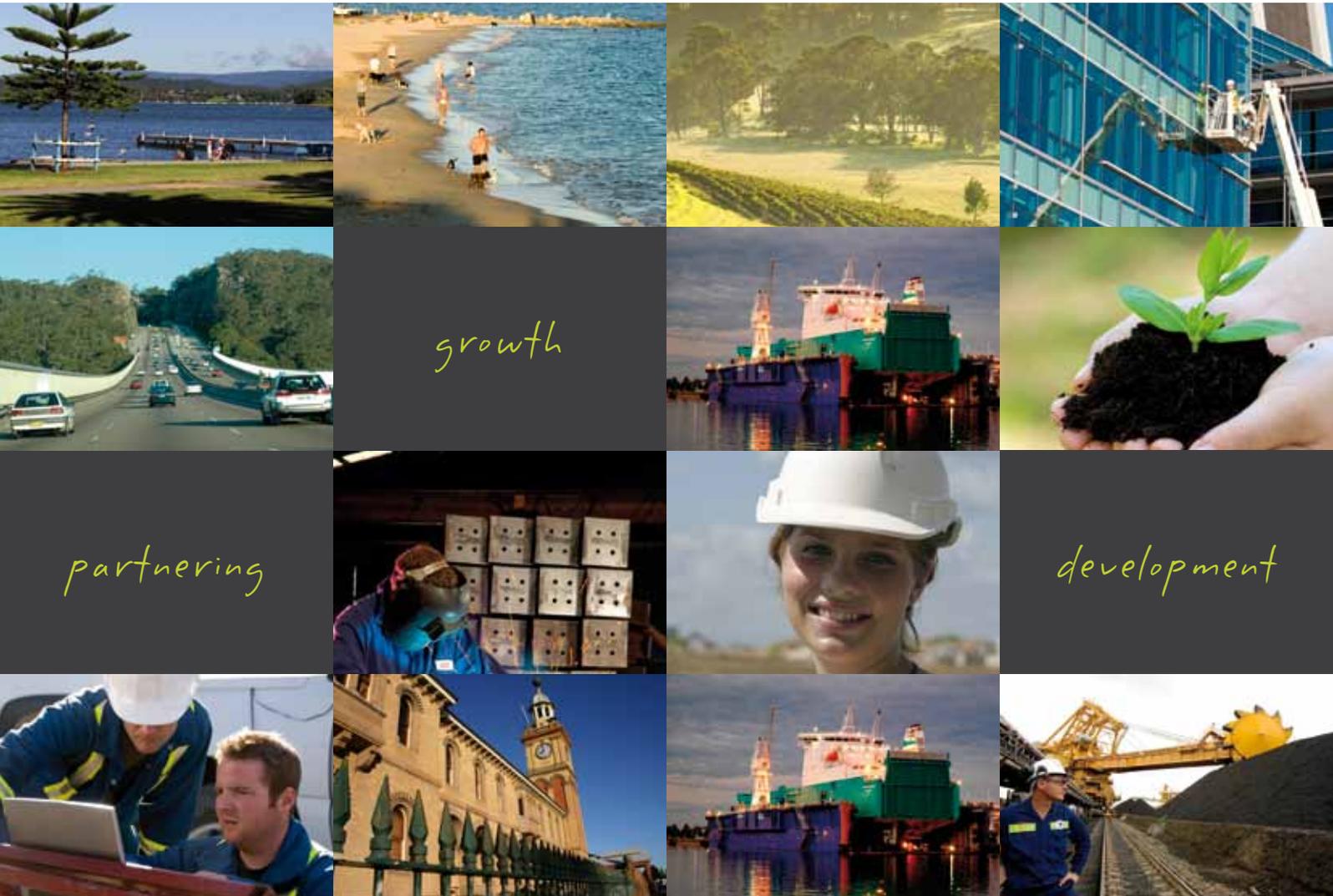


# Connecting the Hunter

ISSUES PAPER NO 1.



*growth*

*partnering*

*development*

*A regional approach to infrastructure*



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# Connecting the Hunter

## *A regional approach to infrastructure*

### Background

Regional Development Australia (RDA) Hunter was established in 2009 by the Federal and State Governments to enhance the growth and development of the Hunter Region. RDA Hunter is one of 55 RDA committees throughout Australia.

RDA Hunter's vision is for the growth of a vibrant and sustainable regional economy in a carbon constrained future. This is especially relevant to the Hunter as it is a traditional energy provider and leader in sustainable energy research and development.

RDA Hunter consulted widely throughout 2010 and encouraged discussion with regional partners and government to identify infrastructure priorities. The input from these forums is summarised at Appendix 1, using the seven themes for action identified by Infrastructure Australia as the most important infrastructure objectives for the nation.

These discussions confirmed Infrastructure Australia's view that "world class infrastructure networks are essential to driving sustainable economic development and growth, lifting levels of productivity and boosting employment". This is as relevant to the Hunter, as it is to Australia.

Forum participants called for:

- A comprehensive approach to development of strategies for regional population needs;
- A coordinated approach to land use, planning and transport infrastructure by a single regional body; and
- Support for strategic infrastructure investment priorities.

### Purpose of this paper

Connecting the Hunter is the first in a series of short papers aimed at establishing a regional approach to Hunter growth strategies.

It does not provide details or analysis of infrastructure proposals. Instead, it recognises that infrastructure – water, energy, communications and transport – has a complex relationship with economic, community and environmental issues. It aims to provide a framework to develop a long-term and coordinated approach to identifying, assessing and meeting the Hunter's future infrastructure needs.

### Outcomes

To secure a vibrant and sustainable future, RDA Hunter proposes:

1. Positioning the Hunter nationally and internationally as one of Australia's most significant and productive economies;
2. Presenting the Hunter as Australia's seventh largest population centre and home to one million people within 30 to 40 years;
3. Establishing a Regional Transport Authority to identify, assess and advocate long-term public transport and related infrastructure priorities; and
4. A comprehensive regional approach to Local Government infrastructure and service priorities through the Regional Council structure.

# A Better Hunter

*A region of opportunity – infrastructure for a vibrant and sustainable community*

The Hunter is located two hours north of Sydney on Australia's east coast, between Melbourne and Brisbane. Existing infrastructure gives the region a competitive edge in accessing Australian and international markets. It is well positioned to become a world-class regional centre, with improved connectivity the key.

The Hunter's strength is its rich resource base, which is underpinned by the world's best quality coal, natural water resources, innovative manufacturing sector and progressive business culture. In the past 10 to 15 years the region has transformed from dependent on heavy industry, to a diversified resource, services and business powerhouse making a significant contribution to the state and national economy. **Sustainable economic development and growth, improved productivity, high levels of employment and community well-being need world-class infrastructure.**

**Without investment in adequate and appropriate infrastructure, the region will struggle to achieve sustainable growth and maintain quality of life for current and future generations.**

Creating investment opportunities is a key challenge and every region faces strong competition for scarce funds from traditional sources.

The flow of investment into the Hunter requires a strategic and robust business case for each opportunity and a favourable investment environment.

The return on this investment will be measured by future generations. Outcomes will be seen in jobs, affordable housing, export earnings, sustainable resource management and community well-being.

Investing in nationally and regionally significant infrastructure projects will secure the Hunter's future for generations to come.

The Hunter's future is as a world-class regional centre servicing Australia and export markets through its international gateways

**To achieve this vision, the region must:**

- **Capitalise on past successes and better use existing infrastructure;**
- **Address planning inefficiencies and inconsistencies that hinder investment;**
- **Plan for future infrastructure needs within a long-term, strategic, comprehensive and consistent regional framework;**
- **Maintain appropriate levels of investment in human capital, knowledge and information infrastructure; and**
- **Improve the livability, sustainability and productivity of Newcastle, the region's capital.**

# Transforming our Region

## *The Lower Hunter*

### Lower Hunter Regional Strategy

The Hunter Region, led by the Lower Hunter, is one of the three largest growth centres in NSW. Outside the Sydney basin, it is the largest growth centre.

**If the population continues to grow at its current rate, the Hunter will become home to more than one million people within 30 to 40 years.**

The State Government adopted the Lower Hunter Regional Strategy (LHRS) in 2006. This strategy was endorsed again by the State Government in February 2010. The fundamentals in terms of population and employment growth are not disputed, but planning for supporting infrastructure is lacking.

**The LHRS projected growth of 160,000 people and 66,000 jobs across the region. Planning now needs to provide for a possible population of one million by 2050.**

Benchmarking the Hunter against other sustainable and vibrant regions highlights the significance of reaching a population of one million. At this level a well-planned regional economy gains critical mass and important economies of scale.

The Hunter has the capacity to absorb this population growth and boost its position as a significant contributor to the national economy. This is a region that actively seeks economic growth and diversity. RDA Hunter believes attracting skilled migrants will be an essential component of securing our future.

### Newcastle City Renewal

Regional cities are critical to the broader debate about Australia's population growth and fundamental to decisions about where investment will occur. Newcastle is Australia's seventh largest city and effective long-term planning, decision making and investment will overcome existing challenges and create opportunities to stimulate economic growth and improve community well-being.

The Newcastle City Renewal Report states "that as a regional capital, Newcastle will be a globally competitive and sustainable city serving the Lower Hunter and Upper Hunter and parts of the Central Coast, as well as the major city in the northern part of an integrated Greater Metropolitan Region".

The report sets out a strategy for the renewal of Newcastle's city centre. The essential components of this strategy include a new university campus, relocation of state and federal courts, investment in tourism, leisure and recreation facilities and an improved public transport system.

The recently completed State Government Transport Management and Accessibility Plan detailed a host of transport improvements to support the renewal of Newcastle CBD. It also aimed to contribute towards a state-wide goal of achieving 20 per cent of morning peak time journeys to work on public transport.

**The renewal and revitalisation of Newcastle CBD is essential for a broader regional growth strategy. It is possible to deliver these high priority and high impact Newcastle City Renewal strategies now.**

# National Corridors & International Gateways

*Transport – road, rail, air and sea*

## Regional Freight Network

Infrastructure Australia recognises that Australia's trade performance can be improved by cutting the cost of moving goods and bulk commodities through ports and airports, and related logistics chains.

This is a major challenge for the Hunter where projected growth in freight and passenger volume will impact on port-and-airport-related sites and surrounding land used for industry employment. Newcastle Port is one of the busiest ports in Australia. Newcastle International Airport has more than one million passenger movements each year making it the tenth busiest airport in Australia. With freight movements predicted to double in the region by 2031 congestion around these major national and international gateways will intensify.

**RDA Hunter welcomes the Federal Government approach, through Infrastructure Australia, to deliver a coordinated and integrated National Freight Network.**

The Sydney-Brisbane corridor is a critical component of this network, with road and rail routes passing through the Hunter. Increased pressure to occupy more land for urban use will conflict with these nationally significant freight corridors. The existing infrastructure already presents challenges in terms of conflict and capacity constraints. These include noise, dust and other environmental and social issues.

Of particular concern is the Hunter Valley Coal Chain's reliance on existing rail assets for west to east movement to Newcastle Port. General freight movements between north and south, along the Sydney-Brisbane corridor rely on the same network. It is vital that these corridors are available for capacity growth.

Completion of the Hunter Expressway between the F3 Freeway, near Seahampton, and the New England Highway, west of Branxton, will improve the efficiency of the national network and assist with meeting the growing freight ability of the region. The link between the F4 and M2 in Sydney is equally important to Newcastle and the Hunter in terms of the region's capacity to service the nation's largest market.

## High Speed Rail

RDA Hunter welcomes the recent Federal Government announcement of terms of reference for a \$20 million strategic study for a High Speed Rail network on the east coast of Australia. The first stage of the study is due to be completed by July 2011 and the second by mid-2012.

High speed rail has been identified as an achievable option along the east coast, as long as steps are taken now to identify and protect future corridors. The technology has the potential to significantly cut travel times between capital cities and between capital cities and regional centres including Newcastle.

High speed rail passenger movements will have an impact on corridor capacity and ability to move freight.

## Critical Priorities

**RDA Hunter has identified the following critical short-term freight and transport priorities:**

- **Securing north-south and east-west corridors for future rail capacity expansion;**
- **Acquiring land for road and rail expansion;**
- **Improving sea and air links to Newcastle Port;**
- **Completing the F3 to M2 link road; and**
- **Developing the case for High Speed Rail between Newcastle and Sydney.**

# Connecting People & Public Transport

*Home to one million people*

## Population growth

Despite experiencing ups and downs, the Hunter has supported consistent population growth. Lake Macquarie's population is predicted to increase by 60,000 to 197,000 people in 20 years. The Hunter offers sea and tree change opportunities as well as steadily growing employment and good investment opportunities. It is an attractive place to live.

Newcastle Statistical District, which includes the five Local Government areas of the Lower Hunter, experienced population growth of 7270 people last year, or 1.4 per cent. The Hunter Valley Research Foundation has calculated that at this rate the region's population will be close to 800,000 by 2030.

**RDA Hunter concludes that by 2050 the Hunter will be home to one million people.**

## Public transport

For years there have been calls for improved public transport within and around the Hunter. More recently there has been a push, not only for attractive and accessible public transport, but for initiatives that encourage less vehicle dependency and increased walking and bicycle use.

The Hunter's need for improved public transport was highlighted in more than 850 submissions by residents and public transport users during the State Government consultations on new services for the Lower Hunter. The recent announcement by the State Government of 33 new buses for the region was welcome news. Public transport must provide direct, fast and affordable services if usage is to increase and vehicle usage decrease.

## Transport Interchanges

In September 2008 the Hunter Business Chamber proposed an Integrated Transport Strategy for the Hunter which included a number of fast and efficient transport interchanges. Key interchanges need to be multi-modal and provide transport options needed in particular areas. These include park and ride, train, ferry, plane, buses, pedestrians and taxis. As stated in the NRMA's Get the Hunter Moving report, connectivity needs to work across all modes.

**RDA Hunter supports a staged program of interchange improvements for all regional centres and transport gateways that were identified in the Lower Hunter Regional Strategy. These include Maitland, Morisset, Glendale, Charlestown, Raymond Terrace, Cessnock and Newcastle. Key centres in the Upper Hunter are Singleton, Muswellbrook and Scone.**

## Regional centres of activity

There are major regional and national transport and service centres within the Lower Hunter that experience significant transport demand. These include Newcastle Port, Newcastle International Airport, Newcastle University, Newcastle CBD and John Hunter Hospital.

Forecast growth means the region must adopt a proactive, integrated and coordinated approach to transport infrastructure. The Hunter is a significant contributor to the national economy and has demonstrated its capacity to deliver economic growth through improved productivity. People have been the key to this growth. Fast, efficient and affordable movement of people between regional centres will help the Hunter maintain and improve productivity.

**RDA Hunter concludes that the most effective way to ensure a truly comprehensive approach to regional transport is to establish a Regional Transport Authority.**

# Advanced Information Technology

*Taking geography out of the equation*

## National Broadband Network

National Broadband Network

A recent United Nations report concluded that high speed broadband is crucial to future economic prosperity. Universal access to high speed telecommunications takes geography out of the equation and eases the burden on physical infrastructure.

The Federal Government has commenced the National Broadband Network (NBN) and it will be rolled out over eight years. For the first time, broadband prices will be the same for households and businesses regardless of where they are located.

Faster access to ever-growing levels of information is one of the world's most significant productivity drivers. It will change the way we do business. The NBN will transform health care, aged care, education and work practices. It will connect communities, help determine the location of SMEs and larger organisations and have a significant impact on carbon emissions.

Better and faster broadband, wireless or satellite service is particularly important to Hunter areas with telecommunication access difficulties.

RDA Hunter believes access to high speed telecommunications is essential to the region's growth and development.

**RDA Hunter, in conjunction with RDA Central Coast, Hunter Councils and other regional stakeholders, is actively engaged in research, awareness building and advocacy to ensure the Hunter and Central Coast are seen as priority areas for the rollout of the NBN.**

## Smart Grid, Smart City

Energy Australia, based in the Hunter, successfully bid for the \$100 million Federal Government Smart Grid, Smart City program which is expected to result in Australia-wide advances in energy efficiency.

The main demonstration site is Newcastle, with other parts of the trial to be conducted in Scone, Homebush, Kuring-Gai and Sydney CBD.

Smart Grid, Smart City is at the forefront of world efforts to overlay smart technologies across existing grids to better identify consumer information about energy use and costs. It aims to allow residents to manage their own energy use.

**This program is a great opportunity for the Hunter to show leadership in energy efficiency and achieve national and international recognition. RDA Hunter will continue to support benefits emerging from Smart Grid, Smart City and the NBN.**

In conjunction with the NBN rollout, Smart Grid, Smart City presents opportunities to benefit in other areas such as water and transport use. Leveraging off these initiatives the Hunter could pilot programs including intelligent transport systems and smart water networks. By providing real time information to drive efficiencies and better use of infrastructure, the Hunter will be at the forefront of sustainable environmental management.

# Securing Essential Regional Resources

*Long term and sustainable capacity*

## Energy

It is inevitable that there will eventually be a price on carbon emissions and new rules for trading emission permits. The region's coal industry is already preparing for the changes with the private sector investing \$40 million in clean coal technology.

The Hunter currently produces about 15 per cent of the electricity needed in Eastern Australia. Achieving substantial cuts in emissions, while responding to increased demand, will present major challenges.

There are encouraging coal seam gas resources, which if commercialised to a sufficient scale, could offer support to electricity and manufacturing in the Hunter and contribute to exports of liquefied natural gas.

The State Government has also approved plans for a \$190 million wind and solar farm in the Upper Hunter that could power up to 50,000 homes.

Private sector efforts, together with local and government initiatives, position the Hunter well to play a leadership role in Australia's energy future. Key players include the CSIRO Clean Energy Technology Centre, Macquarie Generation and the growing number of partnerships between industry, government and researchers.

RDA Hunter welcomed the preparation of the Blueprint for a Low Carbon Future for the Hunter Region by NSW Industry & Investment.

**A leading priority for RDA Hunter in 2011 will be to encourage further research, development and investment in renewable energy technology and the blueprint will provide a basis for these considerations.**

## Water

Water security is already a matter of national concern and climate change will create particular challenges for the Hunter. As population grows, competition for scarce resources will increase and demand for investment in water security will intensify.

**The provision of secure, clean water is integral to the quality of life enjoyed by Hunter residents and the success of regional business.**

Hunter Water Corporation (HWC) is responsible for delivering long-term security of water supply in the Hunter.

Work is taking place on capacity upgrades, demand management initiatives and storage expansion. These developments are aimed at meeting the demand of population increases and business growth.

Despite recent heavy rainfalls across the State drought remains one of the most critical and ongoing resource management issues. Until recently almost 80 per cent of NSW was in drought.

The Hunter's geography, its established water resources, managed usage and pricing systems has enabled much of the region to be relatively unaffected.

**Water security is crucial to the Hunter's future and it must set a path for securing appropriate water resources in the longer term future by supporting a capacity upgrade program.**

# Securing the Future

## *Regional priorities*

### A better deal for regional Australia

Following the 2009 election the new Federal Government announced “a better deal for regional Australia” including additional funding for services and infrastructure. The RDA network has been tasked to determine opportunities and identify key priorities.

RDA Hunter represents a partnership between all levels of government. It provides an opportunity for the region to overcome its history of too much short-term thinking and attempted solutions and move towards long-term comprehensive planning.

**RDA Hunter believes the region’s future in a carbon constrained economy is as a world-class regional centre servicing national and international markets. The first message that RDA Hunter will take to governments, is that to secure this future, the Hunter needs world-class infrastructure.**

Existing assets must be better used to allow for capacity growth in and around Newcastle Port and Newcastle International Airport, including associated land transport. The region must have an efficient public transport system with connectivity between growth centres and managed congestion, capacity and safety measures in key locations. Sustainable energy supplies, water security, advanced communication technology and renewal of Newcastle CBD are fundamental. RDA Hunter considers these projects as priorities for the region.

RDA Hunter acknowledges that work has already commenced on a number of priority initiatives and that these are in varying stages of development. The next step is to place existing and proposed initiatives into an agreed, time-based, regional framework that can be submitted to governments.

Australia has entered a new era of commitment to investment in regional infrastructure and services. Every region in Australia is positioning itself to take advantage of this new focus and competition for limited investment funds will be fierce.

The Hunter is already one of the best performing regions in Australia. There is considerable opportunity for the state and national economy to leverage off the readiness of the Hunter to embrace long-term sustainable economic development. The time is right for a disciplined approach to infrastructure planning that can position the region for long-term and sustainable economic growth.

### RDA Hunter advocates:

1. Positioning the Hunter nationally and internationally as one of Australia’s most significant and productive economies;
2. Presenting the Hunter as Australia’s seventh largest population centre and home to one million people within 30 to 40 years;
3. Establishing a Regional Transport Authority to identify, assess and advocate long-term infrastructure and public transport investment priorities; and
4. Adopting a strong and cohesive regional approach to Local Government infrastructure and service priorities through the Regional Council structure.

# Appendix 1

## Stakeholder Forums Summary

Stakeholders at the RDA Hunter infrastructure forums identified traditional hard infrastructure priorities as requested. Information was also drawn from other sources including existing reports and infrastructure development proposals.

<i>Infrastructure</i>	<i>Priorities</i>
<p><b>Transforming our Region</b> Strong population growth along the region's coastal fringe and major transport corridors, including at regional centres.</p>	<p><b>Effective planning for growth:</b></p> <ul style="list-style-type: none"> <li>• Complete a comprehensive fully funded Hunter Infrastructure Strategy, underpinning the revised LHRS (transport study underway, via Transport NSW);</li> <li>• Establish a single coordinating authority to guide infrastructure planning and investment;</li> <li>• Create a regional approach to Local Government; and</li> <li>• Focus on competitive advantage and support with infrastructure.</li> </ul>
<p><b>Creating Hunter Gateways</b> Strong economic growth in the movement of agricultural and bulk commodities and container freight.  Significant and rapid growth in commuter traffic in urban areas, passenger traffic and local traffic along regional corridors.</p>	<p><b>Connectivity</b></p> <ul style="list-style-type: none"> <li>• Links between and to centres throughout the Hunter, including Newcastle International Airport, John Hunter Hospital and the University of Newcastle;</li> <li>• Road and bridge network upgrades;</li> <li>• Air and sea links to Newcastle Port;</li> <li>• Strategic rail connectivity with new corridors to link intermodal terminals and ports (e.g. Newcastle freight rail bypass and Freight Hub Hunter); and</li> <li>• A Very Fast Train linking the eastern seaboard.</li> </ul>
<p><b>Securing National Freight Corridors</b> Expected large increases in Sydney-Brisbane freight activity, in addition to growth in inter and regional freight and passenger movements.  Manage competition, congestion, efficiency and safety issues to improve rail competitiveness.  Manage congestion, capacity, safety and traffic issues in urban corridors as well as in a number of key regional locations.</p>	<p><b>Transport:</b></p> <ul style="list-style-type: none"> <li>• Secure corridors for future road and rail capacity expansion, north-south and east-west, to meet population, employment and trade demand;</li> <li>• Improve walking and cycling around key centres;</li> <li>• Match service patterns to corridor demands;</li> <li>• Address capacity and congestion issues, including the New England and Pacific Highways in the Lower Hunter;</li> <li>• Build the Hunter Expressway (underway);</li> <li>• Build the F3-Pacific Highway link at Heatherbrae;</li> <li>• Maintain safety and amenity in towns along roads, including investigation and preservation of bypasses where appropriate (eg Singleton, Muswellbrook and Scone); and</li> <li>• Consistent treatment of level crossing risk along transport corridors.</li> </ul>
<p><b>National Broadband Network</b> Effective communications.</p>	<p><b>Priority Communications projects:</b></p> <ul style="list-style-type: none"> <li>• Rollout of the NBN in the Hunter.</li> </ul>
<p><b>Securing Essential Regional Resources</b> Sustainable water use.      Sustainable energy use.</p>	<p><b>Priority water projects:</b></p> <ul style="list-style-type: none"> <li>• Safety and reliability in flood-prone areas;</li> <li>• Hunter Water capacity upgrade program; and</li> <li>• Coastal erosion strategies.</li> </ul> <p><b>Priority energy resources:</b></p> <ul style="list-style-type: none"> <li>• Sustainable long-term plans for coal, gas and solar resources.</li> </ul>
<p><b>Smart Grid, Smart City – Leading Energy Reforms</b></p>	<p>Capitalise on and leverage off demonstration projects:</p> <ul style="list-style-type: none"> <li>• <i>Smart Grid, Smart City</i> demonstration project;</li> <li>• <i>Smart Transport</i> demonstration project; and</li> <li>• <i>Smart Water</i> demonstration project.</li> </ul>

# Participants

- Regional Development Australia Hunter
- Newcastle Port Corporation
- Transport NSW
- Hunter Councils
- Property Council of Australia
- Major Cities Working Group
- Department of Premiers and Cabinet
- Better Transport Futures
- ParsonsBrinkerhoff
- Newcastle International Airport
- Hunter Development Corporation
- Telstra
- University of Newcastle
- Department of Defence
- NRMA
- Urban Development Institute of Australia
- Hunter Business Chamber
- TAFE NSW Hunter
- Infrastructure Australia
- Major Cities Unit
- Hunter New England Health