



Newcastle's Path to Prosperity
Chamber of the House of Representatives
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Sharon Grierson MP

Ms GRIERSON (Newcastle) (10.24 pm)—At the risk of sounding like a broken record, I rise to update the House on the path to prosperity followed by my electorate of Newcastle and the lessons to be drawn from that.

The recent reinvention of Newcastle's image from industrial heartland to international tourist icon should be well known. For many years, the Steel City of Newcastle was synonymous with industry, pollution and coal. But, in recent years, this image has been turned on its head. Newcastle is now just as proudly known for its lifestyle, surf and creativity. This was most recently celebrated when Lonely Planet nominated Newcastle as one of the top nine destinations to visit in the world in 2011.

There is another, parallel, story for which all Novocastrians should feel justly proud, and that is the economic transformation of Newcastle over the last 15 years—from a heavy industrial, one-company town to a leading centre for innovation, productivity and prosperity.

This shift was recently chronicled by the Hunter Valley Research Foundation. The Foundation's Director of Research, Andrew Searles, noted that in the 1970s Newcastle's economy was dominated by large-scale manufacturing industries employing generally low-skilled workers, but the reforms of the Hawke-Keating Government in the eighties and nineties had a profound impact on the region. The most immediate impact was on jobs.

The early days of these reforms caused some pain for the region. At the height of the recession in the mid-1990s, unemployment in the region peaked at just under 17 per cent, with around 41,200 people out of work.

These were hard times indeed for Newcastle. But the Hawke-Keating agenda of investment in productivity, infrastructure and skills proved to be of long-lasting benefit to our city. Amidst the economic gloom of those times, the seeds of renewal were sown, with new investment in high-technology areas such as medicine, education and engineering. In the decade to follow, this translated into more diverse, higher skilled jobs for Newcastle workers.

According to the Foundation, in the mid-1990s the proportion of people in the region employed in the knowledge based sector was roughly equal to the number employed in the goods-producing sector. But, by the end of 2010, knowledge based employment had increased, and the number employed in that sector was around 66 per cent higher than in the goods-producing sector.

This path to prosperity, as I said, was not always smooth. As in the rest of the world, the 2008 GFC threatened to derail confidence in our economic future. With vivid memories of the entrenched unemployment of the 1990s, a return to recession would have been devastating for the working people of Newcastle. Fortunately, the decisive action of the federal Labor Government averted this threat and saved countless workers from the despair of unemployment.

As the Foundation has noted, Labor's rapidly deployed stimulus program mitigated the impact of the GFC and helped lay the groundwork for a quick recovery. Consequently, Newcastle is now blessed with envious rates of economic growth and near full employment.

To paraphrase the Foundation again, in the last decade around 88,000 new jobs were created in the Hunter region and the number of people out of work fell by 11,000. Last month, I visited the latest example of Newcastle's economic boom, the site of the new WesTrac facility in Tomago. Once complete, this facility will serve as WesTrac's New South Wales-ACT operational headquarters and will cater for approximately 400 staff and apprentices. The project is another sign of confidence in Newcastle's future. I congratulate WesTrac and its supporting consortium for their tireless work in bringing this project to fruition.

The lessons from Newcastle's experience are clear. They are the importance of Federal leadership in driving economic reform and delivering prosperity to ordinary Australians, of investing in skills and research to improve productivity and encourage innovation and of continued reform to unlock infrastructure bottlenecks and promote diversification. Fortunately, Federal Labor continues to lead the way in advancing national prosperity.

The National Ports Strategy, the National Land Freight Strategy and the aviation white paper will help to frame the infrastructure upon which Newcastle's future prosperity depends. Minister Albanese's high-speed rail feasibility study is taking us one step closer to a high-speed rail network for the east coast. The ARTC's coal chain upgrade and the \$1.5 billion invested in the Hunter Expressway will make a tangible difference to vital transport links. The NBN's system of fibre to every door will encourage the continued diversification of Newcastle's economy. Importantly, our commitment to place a price on carbon will encourage Newcastle's smart transition to a less carbon-intensive economy.

A vocal minority in my electorate would argue that Labor seats like Newcastle would receive a better deal if they were to become marginal or Independent seats.

That is just not true. Since the election of the Federal Labor Government in 2007, over \$1.656 billion has been spent in my electorate. For me it is clear that only Federal Labor Governments, past and present, have demonstrated the capacity to deliver the national economic agenda upon which our prosperity in Newcastle will always depend.