

**Submission  
No 18**

**INQUIRY INTO IMPACT OF PORT OF NEWCASTLE SALE  
ARRANGEMENTS ON PUBLIC WORKS EXPENDITURE IN  
NEW SOUTH WALES**

**Organisation:** Hunter Medical Research Institute

**Date Received:** 16 January 2019

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11 January 2019

Hon Robert Brown MLC  
Chairman  
Legislative Council Public Works Committee  
NSW Parliament House  
Macquarie Street  
Sydney NSW 2000

Dear Mr Brown

**Inquiry into the impact of Port of Newcastle sale arrangements on public works expenditure in New South Wales**

The Hunter Medical Research Institute (HMRI) supports the development of a container terminal at the Port of Newcastle as we believe it will be a major economic driver for our region and for Northern NSW.

HMRI is one of NSW's largest translational medical research institutes, aligning over 1600 scientists, clinicians and support staff from Hunter New England Health and the University of Newcastle. Collaborating globally with other leading institutes and industries helps HMRI to fast-track the development of new and better health solutions.

It is our view that productivity growth and competition in the Hunter region and across the Port of Newcastle's catchment can be significantly enhanced with new and improved infrastructure. Specifically, in relation to 1 (c) of the Terms of Reference, it is our view that a container port would reduce costs for businesses within the Port of Newcastle catchment.

Regional NSW comprises close to 40 per cent of the state's population, with the Hunter region making up approximately 9 per cent. It is expected that the population in the Hunter region alone will grow to over 1 million by the mid-2040s.<sup>1</sup>

The recently released report by economic consultancy AlphaBeta shows that a container terminal at Newcastle will create a \$6 billion uplift in economic activity.<sup>2</sup> The flow-on effects of the container terminal will help create 4,600 jobs across a diverse range of industries, including transport, manufacturing, agri-business, services, and construction.

Additionally, the port will introduce lower freight costs as Hunter and Northern NSW exporters will no longer have to wear the cost and supply chain inefficiency of Sydney congestion on both the road and rail network. Instead they will be able to take advantage of the mature Hunter rail network taking freight straight to Port of Newcastle.

<sup>1</sup> RDA, The Hunter Region <http://rdahunter.org.au/hunter-region/hunter-region>

<sup>2</sup> AlphaBeta, 'Global Gateway for NSW: the economic impact of a container terminal at the Port of Newcastle, pg 35, 2018

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The lower freight costs will stimulate additional exports and imports into the region.

At any given time, Hunter researchers are engaged in clinical trials valued at over \$100 million, testing and refining new precision pharmaceuticals and medical technologies. To facilitate this, HMRI capitalises on synergies within the region's manufacturing sector to create new investment opportunities, while harnessing the philanthropic support of surrounding industries.

HMRI's long-term vision is to establish a locally based biotech cluster for drug compounds, medical devices and healthcare delivery, demanding state-of-the-art infrastructure, expertise and ease of access to major markets.

AlphaBeta found the *'driver of export growth in the region will be increased competitiveness from lower freight costs.'*<sup>3</sup> Exporters will save \$1.3 billion in freight costs by accessing a less-congested and more efficient port closer to production and equipped with world-class stevedoring capability.

With Australia's healthcare spending increasing at a faster rate than GDP, cost savings in the development of new therapies, and the medical supply chain, are paramount to community wellbeing.

In conclusion, the Hunter Medical Research Institute appreciates the opportunity to support the development of a container terminal at Newcastle. We encourage all endeavours to minimise public works expenditure and maximise competition in our ports, reducing freight costs for regional businesses in the Hunter and Northern NSW.

If you require further information in relation to this submission, please contact Kyle Loades on

Yours sincerely,

Kyle Loades  
HMRI Chair

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<sup>3</sup> IBID, pg 35

