



28 January 2021

## **2022-23 FEDERAL PRE-BUDGET SUBMISSION**

Submission by Lake Macquarie City Council

### **Introduction**

Lake Macquarie City Council (Council) appreciates the opportunity to provide input into consideration of funding allocations for the 2022-2023 Federal Budget. This staff-prepared submission outlines projects and programs that Council has identified as priorities within our Local Government Area that will improve economic, social, environmental and cultural outcomes for our community.

The list reflects changing demographic trends in our city, including increased migration from capital cities and a diversifying economy that is shifting from a traditional reliance on mining, power generation and traditional manufacturing to a broader economic mix. Council is proactively pursuing opportunities to grow future-focused industries that will provide our community with lifelong, quality job opportunities and make our economy more resilient. This includes investing directly in renewable energy and encouraging adaptive reuse of former mining and industrial sites.

Lake Macquarie, like every other city across the country, has been significantly affected by the COVID-19 pandemic and Council has put forward projects that will assist in the economic recovery of our hardest hit industries, including tourism, hospitality, entertainment and the arts. The pandemic has also highlighted economic opportunity, with Lake Macquarie becoming one of the top five destinations of choice across Australia for city dwellers moving to regional areas (Regional Australia Institute *Regional Movers Index*, September 2021). Lake Macquarie is well-situated to relieve the housing and congestion pressures of Sydney by providing affordable housing within commuting distance and commercial and industrial land on major freight and transport routes. This submission includes projects that will deliver the required enabling infrastructure and improvements in digital service delivery to facilitate economic and population growth.

### **City profile**

Lake Macquarie is the largest Local Government Area in the Hunter region and one of the largest regional councils in NSW, with more than 207,000 residents. The city is located on

the east coast of NSW just 60 minutes by road or rail from Greater Sydney. The city has nine economic centres and 95 suburbs and towns encircling Australia's largest saltwater lake. It enjoys significant lifestyle assets, with proximity to beaches, bushland and expansive open space.

Lake Macquarie generates annual economic output of more than \$21 billion and gross regional product of more than \$11 billion. It is a major economic driver of the Hunter region economy, accounting for just under 20 per cent of regional output. The city has more than 13,000 businesses and its key industries include construction, manufacturing, mining and power generation, health care and social assistance, education and training, and retail.

## PRIORITY PROJECTS

### 1. Mandalong Road upgrade, Morisset

**Project description:** Construction of new roundabouts at the Gateway Boulevard and Wyee Road intersections, with a dual carriageway link in between.

**Background:** Morisset is fast emerging as a key Hunter regional hub for jobs, industry attraction and affordable, diverse housing development, as highlighted in the Draft Hunter Regional Plan 2041. More than \$1.2 billion worth of private investment projects of regional and state significance are proposed for the Morisset area including the following:

- Cedar Mill – 30,000-capacity outdoor concert venue for headline international acts with restaurants, cafes, accommodation and family recreation centre
- Trinity Point – \$720 million five-star luxury hotel and apartments
- Life and Home – 26,000 sqm retail park
- Ingenia's largest over 55s lifestyle living development in Australia
- Housing developments that will yield more than 4500 homes

Transport infrastructure is the biggest single inhibitor to development of Morisset. An upgrade to Mandalong Road – the link road to Morisset from the M1 – is needed to unlock these investments. Mandalong Road is part of State Road B53. Given the significance of the projects that the upgrade will facilitate, Council is proposing a shared funding model between government and industry. Economic modelling indicates the upgrade will potentially deliver the following economic benefits.

- \$1.2 billion in private investment
- 6500 jobs
- 4500 new dwellings
- 102ha industrial employment land
- 72ha commercial employment land

**Funding required:** \$40 million

## 2. Demonstration project: Hydrogen-powered waste trucks

**Project description:** Funding to support the purchase of hydrogen-fuelled waste trucks

**Background:** Council is proposing a demonstration project involving the integration of hydrogen-powered trucks into its waste fleet. The project presents a great opportunity to demonstrate 'real world' application of hydrogen technology in an everyday context and aligns with government strategies and aspirations for hydrogen industry development, particularly in the Hunter region.

This waste truck project will highlight the potential for mainstream hydrogen technology adoption across private sector and government organisations, progress domestic capabilities in hydrogen technology and promote competitive domestic hydrogen markets. The project will also have significant environmental benefits, with the potential to reduce Council's annual carbon dioxide emissions by more than 1 million tonnes per year if rolled out across the whole fleet.

Federal funding will provide the necessary support to take the project through the start-up phase, from which it will transition to a financially sustainable model that will reduce Council's vehicle maintenance and fuel costs while also delivering improved environmental outcomes.

**Funding required:** \$7 million

## 3. Cockle Creek West Masterplan

**Project description:** Funding to develop a masterplan for a new economic centre

**Background:** Lake Macquarie City has a rare opportunity to transform central city lands from former mining sites into a connected hub for employment, industry, housing and lifestyle.

The Cockle Creek West Precinct, within Lake Macquarie's fast-growing North West Catalyst Area, offers more than 1100 hectares of unoccupied development land at the geographic heart of the lower Hunter. Preliminary development planning by Lake Macquarie City Council suggests the precinct has the potential to support tens of thousands of new jobs over the next 25 years in advanced manufacturing, technology and other future-focused industries. The precinct is directly linked to major road and rail routes and well-situated to accommodate a future fast rail station.

**Funding required:** \$500,000

## 4. Pennant Street Bridge

**Project description:** Construction of an over-rail bridge to connect Cardiff and Glendale

**Background:** The Pennant Street Bridge is key supporting infrastructure for Lake Macquarie's North West Catalyst Area, recognised in the Greater Newcastle Metropolitan Plan as one of the Hunter region's major precincts for economic growth.

The project involves construction of a bridge over the rail line at Glendale to link the expansive Cardiff industrial and commercial employment zone with the Glendale retail, sports and commercial precinct.

An independent business case commissioned by Council estimates the following flow-on benefits:

- 4800 jobs
- 90 hectares commercial/light industrial land
- 3600 new dwellings

**Funding required:** \$40 million to complete the project. Suggested co-contribution model:

- \$20 million Federal Government
- \$20 million State Government

## 5. Trampoline Centre of Excellence

**Project description:** Construction of a national Trampoline Centre of Excellence

**Background:** The proposed Trampoline Centre of Excellence at Glendale will be a world-class and Australian-first high performance sports centre, providing a national hub for elite training and competition in this Olympic discipline as well as community fitness, sport and wellness programs. The project involves construction of a 2000sqm arena with seating for 450 people. Construction of the Trampoline Centre of Excellence is part of a broader \$40 million expansion of the Hunter Sports Centre, which is being funded by Council and through a Building Better Regions Fund grant.

The project is backed by Gymnastics Australia, the sport's governing body, and supported by a feasibility study that confirms financial sustainability and economic benefits.

- Operational surplus of more than \$300,000 pa
- 25 FTE long-term jobs
- 50,000 user visits pa
- \$2.5 million in tourism expenditure

**Funding required:** \$12.5 million

## 6. Yirritabah Cultural Centre

**Project description:** Construction of an Aboriginal cultural centre

**Background:** This project involves the construction of an Aboriginal cultural centre at Blacksmiths in Lake Macquarie. The facility will provide a much-needed keeping place for Aboriginal cultural heritage objects and be an important addition to the city's tourism assets.

The project will deliver cultural heritage, employment and economic outcomes. It will promote awareness of Aboriginal culture in the community and provide tourism infrastructure and opportunities that will benefit the local economy.

The cultural centre will protect, showcase and celebrate cultural history in a way that strengthens the local Aboriginal community and sets a path of pride into the future.

Council supports this project, which has been developed by the Bahtabah Local Aboriginal Land Council.

**Funding required:** \$4.9 million

## 7. Fibre City – High-speed internet

**Project description:** High-speed internet connection for business and residents

**Background:** Lake Macquarie City Council's Fibre City project involves the rollout of a fibre-to-the premise network connecting key residential and commercial centres in the city's north and northwest via a 30km loop.

Complementing the National Broadband Network, the Fibre City loop will provide super-fast internet services to attract strategic investment to Lake Macquarie while also improving performance for existing users and enhancing the city's reputation as a leader in digital innovation. It will improve the delivery of council services across the rollout area and provide network capable of supporting Internet of Things and Smart City services to public spaces.

Key centres to be connected include Glendale, West Wallsend, Edgeworth, Cardiff, Boolaroo, Speers Point, Warners Bay and Charlestown.

**Funding required:** Up to \$5 million (Council co-contribution available)

## 8. Swansea Channel Dredge

**Project description:** Purchase of a dredge to be based permanently in Lake Macquarie

**Background:** Council is seeking funding support for a continuous dredging program for Swansea Channel to provide long-term, cost-effective intervention against constant shoaling.

Lake Macquarie has one of the highest boating participation rates in NSW and is one of the best yachting waterways in Australia for small- to medium-sized vessels, however the lack of a consistent long-term approach to a recurrent dredging program means the channel is often choked by sand.

Continuous dredging is significantly more cost-effective than the current opportunistic dredging. A Crown Lands report – *Towards a Sustainable Framework for Navigation in Swansea Channel* – estimates the cost of not committing to continuous dredging at more than \$4 million over 10 years or \$6 million over 25 years. The report estimates significant benefits to the local economy from a permanently navigable channel, including 150 per cent growth in visitors to the lake returning more than \$4 million a year in increased revenue.

A permanent dredge, based in Lake Macquarie, and potentially shared by other waterways, could facilitate an annual dredging program run in partnership between Council and the State Government.

**Funding required:** \$10million to fund a permanent dredge

## 9. Faster Rail

**Project description:** Accelerated planning for fast /faster rail infrastructure on the Newcastle-Sydney rail corridor

**Background:** Council is seeking a financial commitment to provide the required funding to accelerate the planning and implementation of fast and/or faster rail infrastructure between Newcastle and Sydney. The Australian Government recognises the potential of faster rail services to stimulate regional growth and improve access to jobs, services and affordable housing. It established the National Faster Rail Agency in July 2019 to support future population growth by improving rail infrastructure and services between capital cities and regional centres. COVID-19 has increased the migration of people and businesses to regions, with the growth in remote working options providing more flexibility to employees and employers, and Lake Macquarie is a significant beneficiary of this trend, as a top five destination of choice for city dwellers moving to the regions.

Nearly \$80 million has been committed to progressing faster rail planning along selected strategic corridors, including \$25 million by the federal government to fund detailed planning work to identify potential priority faster rail projects along the Sydney to Newcastle corridor.

The increased population movement from capital cities to regional centres provides an opportunity for government to accelerate its faster rail rollout to enhance the integration of regional and metropolitan communities for their mutual benefit.

**Commitment required:** Funding to accelerate planning and delivery of fast and/or faster rail infrastructure on the Sydney-Newcastle rail line.

## 10. Events funding to assist COVID economic recovery

**Project description:** Events fund to stimulate COVID recovery

**Background:** The pandemic has disproportionately affected the tourism, hospitality, arts and entertainment industries due to their inability to operate, effectively or in many cases at all, during the periods of lockdown and government-imposed restrictions that have prevailed since the beginning of the COVID-19 outbreak in early 2020.

Councils are uniquely placed to support these industries at the local level through a focused program of events that provided business opportunities to local artists, performers and service providers in these industries.

**Commitment required:** A dedicated funding stream to support councils to facilitate events at a local level to stimulate activity for businesses and individuals working in the tourism, hospitality, arts and entertainment industries.

## Conclusion

Thank you for the opportunity to provide this submission. Council welcomes further engagement on these projects and is happy to provide a briefings to ministers or staff.

## Contacts

### **Morven Cameron**

Chief Executive Officer

E: [ceo@lakemac.nsw.gov.au](mailto:ceo@lakemac.nsw.gov.au)

P: +61 2 4921 0145

### **Amy De Lore**

Government Relations and Policy Lead

E: [adelore@lakemac.nsw.gov.au](mailto:adelore@lakemac.nsw.gov.au)

P: 0407 085 500