

## Far West Regional Economic Update March Quarter 2015

### Major Projects Round Up

**CBH's Broken Hill Operations:** During the quarter, CBH was granted approval from the NSW Department of Planning & Environment to commence mining a high grade orebody at the south of the Mining Lease known as the Zinc Lodes. Development access to the orebody has commenced and production from the area is scheduled to begin in mid-June. The first production from the higher grade remnant Main Lode stoping areas also commenced during the quarter. With the ramp-up in production from June and the immediate increase in mine development rates, a total of 28 new positions have been created and filled during the quarter.

**Hawson's Iron Ore Mine** (a Carpentaria and Pure Metals joint venture) is currently at Bankable Feasibility Study stage with work continuing on the EIS and infrastructure components of the project. The project has recently completed studies confirming the power line is sufficient for the project needs. The port at Port Pirie has available capacity for export. Significantly it has received metallurgical results which demonstrates the project can produce the highest grade iron ore concentrate that enables it to focus on the highest value markets. These markets attract a significant premium to the base iron ore price setting the project apart from its rivals. The joint venture is also seeking additional funding to complete additional drilling and pilot plant test work necessary for the development of the project, which is likely to take three years from the commencement of this work. The joint venture has already invested \$20m to date on the project of which approximately one third has been spent in the far west region. Anticipated employment requirements during construction and operation will be approximately 1000 and 600 respectively with as many employees as possible being sourced from Broken Hill.

**Havilah Resources** - In early January 2015 Havilah Resources entered into a revenue sharing mining agreement with Consolidated Mining & Civil Limited (CMC) for the Portia gold deposit, which lies approximately 120km northwest of Broken Hill. Under the agreement CMC will remove all overburden and deliver gold ore to the processing plant at its sole cost, while Havilah will be responsible for processing the gold ore. All gold revenue, after payment of royalties, will be split 50:50 between CMC and Havilah. Dr Chris Giles, Havilah's managing director, is reported as saying that Havilah feels very privileged to have formed this association with such a respected and experienced operator as CMC, and is appreciative of the faith that CMC's principal, Mr Steve Radford, has shown in the Portia project by his decision to enter into the gold revenue sharing arrangement. In the short time since signing the agreement, CMC has largely completed all site works, including establishing an operational camp and workshop, airstrip, various dams and upgrading many km of access road. Excavation of overburden from the open pit commenced on 30 March, on time and on budget. Personnel are being bussed in and out to Broken Hill on a 10 day on and 5 day off roster. The approximately 53,600 ounces of gold being targeted in the Portia open pit lies under 75 metres thickness of barren, free-digging, clayey overburden. CMC are allowing 12 months to remove the approximately 7 million cubic metres of overburden and expect to be delivering first gold ore to the processing plant by June 2016. It is expected that mining and processing of the Portia gold ore will be largely completed by the end of 2016. Following on from Portia, Havilah plans to develop its nearby large Kalkaroo copper-gold deposit, which contains over 600,000 tonnes of copper and 2 million ounces of gold.

**Cristal Mining Australia**—On the 20th March 2015 Cristal received approval for its Crayfish Modification to their current Ginkgo operation. The Environmental Assessment was originally submitted in December 2012 and Cristal has been working with Wentworth Shire and The Department Planning and Environment for over two years to achieve the approval. The Modification will potentially extend the current life of the Ginkgo mine by about 3 years. Cristal has also received approval for increased production from its Snapper mine. This will allow greater flexibility to combat low current prices. The Atlas - Campaspe project continues to proceed. With both State and Federal development approval achieved in 2014 Cristal is advancing various secondary licence approvals and management plans as required by the approval conditions. These approvals should be in place by the end of 2015 to allow the commencement of clearing and construction. Construction of the haul road and rail siding at Ivanhoe is planned to commence in early 2017 with production starting in 2018. Up to 600,000t of heavy mineral concentrate will be road transported from the mine to Ivanhoe and then railed to Broken Hill for treatment. Rail contracts are currently being negotiated.

**AGL Broken Hill Solar Plant**—With the Nyngan solar Plant near completion First Solar are focusing on the Broken Hill Solar Plant. While already well resourced, all Nyngan resources can now be redistributed to Broken Hill. The project is progressing well and meeting all major milestones and is expected to be completed on or before the scheduled time. Over 650,000 solar PV modules will be installed and will generate an estimated 126,000 megawatt-hours (MWh) in its first year.

## Tourism and Hospitality

In 2013/14 , the total tourism and hospitality sales in Broken Hill City was \$109.9m, the total value added was \$57.7m.

	2011/12	2012/13	2013/14	Change on Previous Year
<b>Employment</b>				
Direct	684	754	828	<b>+74</b>
Indirect	256	283	311	<b>+28</b>
Total	941	1037	1139	<b>+102</b>
<b>Output/Sales</b>				
Direct	\$59.5m	\$61.4m	\$64.0m	<b>+\$2.6m</b>
Indirect	\$42.7m	\$44.0m	\$45.9m	<b>+\$1.9m</b>
Total	\$102.2m	\$105.3m	\$109.9m	<b>+4.6m</b>
<b>Value Added</b>				
Direct	\$29.2m	\$31.3m	\$33.2m	<b>+\$1.9m</b>
Indirect	\$21.6m	\$23.2m	\$24.5m	<b>+\$1.3m</b>
Total	\$50.9m	\$54.5m	\$57.7m	<b>+\$3.2m</b>

Source: NEIR ©2015

International visitors to the region arrived by aircraft (23%) or rental car (23%), stayed an average of 6.7 nights in a hotel, motel, resort, motor inn (14%) or caravan (13%) and spent \$48 each per night. The majority were unaccompanied travellers (44%) and adult couples (28%) and were aged 25-34 years (22%) and 15-24 years (20%).

Conversely, domestic visitors to the region arrived by private car (66%), stayed an average of 3 nights in a hotel, motel, resort motor inn (37%), caravan park/camping ground (24%) or with family/friends (14%) and spent \$157 each per night. 36% were adult couples and 71% were aged 45 and over. Their top two activities while visiting were eating out at restaurants (49%) and general sight seeing (33%). 64% were from interstate.

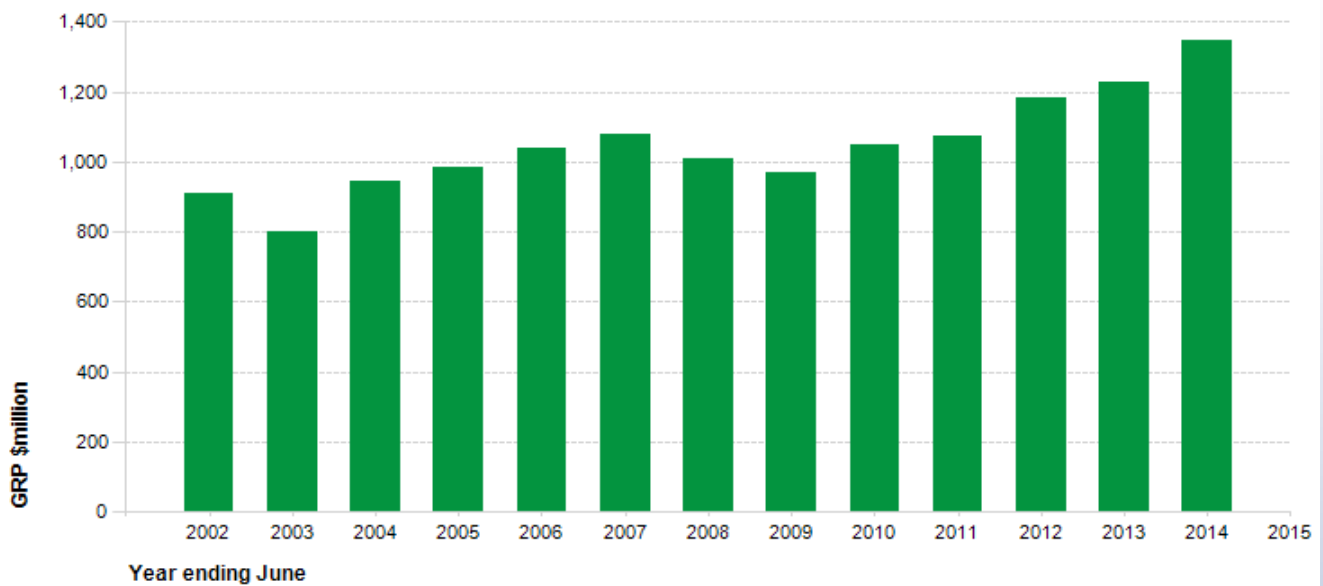
The average tourism and hospitality worker in the region is Female (61.4%), 25-44 years of age (31.2%), works full time (49%), holds no qualification, is Australian born, and earns up to \$599 per week.

## Economic Growth Indicators

Broken Hill City's Gross Regional Product was \$1.34 billion in 2014, growing 9.4% since 2013.

### Gross Regional Product

Broken Hill City



Source: National Institute of Economic and Industry Research (NIEIR) ©2014  
Compiled and presented in economy.id by .id the population experts

**.id** the population experts

	2012	2013	2014
Gross Regional Product	\$1,182m	\$1,230m	\$1,345m
Population	19,123	19,045	19,048
Local Jobs	7750	7787	7466
Employed Residents	7945	8076	7652
Building Approvals	\$6,572,000	\$6,832,000	\$9,568,000
House Sales Average Price	\$127,185	\$148,476	\$153,019
House Rentals Average	\$200	\$230	\$230
Unit Rental Average	\$200	\$160	\$150

### FAR WEST FAST FACTS:

\*\*\* The real estate market saw a significant leap on house sales during the December 2014 quarter with 90 sales at an average of \$175, 497 and while the quieter March 2015 quarter saw 44 house sales, the average sale price was up to \$209,500.

#### Employment snapshot.

##### Total Workforce:

Males—50.3%      Females—49.7%

##### Age Structure:

25-54 yrs—4,108      55-64 yrs—1,051

##### Top 3 Employment Industries:

1. Healthcare & Social Assistance
2. Retail Trade
3. Accommodation and Food Services.

#### Value Added by our Top 5 Industries.

2012/2013

Value added by industry is an indicator of business productivity in Broken Hill City. It shows how productive each industry sector is at increasing the value of its inputs.

<b>Mining</b>	\$691.9m
<b>Healthcare and Social Assistance</b>	\$88.2m
<b>Public Administration and Safety</b>	\$60.8
<b>Electricity, Gas, Water &amp; Waste Services</b>	\$60.1m
<b>Retail Trade</b>	\$57.6m

### FAR WEST FAST FACTS — Visitor Numbers

NSW Trainlink logged 1288 visitors arriving by coach and train for the 2015 March quarter.

The Broken Hill Visitor Information Centre had 15,997 visitors through its doors during the 2015 March quarter.

REX carried 12,784 passengers in and out of Broken Hill during the quarter, down 2147 on the Jan-Mar 2014 quarter.

### Your Feedback

We are always looking at ways to improve the Regional Economic Update to ensure it provides updated and accurate information that is relevant to local business and community alike. If you have any suggestions on how we can improve our publication or if you have an idea for us to research for the next update, please contact Suzanne Walson on (08) 8087 8383 or [suzanne.walson@rdafarwestnsw.org.au](mailto:suzanne.walson@rdafarwestnsw.org.au)

#### 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 Suzanne Walson at Regional Development Australia Far West on (08) 8087 8383. Source of statistics include; [economy.id.com.au/broken-hill](http://economy.id.com.au/broken-hill)., NEIR, Destination NSW, the BDT and AGL website. All other information has been sourced through interviews with local businesses and organisations and we thank them for their time and generosity.