



Future-proofing our Region for generations to come

## HUNTER RESEARCH FOUNDATION 2015 LECTURE SERIES

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#### *Enacting positive change in the Hunter and beyond*

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I do have a formal speech, so if someone would like to read it, I'll give it to you later. I don't like to refer to a formal speech, because I think when we talk about the Hunter, we've got to talk about what makes us tick, what connects us.

Like you, I've spent many a day driving up and down the M1 and when I get across the Hawkesbury Bridge a feeling comes over me, as it did this afternoon. A feeling of depression comes over me when I'm going south, but when I'm coming north I start to smile. There's just this thing about the Hunter that makes it an incredibly special place. Primarily it's people, it's a natural beauty, but deep within our DNA it's our history, the things that have made it the area that it is. We are incredibly strong, we are independent, we focus externally to the marketplace and always have. Be really clear.

Governments come here, they poke their noses at us, give us a dollar and take five. They do, in most part, very little for us. The economics of the Hunter Region, which the Foundation is phenomenally good at producing for you, clearly shows that we contribute significantly greater than we receive.

We are robust. We're now going through incredibly rough times. Unemployment got to 11 or 12 per cent, back in October, and unemployment among our young people to 20 per cent. There was a speech given in a business chamber in Sydney recently when they were bragging about unemployment rates being at five per cent in Sydney. I asked them if they knew about the Hunter and did they know that youth unemployment could be so high. What I said to them was, 'we don't want your help, we want you to get out of our face and leave us alone'. The latest figures have come out, showing unemployment is heading down to seven per cent. We have the ability to change and adapt, provided we keep control in our own grasp.

My plea tonight to you, the people of Newcastle, my friends (some of you might think 'my foe' or 'a guy who likes to preach too much'), my plea is for us to maintain control. We're losing our control in lots of little ways. The prime example is the loss of the public voice of the Hunter. I say that in quite an emotional way. I think the Herald and the ABC are wonderful institutions we have here in the Hunter. We're lucky to have them. We've been blessed to have, at the Herald, some incredibly gifted journalists. We have today, in Ian Kirkwood, Michelle Harris, Jason Gordon, incredibly talented journalists.

The powers of a community are as strong as their free press. The powers of a community are the ability to be exposed, in a public sense, for the actions within your community. It concerns me deeply when decisions at Fairfax are being made with not much regard for the Hunter. Again, Fairfax head office would know very little about up here. Julie Ainsworth, who ran the Herald for a long time, did a brilliant job, so that it was probably one of the most profitable parts of their business. The empowerment of a voice is something that we should absolutely protect, whether it be the ABC or Fairfax. Social media is filling a gap but professional journalists and independent analysis is a fundamental part of our society.

I'm talking about change. My first experience of change came with someone that some of you might remember, his name was Dr John Paterson. Do you remember him? In 1983 he introduced user-pays to Hunter Water. He brought in user-pays, the first one ever to do it. The simple concept was to get away from paying for your water based on how much your property was valued at to paying for how much you use. It was a pretty simple analysis – if you used a lot, you paid a lot, you used less and you paid less – irrespective of your property value.

That was revolutionary. At the time, Tillegra Dam was going to be built. In fact the engineers already had the name plaque built, their names were on it and they were going to build it. In 1983, it was thought to be revolutionary and it was, the Hunter led the way. We changed the way people used water, not by telling them how to use water but by saying you had to pay for it. So we tended to put natives in our gardens, we used to water at night, we did all the simple things you do in a normal response to price. I remember the doom-sayers saying that change would not work, would not happen. Average demand fell by 30 per cent, peak demand fell by 50 per cent.

Then we put waste charges in. How do you clean up the river systems? You don't pollute. If Mother Nature can't absorb it, you don't put it in. If you want to put it in, you've got to treat it to a level that gives Mother Nature the capacity to absorb it. We did. Two big fundamental changes to Hunter Water back in 1983.

What's even more surprising is the prevailing culture then. If you'd met John Paterson, you'd know he was a dwarf. He was the first person with this condition to be appointed then and if you were a woman who fell pregnant then, you were no longer entitled to keep a full-time job.

John helped to challenge the orthodoxy of a culture that was deep in the DNA of the Water Board. His reforms in pricing water became the role model for every other public institution, not just here in Australia, but in the United States and in many other places around the world, of how you ensure that the environment is used in a sustainable way. You also employ based on merit, not on physical stature, not on gender, but purely on merit.

There was some trouble introducing changes, we had some industrial action. John had a way about him. He sometimes used to antagonise people, to say things in a rough way. There was a public meeting at the old Workers' Club that was a full house, with not a seat left. There was a great big bloke sitting up the back drinking a schooner of black when John got up and began to speak in his quiet little voice at the microphone and he said, 'can you ask Dr Paterson to stand up'. John was standing, but he took it in his stride.

Back in those days at Hunter Water, we changed mind sets. You will remember. When we talk to the younger generation about change, don't think for one second that our generation fears change. Don't think for one second that the Hunter hasn't led change, it has. The coal chain in the Hunter Valley is the most efficient coal chain in the world. The bidding by which they distribute coal into the coal chain is the best in the world, bar none. When BHP was being closed, everyone thought the world was going to stop, which was complete and utter rubbish. They had no idea of the diverse and integrated nature of the economy here in the Hunter. We handled it with aplomb.

After the tragic 1989 earthquake, when John McNaughton was the Mayor, he showed leadership like the mayors did recently in Christchurch. They're still struggling to recover from their earthquakes. It brought our community together. The next generation should not think, for one second, that we can't handle change. Don't think we're frightened of change. Don't think we haven't been successful and don't think we haven't had a few stuff-ups, we have. We imploded in recent years over the railway line. We lost sight of the big game. We lost sight of where we could be and, in the process, we allowed others from outside the Region to treat us somewhat disrespectfully in the things that they've brought to us.

At the Hunter Development Corporation (HDC), I came in eight years ago with a dream. If you don't dream you're never going to achieve. Our dream was a combination of three key factors. I think the western side of Lake Macquarie is the ideal spot to become the Silicon Valley of this nation. The United States' Silicon Valley is between Los Angeles and San Francisco and is their Information Technology powerhouse.

For IT to work you need lots of broadband, you need a talented workforce, you need amenity, lakes; you couldn't think of a better place than Lake Macquarie. It is a dream to create an industry that will employ the next generation, because the digital space and the connected world, along with the wonderful University that we have, offer them a lifestyle, where they can choose to live and work in the same spot and be more empowered than anything else that we have. So we thought about a connected world, IT, western Lake Macquarie.

Secondly, we thought about this growth corridor from Glendale to Nobby's Beach. I remember the Hunter Research Foundation's (HRF) previous CEO Dr Wej Paradise standing up here giving a speech about the ageing population of the Hunter. As the population ages, more and more people move and are drawn to flatter landscapes where they can walk and recreate. They can do this right along that corridor, from Glendale you come in by Lambton Baths, past the stadium, up around the beautiful walkways and end up at Nobby's. I thought it would be good to have a couple of golf carts to get home. After a couple of leisurely beers along the way, you might need a lift home! So we thought about connecting communities from the west to the east for an ageing population.

The third thing that we thought about at the HDC was a connected world up the Valley. Let's not kid ourselves, we are about mining, manufacturing and that hard edge, and we'll be that for the next 30 years. One of the real risks that we have is that most of the mines survive on water that is not secure. So we need a connected water grid to protect our Valley in times of drought. We haven't had a big drought here for quite some time. In fact the last drought we had broke when Paterson came along. We haven't had one for a long time but it will come as sure as night follows day. To prepare for it, we've got to get the science and the economics and the engineering right to connect up and use the water resources that we have in a sustainable way, and to do that in a really connected way.

At HDC we've tried to dream big. Big beyond a generation so that the next generation can see and understand the connectedness we were trying to create in the modern world from the basic resources that we have to structurally provide. Beyond that you

have to place in your hard infrastructure like the Fassifern to Hexham railway line. That is an absolute no-brainer and when we do it and go across the M1 to the Hexham wetlands, let's just do the rail-road corridor once and connect it up to by-pass Raymond Terrace, so we get those communities functioning again as an integrated community that is not divided by people moving through.

Once we get that right, start to dream that dream and paint those pictures, then we establish the future for the generations to come. My final message is another simple one. Our connected society has been driven by a fabulous independent press. Some of you would remember when Jeff Corbett was doing Council rounds, when the Council was sacked and an administrator appointed. He was the most forensic man, he was forensic on me when he had ICAC enquiry into a salad roll. Close examination and exposure is a good thing, I've never thought it was a bad thing. I treasure the journalists we have now, particularly with the ABC and the Herald, which are the driving forces behind those thinking processes.

If I leave you with one message it is don't let our kids, who come after us, have to reinvent the ultimate force for information and debate in our modern society. If you leave us to social media, in my view, you will get such distorted views and will never be able to bring forth one view, which might be the cornerstone of growth.

We've never feared change, we've been more than happy to lead change and our success is driven by the fact that we don't rely on hand-outs from others to make us successful. The Hunter has always done it on our own because the Hunter is good at what it does.

Thank you.