

Major Projects

There has been significant investment in the mining and energy sectors in the Far West Region with numerous projects approaching construction and commencing operation.

The expansion of Broken Hill Operation's **Rasp Mine** in Broken Hill was completed in mid 2012 and is fully operational.

Ore production at Perilya's **Potosi Mine** is expected to commence in early 2013. The company continues to consider reopening the **North Mine** with additional technical studies underway.

Carpentaria Exploration is continuing with feasibility assessments for the **Hawsons Iron Project**, 60km south-west of Broken Hill. The company is also undertaking drilling for the **Yanco** tungsten deposits north of Broken Hill.

Cristal Mining is currently seeking development approval for their **Crayfish** and **Atlas – Campaspe** mineral sands deposits located south of Broken Hill, with construction expected to commence in mid 2013 and late 2014 respectively.

The **Broken Hill Plaza Shopping Centre** is under construction with retail operations expected to begin in 2014. The shopping centre will greatly increase the retail sector in the region and support an estimated 290 jobs once operational.

Havilah Resources expects operations of its **Portia** gold mine in North-eastern South Australia to commence in 2013.

AGL Energy's is currently going through the tender stage for its **Silverton Wind Farm** with construction expected to commence in early 2014. The company is also seeking approval for the **Broken Hill Solar Plant**, with construction expected to commence in mid 2014.

Broken Hill Prospecting is undergoing feasibility analysis for its **Pyrite Hill** cobalt mine located south-west of Broken Hill.

The table below provides a summary of the major projects planned for the Far West Region that are currently active and where project data was available. The map (opposite) indicates the location of the mining and energy developments.

Only projects where updated data was made available have been included in the economic impact modelling. This has been done to ensure a conservative estimate of economic impacts while ensuring that projections are based on current and reliable data. Mining projects included in previous editions of the study that have been removed due to lack of available data include Havilah's **Kalkaroo** and **Mutooroo** projects.

Projects that were commenced after 2006 and that are fully operational are also included in the modelling based on their expected operational life. These projects include Cristal Mining's **Snapper Mine**, Pinnacle's **Edwards Pit Project**, Exco's **White Dam Mine**, Uranium One's Honeymoon Mine and Broken Hill City Council's **Aquatic Centre** and **Film Studio**.

Figure 1: Location of Major Projects



Table 1: Planned Major Projects Included in Economic Impact Modelling

Company	Project	Probability	Construction Phase				Operation Phase				
			Year Start	Total \$m	Region \$m	Jobs	Year Start	Life Years	Total \$m	Region \$m	Jobs
Coles Group	Broken Hill Plaza	High	2013	\$22	\$15	200	2014	40+	\$12	\$4	290
Broken Hill Operations	Rasp	High	2011	\$150	\$45	90	2012	15	\$58	\$35	160
Perilya	Potosi	High	2011	\$105	\$63	72	2013	3	\$46	\$28	72
AGL Energy	Silverton Wind Farm	High	2014	\$475	\$95	150 ^(a)	2017	25	\$20	\$12	11
Havilah	Portia Gold Project	Medium	2013	\$23	\$23	20	2014	2	\$15	\$15	50
AGL Energy	Broken Hill Solar Plant	Low	2014	\$150	\$50	150	2016	30	\$2	\$2	2
Cristal Mining	Atlas-Campaspe	Low	2014	\$200	\$100	200	2015	17	\$165	\$83	200
Carpentaria Exploration	Hawsons Iron Ore	Low	2015	\$3,000	\$1,050	1,000	2018	50	\$700	\$350	1,000
Carpentaria Exploration	Yanco	Low	2016	\$20	\$17	50	2017	7	\$10	\$9	30
Cristal Mining	Crayfish	Low	2013	\$61	\$31	90	2014	4	\$60	\$30	200
Broken Hill Prospecting	Pyrite Hill	Low	2014	\$8	\$8	2	2015	10	\$10	\$10	10

Growth Indicators

The economic indicators outlined in the table below demonstrate a variable performance of the Far West Region's economy. The unemployment rate in the region was recorded at 8.7% in the September Quarter 2012, a 0.2% decline over the last 12 months.

Non-residential building approvals exceeded \$50 million in 2011-12, more than four times the value of approvals in 2010-11. However, investment in residential buildings declined with the value of residential building approvals down by 36.8%. Demand for housing in the region has been volatile in recent years, recording a mean house sales price of \$140,000 in the June Quarter 2012.

The Broken Hill Airport has continued to experience steady growth in passenger numbers. Over 64,000 passengers passed through the airport in 2011-12, an increase of 2.0% from the previous year.

Table 2: Key Economic Indicators

Indicator	Period	Level	Ann % Chg
Population	2011	22,463	-0.4%
Unemployment Rate	Sep Q 2012	8.7%	-0.2%
New Residential Approvals	2011-12	\$9.6	-36.8%
Non-Residential Approvals	2011-12	\$50.6	344.5%
Mean House Price	Jun Q 2012	\$140,000	26.1%
Overnight Visitors ^(a)	2011-12	349,400	-7.2%
Broken Hill Airport RPT	2011-12	64,354	2.0%

Note: All data is valid as of 31st December 2012. RPT – Regular Passenger Transport passengers (a) Outback Tourism Region.

Source: BS 3218.0, DEEWR SALM, ABS 8731.0, NSW Department of Housing, Tourism NSW, Bureau of Transport and Regional Economics

Tourism Sector

The tourism sector is a key driver of the Far West Region economy. The Far West Region forms part of the Outback NSW Tourism Region that also includes Balranald, Bogan, Bourke, Brewarrina, Cobar, Walgett and Wentworth. Despite major ongoing events such as the St Patricks Race Day and Resources and Energy Symposium, visitation to the region was down in the last 12 months.

In the year ending June 2012 there were an estimated 337,000 domestic overnight visitors to Outback NSW, down by 7.2% from the previous year.

Domestic overnight visitors were estimated to have added \$155M to the Outback NSW economy in the year ending June 2012, a decline of 15.3% from the previous year.

Infrastructure Developments

Investment in infrastructure is strong in the Far West Region with several major projects having recently been completed, in progress and in the planning process including:

- Council has received Commonwealth Government support for construction of a Heavy Vehicle Bypass Road to improve the movement of heavy vehicles in and around Broken Hill.
- The University Department of Rural Health's clinical simulation wing was opened in November 2012.
- Regional Express expanded services to Broken Hill in mid 2012 that now include flights to Adelaide, Mildura/Melbourne and Sydney.
- State Government funding has been announced for the construction of sheep and cattle stockyards in Broken Hill to assist in the transport of livestock.

Agriculture

The agricultural sector in the Far West Region has recorded growth in the last three years as a result of improved water availability. In recent years, Tandou has been able to increase its productive area with 6,500 hectares of cotton and the rotational planting of 4,000 hectares of Durum wheat planned for 2013. The company currently employs a workforce of up to 80 workers in peak periods. The significant water inflow received by the Menindee Lakes has ensured water availability for the 2013 and 2014 crops. Pastoralists in the region are also experiencing favourable conditions, which is increasing sheep breeding numbers.

Renewable Energy

The Far West Region is a leader in renewable energy with the potential for two projects to be developed in the near future including the Broken Hill Solar Plant and Silverton Wind Farm. The projects will create significant employment opportunities in the region, particularly during construction, and could result in Broken Hill becoming entirely sustained by renewable energy.

AGL is currently requesting tenders from five entities for the construction and operation of the Silverton Wind Farm. The company expects to put the project to the board of directors in late 2013 for the final investment decision.

Economic Impacts

The economic impact modelling assesses projected impacts of major projects on the Far West Region from the base year of 2006 used in the original study. The region recorded economic and employment growth in 2007 and 2008 as construction commenced on several projects, before declining in 2009 as the mining industry contracted significantly as a result of existing mining companies resizing operations in late 2008.

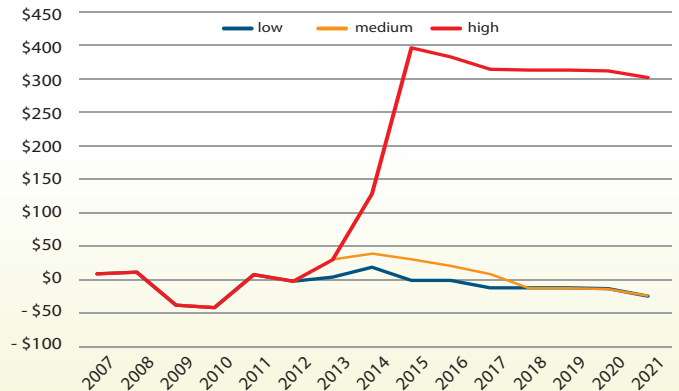
The analysis includes three scenarios based on the probability of certain projects proceeding. The low scenario only includes projects in progress (operational or under construction), the medium scenario includes all approved projects and the high scenario includes all projects in the feasibility and planning stage (meaning there is considerable uncertainty regarding their future development).

The economic impacts on gross regional product (GRP) for the Far West Region of major projects in 2013 are expected to almost negate the negative impacts caused by the mine closures in 2008 (see Figure 2).

Employment in the Far West Region in 2013 is projected to be 478 Full Time Equivalent (FTE) positions higher than 2006 based on the medium scenario. The employment breakdown includes 316 direct jobs and 162 flow-on jobs with the total representing growth of 4.8% from 2006 (see Figure 3).

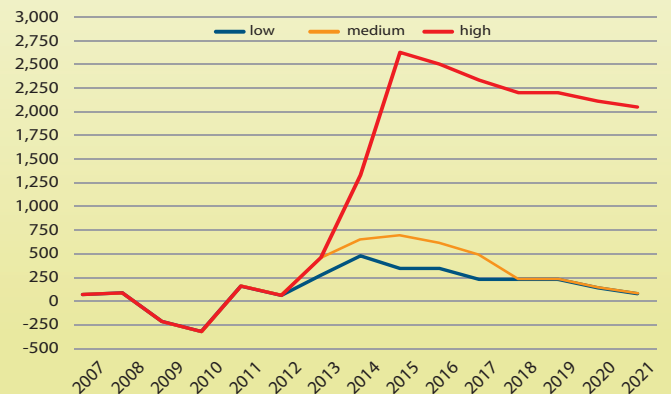
Table 3 below provides an overview of projected changes in employment by industry from the base in 2006. Employment in the mining sector is expected to recover in the medium term as new projects commence, though the life of projects will have to be extended for this growth to be maintained in the longer term. In the short term, the construction sector is projected to record growth with the development of new projects, while the highest flow-on employment growth is expected in the retail trade and arts and recreation sectors.

Figure 2: Projected Change in GRP (\$m)



Note: Change from 2006. Scenarios based on the assumed probability of major projects commencing.

Figure 3: Projected Change in Employment (FTE)



Note: Change from 2006. Scenarios based on the assumed probability of major projects commencing.

Table 3: Projected Additional FTE Employment (Medium Scenario)

Sector	Report Base Year	Additional Employment			Avg. Annual %
	2006	2011	2016	2021	2006 to 2021
Agriculture, Forestry & Fishing	730	3	3	-1	-0.01%
Mining	655	-186	130	-155	-1.78%
Manufacturing	376	10	13	-12	-0.22%
Electricity, Gas, Water and Waste Services	229	1	2	11	0.32%
Construction	497	250	61	-4	-0.05%
Wholesale Trade	298	5	5	-2	-0.05%
Retail Trade	1,678	13	303	284	1.05%
Accommodation and Food Services	652	8	8	-4	-0.04%
Transport, Postal and Warehousing	390	7	7	-3	-0.05%
Information Media and Telecommunications	99	4	4	-1	-0.07%
Financial and Insurance Services	164	5	6	-4	-0.16%
Rental, Hiring and Real Estate Services	99	3	3	-2	-0.16%
Professional, Scientific and Technical Services	209	22	20	-10	-0.33%
Administrative and Support Services	292	1	1	-1	-0.01%
Public Administration and Safety	834	0	1	-1	-0.01%
Education and Training	787	5	5	-2	-0.02%
Health Care and Social Assistance	1,439	5	5	-3	-0.01%
Arts and Recreation Services	143	23	54	30	1.26%
Other Services	456	6	7	-4	-0.05%
Ownership of Dwellings	0	0	0	0	0.00%
Total	10,027	187	637	117	0.08%

Strategy Update

Strategy/Action	12 Month Progress Report	Planned Actions for Next 12 Months
Promote Knowledge Development & Dissemination		
1. Identify information requirements for government, business and investors.	An efficient e-Newsletter capability developed. All key contacts for region have been identified. Social media platform development to be completed by calendar year end. Key stakeholders fully consulted for input on submissions to Governments.	Regular, efficient communications will continue with all key stakeholders. Submissions and other forms of information feedback to governments will continue. Targeted contacts will continue with market participants as appropriate.
2. Identify information/knowledge gaps.		
3. Consult and involve stakeholders in data/information collection.		
4. Collaborate with partner organisations to collate/prepare required data.		
5. Collaborate with partner organisations to disseminate information.		
Facilitate Industry and Community Engagement		
1. Inform, involve and collaborate with key stakeholders.	Consultation by RDA Far West and BHCC.	Implementation of key strategies.
Build Community Capacity		
1. Assess community capacity in terms of skills gaps.	Consultation with major employers and education providers.	Ongoing data collection, analysis.
2. Facilitate community workshops and seminars.	Stakeholders consulted.	Ongoing partnership with Federal and State agencies, stakeholders.
Support and Assist Existing Business		
1. Consult with local business owners regarding opportunities and issues.	Ongoing through RDA Far West and Chamber of Commerce	Targeted actions to be pursued during 2013 and beyond.
2. Develop strategies to capitalise on opportunities and mitigate threats.		
3. Build linkages and networks between local businesses.		
Attract and Encourage New Businesses		
1. Profile current business base and identify target businesses and needs.	Ongoing through RDA Far West and BHCC	Update Profile
2. Identify and set aside specific requirements for target businesses.		Ready to commence
3. Market to target sectors.	Delegations to potential funding bodies. Expressions of Interest were called for Broken Hill Studios encompassing film, arts, tourism, attractions, digital, creative, events and education.	Planned approaches to market participants during 2013 and beyond in targeted areas. Submissions and negotiations to continue in 2013.
4. Facilitate relocation activities.		
Promote Economic Development and Diversification		
1. Identify specific economic development initiatives.	Ongoing through RDA Far West and BHCC including promotion of renewable energy and transport opportunities.	RDA Far West and all regional stakeholders are engaged in Regional Plan activities during 2013 and beyond.
2. Engage with relevant stakeholders.		
3. Review regional economic plan.		
Facilitate Infrastructure Provision and Development		
1. Identify critical infrastructure gaps.	Completion of Integrated Transport Plan	Natural gas feasibility study to be pursued. Council to work with partners to secure final funding and construction of the Heavy Vehicle Bypass Road. Expressions of Interest called for Broken Hill Airport Master Plan development and rear of Broken Hill Town Hall Facade hotel development. More activity to occur in 2013.
2. Work with partners to develop strategies for infrastructure development.	All approvals have been gained and Commonwealth Government funding secured for the construction of a heavy vehicle bypass road to link the Barrier Highway with the Silver City Highway via a route to the east of the City.	
3. Develop and implement mitigation/development strategies.		
Ensure Land Use Efficiency and Resource Protection		
1. Identify potential land needs.	Completed	LEP rezoning completed
2. Engage with the NSW Department of Lands regarding tenure.	Completed	LEP rezoning completed
3. Develop Draft LEP for Broken Hill City.	In progress	To be completed by July 2013
Attract and Retain Skilled Labour		
1. Increase the availability of labour.	Direct discussions with mining, agriculture and other employers in region occur regularly with RDA Far West NSW. Training and education service providers including schools, TAFE and Robinson College are kept informed of emerging industry skills needs.	An education, jobs and skills coordinator has been appointed for the region (Dubbo-based) and maintains regular contact with RDA Far West NSW and training and education representatives. A Study Centre Coordinator appointed in Broken Hill to increase local engagement in higher education.
2. Attraction of skilled persons to the region.		
3. Consider overseas recruitment options.		
4. Improve the effectiveness of the local training system.		
5. Increase training investment by the private sector.		
6. Increase indigenous participation in the workforce.		
7. Support skills strategies from other levels of government.		
Attract Investment and Financing		
1. Establish a working group to identify strategic investment opportunities.	Ongoing through RDA Far West and BHCC	Target key areas highlighted in the Plan.
2. Develop website for investment promotion and conduct developer tours.	Digital economy strategy for Far West NSW and Broken Hill City Council completed.	Tours of the Broken Hill Studios as a potential digital hub location were conducted and continue to attract interest.
3. Provide the required management support for the project.	Ongoing	Ongoing

Contacts and Support

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