

**Consul-General of Japan in Sydney's Newsletter**  
**No. 56 Visit to the Hunter Region**

10 February 2022



**Newcastle Harbour seen from the air**  
**(31 January 2022)**

Have you been to NSW's largest wine growing area, the Hunter Valley? The region is also famous as one of the best coal-mining and industrial areas in the state, and it is now working on new industrial developments such as a hydrogen hub. At the end of last month, a delegation of representatives of Japanese government organisations, led by Ambassador Yamagami Shingo, visited the Hunter region at the invitation of Investment NSW. From Sydney, Mr Takahara Masaki, Managing Director of JETRO Sydney, and Mr Katayama Max, Managing Director of JOGMEC Sydney, also took part. Soon after the visit, Ambassador Yamagami wrote about it in his "[News from Under the Southern Cross \(Edition 55\)](#)".

In this issue of my newsletter, I would like to introduce the various industries in the Hunter and reflect with you on how relations between Japan and this region can be strengthened going forward.



**At the Hunter Business Breakfast  
(31 January 2022)**

● **The Hunter Business Breakfast**

Newcastle is the main city of the Hunter region and lies about a two and a half hour drive north of Sydney. It had been about a year since I last visited Newcastle to [attend the 40<sup>th</sup> anniversary sister-city event between Newcastle and Ube City \(Yamaguchi Prefecture, Japan\)](#). Travelling up on the weekend meant the delegation could have a full schedule on the Monday from the morning through to the evening.

The first event was a breakfast meeting with the organisations that arranged the delegation’s visit, Business Hunter and HunterNet. During this update on the latest business environment, I learnt that Newcastle used to be in the shadow of Sydney, but this is now changing significantly and the city is entering a new era in which many local industries are developing and making direct international links.

In order to promote this new development to people far and wide, a local media company called “Out of the Square” recently produced a big-picture video introducing the Hunter’s diverse industries. Coinciding with this visit, a [Japanese-language version](#) was created and screened for us. The video gives you a sense of the enormous potential for future business cooperation and the great expectations there are for Japan. [The video](#) is only three and half minutes long, so please take a look!

## THE HUNTER HYDROGEN FUTURE

### PREPARE AND PILOT – 2021-2025

- Projects that enable the advancement of hydrogen infrastructure, production, storage and delivery
- Translate emerging hub elements to promote demand and supply opportunities for industry, technology and expertise
  - Validate technical and operational performance through demonstrations and pilots
  - Prepare industry and workforce participation

### DEPLOY AND SCALE – 2025-2035

- Advance local production, transportation, utilisation and export in two stages to scale
- Optimise common use infrastructure and focus on larger scale deployment of electrolysers aligned to industries with higher demand applications
- Drive coordinated and strategic mechanisms to accelerate investment opportunity and industry decarbonisation objectives to scale
  - Communicate 'wins', scale and broaden industry, workforce and community participation elements

### PROSPER 2035 +

- Further aggregate demand and supply, and increase export opportunities
- Leverage established industry confidence to drive a diverse suite of industry applications across P2X and hydrogen such as green steel manufacturing and power generation
- A thriving HETS sector delivering advanced technology solution and applications beyond the Hunter including exports

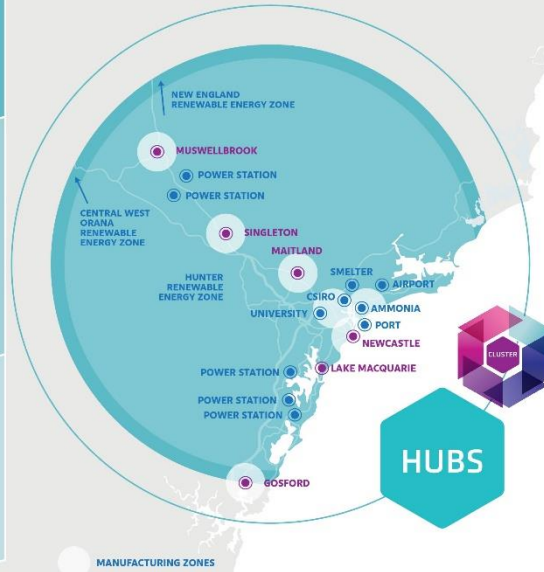


Figure 3. Hub and Cluster unlocking the potential uses of hydrogen.

13 | Hunter Hydrogen Taskforce - Roadmap

## The Hunter Hydrogen Roadmap (as formulated in November 2021)

### • The Hunter – a hydrogen hub

The delegation then moved on to visit the Port of Newcastle head office, In their boardroom overlooking the harbour, we received a briefing about the development of hydrogen in the Hunter. The Hunter is [one of seven hydrogen hubs](#) supported by the Australian Federal Government and one of three hubs in NSW announced by the state government in October 2021 as part of the [NSW Hydrogen Strategy](#).

In November 2021, the Hunter Hydrogen Taskforce, an industry-government-academic organisation based at the University of Newcastle, formulated the [Hunter Hydrogen Roadmap](#) for 2021 through 2040. The main authors of this roadmap gave us a presentation and together we exchanged views about how to strengthen collaboration with Japan. Idemitsu Australia, which operates coal-mining in the Hunter region, is taking part in this Hydrogen Hub initiative, and its Managing Director Uyama Fumitake joined this meeting.

The Hunter Hydrogen Hub's strength lies in its diverse industrial infrastructure such as harbours, power plants and factories and in its ability to easily utilise university research and education facilities. It is hoped that Japanese companies will be able to use such information and opportunities to realise the potential to its fullest.





**Coal shipping facilities at Newcastle Harbour  
(31 January 2022)**

- **Measures towards energy transition**

Next, we toured Newcastle Harbour by helicopter for an overview of its capabilities. Together with JETRO Managing Director Takahara and JOGMEC Managing Director Katayama, I was able to observe the city from above, taking in the wharves inside the harbour, the coal shipping facilities, the proposed sites for hydrogen-related facilities, the CBD and sports facilities, the inland aluminium factory and the coast stretching north and south from the city.

After landing, we asked questions regarding the outlook for transitioning from coal to hydrogen. According to the Port of Newcastle, the quality of Hunter coal is so high that exporting it remains competitive even in the midst of declining international production of coal. Consequently, rather than “transition”, they are aiming for “diversification” at Newcastle Harbour.

Next on the agenda was the Hunter Energy Investment Lunch. It was a lively meeting, also attended by the Mayor of Newcastle, federal and state politicians and top state government officials. Various energy measures and energy investment opportunities in the Hunter region were introduced, such as coal, hydrogen, lithium batteries and new energy hubs.



**Touring Orica's ammonia manufacturing plant  
(31 January 2022)**

- **Ammonia manufacturing plant**

The start of the afternoon was a tour of [Orica's ammonia manufacturing plant](#), located in a corner of Newcastle Harbour. Currently, natural gas is piped from southern Australia and ammonia and ammonium nitrate are produced here to supply explosives to coal mines in the Hunter.

Now, as we enter an age of decarbonisation, ammonia is gaining attention as a new fuel. Orica has already begun various research and trials into the manufacture of blue ammonia by processing and using CO<sub>2</sub> produced by conventional methods and the manufacture of green ammonia using renewable solar and wind energy.

For example, the Australian start-up MCI has begun trials to produce materials that capture CO<sub>2</sub> that can be later manufactured into building products, and MCI plans to set up a demonstration plant within the next few years at the Orica plant. Itochu Corporation has invested in MCI and expects to expand in Japan - this is one example of Japan-Australia cooperation in "decarbonisation through technology"





**Briefing session on the defence and aerospace industry  
at Newcastle Airport  
(31 January 2022)**

● **Defence and aerospace industry**

We then moved to Newcastle Airport where we received a briefing on the defence and aerospace industry. Newcastle Airport is a joint-use airport attached to RAAF Base Williamtown, and a NSW defence and aerospace industrial “Special Activation Precinct” is planned for an adjacent area and a runway expansion is also being planned.

Ahead of this, the City of Newcastle and neighbouring Port Stephens are already progressing with the development of the Astra Aerolab Precinct. F-35s are already deployed at this air force base, and BAE Systems, Lockheed Martin and Boeing also already have a presence in the precinct.

As Japan-Australia and Japan-US-Australia defence and security cooperation progresses, new opportunities are also emerging for the Japanese defence and aerospace industry in Australia. It is expected that new collaboration in this field between Japan and Australia will arise in the Hunter.



Hydrogen energy storage system for domestic and residential use  
developed with Ampcontrol  
(31 January 2022)

- **Electromechanical industry**

As mentioned above, the Hunter has diverse industrial foundations, and for this reason, energy storage systems are also being developed. The delegation [visited Ampcontrol](#) which is a representative company in this field, and we observed the development of technologies related to decarbonisation and renewable energy.

For example, the company is cooperating with the University of NSW and has developed a unit which stores hydrogen energy created by solar energy for domestic use. The hydrogen produced is absorbed by metal at room temperature and can be safely stored, and you can use just as much energy as required.

In addition, products include ventilators used to treat COVID, electric cars for mining, portable self-contained solar batteries and water purification equipment. The company employs its proprietary technologies broadly in order to solve social issues. The company has around 50 years of history. I was greatly impressed how, in cooperation with universities, the company is developing new technologies one after the other that can be scaled up on a commercial basis.



**Leogate Wines vineyard in the Hunter Valley  
(31 January 2022)**

● **Business dinner in the Hunter Valley**

After our tour of Ampcontrol, Ambassador Yamagami travelled by helicopter and the rest of us went by car to the Hunter Valley, where we attended a business dinner at a winery. It was also attended by many top executives of local Japanese companies who came up from Sydney for the event.

[The Hunter Valley](#) is the oldest wine producing area in Australia. I had already visited once for work and twice as a tourist, but there are more than 120 wineries and it is remarkable that each has its own philosophy and particular approach to wine making.

This time, the location was the Leogate Wines restaurant. Participants enjoyed a meal accompanied by wines made from vines planted more than 50 years ago in the Brokenback Vineyard. We listened to speeches by NSW Senior Trade and Investment Commissioner to Japan Mike Newman, Ambassador Yamagami and Destination NSW CEO Steve Cox. It was a valuable opportunity for Japanese businesspeople to network with people in the Hunter. The Presidents of Japan Chamber of Commerce and Industry in Sydney had a discussion and they are considering holding a tour of the Hunter region for Japanese companies next time.





The planned site of Nihon University Newcastle Campus  
(1 February 2022)

- **Towards stronger ties with Japan**

The next morning, Ambassador Yamagami exchanged views with representatives of Japanese companies based in Newcastle. Shikoku Electric Power imports coal for power generation, NYK Line (Nihon Yusen) is involved in coal export, Hitachi Construction Machinery has acquired a local machinery company, and Asahi Kasei Homes has a stake in a local real estate company – all have representatives based in Newcastle.

During the discussions, the Japanese expatriates said that Newcastle is a very comfortable place to live and that the local people are good people who are very easy to get to know and they have warm feelings towards Japan. In addition, there are many merits to doing business here. Some of them are: Australia has a transparent and effective legal system; the country has wide, open spaces; and there is hardly any time difference with Japan.

Another point of interest in the Hunter is the imminent opening of the Nihon University Newcastle Campus. While [last year's summer opening](#) had to be postponed, the campus is almost completely finished. The focus will be on short-term language study and student exchange, and joint research and academic exchange with the University of Newcastle. A maximum of 100 students can be accommodated at the student dormitory. It is expected that the new campus will soon open and many students will come from Japan to study in Newcastle.

I think that this visit to the Hunter region has opened up new opportunities for stronger ties with Japan. I hope that Japan-Australia business will expand in wide-ranging fields and at the same time various exchanges will develop in tourism and student exchange. I will also do all that I can to help achieve this. Please visit or revisit Newcastle and the Hunter Valley when you can!

Kiya Masahiko, Consul-General of Japan in Sydney

(Ends)