



2 September 2019

Committee Secretariat
Select Committee on Jobs for the Future in Regional Areas

Dear Committee Secretariat

Subject: Inquiry into Jobs for the Future in Regional Areas

Thank you for the opportunity to make a submission to the Senate Select Committee on Jobs for the Future in Regional Areas.

We would like to express our appreciation to the Australian Parliament for proceeding with this inquiry. We believe regional areas, in particular Lake Macquarie City, present answers to unlocking Australia's long-term economic prosperity.

In its report 'Regional Population Growth – Are we ready?' the Regional Institute of Australia indicated that a more widely distributed population growth outcome may achieve superior levels on key economic indicators (income, house prices, employment, and congestion), in comparison to the current path of increased densification in our major cities.

We strongly support the report's recommendations, in particular the need to develop regional development strategies for each major city and surrounding regions. Lake Macquarie City is within the regional boundary of Sydney, just 90 minutes' drive north of Sydney. In comparison to Sydney, Lake Macquarie City can offer more affordable housing, an attractive lifestyle, and little to no congestion.

Lake Macquarie City Council staff and Lake Macquarie City's economic development company Dantia have developed the attached submission, which explores how we're proactively addressing economic stability and prosperity for Lake Macquarie City and the wider regions of the Central Coast and the Hunter. Council's 30-year land-use planning strategy 'Imagine Lake Mac' actively seeks to increase economic activity, population and housing supply while also seeking to maintain the characteristics that make Lake Macquarie City unique to its residents.

Dantia's Economic Development Strategy for Lake Macquarie City outlines key actions we will take to drive growth in population (in particular the working population), growth in new employment opportunities, and growth in the housing supply to meet the demands of a growing population while maintaining housing affordability.

The information provided in [Attachment A](#) seeks to outline the work we are doing to diversify our economy in order to create more jobs. A key theme of this attachment is the region's connectivity to Sydney. The Committee's Terms of Reference also sought some additional more specific information, which I have provided at [Attachment B](#).

Thank you again for the opportunity to make a submission to the Committee's inquiry. Council staff and Dantia would welcome further opportunities to engage with Australian Government stakeholders, including presenting to the Committee, and we would welcome any opportunity to participate in pilot programs being considered by the Committee or the Australian Government.

Yours sincerely

Morven Cameron
Chief Executive Officer

Lake Macquarie City Council and Dantia staff submission to Inquiry into Jobs for the Future in Regional Areas

Attachment

About Lake Macquarie City

Lake Macquarie is a growing, thriving regional City of 205,000 people with a great lifestyle and an exciting future. Lake Mac is a city unlike any other. A city of vibrant communities connected by new ideas and life by the lake. A city of beaches, forests and next-generation thinking. A natural playground for progress and possibility. Together, we believe in shaping our own future — not waiting for it. Alive with energy and optimism, we are home to exciting adventures and industry, new experiences and innovation. We're 90 minutes' drive north of Sydney, easily accessible via rail (passenger and freight), have direct access to the international gateways of the Newcastle Airport and the Port of Newcastle. Considering all of this and our proximity to the Hunter Valley wine country (less than 30 minutes' drive), we offer current and future residents a truly enviable lifestyle.

Economic profile

Approximately 13,100 businesses are registered in Lake Macquarie City, of which 98 per cent are small businesses employing 20 people or less.

In 2018-19, the City's economic output was \$19.9B, which was an increase of \$2.8B (or 12.5 per cent) on the preceding five years (2013-2018). Importantly, the industries contributing to this output changed quite significantly in such a short period. In 2013, mining and manufacturing made up approximately 37 per cent of the City's total output. In 2017, those same two industries dropped to just 20.3 per cent. Over the same period, the City had strong growth in key industries such as health care, social assistance, finance and construction. Construction also rose from 9.6 per cent to 17.8 per cent.

The changes to mining and manufacturing in our City is affecting our economic base, and if we don't support the diversification of our economy, we risk impacting our communities and the future prospects of being able to live and work within our progressive City.

What are the macro-economic trends and opportunities influencing Lake Macquarie City and how are we dealing with them

Council and Dantia are proactively working to mitigate the impacts associated with the decline in mining and manufacturing in our City. We are diversifying our economy to attract new businesses and employment opportunities. Some of the macro-economic trends influencing this include:

- adaptive reuse of ex-mining land
- clean energy technology and power generation
- product development and advanced technology services
- high productive agribusiness
- health care and international education
- digital economy.

Adaptive reuse of ex-mining land

Lake Macquarie City has played an important role in the history of coal mining across the Hunter Valley. In general, the legacy of coal mining in our City is positive. It has driven employment, vocational education, and has enabled the creation of supplementary businesses.

We continue to explore adaptive reuse of ex-mining land. There are several existing mine sites within Lake Macquarie City that would be well suited to commercial and residential development (as opposed to what is required of the mine's original mine closure plan). Using these sites would greatly reduce the cost of delivering new housing (including costs associated with supporting infrastructure) when compared to new greenfield developments on the fringes of the City. We have a vision for ex-mining land to be repurposed to support the same, if not greater, economic output achieved from the mine site during the peak of its operations.

As a demonstration of the potential economic outputs ex-mining land can deliver, the recently approved BlackRock Motor Park has the economic potential of \$357 million with 461 jobs during construction and \$129 million with 229 jobs annually.

We would welcome Australian and NSW Government support to explore other opportunities for the adaptive reuse of ex-mining land.

Lake Macquarie City Council and Dantia staff submission to Inquiry into Jobs for the Future in Regional Areas

Attachment A

Clean energy technology and power generation

Powerhouse means more in Lake Macquarie City – the shores of the Lake itself is home to two coal-fired power stations. The Vales Point Power Station and the Eraring Power Station are significant power generators for both the national and NSW and electricity market.

While all tiers of government are working on tackling power prices and the stability of the electricity network, Council and Dantia are focusing on the future, once these power stations reach their end of life. Dantia has a well-established and unique relationship with the operators of the Eraring Power Station, Origin Energy, which is supporting the exploration of conversion technology for coal-fired assets. Success in this area could positively contribute to the country's growing power crisis and possibly deliver new economic opportunities in clean energy technology and power generation in Lake Macquarie City.

Council and Dantia would welcome Australian Government investment to support the diversification of energy technology and power generation jobs in Lake Macquarie City to:

- mitigate the job losses associated with closures of coal fired power stations, and
- create new opportunities for clean energy technology to replace coal-fired power stations, capitalising on the City's existing electricity transmission infrastructure.

Product development and advanced technology hub

Advanced technology, in particular advanced manufacturing, will play a vital role in the security of jobs in Lake Macquarie City. Advanced manufacturing could provide a transition industry for our changing manufacturing sector much like how boat building is providing a transition industry for some of Australia's automotive industries.

Dantia, in partnership with Slingshot and Ampcontrol, is utilising the manufacturing capability of the second largest manufacturing hub outside of western Sydney to provide specialist services for high value advanced technology assets. The Dashworks – Makespace provides funding and consultancy services to accelerate prototype development and the commercialisation of product ideas of both corporates and start-ups alike.

Australian Government investment in innovation, research and development, and skills training would have a significant impact on the City's ability to mitigate the impacts of a declining manufacturing sector.

High-production agribusiness

In its 2017 *Food and Agribusiness Roadmap*, CSIRO identified the rapidly evolving nature of the food and agribusiness market. These changes were associated with increases in global demand, less predictable farming conditions, as well as the changing demands of consumers.

The CSIRO's vision for the next 20 years was for Australia's food and agribusiness sector to strengthen its position as a small but significant exporter of sustainable, authentic, healthy, high quality and consistent products.

We support the CSIRO's vision and believe Lake Macquarie City has an important part to play in the Australian Government achieving this vision. The City has access to national and international freight networks, has a temperate climate suited to high-production agribusinesses, and has vast amounts of fertile land available.

Australian Government investment or new incentives for agribusiness could boost the viability of this industry coming to the City, in turn contributing to national and international food supply, supporting the diversification of our regional economy and delivering new jobs.

Health care

The availability of high-quality health care services influences an individual's decision to relocate from a capital city to a regional city. Greater Newcastle (Newcastle, Lake Macquarie City, Cessnock, Port Stephens and Maitland) provides a variety of public and private health care services. However, there are some concerns within the existing community that the health care sector in Greater Newcastle is not meeting the growing demands of an ageing population as well as an increase in population.

Lake Macquarie City Council and Dantia staff submission to Inquiry into Jobs for the Future in Regional Areas

Attachment A

We recognise that the NSW State Government is investing significant amounts into public health care across the Greater Newcastle area. The expansion of the John Hunter Hospital is a top priority for the region and we support its expedient delivery.

The Australian Government could review its health care investment strategy for regional Australia, giving particular focus to attracting both medical professionals and medical organisations to relocate to regional communities such as Lake Macquarie City.

Education

The availability of high quality education, in particular tertiary education, also influences an individual's decision to move to a regional city.

In its response to recommendation 11 of the *Independent Review into Regional, Rural and Remote Education* prepared by Emeritus Professor John Halsey (Flinders University), the Australian Government acknowledged that a one-size-fits-all approach to regional education policy does not work, suggesting instead that regional education policy needs to be informed by local people living in individual regions.

In responding to Professor Halsey's report, the Australian Government committed to exploring options to expand regional program funding eligibility to incorporate funding to vocational education providers and to ensure they remain eligible to access a range of regional programs. Council staff and Dantia support this commitment and are open to any increase in Australian Government investment in vocational education and training within Lake Macquarie City.

The Australian Government provides a range of support/options to regional students making the transition into tertiary education. These allowances and assistance schemes for students pay for services when a student physically attends a university, this may have the unintended consequence of encouraging young people to leave the regions. It also reduces the incentive for universities to establish campuses across regional Australia.

We believe the Australian Government, in collaboration with state and local governments, could explore opportunities to establish new universities (or campuses) in regional cities. For example, the Hunter region has only one university (the University of Newcastle spread over two campuses in the City of Newcastle) for its 740,700 residents.

Through the collaboration of government and the private sector, Lake Macquarie City could support the establishment of a university campus (or several smaller campuses) to both keep and attract new people to the region. Lake Macquarie City is an ideal location for a university campus as it could service both the Hunter and Central Coast regions due to road and rail accessibility.

Digital economy

We are actively pursuing a shift towards a digital economy. Some examples of our work in this space include:

- a partnership with the University of Technology, Sydney to pilot the Technology for Urban Liveability Project as part of our Charlestown Innovation Precinct (co-funded by the Federal Government's Smart Cities and Smart Suburbs program – round one)
- a partnership with the University of Newcastle as part of its Integrated Innovation Network – a program heavily subsidising 25 desks for early stage start-ups at the Dantia Smart Hub (Dashworks)
- facilitating, through our Business Growth Centre, digital boot camps for small businesses
- a partnership with the Northern Beaches Council (NSW) and University of Technology, Sydney to create smart platforms to make our beaches safer and more inviting, and to make our lifeguard services more efficient and effective (co-funded by the Federal Government's Smart Cities and Smart Suburbs program – round two)
- the delivery of both a public and commercial grade long-range power wide area network (LoRaWAN) which allows smart devices to communicate over large distances with minimal battery usage, reducing reliance on broadband connectivity and the costs associated with it.

Council and Dantia are capable partners in the digital economy space. We would welcome the opportunity to collaborate with the Australian Government on future projects, in particular those projects targeting regional connectivity.

Lake Macquarie City Council and Dantia staff submission to Inquiry into Jobs for the Future in Regional Areas

Attachment A

What we need from Government

Jobs for the future in Lake Macquarie City could vastly improve through better connectivity to Sydney (digital, road and rail). The delivery of the following major infrastructure projects will also unlock the City's potential.

High Speed Rail

We acknowledge that High Speed Rail can be a contentious issue, particularly given the costs associated with the delivery of what could be one of the most transformational projects Australia could deliver since the Snowy Hydro. High Speed Rail would truly open Lake Macquarie City (and the wider Hunter and Central Coast regions) to the rest of Australia.

The Australian Government's High Speed Rail Study Phase 2 report noted that the preferred site for a High Speed Rail station servicing the Lower Hunter would be in Cameron Park, Lake Macquarie. The site is ideal for a High Speed Rail station given its proximity to major transport routes (Pacific Motorway M1, Newcastle Link Road, and the Hunter Expressway).

In addition to having one of the largest forecast regional populations along the preferred alignment, Lake Macquarie City has an existing rail industry housing one of NSW's main locomotive workshops outside of Sydney. The Cardiff Locomotive Workshops (known as the Cardiff Maintenance Centre by the sites occupier Downer Rail) supports the assembly of suburban train carriages for Sydney Trains as well as diesel locomotives for use in heavy industry. The Australian Government could capitalise on this existing regional skill set and, if it proceeds with High Speed Rail, consider housing depot facilities within Lake Macquarie City to support jobs in maintenance, assembly and manufacturing services, and network operation.

We call on the Australian Government to make a definitive decision to progress the delivery of High Speed Rail, including taking immediate action to preserve a High Speed Rail corridor. Council and Dantia staff are available to meet with relevant stakeholders to discuss how Lake Macquarie City could contribute to the success of High Speed Rail in Australia.

Lower Hunter Freight Bypass

The bypass is a planned rail bypass between Fassifern in Lake Macquarie City, and Hexham in City of Newcastle. Dedicated to freight-only, the bypass would enable the existing rail line to provide a more frequent suburban passenger rail service for Greater Newcastle.

Congestion on the existing rail line greatly reduces the efficiency and cost effectiveness of freight movement in the Hunter region. This affects bulk freight destined for the Port of Newcastle as well as containerised and general freight transport on the east coast rail network linking Brisbane, Sydney and Melbourne.

Rail freight inefficiency increases costs, and makes rail less competitive than road. This in turn creates an incentive for more trucks to be on the road, which increases congestion, vehicle emissions and noise, and affects local amenity.

Pennant Street Bridge

The bridge is the missing link for North West Lake Macquarie City. The delivery of this bridge will complete the missing link between two major transport routes and one of Lake Macquarie City's most vital industrial precincts – the Cardiff Industrial Estate, which is one of the largest employment precincts in the Hunter. The delivery of this project will also help realise the Lake Macquarie North West Catalyst Area, identified by the NSW Government in its Greater Newcastle Metropolitan Plan.

Other policy levers

In addition to the delivery of vital infrastructure, several policy levers could be considered, such as:

- changes to migration policy – encouraging domestic and international migrants to move to regional Australia for work and education
- increasing the accessibility (physical and digital) of tertiary and vocational education in regional Australia – removing the need for young people to leave their regional communities
- incentives for the decentralisation of the public and private sector – supporting the diversification of regional economies

Lake Macquarie City Council and Dantia staff submission to Inquiry into Jobs for the Future in Regional Areas

Attachment A

- improvements, including standardisation, of the benefit cost analysis formula used by governments to support the funding of regional projects, for example:
 - an increased weighting for regional projects, and/or
 - consideration of wider economic benefits (e.g. agglomeration effects)
- mechanisms to support tourism and the night time economy in regional cities – taking a holistic approach to lifestyle by ensuring residents have options for after-dark activities in regional communities
- mechanisms to encourage the private sector to invest into research and development – such as shifting funding for university-led research and development projects towards incentivising companies at scale to engage new technology approaches
- incentives for development of residential land with higher yields and rewards for earlier deliver – therefore lowering the housing costs and increasing disposable incomes, and
- investigating mechanisms to hold state and local governments to account on the efficacy of planning systems.

Lake Macquarie City Council and Dantia staff submission to Inquiry into Jobs for the Future in Regional Areas – Response to key issues raised by the Committee's Terms of Reference

Attachment B

New industries and employment opportunities that can be created in the regions

Refer to Attachment A.

The number of existing jobs in regional areas in clean energy technology and ecological services and their future significance

Neither datasets are reported locally for Lake Macquarie City.

Lake Macquarie City has an existing clean energy sector workforce (approximately 4,700 jobs) and knowledge base within the manufacturing and energy sectors that could be capitalised upon.

The transition of traditional sectors towards renewables would have a significant and positive impact on jobs within Lake Macquarie City and the surrounding region by capitalising on the existing energy infrastructure (power stations and transmission network).

The importance of long-term planning to support the diversification of supply chain industries and local economies

Staff agree that long-term planning, as well as planning controls, play an important role in diversifying supply chain industries and local economies. It is important that long-term plans support flexibility and agility in both the public and private sector, and enable a rapid response to changing market demands.

Measures to guide the transition into new industries and employment, including:

- *community infrastructure to attract investment and job creation;*

Refer to Attachment A.

- *the need for a public authority to manage the transition;*

Staff would support a single public authority managing transitions, if the new authority has capacity to influence the decisions of all levels of government.

- *meaningful community consultation to guide the transition; and*

All New South Wales councils, through the NSW Government's Integrated Reporting and Planning Framework, already carry out extensive community consultation with their respective communities on the long-term vision, direction and planning for their City.

As a result, Council staff would welcome the Australian Government having a role in the education of the public and private sectors about the opportunities that are available in the regions.

- *the role of vocational education providers, including TAFE, in enabling reskilling and retraining.*

Staff strongly believe in the need for tertiary and vocational education providers in regional communities.

Staff refer the Committee to the recent Independent Review into Regional, Rural and Remote Education prepared by Dr John Halsey, an Emeritus Professor from Flinders University, in 2018. The Government's response to Dr Halsey's reports accepted all 11 recommendations and noted the additional 53 actions suggested by Dr Halsey.