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Submission to the NSW Department of Planning and Environment - Draft Hunter Regional Plan

Thank you for the opportunity to comment on the Draft Hunter Regional Plan.

The Australian Industry Group (Ai Group) is a national industry association representing employers in a wide range of industries including manufacturing and ICT. In the Hunter Region we have about 180 member companies across the full spectrum of manufacturing which includes chemicals, machining, steel fabrication, Sheetmetal fabrication, electronics and electrical, and engineering, repair, technology, service and consulting companies. Employment is believed to be around 27,000 people or 9% of the workforce.

The Hunter region has a higher level of skilled workers than most other regions which is reflection of the high trade based employment in our industry. This has contributed to a very adaptable, problem solving and can-do workforce.

The Region's manufacturing industry suffers from an image problem both within and outside of the region from the steel making era of BHP and associated heavy industries. The smoke-stack pollution of 86 years up till 1999 still colours many outsiders' views of the city. Since then the heavy engineering nature of the region has in many ways been maintained in building and servicing much of the infrastructure for mining, freighting and loading coal.

However, a great many smart engineering and technical businesses were "spun-off" BHP to grow a cluster of nimble consulting and technical companies which have greater reach than just one industry eg: environmental monitoring and remediation. The need to diversify has become more intense since the almost instant cessation of new mining spend in September 2012. Some 80% of our members had a footprint in servicing the coal mining industry, some with a footprint greater than 70%.

In 2013, the Ai Group led a study tour to Mittlestand (middle size) family owned manufacturing companies to understand the reasons for their success. The major discovery was the high degree of companies, regardless of size, who invested in Research and Development and the seamless movement of researchers between industry and universities. Until the Prime Minister's Innovation Statement in 2015, there has been little incentive for this to happen. The Ai Group's Innovation Cluster has 86 members who are a mixture of innovative manufacturers, researchers and educators who have created 'the conversations'. Innovation is now accepted by a growing number of our member companies as essential to survival and growth. They are as a result becoming "knowledge companies focussed on solutions for customers."

Another feature of the local manufacturing and engineering industry has been an almost total trade within the Hunter Region itself - a reflection of the size and consistency of work coming to it in the 20 years to 2102 from mining. Ai Group, Hunternet and Austrade have been encouraging more companies to move into exporting and to become part of global supply chains. Ai Group led a trade delegation to Pittsburgh USA in 2015 to develop collaborations in manufacturing end technology as well as sister city connections. We were able to springboard off the already existing strong research connections between the University of Pittsburgh and the University of Newcastle in medical and engineering research. The University of Newcastle I believe is rated as Number 3 in Australia for engineering research and number 4 in medical research. We discovered that the innovation capacity of Pittsburgh was founded on the deep engineering skills developed over two centuries in steel making and forging which have been transferred to such unlikely fields as materials research for "printing" artificial limbs. Newcastle has similar depth in engineering skills for the same reason.

The University of Newcastle and Hunter Institute of TAFE are outstanding teaching institutions and the UoN has world class research facilities. By partnering with both of these organisations, Hunter Manufacturing is developing a new future which will eventually put it among the smartest manufacturing regions in the world networking with similar smart regions.

I believe that the manufacturing, engineering and technology industry of the Hunter has a very bright future. It is highly skilled, nimble and on the lookout for new opportunities here and abroad. It is worthy of recognition by the State of NSW for these strengths which would assist the attraction of funds for innovation and expansion.

In conclusion, this covering letter provides the backdrop for interpreting the attached table of comments pertaining to specific sections of the Draft Plan.

If you would like further information please do not hesitate to contact me on 0418 640 447 or email adrian@aigroup.asn.au

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Adrian Price', with a stylized flourish at the end.

Adrian Price
Regional Manager
Hunter, Central Coast and Northern NSW