Cr John Connors
Mayor Dungog Shire Council



Cr Kay Fraser
Mayor Lake Macquarie City Council



Cr Philip Penfold
Mayor Maitland City Council



Cr Claire Pontin
Mayor MidCoast Council



Cr Steven Reynolds
Mayor Muswellbrook Shire Council



Cr Nuatali Nelmes
Lord Mayor City of Newcastle



Cr Ryan Palmer
Mayor Port Stephens Council



Cr Maurice Collison
Mayor Upper Hunter Shire Council

Our Team

Joe James	CEO, Hunter Joint Organisation	0405 217 249 ceo@hunterjo.com.au
Louisa Bulley	Executive Officer	0413 891 320 louisab@hunterjo.com.au
Steve Wilson	Director Hunter Joint Organisation	0448 401 436 steview@hunterjo.com.au
Tim Askew	Director of Programs	0436 420 623 tima@hunterjo.com.au
Eloise Lobsey	Program Lead - Circular Economy	0448 160 800 eloisel@hunterjo.com.au
Kim Carland	Program Lead	0408 051 705 kimc@hunterjo.com.au
Anna Flack	Senior Projects Coordinator	0460 038 199 annaf@hunterjo.com.au
Chris Dart	Senior Projects Coordinator	0460 038 197 chrisd@hunterjo.com.au
Susan Conway MacDonald	Senior Project Officer	(02) 4978 4028 susanm@hunterjo.com.au
Stephanie Reilly	Project Officer - Circular Economy	0428 981 012 stephanier@hunterjo.com.au
Barbora Michalidesova	Coordinator - Executive Support and Projects	0400 087 133 barboram@hunterjo.com.au
Kali Somerville	Media and Communications Officer	0429 564 111 kalis@hunterjo.com.au
Carissa Norton	Graphic Designer	0457 049 878 carissan@hunterjo.com.au
Bonnie Gradwell	Administration Officer	0400 063 502 bonnieg@hunterjo.com.au

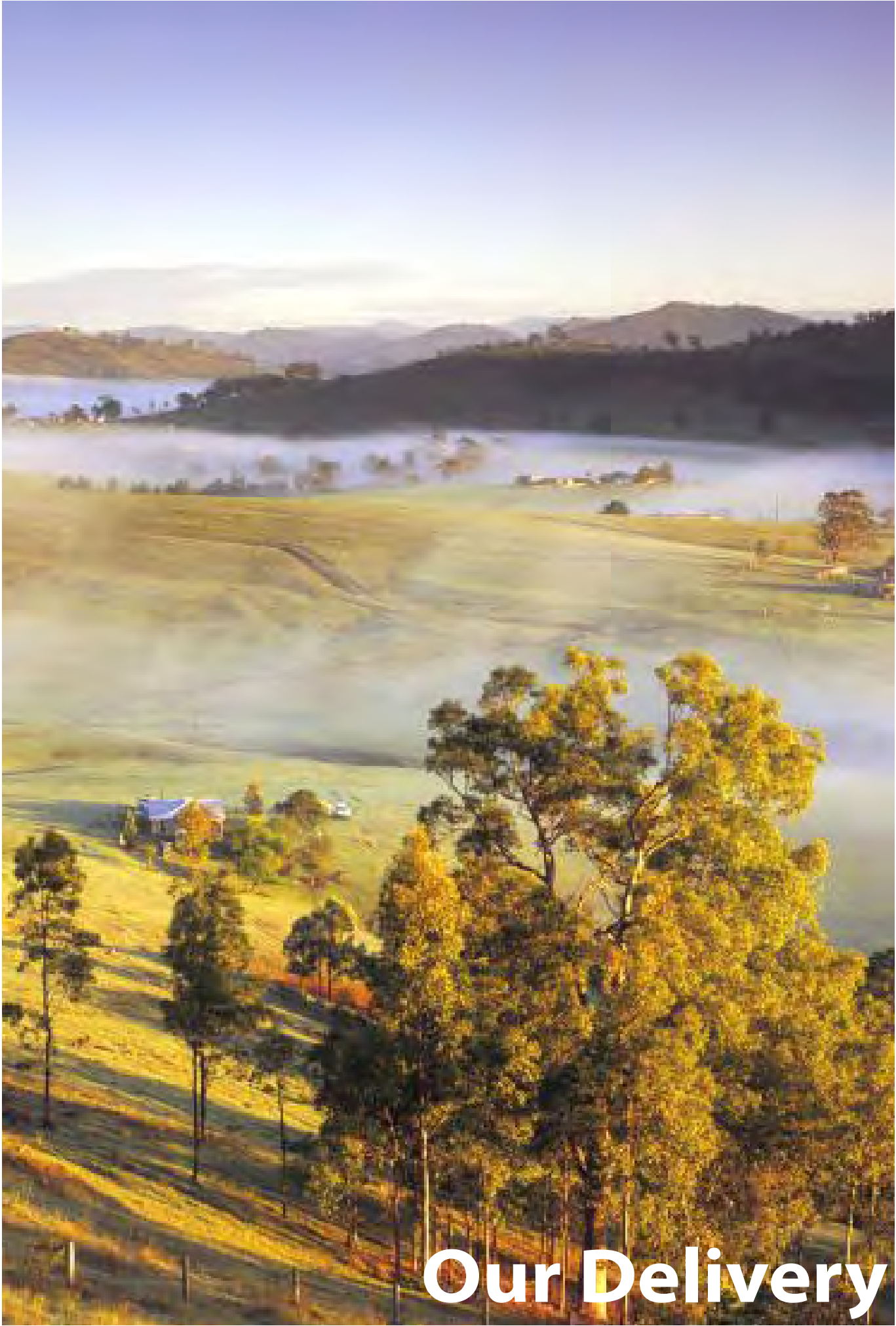


Our Priorities

Our Strategic Themes	
	Connectivity - A globally connected region whose residents enjoy transport and digital infrastructure and systems that enhance their economic and lifestyle opportunities.
	Resilience - We are prepared for change and ready to withstand, adapt and recover from natural and human induced risks.
	Jobs and a Growing Economy - The Hunter economy continues to grow and evolve as a powerhouse of the state and national economies, providing more and higher quality jobs.
	Liveability - Protect, preserve and improve the high standard of liveability and pristine environments that we enjoy in our Region.

*Refer to [Appendix](#) for our full list of Strategic Directions and Objectives.

Our Advocacy Priorities	
	Our unique lifestyle and attractive environment is protected and enhanced.
	A resilient region prepared for change.
	All levels of government contribute to ensuring the Hunter's successful economic evolution.
	A globally focused Hunter connected to international markets.
	Infrastructure and transport systems that connect the region.
	Improving authority and resourcing for place-led decision-making at a local and regional scale.



Intergovernmental Collaboration

Hunter JO Workshops, Forums and Events

Events10 Conference

A one day workshop is being planned to provide the Hunter Events Industry with an overview of the outcomes from the Accelerating Event Economies project, including tools and information available to help position our region as a destination of choice for events that align with our unique offering.
28 June 2023

Existing Standing Engagements - Convened by Hunter JO and Local Government

Contaminated Land Working Group

Working Group meeting held on 29 March. A presentation on cattle tick dips was provided by Ballina Council and guests from the Northern Rivers regions joined the discussion. Regular roundtable allowed Councils to share recent sites and challenges, generating good discussion.
Convened by: Hunter JO

Simtables JO Group

Monthly meeting held on 2 May 2023. Hunter JO shared information about possible purchase of flood modelling from JBA Risk to utilise in the Simtable program.
Convened by: Hunter JO

Hunter Net Zero Network

Initial meeting held 26 April 2023. The Hunter JO introduced the network and its purpose and provided an overview of the Net Zero Acceleration Program and Cities Power Partnership regional partnership agreement. A guest presentation was provided by Chargeworks, who will be conducting EV charging feasibility studies in eight Hunter council (funded by NSW Treasury). Finally, a roundtable was held where the council staff were invited to share their work, goals and regional priorities.
Convened by: Hunter JO

Regional Waste Managers Network (Hunter Regional Waste Strategy Group)

The Group met on 30 March 2023, with 8 councils in attendance. The EPA was invited to talk to the group on the issue of lithium ion batteries (storage and handling risks), and the group was advised the EPA were working through the various levels of issues this waste stream is presenting, and as an interim measure would be imminently circulating some guidelines to councils. Other presentations to the group included Utilitarian (app) and Matter (smart bin sensing).
Convened by: Hunter JO

Existing Standing Engagements - Convened by Hunter JO and Local Government	
A2E Tourism and events stakeholder reference committee	Monthly meetings are continuing to steer outcomes of the remaining website and marketing materials being developed under the A2E project. Convened by: Hunter JO
A2E Regional Events Stakeholder Group	A one-day Conference for the Hunter events industry is being planned for 28 June 2023. Convened by: Hunter JO
Hunter Cycle Tourism Advisory Committee	Stakeholders have been invited to nominate relevant contacts for this new project committee. Convened by: Hunter JO
Shiraz to Shore Advisory Committee	Stakeholders have been invited to nominate relevant contacts for this new project committee. Convened by: Hunter JO
Hunter Global Tourism Advisory Committee	Stakeholders have been invited to nominate relevant contacts for this new project committee. Convened by: Hunter JO
Hunter Global Tourism Steering Committee	Glenn Caldwell, General Manager Destination Sydney Surrounds North, and Burcak Sezer, Executive General Manager Marketing and Communications, Newcastle Airport have been appointed to this new project Steering Committee. Convened by: Hunter JO
Hunter Global Partners	A workshop session was held to map the status of any existing delivery, directions or opportunities against the actions identified in the Hunter Global Flightpath report and to explore governance framework / options to support collaborative implementation and monitoring of delivery of the report. Organisations participating in the workshop included the Hunter Global project partners - Newcastle Airport, Business Hunter, Institute for Regional Futures (UoN) and Committee for the Hunter. Convened by: Hunter JO
Sustainable Education Group	This group continues to meet monthly to share, cross promote where possible and collaborate in the Education Space. Our May meeting included a presentation by Jo Taranto from Good for the Hood who talked about her education offer for the region, including an '@home' program that can be delivered on behalf of councils. Convened by: Hunter JO

Existing Standing Engagements - Convened by Others	
Regional Resilience Program Advisory Committee	Monthly meetings chaired by CRJO and attended by JOs and NSW Reconstruction Authority (NSWRA). Discussion is currently focused around the proposals for the Monitoring and Evaluation component of the project, of which assessment is underway. Subject-specific working groups have been established, due to commence during May and June. NSWRA gave a high level overview of how each JO is tracking in terms of reporting, Hunter JO is on track. Convened by: Canberra Region JO
City of Newcastle SDG Collaborative meeting	A presentation on the Hunter JO Strategic Plan 2032 was delivered to the meeting. Feedback confirmed strong alignment between the strategic directions of the Hunter JO Strategic Plan and the focus and directions of the SDG Collaborative Group. Convened by: City of Newcastle
NSW Joint Organisation Executive Officers Network	This network continues to meet on a fortnightly basis. Focus areas include: <ul style="list-style-type: none"> • Cross JO engagement with key NSW Government agency representatives • Cross regional information sharing and collaboration in delivery of the Disaster Resilience and Net Zero grant programs, under which a number of JOs received funding Identifying opportunities for more direct collaboration and engagement with state agencies re the funding and delivery of place-based programs Convened by: JO Network
Hunter Central Coast CMP Practitioners Roundtable	Meeting on 24 March included an update on the Lake Macquarie Coastal Management Program (CMP), Estuary Monitoring app and Hunter Offshore Renewable Energy proposal. Councils present were in support of the proposal and were in the process of preparing submissions. Next meeting scheduled for 25 May. Convened by: Department of Planning and Environment
Joint Organisation Net Zero Acceleration (JONZA)	Weekly meetings with the JONZA group continue. Recent discussion has mostly been around the recruitment process, with all JOs now having a Net Zero Officer appointed. The network is very collaborative and the officers from other JOs are very open and willing to share their expertise and experiences. Sustainable Councils (OECC / NSW Treasury)

Additional Strategic Engagements - Convened by Hunter JO and Local Government	
Unlocking Local Capital: Lessons from the United States, Canada, and elsewhere on how Newcastle can tap local investment for community development	<p>Attended a presentation from Michael Shuman, a U.S.-based attorney, economist, and author on what local investment options might be available in Australia through the unlocking of local capital. This included how, by mobilising local investors we can move some of their capital into local businesses, projects, and people, to accelerate the growth of its economy. However, federal government law changes may be necessary.</p> <p>Convened by: City of Newcastle 5 May 2023</p>

Additional Strategic Engagements - Convened by Others	
World Circular Economy Forum	<p>Eloise Lobsey (Program Lead - Circular Economy), will be attending the World Circular Economy Forum in Helsinki as part of an Australian delegation. Eloise received the invitation based on her role with the Hunter JO, reflecting the value and recognition of the work being led by the JO in the Circular Economy space.</p> <p>The Forum will feature sessions with leading global Circular Economy experts, with attendees expected from more than 100 countries. An overview of the Forum Program and Speakers can be seen at https://wcef2023.com/about/. The Australian Delegation has been pulled together by Dr Nicole T Garofano, Head of Circular Economy Development, Planet Ark Environmental Foundation. Planet Ark operate the Australian Circular Economy (ACE) Hub.</p> <p>Convened by: Nordic Innovation 30 May - 2nd June 2023</p>
Resilient Hunter Platform	<p>The Greater Cities Commission has approached the Hunter JO with a proposal for the Resilient Hunter Platform, an extension of the Resilient Sydney Platform developed by Resilient Sydney (via City of Sydney). The Resilient Sydney Platform collates environmental data for each Council to help them track environmental performance, provide a standardised evidence-base for decision making, and enable collaboration, action and advocacy to better plan for future communities. Initial meetings and a workshop have been held with Hunter JO, GCC and Resilient Sydney showcasing the tool and discussing a proposal for Hunter JO to take on the role of Program Sponsor for the region. This role would require Hunter JO to support Councils in the roll out of the tool, facilitate training sessions, and build capacity in the region. This proposal and context for Hunter JO will be presented to GMAC as more details become available.</p> <p>Convened by: Greater Cities Commission</p>

Additional Strategic Engagements - Convened by Others (cont)	
Hunter Insights Series: The Geography of Jobs	<p>Drawing on research and data from the Hunter Research Foundation Centre and and latest research from the Institute for Regional Futures, the seminar focused on unpacking the underlying drivers behind the region's employment trends, delving into the spatial variations in employment needs and highlighting issues for decision-makers across key sectors moving forward. A key finding from the research is the need to move beyond sector-based thinking, to build a workforce with transferable skills across sectors and to develop human capital that is nimble, adaptable and resilient to change.</p> <p>Convened by: Institute for Regional Futures 4 May 2023</p>
In Conversation: Climate-related risk and Corporate ESG – Opportunities and challenges for business in the Hunter's fossil fuel transition	<p>The Hunter JO CEO participated as an expert panellist at this event, which analysed and discussed the Hunter Region's transition into a low carbon economy and the key challenges, risks, and opportunities through legal, financial, engineering and venture funding lenses. Other expert panellists included Persia Navidi, Partner - Hicksons Lawyers and Adam Davis, Technical Practice Leader, Sustainability and Resilience ANZ - AECOM.</p> <p>Convened by: Committee for the Hunter & Hicksons Lawyers 23 May 2023</p>



Regional Programs and Capacity Building

Program Status Report				
Strategic Themes		Project	Funding	Delivery Date
CONNECTIVITY				
<div><div></div><div></div><div></div></div>		Cycle Tourism Strategy (Shiraz to Shore)	Grant	30-09-2023
<div><div></div><div></div><div></div></div>		Airports Strategy (Freight and Logistics)	Grant	30-09-2023
RESILIENCE				
<div><div></div><div></div><div></div></div>		Transforming Resilience with the IP&R Framework	Grant	30-06-2023
<div><div></div><div></div><div></div></div>		Act Now on Coastal Adaptation	Grant	30-06-2023
<div><div></div><div></div><div></div></div>		Disaster Risk Reduction	Grant	30-06-2024
<div><div></div><div></div><div></div></div>		Simtables for Community Empowerment	Grant	1-06-2023
JOBS AND A GROWING ECONOMY				
<div><div></div><div></div><div></div></div>		Circular Economy Eco-System	Grant	30-06-2023
<div><div></div><div></div><div></div></div>		Circular Economy Procurement	Grant	30-06-2023
<div><div></div><div></div><div></div></div>		Circular Economy Precincts and Futures Hub	Grant	30-09-2023
<div><div></div><div></div><div></div></div>		Hunter Global Tourism	Grant	30-09-2023
LIVEABILITY				
<div><div></div><div></div><div></div></div>		Accelerating Event Economies	Grant	31-12-2023
<div><div></div><div></div><div></div></div>		Illegal Dumping Program	Grant	31-03-2027
<div><div></div><div></div><div></div></div>		Small Acts Big Change	Grant	30-06-2023
<div><div></div><div></div><div></div></div>		Community Recycling Centres	Grant	30-06-2023
<div><div></div><div></div><div></div></div>		Net Zero Acceleration	Grant	30-06-2024
<div><div></div><div></div><div></div></div>		Contaminated Land Program	Grant	15-12-2023



Connectivity

A globally connected region whose residents enjoy transport and digital infrastructure and systems that enhance their economic and lifestyle opportunities.

Objectives - Where do we want to be?

1.1 Within the region there is a robust integrated transport solution that underpins the experience/liveability and productivity of its residents and visitors comparable to its global peers.	1.2 Through its port and airport the Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle and growth in products and services to replace the economic output of thermal coal.	1.3 Digital connectivity that ensures community access to core services on commuter routes across the region and between Sydney and Newcastle and to enable business development, growth and innovation.	1.4 A region that is built around sustainable transport outcomes.
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Cycle Tourism Strategy (Shiraz to Shore)

Purpose	Status Update
Significant opportunity exists to link existing and planned cycleway infrastructure across Hunter JO member Councils; to create an integrated region wide network. This would provide both a valuable region wide recreational resource for residents, and the foundation upon which to generate economic and business development by holistically promoting the region as a key cycling destination. The purpose of this project is to prepare and implement a cycle tourism masterplan / Destination Management Plan for the region.	A tender process for this project has been launched and a tender assessment panel established. This panel includes representatives from the Hunter JO, Cessnock City Council and City of Newcastle. Contracts will be entered into with the successful consultant by mid to late May 2023. Terms of Reference have also been developed and invitations extended for two stakeholder advisory groups for the following project components 1. Shiraz to Shore Strategy 2. Shiraz to Shore infrastructure.
Strategic Directions	1.1.2, 1.1.5, 1.4.1, 4.1.2

Airports Strategy (Freight and Logistics)

Purpose	Status Update
To develop: <ul style="list-style-type: none">A strategy and business case for airfreight and passenger infrastructure and connectivity logistics for the region.An integrated airports strategy for the region including assessments of passenger, airfreight and transport links across the region.	Meetings have been held with key Newcastle Airport representatives to brief them on the project and establish project relationships. A detailed project brief has been developed to support launching a tender process for a project consultant in mid-late May 2023.
Strategic Directions	1.2.1, 1.2.2, 1.2.3





Resilience

We are prepared for change and ready to withstand, adapt and recover from natural and human induced risks.

Objectives - Where do we want to be?

- 2.1** We are recognised as innovative leaders in Council capacity building and policy support for climate change action, resilience and disaster preparedness.
- 2.2** We take leadership and drive regional best practice in climate action.
- 2.3** Our region is resilient to environment risks, natural hazards and climate change.

Transforming Resilience with the IP&R Framework

Purpose	Status Update
To support Member Councils embed resilience principles and projects into their Integrated Planning and Reporting Framework (IP&R), in order to support their ability to allocate recurrent funds and commit to long term resourcing (financial and staff) for resilience projects.	Discussions are occurring with the NSW Reconstruction Authority (the funding authority) with the aim of extending the project completion date until 15 December 2023. This would facilitate more effective design and delivery of the remaining project outputs, and accommodate the planning and start up of new resilience projects now also coming online. The outcomes of the Resilience Health Check process undertaken with individual councils are being collated into a summary report outlining the challenges and opportunities identified by Councils.
Strategic Directions	2.1.1, 2.1.2, 2.3.1, 2.3.2

Act Now on Coastal Adaptation

Purpose	Status Update
The objectives of this project are to: 1. Develop an Integrated Planning and Reporting (IP&R) Package which embeds resilience to Climate Change into Councils operations through incorporation into the overarching IP&R documents. 2. Provide a coastal adaptation communication framework, media templates and suite of practical resources to directly build the capacity of the coastal councils of the Hunter and Central Coast. 3. Build capacity within Councils to reduce risks, increase resilience and reduce climate vulnerability by collaboratively building community understanding and literacy around coastal management and adaptation issues and bridging the gap between the IP&R framework and prioritisation of Climate Change resilience.	The independent improvement review of the Coastal and Estuary Support Package by an external consultant remains underway. New project outputs currently in development include three Factsheets, FAQs and other supporting items. The project remains on track for substantive completion by 30 June 2023.
Strategic Directions	2.1.1, 2.1.2, 2.2.1, 4.3.1



Disaster Risk Reduction

Purpose	Status Update
To facilitate place-based regional collaboration across four sub projects to empower Councils and communities in the region to reduce disaster risk through early action. The focus of the sub-projects includes: <ul style="list-style-type: none">Regional Support and Capacity Building - embedding disaster resilience into Council operations and building capacity to communicate disaster resilience to local communities.Disaster waste management and resource recovery preparedness - assisting Councils to plan place-based solutions for effective disaster waste management and resource recovery systemsDelivering a regional transport vulnerability and connectivity assessment and mitigation planContinued refinement and expansion of the use of Simtables regionally for multi-hazard disaster engagement	Monthly reporting obligations for February, March and April to the NSW Reconstruction Authority (NSWRA) have been submitted and approved. This reporting is complemented by monthly Steering Committee meetings between the Hunter JO and NSWRA. The Inaugural meeting of the Hunter Resilience Network is scheduled for 18 May. Sub-project establishment is underway, to be supported by commencement of an additional project officer in early June.
Strategic Directions	2.1.1, 2.1.2, 2.1.3, 2.2.2, 2.3.1, 2.3.2

Simtables for Community Empowerment

Purpose	Status Update
Simtables provide a "State of the Art" tool that can be used to engage communities in localised place-based emergency information sessions. This project has purchased two Simtables for the collective use of Member Councils and is providing direct support to Councils in undertaking the extensive community engagement associated with their use.	The project has continued to progress well and remains on track for completion by 1 June 2023. As this end date approaches the focus will be to ensure all deliverables are completed prior to grant acquittal. Achievements, outputs and outcomes of the project to date include: 1. 43 Simtable community workshops/ events. 2. 24 Simtable demonstrations or training sessions. 3. 5 Simtable loans. 4. Community support resources procured: <ul style="list-style-type: none">500x Emergency kit fridge magnets500x Get Ready logo Jute Bags 6. Production of Community Case Study videos, including: <ul style="list-style-type: none">Core video, demonstrating the use and purpose of the SimtableBurrell Creek (MidCoast LGA) community case study 7. Completion of a Simtable user guide and workshop outline. The total number of Simtable activities delivered are well in excess of the targets established for the project.
Strategic Directions	2.1.2, 2.3.1, 2.3.2



Jobs and a Growing Economy

The Hunter economy continues to grow and evolve as a powerhouse of the state and national economies, providing more and higher quality jobs.

Objectives - Where do we want to be?

- | | | |
|--|--|---|
| 3.1 Coordinated planning and investment by all levels of government that empowers the region and its residents to maintain and grow jobs, economic opportunities and quality of life. | 3.2 Accelerated and amplified market-driven investment in innovation that capitalises on the region's existing natural strengths and attributes which create jobs in future industries. | 3.3 A globally focused region that drives talent attraction and retention. |
| 3.4 A region that is built around Circular Economy principles as a driver of future jobs. | 3.5 We are recognised as a destination of choice for international and domestic visitors. | |

Circular Economy Ecosystem

Purpose	Status Update
<ul style="list-style-type: none">Provide and improve circular economy communication for all circular economy eco-system participants in the Hunter and Central CoastBuild circular economy knowledge through education and capacity building opportunities for Hunter JO member councils and Central Coast CouncilDevelop and improve circular economy data and analytics systems for use by all circular economy eco-system participants in the Hunter and Central Coast.	<p>The new Hunter Circular website was soft-launched in mid-May. Further user testing and planning will be undertaken prior to a hard-launch of the website in the new financial year.</p> <p>The newly launched website can be viewed at www.huntercircular.com.au</p>
Strategic Directions	3.4.1, 4.2.2, 4.4.2

Circular Economy Procurement

Purpose	Status Update
To support Councils to prioritise recycled materials and circular economy services in their procurement systems and processes, and to collaborate with the Hunter JO and other participating councils to develop a common framework for a joint regional procurement of recycled materials.	This project is currently on hold following completion of the first phase (framework and tools establishment) whilst resourcing is secured to progress to the next stage of the project (implementation). A new project officer with the potential to support delivery is scheduled to commence in June 2023.
Strategic Directions	3.4.1, 4.2.2, 4.4.2



Circular Economy Precincts and Futures Hub

Purpose	Status Update
<p>To deliver concept plans and business cases for four multi-element circular economy precincts, that would each represent a key part of the Hunter. Project outputs will outline the potential for circular processing, renewable energy production and value-added businesses, delivering diversified employment opportunities and new industries to the region. Key project deliverables will include:</p> <ul style="list-style-type: none">A concept plan and strategy for Circular Economy Precincts, including an Anaerobic Digestion component for the circular processing of organics and biogas or energy production for the precinct.A concept plan and strategy for establishing a Circular Economy Futures Hub.	<p>The funding deed for this Business Case project has been signed and returned to the Department of Regional NSW's Business Case and Strategy Fund team. The consultant selection process has commenced, with tender submissions opening 9 May 2023 for a four week period. A project plan and stakeholder management plan have also been created. The next steps will be to establish the Expert Working Group (to advise and assist the consultant), and review tender submissions to appoint the successful consultant.</p>
Strategic Directions	3.4.1, 4.2.2, 4.4.2

Hunter Global Tourism

Purpose	Status Update
<p>To identify the international tourism opportunities of the Hunter region in preparation of the Newcastle Airport international upgrade. Key elements include:</p> <ul style="list-style-type: none">Stakeholder engagement to bring all tourism, marketing and economic development organisations across the region together to identify how we want to position, brand and market the region as one to potential visitors.Undertaking a review of the region to identify priority tourism infrastructure needed to attract international visitors.	<p>A tender process for this project has been launched and tender assessment panel established. The panel includes representatives from Newcastle Airport and Destination Sydney Surrounds North to assist in reviewing and selecting the preferred project consultant. Contracts will be drawn with the selected consultant by mid to late May 2023.</p>
Strategic Directions	1.2.1, 1.2.2, 1.2.3, 3.5.1, 3.5.2, 4.1.1



Liveability

Protect, preserve and improve the high standard of liveability and pristine environments that we enjoy in our region.

Objectives - Where do we want to be?

4.1 We are recognised as a destination for hosting world class events that align with our unique offering.	4.2 Making use of our opportunity to drive circular evolution of our region's economy.	4.3 Our natural environments including our bushland, estuaries, waterways and beaches are protected and enhanced.
4.4 Supporting our region to be on the path to net zero emissions and paving the way with smart innovative solutions that increase liveability.	4.5 A region with enriched neighborhoods and places supported by planned infrastructure that promotes community cohesion, active living and pride in culture and heritage.	4.6 A region that is connected, inclusive and a fair.

Accelerating Event Economies

Purpose	Status Update
To strengthen the region's collective voice and the capacity of Councils to collaboratively pitch for major events for the region. It includes undertaking an events and opportunity audit, and identifying, preparing and implementing shared destination and even management resources including an event managers toolkit, prospectus, website and integrated council shared services, approvals and event data.	Key project activities currently include: <ul style="list-style-type: none">• Major Event Feasibility Study underway with JMP consultants, which is scheduled for completion mid June.• Website, Event Prospectus, marketing videos and itineraries have been drafted and undergoing final changes.• A one day conference is being planned to summarise and share all tools and resources that have been developed as part of the A2E project.
Strategic Directions	1.2.1, 1.2.3, 4.1.1, 4.1.2

Illegal Dumping Program

Purpose	Status Update
To support Member Councils manage illegal dumping by: <ul style="list-style-type: none">• Delivering a regional approach to target illegal dumping• Employing skilled officers to undertake compliance action against illegal dumpers• Undertaking proactive measures to prevent illegal dumping• Targeting problematic and complex illegal dumping incidents.• Increasing capacity to target problematic and complex illegal dumping incidents.	The recruitment process for the role of Regional RID Program Co-ordinator has been completed, with the successful applicant due to commence on 5th June 2023. With this position now appointed, the NSW EPA will now release funding to commence delivery of the Program.
Strategic Directions	4.3.1, 4.3.2, 4.3.3

Small Acts Big Change

Purpose	Status Update
To deliver a regional communication campaign to improve community waste avoidance behaviours at the top end of the waste management hierarchy, along with reuse and recycling habits.	The focus of Small Acts Big Change continues to be the promotion of new local business hero videos until the end of financial year. So far these videos have reached almost a million people.
Strategic Directions	4.2.1, 4.3.2, 4.3.3

Community Recycling Centres

Purpose	Status Update
To deliver a regionally coordinated approach to promoting community awareness of Community Recycling Centres (CRC's).	New regional CRC videos have been viewed by over half a million people (568,542) during March and April, with video played on 666,959 occasions. Cessnock, Lake Macquarie, MidCoast, Port Stephens, Singleton and Upper Hunter Shire Council each received a 45second video that promotes their CRC, as well as a 30second video featuring safe battery disposal.
Strategic Directions	4.2.1, 4.2.2, 4.3.1, 4.3.3

Net Zero Acceleration

Purpose	Status Update
To support Member Councils reduce their carbon emissions to achieve their part in the State's Net Zero target of 50 per cent reduction by 2030 and Net Zero by 2050. This includes employing a staff member dedicated to progressing the JO and its member councils toward net zero emissions, and to provide a link to other NSW government support mechanisms.	Recruitment of the Hunter JO Net Zero Officer to deliver this project has been completed, with the successful applicant commencing 23 May 2023. The first meeting of the Regional Net Zero Network initiated under this project was delivered on 26th April, in which there was strong engagement from Member Councils. EV Feasibility studies are underway with all Hunter councils (excluding Lake Macquarie and Muswellbrook, who have received Destination Charging grants). A scope variation has been facilitated to support Councils like Newcastle who are further down the EV path, to help them promote EV chargers to businesses. Further support is available for Councils to use the findings of their EV Feasibility studies to apply for future NSW government EV charging grants.
Strategic Directions	2.2.1, 2.2.2, 4.4.1, 4.4.2

Contaminated Land Program

Purpose	Status Update
To build capacity and capability within Member Councils to manage contaminated sites on private and council managed land, and to support Councils transition to their new role as regulator of the Underground Petroleum Storage System (UPSS) Regulation.	NSW EPA have approved a time extension for final project completion until 15 December 2023, allowing for a full review of all website documents. Recent project activities include : <ul style="list-style-type: none">• Finalising and publishing on the Hunter JO website a guide on "Developing a Contaminated Land Information System"• Initiating a legal review of the existing (2020) regional "Register of Contaminated Land Consent Conditions"• Delivery of Contaminated Land for Asset and Land Mangers training on 2 May, which was attended by approximately 40 attendees including guests from Northern Rivers and Central Tablelands regions.• Scheduling face-to-face visits with MidCoast, Dungog, Upper Hunter and Cessnock Councils in relation to the program.
Strategic Directions	4.3.1, 4.3.3

Regional Funding Proposals

Grants and Funding Proposals	
Regional NSW Growing Regional Economy Fund	<p>Shiraz to Shore Focus: EOI to undertake detailed design and construction for a key section of the Shiraz to Shore route through the Hunter Valley. While applications generally require a 25% financial contribution to the project, following advice from the funding authority, the Hunter JO will applying for extenuating circumstances to avoid this requirement given the nature of the organisation and the regional collaborative focus and scope of the project. Status update: Advice Pending</p>
NSW EPA Bin Trim Program	<p>The Hospitality Circularity Network Focus: The project seeks to engage hospitality SMEs across the region, to build their capacity to evaluate and adopt circular solutions for their business operations and supply chains, focussing on organics and single use items. The project will also seek to create or strengthen existing business networks and assist them to collaborate and co design practical solutions that benefit from network efficiency and scale. Status update: Advice Pending</p>
Local Government Waste Solutions Fund Round 1	<p>Hunter Circular Knowledge Hub Focus: To create and pilot a digital circular knowledge hub for two distinct user groups – for council staff, and for the community at large. The aim is to address the information accessibility and knowledge barriers that prevail and frustrate uptake of circular services and recovery pathways in the region. By creating tools to broaden participation, these solutions will be supported to scale and increase their impact. The project will gather information on services and solutions available in the region, then deploy tools that will present that information in a user-friendly format designed specifically for that group's needs. Status update: Advice Pending</p>
EPA Sustainability Partnerships Program 2023-24	<p>Landfill Emissions Data Management Program (Landfill Emissions DMP) Focus: To establish a landfill emission data management program for councils to assist in understanding their baseline landfill emissions, and building a model data management framework and tools to support the collation and interpretation of landfill emission data. Status update: The Expression of Interest has been successful. At the request of the NSW EPA the more detailed funding application is now being prepared.</p>

Grants and Funding Proposals (Cont.)	
NSW EPA Regional Illegal Dumping Program	<p>Regional Illegal Dumping Program Focus: To support Member Councils manage illegal dumping by:</p> <ul style="list-style-type: none"> • Delivering a regional approach to target illegal dumping • Supporting employment of skilled officers to undertake compliance action against illegal dumpers • Undertaking proactive measures to prevent illegal dumping • Increasing capacity to target problematic and complex illegal dumping incidents. <p>Status update: Successful. Funding to commence delivery of the Hunter and Central Coast RID Program will now be provided by the EPA following the successful recruitment of the RID Program Coordinator, who is scheduled to commence 5th June 2023.</p>
Get NSW Active Program	<p>Shiraz to Shore Feasibility & Preferred Route Focus: To undertake a strategic assessment to determine the feasibility and preferred route of the Hunter vineyards section of the widely supported Shiraz to Shore 100km cycle trail, connecting communities, tourists and local businesses. The project will:</p> <ul style="list-style-type: none"> • balance safety, amenity, feasibility and local landholder and stakeholder inputs for the route following an extensive local stakeholder engagement program. • produce the indicative costs and key elements to enable the project to move through to the next stage. <p>Status update: Advice Pending</p>

Appendix - Strategic Objectives and Directions

Connectivity

A globally connected region whose residents enjoy transport and digital infrastructure and systems that enhance their economic and lifestyle opportunities.



Objectives - Where do we want to be?	Strategic Directions - How will we get there?
<p>1.1 Within the region there is a robust integrated transport solution that underpins the experience/ liveability and productivity of its residents and visitors comparable to its global peers.</p>	<p>1.1.1 Support local government having a collective voice in the planning and delivery of major transport infrastructure and systems.</p> <p>1.1.2 Proactively facilitate collaboration with key state agencies to support delivery of connectivity solutions that suit the regions current and future needs.</p> <p>1.1.3 Support Member Councils to influence other levels of government on a sustainable model for delivery and maintenance of road infrastructure.</p> <p>1.1.4 Support a Regional Integrated Transport Plan linking key services and centres.</p> <p>1.1.5 Identify and facilitate regional approaches for active transport outcomes that deliver connectivity, health, liveability and economic benefits.</p> <p>1.1.6 Private and public transport solutions operate on a net zero basis.</p>
<p>1.2 Through its port and airport the Hunter is a globally connected and economically prosperous city-region, recognised as a key international gateway, providing its communities with a vibrant and unique lifestyle and growth in products and services to replace the economic output of thermal coal.</p>	<p>1.2.1 Partnering with airport and port to identify and pursue priority actions to enable access to international markets for the benefit of the region.</p> <p>1.2.2 Influence government policy to prioritise the importance of access to international markets for the benefit of the region.</p> <p>1.2.3 Leading collaboration in the region between government, industry and community to ensure the benefits of international markets are region wide.</p> <p>1.2.4 Support a transport access strategy for regional connectivity to and from the airport.</p>
<p>1.3 Digital connectivity that ensures community access to core services on commuter routes across the region and between Sydney and Newcastle and to enable business development, growth and innovation.</p>	<p>1.3.1 Support and encourage investment in equitable and competitive digital connectivity and the elimination of mobile black spots across the region to ensure community access to commuter routes, core health and education opportunities, and to enable business development, growth and innovation.</p>
<p>1.4 A region that is built around sustainable transport outcomes.</p>	<p>1.4.1 Embed the direction of net-zero in all our connectivity strategies to provide a pathway and level of confidence to investors and community to support the transition to more sustainable transport outcomes.</p>

Resilience

We are prepared for change and ready to withstand, adapt and recover from natural and human induced risks.



Objectives - Where do we want to be?	Strategic Directions - How will we get there?
<p>2.1 We are recognised as innovative leaders in Council capacity building and policy support for climate change action, resilience and disaster preparedness.</p>	<p>2.1.1 We provide guidance and support packages to embed Climate Change action, resilience and disaster preparedness into Councils Integrated Planning and Reporting (IP&R) framework.</p> <p>2.1.2 We drive council capacity building opportunities supported by an evidence base to improve regional resilience and community awareness.</p> <p>2.1.3 We drive opportunities to collaborate, adopt system thinking and circular economy opportunities to reduce our impact on climate change and increase resilience.</p>
<p>2.2 We take leadership and drive regional best practice in climate action.</p>	<p>2.2.1 We lead the way in regional best practice and work with all levels of government to drive policy and strategy on climate change.</p> <p>2.2.2 Engage and provide thought leadership in local, national and global climate change and resilience networks.</p>
<p>2.3 Our region is resilient to environment risks, natural hazards and climate change.</p>	<p>2.3.1 Apply and obtain financial grants for regional programs that support a resilient region.</p> <p>2.3.2 Facilitate and manage regional programs that support a resilient region.</p>

Jobs and a Growing Economy

The Hunter economy continues to grow and evolve as a powerhouse of the state and national economies, providing more and higher quality jobs.



Objectives - Where do we want to be?	Strategic Directions - How will we get there?
3.1 Coordinated planning and investment by all levels of government that empowers the region and its residents to maintain and grow jobs, economic opportunities and quality of life.	3.1.1 Support a clear, place-based, integrated whole-of-government policy and planning approach to drive the region's economic evolution and jobs of the future. 3.1.2 Support the establishment of an entity that has the authority and resources from the Commonwealth and NSW Government necessary to provide the institutional capacity and expert and empowered, place-based planning and decision-making capability. 3.1.3 Support regional institutional capacity to assist businesses and workers impacted by changes in the economy. 3.1.4 Drive collaboration to provide clarity, certainty and fairness in land-use policy and regulation as it relates to the use of former industrial and mining land and assets, or where local communities bear the impacts or have restrictions arising from the contribution of that place to broader regional or state benefits. 3.1.5 Support government policy and planning that prioritise the investment into key regional catalyst areas. 3.1.6 Support the place-based delivery of Aboriginal partnerships and employment programs in the Hunter.
3.2 Accelerated and amplified market-driven investment in innovation that capitalises on the region's existing natural strengths and attributes which create jobs in future industries.	3.2.1 Support and mature the innovation ecosystem in order to drive commercialisation of ventures and start-ups in the region which will provide growth in future jobs. 3.2.2 Improve and accelerate the regions access to investment and capital markets to underpin the innovation ecosystem and the redevelopment of industrial and mining assets.
3.3 A globally focused region that drives talent attraction and retention.	3.3.1 Support efforts that position the Hunter globally in its areas of competitive and comparative strength.
3.4 A region that is built around Circular Economy principles as a driver of future jobs.	3.4.1 Support knowledge sharing and embed Circular Economy principles in our strategies and plans to provide a pathway to future jobs creation in our local supply chains and services. 3.4.2 Support implementation of the Hunter Central Coast Circular Economy Roadmap.
3.5 We are recognised as a destination of choice for international and domestic visitors.	3.5.1 Support a coordinated approach and collaborate around regional tourism promotion to grow jobs in the region. 3.5.2 Identify opportunities for growth and diversification of employment based in the tourism economy.

Liveability

Protect, preserve and improve the high standard of liveability and pristine environments that we enjoy in our region.



Objectives - Where do we want to be?	Strategic Directions - How will we get there?
4.1 We are recognised as a destination for hosting world class events that align with our unique offering.	4.1.1 Support a coordinated approach and collaborate around events and tourism. 4.1.2 Identify opportunities for growth and diversification of the regional events and tourism economy.
4.2 Making use of our opportunity to drive circular evolution of our region's economy.	4.2.1 Support meeting our future regional infrastructure and operations for circular outcomes. 4.2.2 Reduce carbon emissions through better waste and materials management.
4.3 Our natural environments including our bushland, estuaries, waterways and beaches are protected and enhanced.	4.3.1 Our Councils are well supported in protecting and enhancing the environment through regional programs, data collection, support resources and capacity building. 4.3.2 Provide support and identify opportunities to improve and protect the regional Blue Green Grid. 4.3.3 We drive council capacity building opportunities to protect the environment and human health from pollution. 4.3.4 Provide support for regional conservation planning to protect regional biodiversity. 4.3.5 Provide support and identify opportunities to enhance the health of the region's estuaries and other waterways.
4.4 Supporting our region to be on the path to net zero emissions and paving the way with smart innovative solutions that increase liveability.	4.4.1 Provide support and identify opportunities on regional collaboration around Electric Vehicles. 4.4.2 Support regional collaboration around clean energy and future energy initiatives and industries.
4.5 A region with enriched neighborhoods and places supported by planned infrastructure that promotes community cohesion, active living and pride in culture and heritage.	4.5.1 Support Improved planning outcomes to enhance liveability and lifestyle. 4.5.2 Support a healthy and active community. 4.5.3 Support a safe and accessible society across the region. 4.5.4 Support enhanced cultural opportunities and protected heritage.
4.6 A region that is connected, inclusive and a fair.	4.6.1 Support affordability and increased access to housing. 4.6.2 Support an increase in the availability of jobs and services closer to people. 4.6.3 Support equitable access to education and health services and facilities.



4 Sandringham Ave, Thornton NSW 2322
02 4978 4020 • admin@hunterjo.com.au
www.hunterjo.com.au

Report Author: Scott Goold, Acting Director, Hunter and Central Coast

Responsible Officer: Scott Goold, Acting Director, Hunter and Central Coast

Purpose:

To provide an update on key activities of the Department of Regional NSW including the status of current funding programs and the Hunter Central Coast Regional Leadership Executive Forum.

Report:

Funding Programs

The Department paused its grants contracting following the outcome of the election while it sought to brief the incoming government and ensure that any further contracted projects were aligned with the government's policy priorities.

Approval has now been gained to proceed with contracting on a range of previously approved projects under programs such as:

- Stronger Country Communities Fund
- Regional Tourism Activation Fund
- Regional Events Acceleration Fund
- Business Case and Strategy Development Fund
- Accelerating Regional Innovation Fund

The Regional Development team with the support of colleagues in Regional Programs will continue work to deliver outcomes for regional communities across these programs.

Regional Leadership Executive Forum

With the new Government currently assessing their priorities and election commitments it was decided to cancel the Hunter Central Coast Regional Leadership Executive (RLE) meeting for the 30 May 2023. The next meeting will proceed as planned on the 29 August 2023.

Recommendation:

That the Board note the update on key activities of the Department of Regional NSW relating to funding programs and the Regional Leadership Executive.

Report Author: Louisa Bulley, Executive Officer

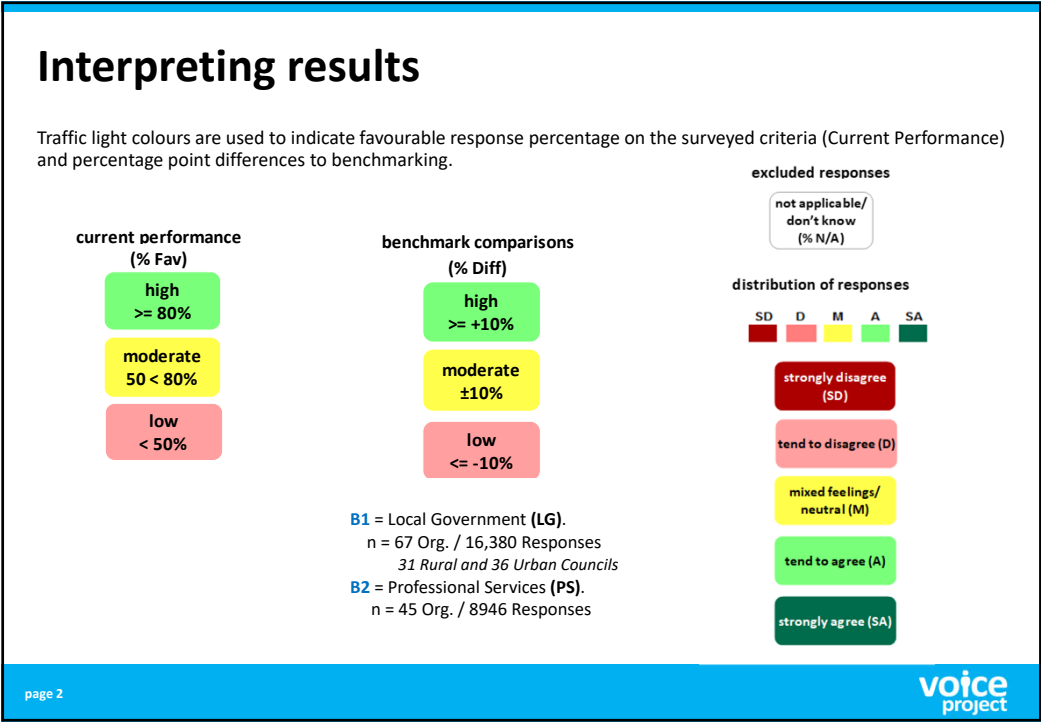
Responsible Officer: Joe James, CEO

Arrow-Hunter JO has completed their first Annual Staff Engagement Survey. Lisa Exton, HR Officer, has prepared a presentation for the Board to provide an overview of the key results and potential actions out of the survey.

Results of the survey have been reviewed against two benchmarks; comparison to local government industry benchmark, and comparison to professional services industry benchmark.

The Arrow-Hunter JO Leadership Team are working to develop an action plan, based on key findings in the survey results. The below slides provide an overview of the results of the survey, based on a 95% completion rate from staff.

Recommendation: That the Hunter JO Board note the report



category results

		High	≥80%						≥+10%	≥+10%
		Mod	50<80%	SD	D	M	A	SA	±10%	±10%
		Low	<50%						≤-10%	≤-10%
		2023		Distribution					PS	LG
		%N/A	% Fav						% Diff	% Diff
	ENGAGEMENT	2%	81%						+2%	+8%
	WELLBEING	0%	76%						+5%	+14%
	PROGRESS	11%	71%						-2%	+15%
PURPOSE	Values	7%	93%						+7%	+16%
	Vision	3%	78%						+1%	+16%
	Respect	1%	100%						+17%	+31%
PRODUCTION	Risk Reporting	0%	92%						+14%	+27%
	Resources	0%	92%						+16%	+22%
	Processes	2%	73%						+16%	+22%
	Technology	4%	73%						+5%	+20%
	Health & Safety	4%	84%						+5%	+4%
PARTICIPATION	Workload	0%	72%						+1%	+10%
	Flexibility	0%	81%						+5%	+8%
	Recruitment & Selection	11%	74%						+9%	+29%
	Learning & Development	8%	68%						+4%	+9%
	Involvement	0%	84%						+12%	+22%
	Performance Feedback	1%	75%						+12%	+16%
	Recognition	0%	80%						+8%	+28%
PEOPLE	Pay & Benefits	3%	64%						+4%	+5%
	Career Opportunities	6%	45%						-8%	+4%
	Leadership	6%	72%						+1%	+17%
	Supervision	5%	88%						+4%	+12%
	Teamwork	0%	97%						+11%	+15%
	Cross-Unit Cooperation	2%	59%						-5%	+13%

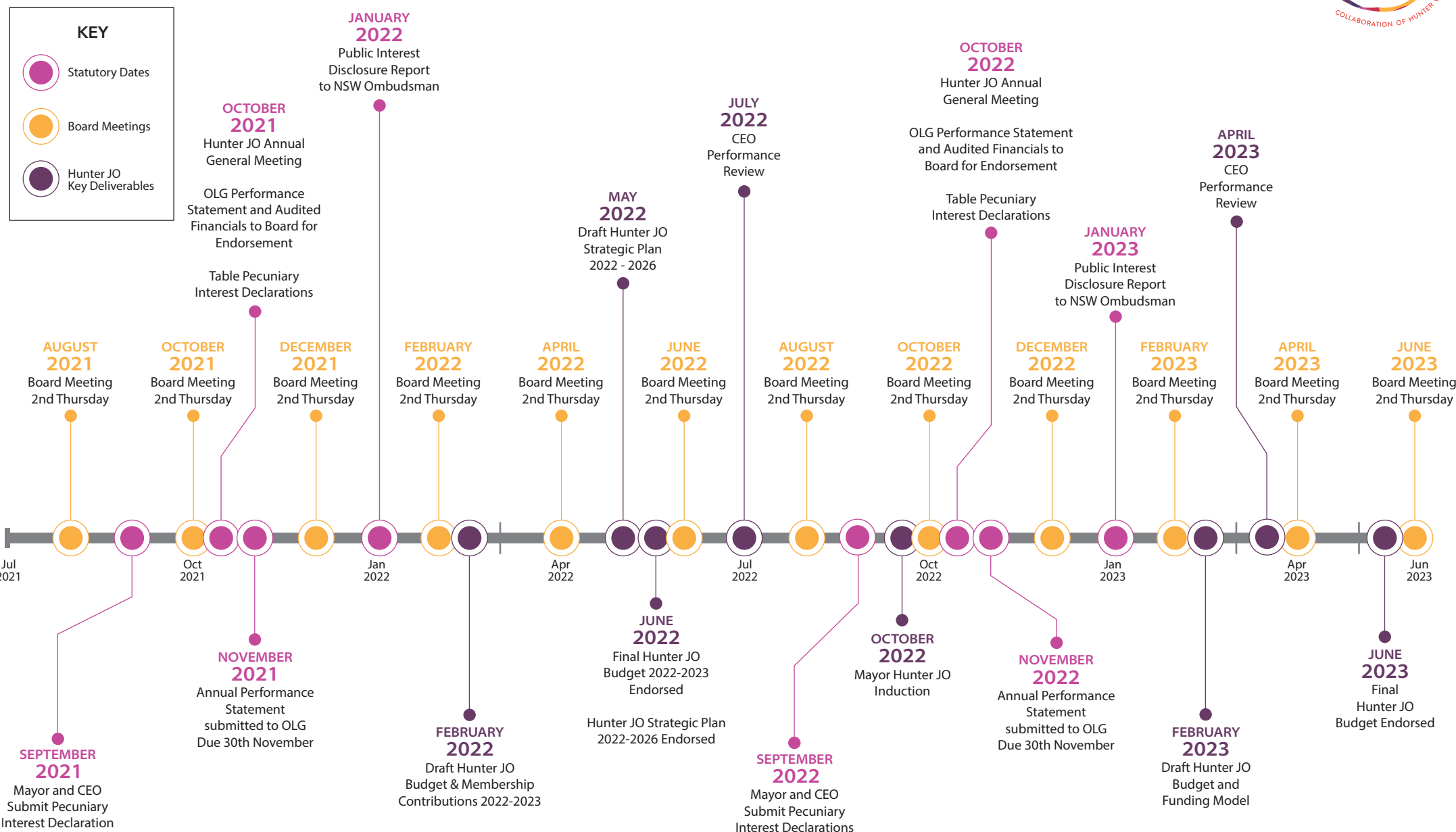
8. Matters Raised by Members

9. General Business

9.1 Compliance & Governance Calendars

- Attachment 15 - HJO Board Forward Planner and Governance Calendar
- Attachment 16 - JO-Calendar-of-Compliance-and-Reporting-Requirements-2022-23

HUNTER JO BOARD FORWARD PLANNER & GOVERNANCE CALENDAR



JOINT ORGANISATIONS CALENDAR OF COMPLIANCE AND REPORTING REQUIREMENTS 2022-23											
JULY 2022	AUGUST 2022	SEPTEMBER 2022	OCTOBER 2022	NOVEMBER 2022	DECEMBER 2022	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023
9th: Proposed loan borrowings return to be submitted to TCorp	30th: Capacity Building Funding Stage 2 -Report to OLG with action plan, key delivery milestones and budget	30th: Lodge completed written returns of interest for voting representatives and designated persons who held office at 30 June [MCC cl 4.21(b)]. Executive Officer to table returns at next JO Board meeting [MCC cl 4.25]	17th: Request for extension to lodge financial statements to be submitted in writing to OLG [LGA s416(2); Code]	30th: Annual Performance Statement due [LGReg cl 397J(1)]	4th: Joint Organisations must adopt a new policy on the payment of expenses and provision of facilities to the chairperson within 12 months of an election [LGA s252]	30th: Public Interest Disclosure Report due to the NSW Ombudsman [PIDA s6CA]			30th: Capacity Building Funding Stage 2 -Report to OLG detailing delivery progress for expenditure of the funding, benefits, and report against budget.		30th: Last day to adopt Statement of Revenue Policy and Budget [LGReg cl 397I]
30th: Public Interest Disclosures Report due to the NSW Ombudsman [PIDA s6CA]			30th: Annual Report of obligations under PIDA to the Minister and the Ombudsman [PIDA s31]		4th: Joint Organisation must review their organisation structure within 12 months of an election [LGA s333]						
31st: Capacity Building Funding Stage 1 - Final report on the funding and delivery. Where extensions are granted- progress report is 31 July and final on project completion			30th: Annual Report of obligations under GIPA to the Minister and the Information Commissioner [GIPA s125]		4th: Joint Organisations must adopt a code of meeting practice within 12 months of an election [LGA s360]						
			31st: Audited Financial Statements to be lodged with OLG [LGA s417(5); Code]		4th: Joint Organisations must review their adopted codes of conduct within 12 months of an election [LGA s440(7)]						
					4th: Joint Organisations must adopt a statement of strategic regional priorities within 12 months of an election [LGReg cl397H]						
					5th: Last day for audited financial statements to be presented to the public [LGA s 418(2)]						
					28th: Last day for annual performance statement to be published [LGReg cl 397J(2)]						
					31st: Report to JO Board [MCCP cl 11.2] and OLG [MCCP cl 11.2] on code of conduct complaint statistics						

Governance

Finance

Notes:	
General	Local Government Directory - Joint Organisations should notify the OLG (olg@olg.nsw.gov.au) of any senior staff or address changes via email to enable updating of the directory
	Joint Organisations must review its publication guide in relation to the Government Information (Public Access) Act 2009 and adopt a new publication guide at intervals of not more than 12 months; An agency may update and amend its publication guide at any time
	Joint Organisation Circulars are emailed to Joint Organisations. Please advise OLG (olg@olg.nsw.gov.au) of any change of JO email address. Joint Organisation Circulars can be downloaded from OLG webpage at www.olg.nsw.gov.au
	OLG = Office of Local Government. LGA = Local Government Act 1993. LGReg = Local Government (General) Regulation 2005. Code = Local Government Code of Accounting Practice and Financial Reporting. PIDA = Public Interests Dislosures Act 1994. MCC = Model Code of Conduct for Local Councils in NSW, 2018. MCCP = Procedures for the Administration of The Model Code of Conduct for Local Councils in NSW, 2018. GiPA = Government Information (Public Access) Act 2009. FSER = Financial Stimulus Eligibity Return. JRA = Job Retention Allowance.