

**Submission  
No 6**

## **ESTABLISHMENT OF SPECIAL ECONOMIC ZONES**

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The Chair, Mr David Elliott MP  
Committee on Economic Development  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

### **Inquiry into establishment of special economic zones**

Thank you for the invitation to make a submission to the inquiry. On behalf of the RDA Hunter Committee, I submit the following for consideration by the Legislative Assembly Committee on Economic Development.

RDA Hunter has formed the view that a special economic zone is:

- more than an industrial / high-tech park;
- capable of spanning cities and LGA boundaries; and
- an opportunity to inject new energy into the production of goods and innovations for export.

This submission is based on the

- competitive advantages of the Hunter region and
- opportunities to grow the State's economy through the establishment of a special economic zone (SEZ) in the Hunter.

#### **Hunter region – competitive advantages**

Coastal areas, with easy access to an ocean port and transport networks, have proven to be fertile grounds for successful overseas SEZ, such as those operating in China.

When looking for a location to establish a SEZ in NSW, RDA Hunter invites the Committee to consider the economic and social advantages of the lands around and between the Port of Newcastle, Tomago industrial area, Kooragang Island and Newcastle Airport at Williamstown. (See the next page for map of these areas.)

The Hunter accounts for more than 32% of NSW exports, in value terms, including coal, mining, manufacturing, and food and wine.

The region is traversed by three **major highways** (F3, Pacific & New England):

- the Pacific sees up to 3,000 freight vehicles per day or 14% of total NSW traffic;
- the F3 sees up to 7,500 freight vehicles per day or 22% of total traffic.

Key regional industries include

- coal (\$10 billion per year or nearly 90% of NSW's),
- agribusiness (\$1 billion per year or 13% of NSW's), and
- wine (\$203 million per year or 13% of NSW's).

The Hunter region offers networks of infrastructure, a favourable logistics environment, with experienced operators and management structures to support the introduction of a special economic zone.

**Map:** Port of Newcastle, Kooragang Island, Tomago (A) and Williamtown, Airport



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Key Drivers for the Hunter are:

- Existing locational and infrastructural advantages;
- Substantial energy resources in terms of coal reserves, used both locally and internationally;
- A higher proportion of skilled trade workers supported by strong job growth – job growth has outpaced population growth in recent years; and
- Proximity to Sydney and relative low cost structure may prove attractive for future faster public transport links.

The Hunter has high-quality facilities, expertise and active communities in research, education and training. The region also provides industries and their workforces access to choices for housing, health services, childcare, financial services and recreational activities.

## Opportunities to rebuild the State's economy

Establishing a SEZ in the Hunter would be a tangible step towards achieving the NSW 2021 strategy to "rebuild the economy".

A special economic zone established as part of a broader reform program in trade and investment can contribute to

- Building the Hunter's economy, which will
- Improve the performance of the State's economy; and
- Accelerate the rate of economic growth in the region.

A SEZ in the Hunter would be evidence of the State Government's commitment to "increasing the competitiveness of doing business in NSW".

This progressive development will also confirm that a supportive, enabling and forward thinking strategic policy environment exists in NSW. For instance, a specific area of policy development to explore within the SEZ environment is how to effectively structure public-private partnerships.

RDA Hunter looks forward to the Committee's suggestions, ideas and recommendations for the establishment of special economic zones, including specific considerations for:

- Institutional framework for assessing applications, governance, operation and reporting;
- Financing the establishment of SEZ;
- The types of incentives and benefits proposed for SEZ participants;
- Streamlining approval processes;
- Eligibility criteria for foreign and Australian enterprises;
- Employment and environmental regulations; and
- How return on investment will be measured, e.g.
  - Growth in per capita GDP
  - Rate of growth in industrial value-add, and
  - Amount of new grouping of industrial networks.

If you have any questions or would like further information, please call [REDACTED]

Yours sincerely



Todd Williams  
CEO, RDA Hunter