

## Major Projects

A strong global commodity market coupled with significant mining resources and development opportunities has continued to drive the undertaking of major resource projects within the Far West Region. Current development activity in the resources sector ranges from initial feasibility studies to mines extracting their first ore.

Mines currently under construction in the Far West Region include Perilya's **Potosi Mine** which recently extracted its first parcel of ore in the September Quarter 2007 and CBH's **Rasp Mine** with stage 1 expected to be completed by April 2008. Uranium One's **Honeymoon Mine** was granted approval in January 2008 with the first production of uranium expected by the end of 2008.

Projects presently awaiting government approval before expecting to commence construction in 2008 include Exco's **White Dam Mine**, Havilah's **Portia** and **Oban Mines**. Bemax is also currently undertaking a study to gain approval for further expanding the capacity of its **Snapper Mine**, which is expected to be operational by mid 2009.

Several mining companies are currently undertaking feasibility studies to determine the profitability of ore reserves and future operations following positive drilling results. Projects currently in this process include Perilya's **North Mine Deeps Mine** and Havilah's **Kalkaroo** and **Mutooroo Mines**.

Mining companies are also planning to develop plants in Broken Hill to process the extracted ore. Design of **CBH's Processing Plant** is complete with construction awaiting Government approval. An engineering study of **Bemax's Mineral Separation Plant** expansion is currently been undertaken with construction expected to be completed by mid 2009.

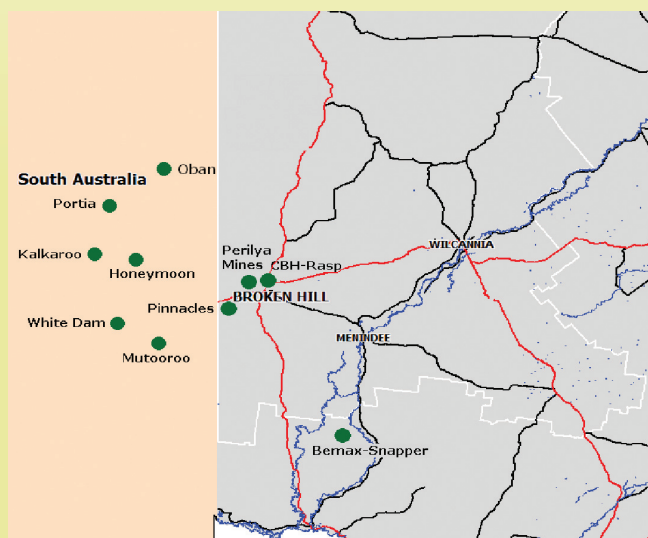
The table below provides a summary of the major projects planned for the Far West Region with the map (opposite) indicating the location of the mining developments.

## Growth Indicators

The economic indicators outlined in the table below demonstrate the strengthening of the Far West Region's economy. Investment in the region was strong with the value of both residential and non-residential building approvals recording considerable growth during 2006-07.

Demand for housing increased significantly in the region with houses selling for an average of \$115,000 in the September Quarter 2007, annual growth of almost 50%. The region's population fell by 0.8% to 22,903 in 2006, however unemployment continued to fall to 8.1% in the September Quarter 2007.

Indicator	Period	Level	Ann % Chg
Population	2006	22,903	-0.8%
Unemployment Rate	Sep Q 07	8.1%	-0.2%
Residential Approvals	2006-07	\$4.8m	107.6%
Commercial Approvals	2006-07	\$6.5m	71.6%
Median House Price	Sep Q 07	\$115,000	49.4%
Broken Hill Airport RPT	2006-07	48,405	10.9%



Company	Project	Construction Phase				Operation Phase				
		Year Start	Total \$m	Region \$m	Jobs	Year Start	Life Years	Total \$m	Region \$m	Jobs
Perilya	Potosi	2007	\$15	\$10	34	2008	10	\$24	\$11 <sup>(a)</sup>	40
Perilya	North Mine Deeps	2010	\$125	\$44	125	2011	8	\$86	\$51 <sup>(a)</sup>	140
CBH	Rasp Mine	2007	\$50	\$10	30	2008	12	\$23	\$14	110
CBH	Processing Plant	2009	\$70	\$14	65	2010	10	\$39	\$23	45
Bemax	Snapper	2008	\$105	\$32	150	2009	15	\$40	\$24	82
Bemax	Mineral Separation	2008	\$50	\$14	100	2009	15	\$30	\$18	36
Havilah	Portia	2008	\$20	\$18	40	2009	5	\$20	\$12 <sup>(a)</sup>	60
Havilah	Kalkaroo	2009	\$200	\$180	400	2011	15	\$200	\$120 <sup>(a)</sup>	200
Havilah	Mutooroo	2009	\$100	\$90	150	2010	11	\$150	\$90 <sup>(a)</sup>	140
Havilah	Oban	2008	\$10	\$9	30	2009	5	\$20	\$12 <sup>(a)</sup>	60
Exco Resources	White Dam	2008	\$12	\$5	100	2008	3	\$22	\$13	50
Uranium One	Honeymoon	2008	\$55	\$19	60	2008	7	\$20	\$12	53
Leasecorp Projects	Shopping Centre	2008	\$18 <sup>(a)</sup>	\$12 <sup>(a)</sup>	83	2009	40+	\$20 <sup>(a)</sup>	\$7 <sup>(a)</sup>	121
Macdonald Group	Retirement Village	2008	\$5	\$4	10 <sup>(a)</sup>	2009	40+	\$1	\$0	5
MBS	Golf Club Redevelopment	2010	\$122	\$73	209 <sup>(a)</sup>	2011	40+	\$22	\$16	220

Notes: (a) Estimated using input-output model and industry benchmarking.

### Economic Impacts

The development of the current and planned major projects in the Far West Region will have a significant positive impact on the region's economy represented by growth in population, employment, consumption, investment and output. The economic impacts can be broken down into direct impacts from investment in the projects and indirect impacts representing flow on expenditure in supplying industries.

The economic impacts to the Far West Region are projected to total an additional \$142m in value added (GRP) in 2011 based on a medium scenario (see Figure 1). \$76 million is expected to come from direct impacts and \$66 million from flow-on impacts. To place this into perspective, the medium development scenario would increase GRP by up to 11.8% (in 2011) compared with the 2005-06 estimate of \$1,195m.

Employment in the Far West Region is projected to increase by up to 1,460 Full Time Equivalent (FTE) positions in 2008 based on the medium scenario. The employment breakdown includes 700 direct jobs and 760 flow-on jobs with the total representing growth of 13.3% from 2007 (see Figure 2). Employment impacts are expected to be highest during the construction phases of the major projects before smoothing out.

The expected employment impacts would result in growth across a range of industry sectors in the Far West Region (see Figure 3). The mining sector is expected to average almost half of employment growth over the next 10 years (514 jobs) due to the opening of new mining operations. Other industry sectors expected to experience employment growth include retail trade (145 jobs or 13%), finance, business and communications services (128 jobs or 11%) and construction (98 jobs or 9%).

### Regional Planning Challenges

The population and economic growth projected for the Far West Region will create both opportunities and planning challenges.

The level of future population growth is largely dependant on the workforce arrangements of the mining operations. To achieve maximum growth, the region will need to expand the provision of infrastructure with a focus on residential development to avoid future housing shortages. Other key planning challenges include the expansion of education and training facilities, water management to guarantee future supply and land release to facilitate future residential, commercial and industrial development.

Labour and business attraction also represents a vital component of maximising growth potential. The ODF, in partnership with local businesses and planning agencies, is playing an important role in alleviating the skills shortage, promoting the development of local businesses and attracting new investment.

Figure 1: Projected Additional GRP (\$m)

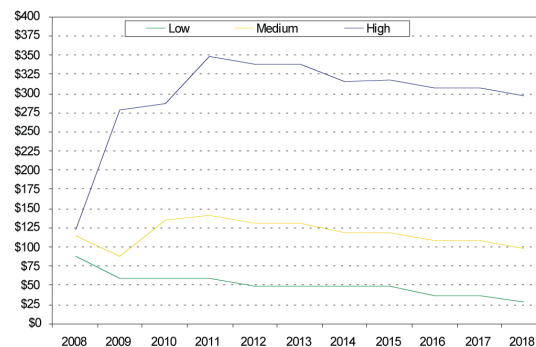


Figure 2: Projected Additional Employment (FTE)

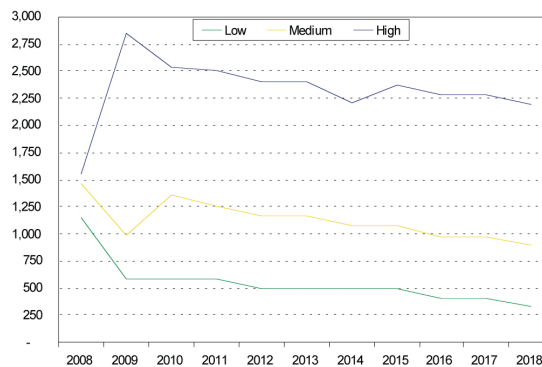
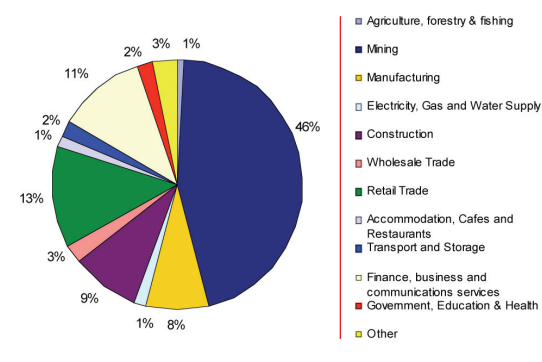


Figure 3: % of Additional Employment by Industry (Projected Average 2008-2018)



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