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The Honourable Courtney Houssos, MLC
Minister for Finance, Minister for Domestic Manufacturing and Government Procurement
and Minister for Natural Resources

fjia@regional.nsw.gov.au

12 July 2024

Dear Minister Houssos

Re: Recommendations to inform the 'Issues Paper into the Future Jobs and Investment Authority'.

The ten Member Councils of the Hunter Joint Organisation (JO) welcome the opportunity provided by the NSW Government to provide feedback on the Future Jobs and Investment Authorities Issues Paper outlining options to support coal-reliant communities and how the Royalties for Rejuvenation Fund will be impacted.

The Hunter Joint Organisation is the statutory local government entity established by the NSW Government, through the *NSW Local Government Act 1993*, to support the ten member Councils of the Hunter Region to 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.

Member Councils of the Hunter JO include:

- 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

The core statutory functions established by the NSW Government for the Hunter JO include:

1. Strategic planning and priority setting
2. Intergovernmental collaboration
3. Shared leadership and advocacy

The Hunter Region is the largest regional economy in Australia, driving around 28% of regional NSW's total economic output, of which coal exports contribute around a third (\$24 billion) and approaching a population of one million people by 2040.

The ten Mayors of the Region, through the Hunter Joint Organisation, are strongly aligned in recognising the economic challenges facing the region, and on the priorities and actions needed to evolve the Hunter's economy moving forward. Through the [Hunter JO Strategic Plan 2032](#) the Mayors have identified "*an economy that continues to grow and evolve as a powerhouse of the state and national economies, providing high quality jobs*" as a core shared priority. More specifically, in regard to the Future Jobs and Investment Authority, the plan identifies the following strategic directions:



- 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.*
- 3.1.5 Support government policy and planning that prioritise the investment into key regional catalyst areas.*
- 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.*

It has long been an advocacy priority of the Hunter JO that an appropriate entity be established to lead the delivery of place-based, whole-of-government policy and planning to drive the evolution of mining-affected regions toward net zero economies, and that this should include:

1. A clear vision and plan for each region's economic evolution
2. A coordinating entity with the necessary authority to influence the focus and coordination of cross government and agency delivery efforts.
3. Sufficient resources to deliver on the objectives established, including:
 - (i) Supporting communities adversely impacted by the move to a net zero economy.
 - (ii) Exploring city / regional deals as a mechanism for delivery.
4. Clear and certain planning pathways for the adaptive reuse of mining and industrial lands to deliver new, high-value jobs
5. A commitment to local government representation in place-based decision making that affects local and regional communities.

The Hunter JO welcomes the establishment of the Future Jobs and Investment Authority, in parallel with Federal Government Net Zero Economy efforts, as a mechanism for enhancing the strategic planning and implementation of actions required to plan, resource and drive the significant economic evolution that is required in the Hunter Region.

Our submission identifies the priorities and opportunities through which to activate the strategic planning and implementation of actions needed to drive the broad scale evolution and diversification of the Hunter's economy. It should be noted that the size, scale and complexity of the Hunter's economy relative to other regions, will require an approach to economic development and evolution that goes beyond just the direct replacement of jobs in existing coal and energy sectors. Creating the future jobs in the Hunter region will require a fundamental shift in the focus and diversity of the Hunter's economy. At their core, our recommendations also seek urgency in the delivery of programs and investment, to be supported by a more commensurate return of the royalties generated by coal exports from the Hunter region.

Our recommendations focus on:

1. The engagement of regional communities to develop a clear whole-of-government plan with localised visions, directions, actions, timelines, accountability and governance.
2. The alignment, coordination, efficiency and accountability mechanisms surrounding State and Federal government investment in the region's economic evolution.



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3. The significant role that the adaptation and re-use of mining and mining related lands can contribute to the Hunter Region's economic evolution.
4. Further research and data collection to provide the clarity on the strategic outcomes being sought, and consequently the opportunities, pathways and actions for driving economic change.
5. The \$25M per annum currently allocated across NSW coal mining regions is insufficient to support the investment and resources needed to proactively catalyse the region's economic evolution.
6. Reviewing grant delivery mechanisms to improve the efficiency and strategic planning for economic development.
7. The urgency for action.

I encourage you to consider our recommendations to inform the focus and scope of the Future Jobs and Investment Authority programs and would welcome the opportunity to further discuss our ideas with NSW Government, given the enormous opportunities and impacts facing the Hunter region and NSW economies more broadly.

Should you have any further queries please don't hesitate to contact Kim Carland, Advocacy Lead, Hunter JO at kimc@hunterjo.com.au or on 0460 034 614.

Yours Sincerely

A handwritten signature in black ink, appearing to read "SR Moore".

Cr Sue Moore
Chair Hunter Joint Organisation



Submission: Recommendations to inform the 'Issues Paper into the Future Jobs and Investment Authority'

The following information and recommendations are provided in relation to the Issues Paper guiding questions:

- 1. What other impacts should the NSW Government consider in preparing for a decline in coal demand?**
- 2. What are the most important things the NSW Government should be doing now to help your specific region?**
- 3. What should be the key priorities for the NSW Government and the Future Jobs and Investment Authorities in supporting coal-reliant regions?**
- 4. Are there other key outcomes or success measures that should be the focus for the Future Jobs and Investment Authorities?**

We congratulate the NSW Government on starting to pull together some of the data in the Issues Paper that will help in developing a clear plan that will identify the impacts to help target regions evolve their economies.

Whole of government Economic Evolution Plan (Federal, State and Local Government)

The most important action for the NSW Government to undertake is the extensive stakeholder engagement, research and data collection that will inform a localised, evidence-based whole of government Economic Evolution Plan with regional visions, directions, actions, timelines, accountability and clear governance and investment frameworks for implementation.

Whole of government, place-based planning, coordination and investment to drive the economic evolution of regions will be critical to achieving ambitious 2050 net zero targets that have been established by the federal government, and by state and local government jurisdictions across Australia.

While substantial efforts and activity to drive the transition to net zero are underway across government, industry, research and investment organisations, there is an overall lack of strategic planning and coordination within and across governments toward how regions will lead this economic transformation.

This is leading to sub optimal outcomes around:

- Clarity on the strategic outcomes being sought, and consequently the opportunities, pathways and actions for driving economic change.
- The alignment, coordination and efficiency of State and Federal government investment, and how they are working together.
- The engagement of regional communities needed to unlock the human and social capital that will underpin economic transformation in these areas.

We recognise and recommend that:

- Entities established for coordinating efforts across levels and agencies of government need a level of authority and appropriate governance frameworks to influence or hold different agencies to account.



- To support regional evolution at the speed needed to deliver national targets, sufficient resources need to be allocated by government to deliver established place-based plans and priorities.
- City / region deals provide an existing governance framework and mechanism through which collaboration, investment and accountability across all levels of governments could be aligned and delivered to achieve shared goals.
- Significant land and infrastructure assets exist on former and current mining and industrial lands with the potential to be readapted to support the generation of new industries and jobs in regional Australia. However, there is a need for urgent change to legislation and policy currently inhibiting the adaptation and reuse of these lands. Such change needs to provide clear and certain planning pathways for existing owners and incoming investors to reuse and adapt these lands.
- Advancing delivery of the circular economy within and across regional Australia will be a significant contributor to achieving the nations net zero goals, and in creating new and high value industries and jobs to maintain the economic productivity and liveability of regions.
- Genuine local involvement in planning and decision-making is critical to driving the economic evolution of regional Australia to achieve national net zero goals.

Hunter Region Economic Evolution Research and Data

To effectively develop a plan to evolve the Hunters economy, we need to understand:

- Types of jobs that are being lost and the transferability of these skills to other industries.
- Alternative industries that suit these transferable skills.
- Alternative industries that suit the competitive advantages of the Hunter region (ie land, labour and capital).
- Availability of the assets and resources to activate the alternative industries, including the re-use of mining lands.
- Barriers to activating a range of alternative industries and actions in how to address these barriers.
- Economic value of the alternative industries and how they will replace the current Gross Regional Product (GRP).
- Clear actions with accompanying timelines, resourcing and implementation responsibilities, supported by an overall cross agency governance framework to ensure accountability in delivery, focusing on key areas including establishing alternative industries, skills transition training, investment in business growth, planning and legislative change.

Future industries of the Hunter

The Hunter JO have undertaken preliminary evidence-based research and consultation to identify some of the likely industries of the future and their estimated contribution to the economy of the Hunter based on public information available from a variety of sources.

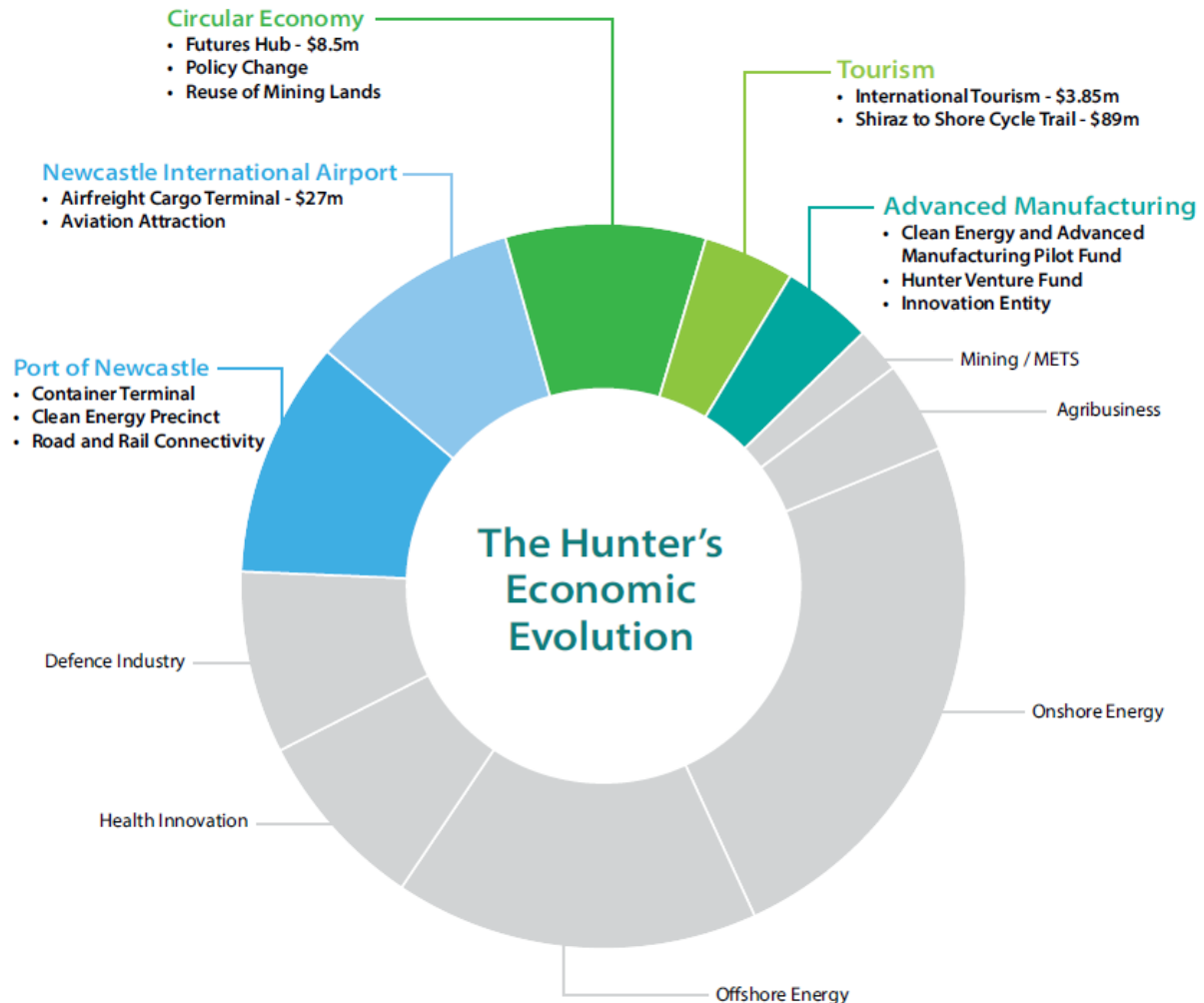
Local Authorities could use this as a framework to expand on the economic composition of the Hunter region and anticipated changes over time to visually demonstrate how the region will evolve over time. This could involve identifying the number of jobs in each industry sector as they change over time, GRP values, opportunities for growth in each sector and how they align to the action register of the whole-of-government Hunter Economic Evolution Plan.



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Sources: *The Hunter Advantage* by HCCDC & DRNSW, *Hunter Renewable Energy Industrial Precinct* by Beyond Zero Emissions, *Clean Energy Precincts* by CEDA, *Economic Briefing* KPMG for City of Newcastle, *Port of Newcastle MasterPlan*, *Newcastle Airport MasterPlan* and various other information sourced online from HMRI, John Hunter Health and Innovation Precinct, DPI DCCEEW, AGL.

5. What else could the NSW Government consider as part of the strategic work program to support the objectives of the Future Jobs and Investment Authorities?

Greater utilisation of coal royalties

With the NSW coal mining royalties recorded at \$4.8 billion in 2022–23, and the Hunter region accounted for over 57% of the royalty paid, our communities are being heavily impacted by the impacts of coal mining yet not receiving a commensurate return from coal royalties to ameliorate these impacts or to support the significant and strategic investment that will be necessary to evolve the region's economy toward net zero.



The \$25M per annum currently allocated across NSW coal mining regions accounts for less than 0.5% of the royalties. This is insufficient to support the investment needed to proactively catalyse the region's economic evolution.

Mining affected communities including existing and previously mined areas in which a wide range of impacts have been experienced should be allocated a commensurate contribution of coal mining royalties. We should not have a scenario where coal royalties are received by the state but current and previous mining communities receive minimal funding – particularly given the significant economic challenges they now face in evolving to the net zero economy.

Current mining communities are impacted daily by many elements that require investment (e.g. roads and traffic impacts, health, services). Ex-mining communities need to deal with land rehabilitation, land use changes and old underground mines. For example, the recent removal of the grouting fund in Newcastle is currently blocking the investment in and development of 2000 apartments, while mining and mining related lands across the region have a very constrained approvals pathway for re-use. If unlocked, the adaptation and reuse of these lands has the potential to contribute significantly to the new high value jobs that the region will need to evolve away from coal.

We recommend for the NSW Government consider increasing royalties to make sure mining communities are compensated fairly for the sale of the region's valuable coal resources, and that significantly more than the currently planned 0.5% of royalties is allocated to mining communities to adequately plan and deliver the changes required to evolve their economies beyond coal.

Grant Funding Reform

It is anticipated that the work of the Future Jobs and Investment Authority will be supported by the delivery of grants to local governments, either directly by the Authority or via NSW Government agencies more broadly. To improve outcomes for both the NSW Government and the communities being targeted by such investment, the following is recommended:

1. Funding for Business Case and Strategy development

Provide funding to support business case and strategy development to identify the highest priority investments required in each region. Funding of this nature provides for the extensive consultation and engagement with local stakeholders and evidence-based analysis that is critical to assessing and progressing regionally significant economic development initiatives.

2. Simplifying and streamlining grant administration processes to allow for block funding aligned to Councils strategic four-year planning cycles.

To improve consistency and efficiencies for both the funding agency and local council recipients, and to allow Councils to better plan, grant funding should be delivered in longer term block funding aligned to councils four-year Delivery Programs. Without block funding it is difficult for Councils to anticipate what funds they may receive for projects, hampering delivery if and when funding is received. This inability to plan with block funding leads to:

- skills and talent loss in regional areas (impacting knowledge continuity and sustainability of programs), with the result being that local jobs are often lost to consultants located in metropolitan areas
- boom/bust scenarios where funding is flooded into the market, and suppliers increase their prices leading to reduced efficiency and outcomes from the grant finds provided.



3. Remove requirement for co-funding where councils can't afford to contribute.

Smaller councils are often not able to co-contribute or have the resources to apply for grant funds. We recommend that the NSW Government allow Councils to apply for an exemption from this requirement where there is an inability to co-contribute to worthwhile projects and note or weight their ongoing financial commitment to maintenance and operations. There should also be consideration of options for co-contributions to delivery on funded programs. For Councils who have the capacity to invest a co-contribution in their grant applications, prior acquittal records should be considered in assessing the application.

4. Regional versus metropolitan for grant funding applicability

Regardless of the regional versus metropolitan classification of Councils across the Hunter Region, all Hunter JO Member councils need to be considered as a connected and integrated functional economic area when allocating funding. For example, the Hunter Region's regional development and economic evolution is and will be supported by critical businesses, infrastructure and services located in the Newcastle LGA – currently classified as metropolitan not regional. For example, the Newcastle Port and rail infrastructure and John Hunter Hospital Innovation Precinct are prime examples of key assets in the Newcastle LGA that will underpin current and future economic evolution of the region (and beyond).

Attracting industry investment and reducing investment risk

To assist the Hunter's economic evolution, the government can provide support through special purpose funds that attract private investment or can help underwrite external investment. For example, by providing low or no interest loans for infrastructure investments or funds for venture capital, like the proposed Hunter Clean Energy and Advanced Manufacture Commercial Pilot Fund and Hunter Venture Fund and Innovation Entity (refer Attachment 1). Another example is the previous NSW Government funded mine grouting fund in Newcastle, which provided for the underwriting of development costs in mining impacted areas. A similar fund for mine grouting is now funded by the Federal Government in the Lake Macquarie City Council Area to attract and support new investment, development and jobs.

5. Do the proposed principles to govern the Future Jobs and Investment Authorities align with your region's vision for how the Future Jobs and Investment Authorities should work?

- **Locally-led solutions: local expertise is embedded to ensure the government's approach is informed by region-specific risks and opportunities**
- **Coordinated action: government action is coordinated to reduce duplication and ensure support is directed in the right places, at the right time**
- **Accountability and transparency: there is clear accountability and reporting to provide certainty to local communities on progress against government commitments**
- **Economic outcomes: the Future Jobs and Investment Authorities are set up to deliver tangible outcomes, measured by jobs and investment.**



The Hunter JO welcomes these principles that have been established. Naturally, governance arrangements for who is accountable and measuring their success will be critical to achieving these principles.

6. How should the NSW Government ensure that relevant stakeholders, including workers, industry and local communities provide input into how the government supports the future for coal-reliant regions?

Stakeholder Engagement Plan

The development of an extensive and genuine stakeholder engagement plan, delivered by local experts, will be critical to ensure a localised plan that is co-designed with shared ownership and accountability for the actions and directions for the economic evolution of regions. The stakeholder engagement plan should include multiple engagement opportunities undertaken in a variety of forums, include ongoing public communications on the outcomes, and demonstrate the delivery of actions to build genuine trust.

In order to effectively plan and engage with local stakeholders, the following principles should be recognised:

- Increasing the authority of local-decision making is only meaningful if supported with appropriate resourcing.
- Increasing the authority of local decision-making can, and will, come with increased accountability of decision makers back to local communities.
- Having genuine local decision-making authority, encourages members of a local community to have an active voice in matters that affect their lives.

7. How can the NSW Government best use the proposed local authorities to ensure local views are represented?

Local Government representation

We welcome and support the NSW Government's vision to include Local Government as representatives in the local authorities. Local government, as the primary provider of critical infrastructure and services, underpin economic development and liveability across regional NSW.

Investing in local government and ensuring local government is adequately resourced to be represented in informing decision making by the Future Jobs and Investment Authority will be essential to ensuring the success of the programs.

We recommend that representation include both political representation from local government, along with technical staff. As democratically elected local leaders, Mayors have a strong understanding of community priorities and needs, and the drivers for local areas. Council professional staff who work within the Local Government landscape have a strong understanding of the planning and economic growth requirements of their local areas.



Joint Organisations

Joint Organisations are statutory organisations responsible for regional planning, advocacy and intergovernmental collaboration. If resourced, Joint Organisations can play a key role in facilitating local government and community representation in regions such as the Hunter. For instance, in the Hunter Region, we have a strong understanding of the shared priorities and individual needs of the 10 local governments in the Hunter region.

Through the Hunter JO, Hunter councils are already collaborating to shape where investment is needed to support regional growth, through the [Hunter JO Strategic Plan 2032](#) and [Hunter JO Advocacy Priorities](#).

Where investment is being planned on a regional scale, Joint Organisations can play an important role in bringing local, state and federal governments together to shape investment decisions.

An example of the Hunter JO's regional coordination includes *Hunter Global: Our international future*. This is a region-wide initiative led by local government through the Hunter Joint Organisation, seeks to boost collaboration, planning and advocacy to capitalise on the Newcastle Airport runway and terminal upgrade. To date, the actions we've undertaken include:

- Hosted an online roundtable with representatives from the region's key industry, government and community sectors in November 2021.
- Hosted a whole-of-region two-day summit with partners to activate the entire region around the opportunities the runway upgrade offers.
- [Hunter Global: The Flightpath to our Future](#) report that sets out the vision and actions for the region to take advantage of these international opportunities.
- Undertook engagement and developed a [Business Case for the freight](#) opportunities with funding from NSW Government.
- Undertook engagement and developed a [Business Case for the tourism](#) opportunities with funding from NSW Government, which included the development of a region wide accepted tourism identity.

Like the Hunter Global example, with support from NSW Government, the Hunter JO could undertake the regional stakeholder engagement required to develop a plan that is truly independent and reflective of the needs of the region's stakeholders. We have experience in coordinating the delivery of regional engagement opportunities with a wide range of stakeholders with potentially diverse interests and viewpoints, in order to collaboratively identify opportunities and shared priorities behind which the region can unite.

8. How should the timeline of planned mine consent expiry and indicated power station closure dates across each region inform the allocation of the Government's resources to support the Authorities?

The Hunter region has 22 mines and nearly 15,000 workers, which is more than four times any other region, so there is an expectation for resources to be distributed fairly based on this level of relative impact. However, to provide effective feedback, we need further research and data than what has been made available in the Issues Paper to quantify the impacts on our communities, and a qualified analysis to recommend the timing for the allocation of resources.

In addition to the number and date of jobs being lost, we need to understand:

- Types of jobs that are being lost and their transferable skills.
- Alternative industries that suit these transferable skills.



- Alternative industries identified that suit the competitive advantages of the Hunter region.
- Availability of the assets and resources to activate the alternative industries.
- Barriers to activate the alternative industries and how to address these.
- Economic value of the alternative industries and how they will replace the current GRP.
- Timeline with actions to address the barriers for each industry, including skills transition training, investment in business growth, planning legislation changes etc.

9. What skills or expertise should members of each Local Authority have to effectively inform decisions on priorities for each region?

Technical capacity and capability

In addition to the proposed committee of stakeholders, the Local Authorities need to have the capacity and capability to access and resource technical specialists (ideally with local knowledge and expertise) to gather and procure local data, information and evidence to inform decision making by the Local Authority and Board.

Investment attraction

Expertise and experience to support the commercialisation of research and other innovation generally in the Hunter region, and to support ventures leverage opportunities in energy transition or diversify Hunter economic activity away from traditional energy industries (refer Attachment 1 - Proposed Hunter Clean Energy and Advanced Manufacture Commercial Pilot Fund and Hunter Venture Fund and Innovation Entity)

Stakeholder Engagement

Local Authorities should have expertise in effective stakeholder engagement and ongoing communications to ensure stakeholders feel empowered and build trust in NSW Government.

Economic Development

Local Authorities should have a strong understanding in economic development planning and delivery to manage the structural evolution of the Hunter's economy.

Strategic Land Use / Urban planning / Place based planning

The Local Authorities should have access to expertise in land and urban planning including techniques such as: predicting population growth, zoning, geographic mapping and analysis, analysing open space, surveying the supply of essential services such as water and power, identifying transportation patterns, and analysing the impact of land use.

10. Is there anything else that should be included in the proposed operating model for the Future Jobs and Investment Authorities?

Dedicated focus on re-use mining lands

We welcome the current NSW Parliamentary Inquiry into the re-use of mining lands, and recommend that the Future Jobs and Investment Authority play a key role in leading and coordinating collaboration across relevant agencies including the NSW Department of Planning, Housing and Infrastructure, NSW Department of Climate Change, Energy, the Environment and Water, and Department of NSW Resources to identify, plan for, and enable the productive adaptation and re-use of mining and mining related lands to drive new investment and jobs.



When considering the potential future use of mining land across the Hunter Region, it is paramount to recognise that the remediation and rehabilitation requirements established for mining lands in the Hunter Region, often decades ago, are no longer consistent with the economic challenges facing, or potential economic opportunities that now exist for the region.

The next “best use” for these mining lands to provide beneficial and productive outcomes is not now to simply try and restore them to their original ecological condition or land use, but to retain, utilise and adapt their existing assets and attributes as the new drivers of economic activity and job creation for the region. These attributes and assets include:

- Close proximity to a large and growing population of skilled workers
- Already established site infrastructure including roads and railways of high-grade construction, that are directly connected to regional transport routes and export infrastructure including the Port of Newcastle and Newcastle Airport.
- Existing access to key utilities and services (e.g. energy and water) required for manufacturing, high value agricultural production and the generation of renewable energy and its export to the grid.
- Large areas of already disturbed landscapes, the productive reuse of which can minimise the need to disturb remaining natural ecosystems and environments to support new activities and industries to support the region’s economic evolution. Such an approach may even have the potential to generate a net gain in environmental outcomes.

The Hunter Economic Evolution Plan should identify all mining sites to be closed, itemising their assets and identify business adaptation opportunities, along with how the NSW Government aims to attract alternative land use for the mining sites.

11. What types of investments should the NSW Government prioritise for funding?

It’s important to invest in evidence-based planning to determine the priorities for funding. The Hunter JO, with support from the previous NSW Government Business Case and Strategy Development Fund have undertaken evidence-based research and consultation to identify priority investments needing government support to diversify our economy.

Below are links to the Business Case or evidence-based projects requiring government investment that will help diversify our economy and are supported by the 10 Councils:

- Leveraging the Newcastle Airport upgrade:
 - [International tourism](#)
 - [Air-freight opportunities](#)
- [Pilot, venture and innovation funds](#)
- [Circular Economy](#)
- [Shiraz to Shore](#)

We welcome the opportunity to brief you on these initiatives and how they can directly contribute to the economic evolution of the Hunter Region.



12. Are there other tangible outcomes that the Future Jobs and Investment Board should focus on to help deliver and measure benefits over time?

Measures:

- **job creation, particularly creation of similar or higher value jobs that provide continued direct and indirect economic benefits**
- **productive investment in each region through the growth of engine industries and activation of new industries**
- **coordination across all levels of government and with local communities, to maximise opportunities and deliver effective outcomes.**

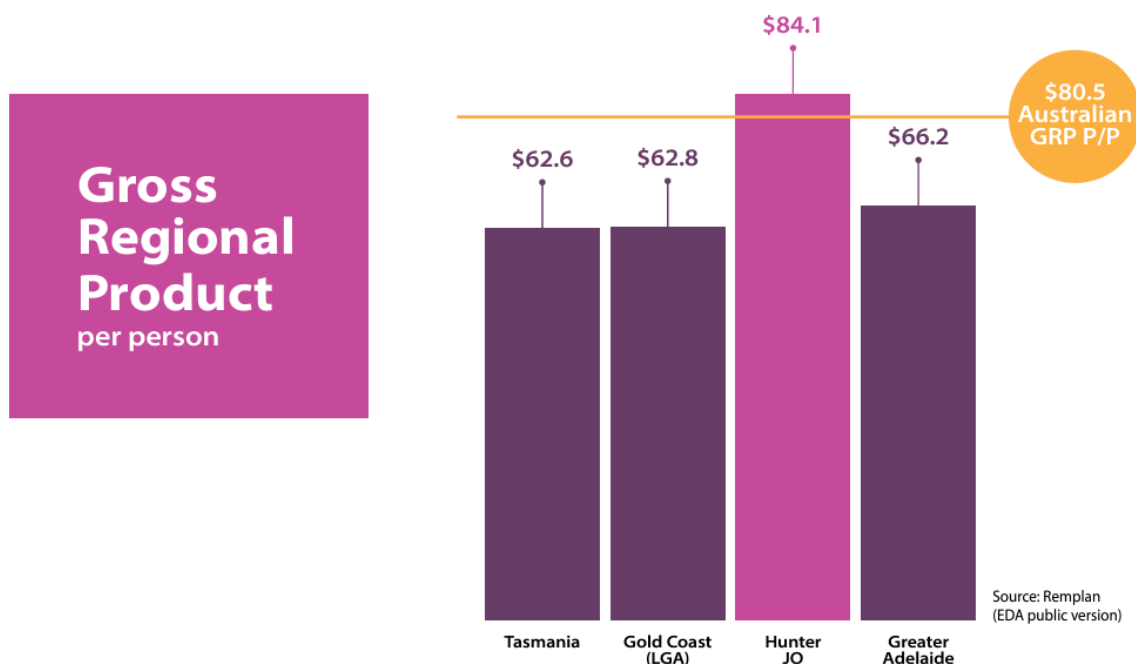
We welcome the NSW Government's commitment identified in the Issues Paper to measuring effectiveness in outcomes and benefits over time.

Key Performance Indicators

We recommend that specific performance indicators be identified and established once the Economic Evolution Plan is developed. This will ensure that KPI's are aligned directly to the objectives, actions and measures ultimately included in the plan.

Maintaining the Gross Regional Product and liveability outcomes

The success measures should not just be about replacing the jobs from power stations and coal mines, we need to be diversifying our economy overall to generate business growth to remain as Australia's largest regional economy and GRP output. To that end, the success measures should also include maintaining the GRP per person to preserve the lifestyle and opportunities available for our local communities.





13. Are there any other key elements that should be included in the Future Jobs and Investment Board's annual reporting?

Annual reporting should include, but not be limited to:

- Annual operations, corporate structure and performance including results on:
 - Status update on KPIs and actions within the localised Economic Evolution Plan (once developed)
 - Number of stakeholders consulted and summary of community sentiment
 - Re-use mining lands planning and/or legislation changes
 - External investment attracted or government investment delivered
 - Identification of new jobs
 - Number of people trained
 - Research and development outcomes
 - Policy and legislation changes
 - GRP per person for the Hunter region
- Financial breakdown of budget allocation by FJIA

14. Are there other accountability or transparency measures the NSW Government should adopt to ensure the Future Jobs and Investment Authorities deliver on the objectives?

Authority to influence cross agency alignment of effort and accountability in delivery

To be effective, either the FJIA or another lead agency needs to have the authority to influence the focus and alignment of cross agency investment and effort toward delivery of the region's plan for economic evolution, including monitoring, reporting and holding other agencies to account for their delivery obligations. This reflects that an effective and coordinated approach across multiple agencies and different levels of government (eg NZEA, Premiers, Transport, Energy Co, Planning, Training / Education etc) will be necessary to effectively evolve the region's economy in the timeframes that are necessary.

Statutory frameworks

We recommend for the NSW Government to implement statutory frameworks and mechanisms to enshrine the directions of the Economic Evolution Plans and associated actions across successive changes in governments.

15. Do you have any further suggestions for how the NSW Government can support coal-reliant communities?

Urgency

We respectfully urge the NSW Government to accelerate the development of the plan and delivery of actions to drive and direct the Hunter Region's economic evolution. As identified within the Issues Paper, with four coal mines expected to close in the Hunter by 2030, and the time frame for closure of a further 18 mines uncertain, the need for this action is urgent.



ATTACHMENT 1

Proposed Hunter Clean Energy and Advanced Manufacture Commercial Pilot Fund and Hunter Venture Fund and Innovation Entity

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 proposal for a Hunter Venture Fund directly relates to the fourth pillar

The Hunter Venture Fund project

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:



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- 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

A copy of the full report prepared by Circ-Partners is available on request.