National Economy Overview

Australia’s real GDP growth slowed in the June 2015 quarter. Pushing the GDP down was adverse weather in Newcastle and Northern Australia which caused disruptions in the coal, iron ore and other minerals supply chains. This contributed to export volumes falling significantly, which reduced 0.7 percentage points from the quarterly output.

Consumption growth has picked up since 2013 – supported by low interest rates and accompanied by a fall in the household saving ratio. Low interest rates are also providing support to housing market conditions, which remain strong overall. However, there is a noticeable divergence in conditions across the country. House price inflation has been high in Sydney and Melbourne, whereas housing price growth has been weak in the rest of the country and prices in some cases have declined.

Inflation in the June quarter was broadly as expected and inflationary pressures remain contained. Consumer price inflation has been affected by movements in fuel prices, which are around 10 per cent lower than they were a year earlier.

Labour market conditions have generally improved over the course of this year. The protracted period of low wage growth may be encouraging firms to increase employment by more than they otherwise would and the decline in population growth can help to explain the relatively stable unemployment rate during a period of below-average growth in output.

Economic growth in Australia’s major trading partners remained around its long-run average in the first half of 2015. Advanced economies have, in general, continued to recover, while growth in emerging economies has tended to ease over recent quarters.

Growth of Australia’s major trading partners is expected to be around its long-run average in 2015 and 2016. Forecasts for 2015 have been revised down slightly since May, largely reflecting somewhat weaker than expected growth in East Asia in the first half of 2015.

Domestically GDP growth is expected to be between 2 and 3 per cent over the year to June 2016 and to pick up to above 3 per cent over the year to June 2017

Reserve Bank Australia statement on Monetary Policy – August 2015

Interest Rates

The Reserve Bank of Australia’s cash interest rates remain at a low of 2.0%
Value of Development Approvals in Central Darling Shire Council

$348,000.00

A$1 = $0.7030 US Dollars

01 October 2015

NSW Train link logged
1714 passengers arriving in the quarter.

Up 18 on the same quarter last year

Far West NSW Labour Market

<table>
<thead>
<tr>
<th></th>
<th>Unemployment rate (15+)</th>
<th>Job Seekers</th>
<th>Average Job seekers age (years)</th>
<th>Average job seeker, duration of registration ( months)</th>
<th>Working age population (15-64)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far West</td>
<td>7.9</td>
<td>1,377</td>
<td>36</td>
<td>36</td>
<td>13,783</td>
</tr>
</tbody>
</table>

Source: Australian Government Department of Employment

News from Central Darling Shire Council

- Central Darling Shire Council will be the roadworks contractor for the Eurella Initial Seal Project (Cobb Highway). The project length is now 10.2km. The milestone for completion of the first 5.0km is still June 30 2016.

Roadworks to be completed
- Ivanhoe town streets: Resealing works $159,690
- Menindee Town Streets: Resealing works $219,600
- Menindee-Wilcannia East Rd: Resealing works $130,000
- Haberfield Street, Menindee: Reconstruction, sealing and drainage works $195,880
- Menindee-Wilcannia East Rd: Reconstruction, sealing and drainage works $295,000
- Lunatic Bend, Menindee: Reconstruction and gravel overlay $144,000
- Copi Hollow Rd, Menindee: Heavy patching, shoulder rehabilitation and resealing works $284,000
- Wanaaring Rd, Mandalay Rd to Shire Boundary: Reconstruct 19 creek crossings and floodways including gravel resheeting $578,493
- Total $2,006,663 capital improvement works scheduled for completion from January to May 2016.

The project to secure town water supplies for Wilcannia, Ivanhoe, White Cliffs and Tilpa has commenced.
- Tilpa Village - the proposed solar pump array installation and laying of approximately 4.5km of blue line poly pipe has been completed which will enable water to be pumped from the Weir Pool to the Village. Two (2) large tanks (22,500L each) have been procured and delivered to Tilpa and are awaiting placement and connection to the “reticulation” network.
- The Wilcannia and Ivanhoe bore field augmentation tenders have closed, been assessed and preferred tenderer identified. The bores in both locations have been airlifted and pump tested, one of the two new bores in Wilcannia is proving to be problematic with respect to water quantity and further works may be required. Council staff are awaiting the receipt of chemical analysis reports before augmentation works commence at both locations.
- Roadworks have been completed for access at Union Bend, Wilcannia and Tooralee Station, Ivanhoe
- Jacobs Group Australia has completed an assessment of groundwater bore supply potential at White Cliffs and the engagement of a suitable drilling contractor to conduct further investigation drilling is the next step. Negotiations with ACE Drilling and the NSW Office of Water have been completed and the final decision to proceed has been deferred subject to the finalisation of the Wilcannia and Ivanhoe bore field tender which will confirm remaining funding availability.

- Knox and Downs – at the last meeting, CDSC resolved to:
  - Seek Expressions of Interest by way of advertisement for the re-development of the former Knox and Downs site at the corner of Myers and Reid Streets, Wilcannia
  - Seek comment by way of advertisement from the Wilcannia community for the purposes of determining potential future use of the site.
Major Projects

Minotaur Exploration

The historic Mingary Mine is located in the northern part of Minotaur/Sumitomo’s ‘Bonython Hill’, approximately 75km southwest of Broken Hill, with the interpreted Mingary horizon continuing northward into Minotaur/Sumitomo’s ‘Mingary’.

Historic workings are located on secondary copper mineralisation. Minotaur (46.4%) and Sumitomo (53.6%), under the Border Joint Venture, successfully applied for 2015 PACE (Plan for Accelerated Exploration Discovery Drilling Initiative) funding to drill test the strike extent of the Mingary Cu-Au-Ag mineralised horizon. A series of 4 to 5 Reverse Circulation (RC) drill holes for approximately 900m of drilling is planned along the interpreted northern continuation of the Mingary lode to test this horizon for further Cu-Au-Ag mineralisation similar to that revealed in Minotaur’s 2014 RC drilling beneath and along strike from the historic workings of the Mingary Mine.

Assays from Minotaur’s 2 RC holes at Mingary Mine returned significant gold values over 600m strike.

Cristal Mining

Evaluation of the Crayfish deposit, 12 kilometres east of Cristal’s Ginkgo mine, is continuing. A final decision is expected by the end of 2015. A positive result will see clearing commence in early 2016 and production commencing by the start of 2017.

Cristal is also continuing with secondary approvals for its new Atlas – Campaspe project north of Balranald. Cristal expects to commence construction in 2017 and be into production by October 2018. This will ensure product to its Broken Hill plant to at least 2025

Havilah Resources Limited

Mining commenced at the Portia gold mine 120 km northwest of Broken Hill on 30 March 2015, under a profit sharing arrangement between Havilah Resources Limited (Havilah) and Consolidated Mining & Civil Limited (CMC). Since commencement CMC have progressively increased their mining fleet and workforce and are now operating two sets of equipment (comprising two 250 tonne Hitachi excavators and ten 100 tonne dump trucks plus ancillary equipment) on a continuous day shift basis, with three crews. A total work force of 50 people is accommodated in a specially constructed camp on site and personnel are bused in and out to Broken Hill at the start and finish of their 10 day work rosters. CMC have now mined over 2 million cubic metres of overburden out of a total planned 7 million cubic metres required to expose the gold bearing material, and Havilah is busy readying various components of the gold processing plant off-site. Havilah plans to assemble the gold processing plant on site early in 2016 in readiness for the first gold ore, which CMC are planning to deliver to the surface by 1 July 2016. Dr Chris Giles, Havilah’s Managing Director, is reported as saying that the mining is going according to plan and CMC’s performance has been exemplary. He also made note of the state of the art Sentry Pitwall Monitoring system that CMC has purchased and employed in order to provide early warning of any abnormal pitwall movements that could in turn indicate instability. Sentry is therefore a very effective safety tool because it can identify areas of the open pit that might present increased risk of danger to operators and so be avoided.

During the period, Havilah announced plans to embark on a fast-tracked study to investigate the feasibility of mining the North Portia copper-gold deposit, which lies only 500 metres north of Portia and contains over 100,000 tonnes of copper and 235,000 ounces of gold. The objective is to follow on with mining of this copper-gold orebody as gold mining operations at Portia wind down towards the end of 2016 and to take advantage of the considerable investment in mining and site infrastructure already put in place at Portia by CMC.

AGL Broken Hill Solar Plant

Work is progressing on the 140 hectare AGL Broken Hill Solar Plant, with 677,760 solar photovoltaic (PV) solar panels now installed, the project is on track for completion later this year. Installing the solar panels was an enormous effort from the panel installers, with each installer installing 300 solar panels a day, and with each panel weighing 12 kg, each installer was lifting 3.6 tonnes a day. Currently the $150 million plant is delivering 27 MW of clean renewable energy into the grid and the project team are working to bring the remaining 26 MW on line in the coming weeks.

At the peak of construction around 150 people were directly employed on the project, with over half of those local to the Broken Hill area. The number of people working on the project is now winding down as the construction is coming to an end. Three to four people will be employed as permanent staff to operate the plant. The plant’s construction has so far contributed around $15 million to the Broken Hill economy and during its operation is forecast to generate around $85 million flow on benefits through employment and direct maintenance service requirements such as plant and infrastructure upgrades.

Recent visitors to the plant have included NSW Minister for Industry, Resources and Energy, the Hon Anthony Roberts; NSW Minister for Environment, the Hon Mark Speakman; and representatives from the Australian Renewable Energy Agency.

Early in 2016 there will be an open day at the plant to which everyone is welcome to attend.

AGL is delivering two large-scale solar photovoltaic (PV) power plants with a total capacity of 155 MW (AC) at Nyngan (102 MW) and Broken Hill (53 MW) in regional New South Wales. To support AGL’s delivery of the projects, The Australian Renewable Energy Agency (ARENA) provided $166.7 million in funding and the NSW Government provided $64.9 million.
Australia’s Employment Outlook

Employment growth in Australia has remained relatively subdued compared with the robust labour market conditions leading up to the onset of the Global Financial Crisis. Employment has increased by 780,500 (or 7.1 per cent) over the five years to June 2015, well below the growth of 1,098,900 (or 11.1 per cent) recorded over the five years to June 2010. However, more recently, employment growth has improved, rising by 214,900 (or 1.9 per cent) over the year to June 2015.

Over the past five years, employment growth in the Australian economy has been spread across a number of industries and occupational groups, with a handful of services (particularly Health Care and Social Assistance and Professional Scientific and Technical Services) making particularly substantial contributions to employment growth. Employment growth has been offset by falls in employment in Manufacturing (down by 58,500 or 6.0 per cent) and Agriculture, Forestry and Fishing (53,900 or 15.1 per cent), while the previous strong employment growth in Mining has been declining in recent years.

Over the five years to November 2019, employment is projected to increase in 17 of the 19 broad industry groups, with declines in employment only projected for Mining and Manufacturing. Health Care and Social Assistance is projected to make the largest contribution to employment growth (up by 258,000 or 18.7 per cent), followed by Education and Training (142,700 or 15.6 per cent), Construction (137,900 or 13.0 per cent), and Professional, Scientific and Technical Services (136,600 or 14.4 per cent).

By contrast, employment in Mining is projected to decline by 40,700 (or 17.8 per cent) over the same period. In line with the long term structural change in the labour market and the announced plant closures by major car manufacturers, employment in Manufacturing is projected to decline by 26,200 (or 2.9 per cent) over this period.

Employment Outlook to November 2019, Department of Employment

Projected employment growth by industry – five years to November 2019 ('000)

<table>
<thead>
<tr>
<th>Top 20 industry sectors – ranked by projected growth to November 2019 ('000)</th>
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<tbody>
<tr>
<td>Health Care and Social Assistance</td>
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<tr>
<td>Education and Training</td>
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<tr>
<td>Construction</td>
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<tr>
<td>Professional, Scientific and Technical Services</td>
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<tr>
<td>Accommodation and Food Services</td>
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<tr>
<td>Retail Trade</td>
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<tr>
<td>Transport, Postal and Warehousing</td>
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<tr>
<td>Public Administration and Safety</td>
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<tr>
<td>Financial and Insurance Services</td>
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<tr>
<td>Other Services</td>
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<tr>
<td>Arts and Recreation Services</td>
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<tr>
<td>Administrative and Support Services</td>
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<tr>
<td>Rental, Hiring and Real Estate Services</td>
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<tr>
<td>Wholesale Trade</td>
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<tr>
<td>Agriculture, Forestry and Fishing</td>
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<tr>
<td>Information Media and Telecommunications</td>
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<tr>
<td>Electricity, Gas, Water and Waste Services</td>
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<tr>
<td>Manufacturing</td>
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<tr>
<td>Mining</td>
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Regional Economic Update:
The Regional Economic Update is researched and produced by Regional Development Australia Far West supported by the Broken Hill City Council. For all enquiries regarding the production of this report and information contained therein please contact Regional Development Australia Far West on (08) 8087 8383

An Australian Government Initiative