

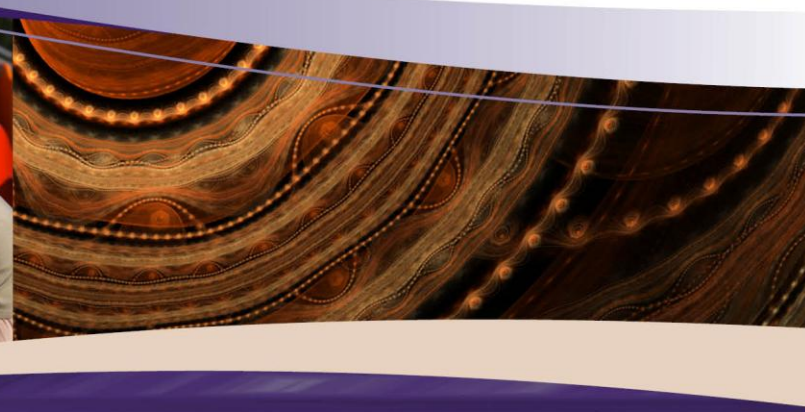


Regional Development in the Far West NSW Region

Regional Development Australia Far West NSW and NSW Department of
Trade and Investment, Regional Infrastructure and Services

October 2011

achieve outstanding client success



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- | | | |
|---|---|---|
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2 Introduction

Sinclair Knight Merz (SKM) was commissioned by RDA Far West NSW (referred to as RDA Far West) to undertake the NSW Department of Trade & Investment, Regional Infrastructure & Services funded project to review and develop a response to challenges posed to the region by a water-constrained future.

For the Far West Region of NSW, the need to diversify the economy is not only in response to water scarcity but also in response to the challenges associated with the region's strong economic dependence on a mining sector. The mining sector is susceptible to significant peaks and troughs, largely influenced by external factors such as global commodity prices and exchange rates, as well as internal factors such as government policies.

While the mining sector is the reason for the existence of Broken Hill and despite the prosperity it has created historically, the cyclical nature of mining activity creates on-going uncertainty and regular periods of economic and social hardship for the town and the region. In an increasingly global marketplace it is less likely that downturns in the mining sector will be, even partially, off-set by up turns in the region's other major economic activity, agriculture.

This situation has been compounded more recently as ownership of the Broken Hill Mines has changed and the nexus between the mines and the town and region, through community support activities and funding, has been broken.

The Broken Hill regional community has moved to diversify the regional economy. This is in understanding of the need for Broken Hill to offer more than an agricultural service centre that increases or decreases in size and economic activity in response to peaks and troughs in mining sector activity. Where external factors impact adversely on both agriculture and mining at a similar time, a more problematic situation is created for the regional community.

On this basis, the aim of this project is to assist the Far West NSW region plan for a sustainable future that recognises and supports the on-going development of mining and agriculture but looks to:

- Diversify the regional economy to reduce its reliance on industry sectors with cyclical activity largely outside regional control. This aim suggests that economic diversity will include increasing the emphasis on the new industries that the region has been developing since the last major decline in mining approximately a decade ago and which has been reinforced by the down turn in agriculture due to drought. It also means that the implementation of the project is likely to be driven by regional stakeholders and resources. It should be noted that the latest development update¹ indicates that employment in the tourism related sectors and in particular the arts and recreation and retail sectors is expected to grow under a broadly business as usual scenario that includes only new projects that are operational or under construction

¹ Development Update: Far West Region 30 November 2011

- Provide support for mining and agriculture based on minimising the potential for significant hardship during the periodic downturns in these sectors. This aim suggests ensuring a sustainable core of regional businesses and workers with the skills and experience to support periods of mining and agricultural expansion but also with skills and experience to work across the broader more diversified sectors. The structures in place should allow for the export of skills and experience to other parts of Australia and overseas in less buoyant times in the region. This will be particularly important if all or most of the current mining development proposals go ahead.

On this basis, this project was designed to identify opportunities to diversify the region's economic base and to advise on the role of the RDA Far West and other stakeholders in facilitating the realisation of these opportunities.

RDA Far West has already developed a comprehensive Regional Plan to guide development activities over the next ten years. This Regional Plan is also supported by a detailed business plan with 20+ opportunities for further development. The purpose of this project is to test and expand on these plans by:

- Consulting a range of stakeholders about the key opportunities and challenges for the region and the potential impact that some of the opportunities identified to date may have on the region and individual stakeholders. Opportunities discussed are not restricted to those already identified by the RDA Far West in the Business Plan.

- Reviewing studies undertaken over the past 5 years on a range of needs/opportunities in the region.
- Selecting opportunities and actions based on their impacts on the region's challenges, their ability to diversify the economy, impact on the region as a whole, and ease of implementation.
- Identifying relationships and dependencies between actions identified so that they can be grouped into packages.

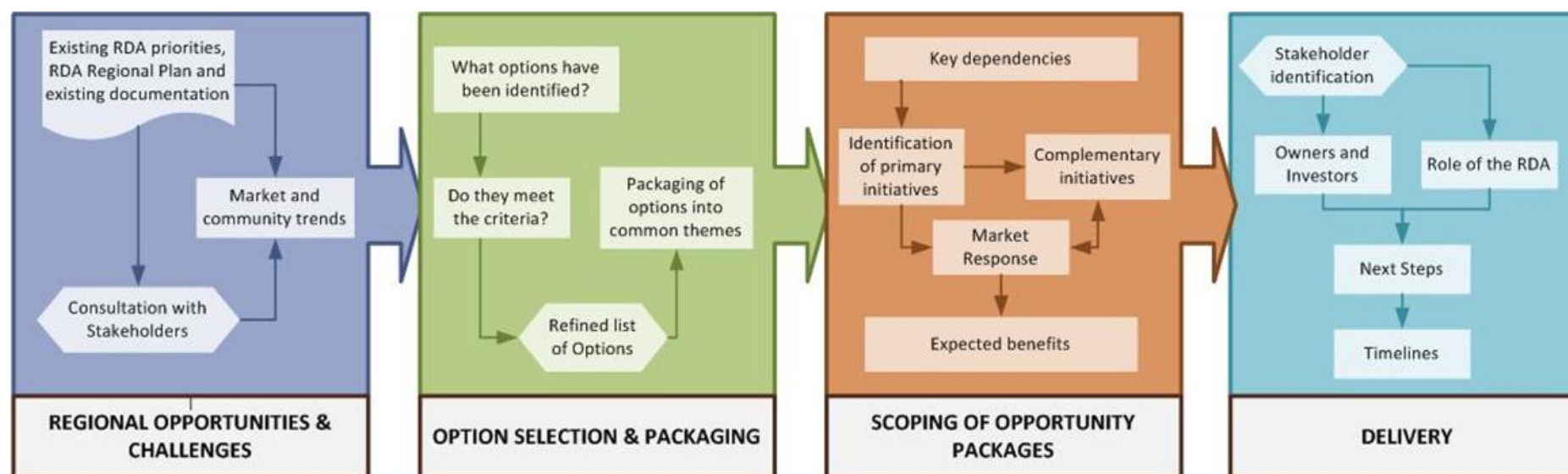
The report includes the following structure:

- **Introduction and process** – Chapters 2 &3
- **Background** (Chapters 4-6)
 - This includes regional profile and market trends (Chapter 4), summary of regional challenges identified (Chapter 5) and summary of regional opportunities (Chapter 6)
- **Assessment & development of opportunity packages** (Chapters 7-12)
 - This includes a review of the assessment and packaging process (Chapters 7 and 8) and a chapter on each of the four opportunity packages which provides a detailed description of the scope and impacts (Chapters 9-13)
- **Delivery Plan (Chapter 13)**
 - This includes a description of key stakeholders, the role of the RDA Far West and the next steps for each opportunity package.

3 Project summary

Figure 1 below outlines the core components and deliverables of this project.

Figure 1 Project summary



In line with the project aims set out in the previous chapter, the approach illustrated in Figure 1 builds on the body of the community's economic development activity over the more recent past. This work has been undertaken with the aim of creating a more sustainable future for the region and has strong community support.

Opportunities considered included those already identified by RDA Far West and the community, as well as new opportunities that emerged throughout the consultation and research process. The opportunities that have been selected have been reviewed and tested using a set of economic criteria outlined in Section 7.3 and in terms of industry and market support and regional community support.

These opportunities have then been packaged under common themes with a major aim of identifying opportunities to stimulate private sector investment. Importantly, if the opportunities involve aspects of those already identified by RDA Far West or by the community, recommendations include measures to improve value for money – e.g. by reducing duplication or ensuring cost recovery opportunities.

The emphasis in this project has been in developing practical work packages that offer real scope for sustainable diversification of the regional economy for implementation and an implementation process, rather than producing a detailed business case for individual opportunities. On this basis, in almost all cases implementation will involve additional detailed scoping.

The process identifies this additional scoping and the stakeholder involvement as part of the implementation process. The process may require seed funding but in all cases implementation of the opportunities

is based on them being self funding and not requiring significant new government on-going funding. In some cases, the proposed opportunity packages reflect extensions/improvements to existing economic service delivery. In these cases, it is assumed that existing funding sources will remain available based on a more cost effective way of providing improved services.

Given the regional nature of this project and the requirement to identify and develop economic development solutions that benefit the region's economy and its community, the RDA Far West will be a key implementation partner. This emphasis indicates that the RDA Far West will work with the range of regional, State and Commonwealth stakeholders to implement the proposed diversification program. In some cases this will include an active facilitation role in others it may mean a supporting role such as increasing awareness through promulgating information and/or providing a conduit for information, providing support services to regional industry and other stakeholders and/or providing introduction, lobbying and/or brokerage type services. None of these roles would be outside the remit of the RDA Far West and in all of them the RDA Far West would work with and partner other relevant bodies.

4 Regional profile

The existing situation analysis provides a summary of the current position of the Far West Region of NSW. As agreed based on the funding for this project, this section is predominantly based on information from the RDA Far West Regional Plan with additional information provided on the employment profile and emerging sectors.

The section includes brief descriptive material on the socio-economic and demographic situation in the region and information about the current and developing significant regional industries in the region.

4.1 Description of region

The Far West Region (See Figure 2) contains the local government areas of Broken Hill and Central Darling Shire as well as Unincorporated NSW. It is 147,142 square kilometres, accounting for almost one fifth of the area of NSW. Conversely, the region's 23,269 people comprise only 0.4% of NSW's population, with 87% of the region's population living in Broken Hill.

The largest towns in Central Darling Shire are Wilcannia and Menindee, while in the Unincorporated Area it is the town of Tibooburra. The closest large population centre is Mildura, Victoria, which is 300 kilometres south. Broken Hill has strong cultural and economic ties to South Australia, and unlike the rest of NSW operates on Central Standard Time.

Figure 2 Far West Region of NSW (CDATA 2001, AECgroup)



The climate and landscape of the region has played a significant role in its growth and form of development. In Broken Hill, temperatures average from over 30°C in summer to 5°C in winter and the lack of spring frosts and other factors means that high value horticultural produce such as peaches and grapes can be harvested weeks before competing regions. The region also contains significant mineral wealth, large stretches of the

Australian outback in relatively close proximity to Sydney and Melbourne and unique natural features.

4.1.1 Transport infrastructure

Far West NSW is linked to other regions by the following transport infrastructure and networks:

- Sealed highways link to Adelaide, Sydney and Melbourne
- A network of unsealed roads – including the connection between Menindee to Pooncarie and the Silver City Highway between Broken Hill and Tibooburra.
- Passenger rail infrastructure – Forms part of the transcontinental railway connecting Perth and Sydney (stopping at Menindee, Broken Hill and Ivanhoe within the region). The Indian Pacific stops at Broken Hill twice weekly in each direction between Sydney and Perth. Countrylink service once weekly in each direction between Broken Hill and Sydney.²
- Rail freight - Traditionally the major method of transporting mining exports from the region. A direct rail line connects Broken Hill with Port Pirie on South Australia's Spencer Gulf. Pacific National also

operates a freight service three times per week between the Bemax Separation Plant in Broken Hill and Port Adelaide.³

- Broken Hill Airport – The Airport is owned and operated by Broken Hill City Council and is also a major base for the Royal Flying Doctor Service. Regional Express (REX) Airlines is currently the only daily operator, with daily connections to Sydney and Adelaide.

4.1.2 Social infrastructure

The Far West Region contains the following major educational facilities:

- School of the Air
- Western Institute of TAFE
- University of Sydney (Department of Rural Health)
- Robinson Community College.

Health services in the Far West Region are part of the Far West Local Health District of regional NSW. The main health centre in the region is the Broken Hill Hospital, which has 88 beds and is supported by visiting surgeons and specialists. Broken Hill also provides a range of primary health care services such as community health, paediatrics, Aboriginal health, mental health, a diabetes centre and general practice clinics. Remote health services are provided to other parts of the region through

² Broken Hill City Council website,
<http://www.brokenhill.nsw.gov.au/about/4108/4298.html> (accessed 6 July 2011)

³ Broken Hill City Council website,
<http://www.brokenhill.nsw.gov.au/about/4108/4298.html> (accessed 6 July 2011)

the Royal Flying Doctor Service, Wilcannia Health Service, Menindee Health Service and Ivanhoe Health Service.

Maari Ma Health (MMH) Aboriginal Corporation Health also operates in the region. The Aboriginal community controlled organisation targets improving the health outcomes for communities in the Far West Region of New South Wales with a special focus on Aboriginal health. In addition to the Indigenous health program, MMH is contracted by NSW Health to provide all the NSW Government Health services in the region outside the City of Broken Hill. This includes managing the hospital and primary health care services in Wilcannia.

4.2 Socio-economic profile

4.2.1 Social characteristics

- The regional population has declined by more than 30% over the past 35-40 years, predominantly due to changes in the mining sector. The rate of decline has recently stabilised but the population is still declining due primarily to drought and continuing loss of mining jobs.

Table 1 Far West Region's population decline (ABS)

2006	2007	2008	2009
-0.8%	-0.1%	-0.2%	-0.5%

- The proportion of people aged 45 to 74 is higher in the Far West Region than the NSW average. The proportion of people aged 75 years and over is lower in Central Darling Shire and higher in Broken Hill than the State average. This difference is likely to be due to

reduced life expectancies of the large Indigenous population in the Central Darling Shire and the movement of older retirees into Broken Hill. This implies a strong need for health and aged care management in the region.

- According to ABS census data (2006), 9.4% of the region's total population are Aboriginal people or Torres Strait Islanders, however in Central Darling Shire this proportion is 38.2%. The Indigenous population represents two-thirds of the population in Wilcannia and almost half of the population in Menindee. Anecdotal evidence by the Central Darling Shire suggests that the census data is very misleading within Aboriginal communities and is believed to significantly undercount the local Aboriginal population.
- Compared with Australia-wide figures, individual and family incomes are low. Contributing to these measures are the higher proportions of single parent families and unemployed persons. Housing costs are well below average. The median weekly rent in Broken Hill is \$110 compared with \$190 across Australia.
- According to the 2006 Census, 43% of the population in the Far West Region has post school qualifications, compared with a national average of 52.5% and State average of 54.5%. The vast majority of these qualifications are at Certificate level or inadequately described.

4.2.2 Economic characteristics

- In 2005-06, the Far West's Gross Regional Product of \$1,195 million accounted for 0.4% of NSW's Gross State Product.

- Major sectors include mining, agriculture, horticulture, tourism and retail / services.
- Emerging and/or growing industries include tourism, horticulture and goat and meat sheep production, while the commodities boom has underpinned further investment in minerals exploration.
- Unemployment in the Far West Region is higher than average unemployment in regional NSW and NSW as a whole. At the 2006 census, unemployment in Broken Hill was approximately 9.1% (down from some 12.8% in 2001). More recent data (SALM June 2011) show a drop to 7.9% unemployment. This is some 46% higher than regional NSW unemployment and 54% higher than unemployment in NSW as a whole. Unemployment in Central Darling Shire was approximately 14.1% in June 2011.
- For the region as a whole, the health sector and social assistance, and retail sector are the largest employers. The mining sector and accommodation and food services are the third and fourth largest employers in the region (respectively). It is noted that the employment profile in Broken Hill and in Central Darling Shire vary considerably – particularly in terms of the relative importance of the mining and agricultural sectors. Employment characteristics are discussed in more detail below.

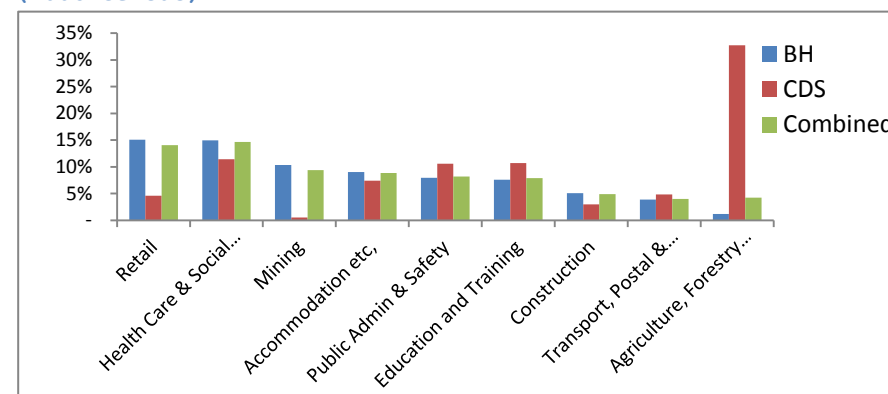
4.2.2.1 Employment characteristics

Sectors that account for most employment in Broken Hill and Central Darling Shire are: retail trade, health care and social assistance, mining,

accommodation and food services, public administration and safety, education and training, construction and transport and related services. These eight sectors accounted for nearly 76% of employment in the area in 2006 (75% of Broken Hill employment and 86% of Central Darling Shire employment). Figure 3 indicates the top industries by employment for both Broken Hill and Central Darling Shire.

In general, the industry ranking in both municipalities and when combined is very similar. The key exceptions are mining, agriculture and retail (though not to the same extent). Whilst mining is the third highest employer in Broken Hill, it is only the 17th largest employer for Central Darling Shire. Conversely agriculture is the highest employer in Central Darling Shire but only the 17th highest in Broken Hill.

Figure 3: Top Ranking Industries by % of total employment in Broken Hill (BH), Central Darling Shire (CDS) and combined (2006 Census)

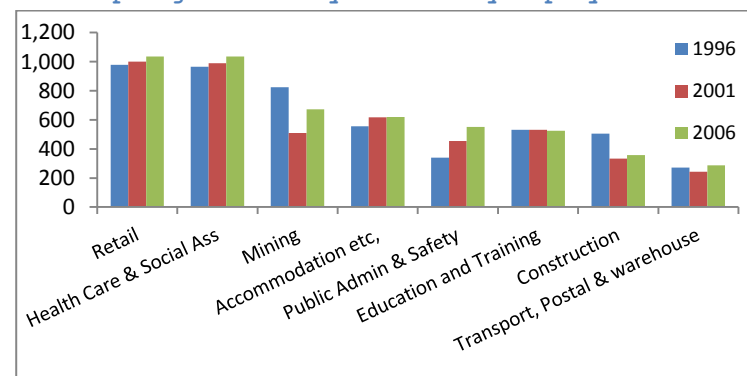


Source: ABS Census 2006

Figure 4 demonstrates how employment in these sectors has changed between 1996 and 2006 in Broken Hill (ABS Census data). Key points of interest are detailed below:

- The mining sector experienced the most significant volatility over the ten year period, with a reduction of employment of nearly 40% between 1996 and 2001 (314 jobs) and a recovery of just over 50% (i.e. 163 jobs) by 2006. The impact of this fall in employment is potentially exacerbated by falls in the construction and transport sectors, which are likely to directly or indirectly reflect the mining sector downturn.
- Employment in retail and health care and social assistance (the two largest employers), and public administration and safety increased over the period. These sectors may have absorbed a small share of those unemployed by the mining downturn (i.e. from mining and construction).
- Employment in education and training has remained relatively flat across the 10 years, and employment in the accommodation and food services sector has remained relatively flat between 2001 and 2006.

Figure 4: Top Eight Industry Sectors by Employment: Broken



Hill

Source: ABS Census 1996, 2001 and 2006

Fluctuations in the mining sector are most strongly felt in Broken Hill due to mining accounting for approximately 15% of total employment (ABS, 2006).

Table 2 provides total employment figures for Broken Hill in 1996, 2001, and 2006 (ABS census data). This provides a broad indication of how mining sector fluctuations impact total employment. A reduction in mining employment of almost 40% (314 persons) in Broken Hill between 1996 and 2001 coincided with, and presumably led to, a total reduction in employment of approximately 3% (201 persons). This suggests that just over one third of those unemployed from the mining sector managed to find employment in other sectors.

Although the sector somewhat recovered in 2006 (to 80% of 1996 levels), recovery appears to have been relatively slow.

Table 2 Total Employment in Broken Hill

	1996	2001	2006
Total employment	6,787	6,586	6,737
Employment change (to previous year)	-	-201	+151

Source: ABS Census 1996, 2001 and 2006

Based on employment data for the region, mining is likely to remain the key industry in Broken Hill and agriculture will likely remain more important across the rest of the Far West NSW Region. However as noted in Section 4.3.2 below, employment within the agriculture sector may face increased pressure as a result of technology advances and due to uncertainty about the availability of water

Employment in other significant and growing sectors such as retail, health and community services, construction, education and training, and public administration and safety is to a large extent driven by population. As such, continued growth in employment in these sectors will in part depend on the success of the mining and agricultural sectors. The growth in the accommodation sector between 1996 and 2006 suggests that tourism offers scope for more sustainable regional diversification.

4.3 Current and emerging sectors

4.3.1 Mining

Broken Hill and the broader Far West Region have a strong mining history, with Broken Hill (the silver city) viewed as an Australian mining 'icon'.

The region's mining sector accounts for approximately 20% of Gross Regional Product, 9% of employment and 70% of exports.

As noted in the earlier section, employment in Broken Hill has traditionally relied on mining and related sectors. However the peaks and troughs in mining development cause significant expansion and contraction in the employment market.

4.3.1.1 Diversity and longevity of mining activity

The world-class deposits of lead, zinc and silver at Broken Hill have been mined since the late 1800s. Although there have been concerns in the past that deposits would become exhausted, this has not been the case. Despite the extensive activity over the last 125 years or so there are still areas that are relatively under-explored, offering known and anticipated scope for significant additional life for the mine. Increases in commodity prices and advances in technology are also making known but previously uneconomic deposits viable.

There is strong evidence of increased activity by mining and exploration companies in the region due to a rise in commodity prices. This is expected to lead to a boost in direct and indirect employment opportunities as well as infrastructure investment. For example, in early 2011, a \$110 million expansion of the CBH Resources' Rasp mine was announced. Perilya is planning to further develop the Potosi Mine located

on the northern outskirts of Broken Hill and is considering the potential re-opening of the North Mine.⁴

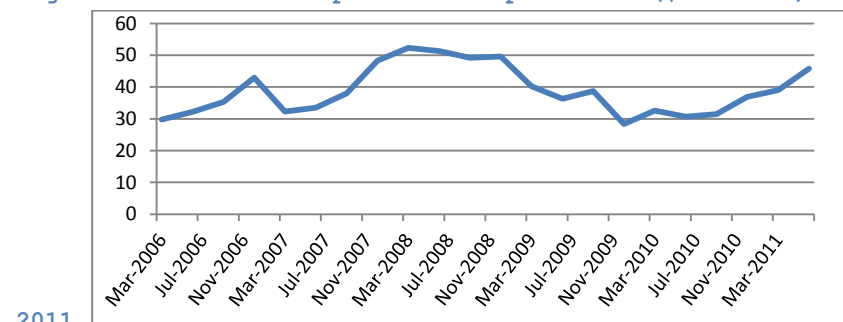
At the time of writing this report, Carpentaria (an exploration company) had undertaken a pre-feasibility study supporting a large scale magnetite project capable of producing 20 million tonnes per annum (mpta) of high grade concentrate. If this exploration converts to a project, there will be significant employment impacts for the region, with construction potentially commencing in 2014 and full operation 4 years later.

Mineral sands are also mined in the region, about 200km south of Broken Hill at the Ginkgo Mine and the Snapper Mine (BeMaX Resources), and then processed in Broken Hill at a mineral separation plant. Ginkgo and Snapper mine have an estimated life up to 2018 and 2025 respectively.

4.3.1.2 Exploration trends

Figure 5 and Figure 6 below suggest a downturn in exploration expenditure for overall minerals and Broken Hill's staple minerals in NSW following the Global Financial Crisis, and a return to trend in recent years.

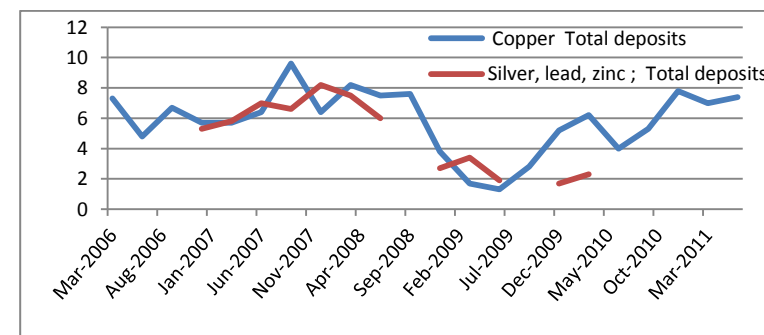
Figure 5: NSW Total Exploration Expenditure (\$ million) 2006-



2011

Source: ABS Catalogue 8412.0

Figure 6: NSW Exploration Expenditure (\$million) for Key Broken Hill Minerals 2006-2011



Source: ABS Catalogue 8412.0

These trends support the understanding from the project consultation that there is considerable exploration activity in the region from smaller operators. Carpentaria has announced a budget of \$3.5m for exploration over the next financial year.

⁴ Perilya 2010 Annual Report

4.3.1.3 Current government investment and policy impacts

Established companies such as Perilya, CBH and Bemax with existing operations and known and indicated reserves have more certainty about longer term prospectivity. They therefore face different risk profiles to smaller exploration companies. As such, government funding initiatives for pre-competitive exploration activities aim to facilitate investment by increasing the level of certainty.

The NSW Government has invested over \$50m in exploration enhancements. This funding was provided under the seven year Exploration NSW initiative and followed by five year New Frontiers initiative. The New Frontiers initiative provided pre-competitive funding of geophysical surveys, data compilation, mapping, data interpretation and data delivery. These programs aimed to promote a sustainable mineral and petroleum exploration industry in the State and to stimulate mineral and petroleum investment in under-explored terranes in the Broken Hill region, the Far West, Central and North West and the New England areas.

The NSW Government was also part of the Broken Hill Exploration Initiative (BHEI) which was a collaborative arrangement between Industry and Investment NSW, Primary Industries and Resources SA (PIRSA) and Commonwealth Government (GeoScience Australia). This arrangement was in place from 1994 to 2009 and invested more than \$15 million. The initiative included a major symposium to promote the findings in 2009.

GeoScience Australia is no longer part of the initiative but PIRSA and the NSW Government continued to provide this support after 2009 with the NSW contribution related to its funding of exploration in the Broken Hill region under the New Frontiers initiative noted above (extended 2008-2011). The BHEI was due to continue this year, however, it has been decided between PIRSA and NSW Geological Surveys to delay the initiative until next year, because of:

- Decreased funding in NSW Geological Survey
- A lack of new data from both organisations in the target area
- A new Resources Symposium that will run its second year at Broken Hill 20-23rd May 2012
- A field trip in Broken Hill organised for the International Geological Conference 2012, 11-16 Aug 2012
- The lack of involvement from Geoscience Australia.

Funding for NSW Geological Survey is still uncertain, so a meeting is planned next year between PIRSA and NSW once funding is clear.

There is a significant legacy of information and resources available from this initiative which it appears will continue to be developed following this year's hiatus. The RDA Far West should consider its role in facilitating the new symposium and the continuation of this initiative.

These initiatives provide evidence of prospectivity for iron ore, copper-gold and uranium as well as the classic Broken Hill silver-lead-zinc deposits across a wide area around Broken Hill (South Australia, western

NSW and into Queensland). As such, they should encourage exploration activity and increase certainty.

There are also government policies that may adversely impact mining profitability and certainty. The mining sector has recently expressed concern about the impact of the proposed Australian Government Minerals Resource Rent Tax (MRRT); however this scheme has been progressively altered to reflect industry concerns. At the time of writing this report, the scheme had not yet been finalised and industry and other concerns and issues were still being addressed. At this stage it seems unlikely that there will be significant industry concerns when finalised. It is noted that the smaller mining and exploration companies should not be affected given the income thresh-hold proposed for the scheme.

Importantly, whilst the impacts associated with the MRRT, as well as other whole of sector impacts (Carbon Tax, global demand, resource pricing etc) may impact the mining sector profitability, they are not expected to change Broken Hill's overall competitiveness for mining projects.

4.3.1.4 Potential for future support for exploration

Exploration to identify and confirm new deposits is vital to the on-going prosperity of Broken Hill.

While successful exploitation of known and indicative resources are largely driven by commodity prices and mining cost, access to a pool of resources is also important for the continuity of mining operations in the Broken Hill region.

As noted above, the mining sector in Broken Hill is made up of a diverse combination of different sized companies, all of which contribute to the economic profile of the region. As such, any assistance measures introduced must recognise that small companies require different assistance to the more established companies.

For example, the Income Tax Assessment Act (ITAA) provides for a tax deduction for exploration expenditure. However, junior exploration companies (which make up more than 70% of companies engaged in mineral exploration within Australia) generally do not generate sufficient taxable income to be able to claim the deduction.

It was noted in the consultation process that the mining industry is supportive of the concept of a flow through scheme for mining shares, similar to that introduced in Canada in 2000.

A flow-through share scheme would allow companies that cannot use the deduction themselves to pass it through to shareholders to offset their own tax liabilities. Thus, a flow-through share scheme increases the attractiveness to invest in junior exploration companies thereby providing those companies with the capital to maintain or increase their exploration activities.

4.3.2 Agriculture and horticulture

Agriculture is a significant industry in the Far West Region, accounting for about 11% of Gross Regional Product, 6% of employment and 20% of

exports⁵. Irrigation has enabled expansion of the agriculture sector from wool production to also support cotton and horticulture (including grapes and stone fruit). Tandou Limited owns large scale irrigated cropping (13,200 ha) and pastoral operations (65,000 ha) near Menindee. The Tandou cotton gin is one of only three in Australia combining both a roller gin (eight stand) for Pima processing and a saw gin (two stand) for upland cotton processing. With improved water availability and strong cotton prices, cotton farming is expected to yield high revenue in the next couple of years.

Recently, goat and meat sheep production has become a substantial part of the regional agriculture sector in non-irrigation areas.

Horticulture products are currently exported out of the region. Beef products are exported in all directions to sale yards and abattoirs.

Goats are also transported in all directions and slaughtered at facilities located in Victoria, South Australia and Queensland, for example.

The agricultural sector has been forced to adjust to shortages of water over the past decade through a range of measures – including reduced employment, reduced operations, increased purchase of feed, increased operational efficiency, consolidated land holdings, and changes in produce and livestock.

The organisational and technology trends suggest that agricultural employment will continue to decline with amalgamation of pastoral properties, potential for more corporate ownership and the introduction of management practices, species, and technologies that require less people.

The more intensive irrigated agriculture and horticulture will also be impacted by increased uncertainty about water availability. This is likely to lead to peaks and troughs in employment with larger numbers in periods with more water and fewer in dry periods. For example, Tandou retained 15 people over the dry period to some extent as an investment in retaining skills and experience, but then increased this to 60 over the recent wetter period. Another prolonged period of drought would see significant reduction in Tandou's employment again.

Tandou's response to water scarcity in the region also provides insight into how the sector is already changing in order to become more resilient to water scarcity. In response to its exposure to water availability and cotton prices, Tandou has expanded its business model to include water trading. This business model means that the company can sell water entitlements when it is more profitable than producing cotton, and to increase its cotton production when water is not as scarce. The opportunistic business model has proven itself to be sustainable in a region where water security is uncertain.

Other smaller farms may also need to diversify their activities to increase their profitability and resilience to water scarcity and other external factors. Examples of diversification in the sector as a whole include a shift to farm forestry (including carbon sequestration opportunities), farm

⁵ NSW Department Trade and Investment,
<http://www.business.nsw.gov.au/invest-in-nsw/regional-nsw/nsw-regions/far-west> last accessed August 2011.

tourism and production (at least in part) for high value niche markets. In some cases combinations of these may be possible.

Additionally there are likely to be opportunities for farmers and farm workers to contract services to projects that could assist in providing off-farm income in periods with less water (see text box below). Access to off farm income would assist in maintaining employment across the sector and increase its resilience to down-turns due to reduced availability of water, lower commodity prices and other factors external to the sector.

A South Australian farmer has developed a business that collects the scrap metal from the Hallett Wind Farm project and recycles it into useful metal goods. A number of others have provided earth moving and other civil services for the project. The size of the project and the staged construction has provided a significant on-going opportunity including time to develop additional business beyond the single project. Large mining operations could offer similar opportunities.

4.3.3 Tourism

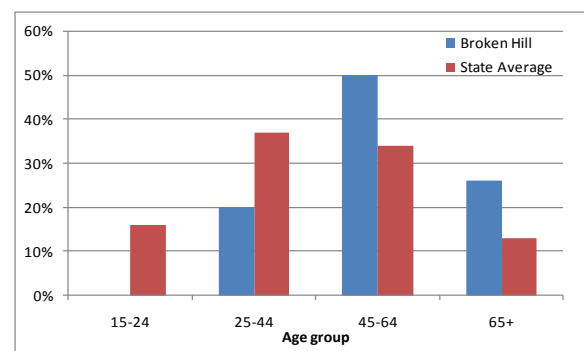
Tourism is an increasingly important industry for the region and a recognised key driver of the region's economy⁶, with accommodation and food services accounting for 9% of the Region's employment. However, based on the ABS Tourism Satellite Accounts 2008/09, this may be a

conservative estimate. Tourism involves activities and expenditure across a range of industry sectors other than accommodation and food services. These broader tourism data indicate that national accommodation and food services comprise only around 44% of employment that can be attributed to the tourism sector nationally. If this proportion is applied to the Far West NSW region, the estimated tourism related employment in 2011 could be some 1,500 or around 14.6% of total employment⁷.

According to Tourism Australia (2007 data) most tourism spending occurs in Broken Hill, which has over 400 tourism businesses compared with 33 in the Central Darling Shire despite this Shire covering a much larger area.

Tourism data for Broken Hill shows that the region attracts an older traveller; with 76% being over the age of 45 and 26% being over 65 years of age, much older than the national and state average (see Figure 7).

Figure 7 visitor age group comparison



Source: Tourism NSW and Tourism Research Australia

⁶ Development Update: Far West Region 30 November 2011

⁷ Ibid.

Further, 39% of all visitors were categorised as ‘older non-working’, compared with a state average of 18% (refer to Figure 8 and Figure 9).

The average spend per night (for the four years to 2007) for domestic overnight visitors was 95% and 70% of the State average in Broken Hill and the Central Darling Shire respectively. This is consistent with anecdotal evidence that tourist expenditure in the region is predominantly in Broken Hill. The contrast is expected to be even greater if the data considered the many tourists that only visit Menindee, Silverton, and Wilcannia etc for the day and who bring all their supplies from Broken Hill.

Figure 8 visitor type Broken Hill

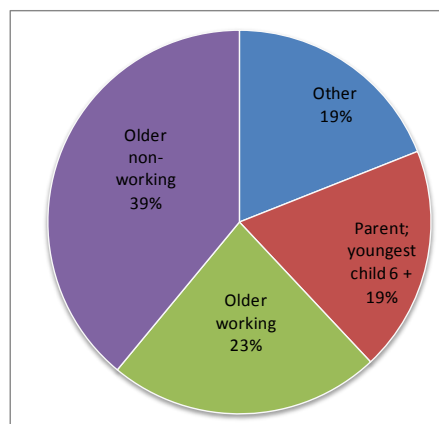
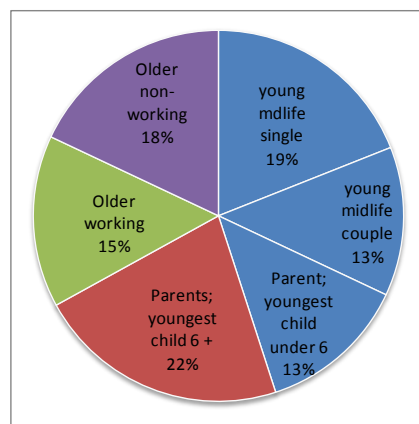


Figure 9 Visitor type: State Average



Source: Tourism NSW and Tourism Research Australia

The diversity of the tourism market also suffers from a low proportion of international visitors to the region (6.5% of visitors to Broken Hill). Distance from major population centres and limited air transport options means that the region is more attractive for longer term car travel.

Whilst water availability is linked to some of the tourism activities in the region (e.g. bird watching, fishing, boating and camping at Menindee lakes), many of the tourism industry strengths in the region are independent of water availability. As such, tourism offers a particular opportunity for economic diversification for the region. Furthermore, as noted above, benefits from the tourism industry can provide employment and income opportunities to farming families during downturns in the agricultural industry, as well for the Aboriginal community which contributes to the region’s creative arts sector and rich cultural history.

Many tourism opportunities such as restaurants and cafes can also provide additional amenity for regional residents increasing the liveability of the region.

4.3.4 Creative arts

The Far West Region community has significant talent and interest in creative arts, including visual arts, environmental arts, music and film. A survey undertaken in 2007 (Quality of Light, Quality of Life – produced by West Darling Arts and the then Far West Regional Development Board) indicated that the average annual income received by the region’s artists from their creative practices was higher than the national figure for

professional artists (by 32%). This suggests that the sector is relatively successful, and that there are opportunities for continued expansion.

4.3.4.1 Visual arts

There are currently over 100 visual artists and 30 commercial galleries in Broken Hill and the surrounding region. Two of the most well known galleries include the Pro Hart Gallery and the Broken Hill Regional Art Gallery. Silverton's economy is built on arts and tourism. The two resident artists, Albert Woodroffe and John Dynon, exhibit in their Silverton galleries.

The Broken Hill Regional Art Gallery hosts two annual art prizes – The Far West Emerging Aboriginal and Torres Strait Islander Art Prize (established in 2008) which aims to promote emerging Indigenous artists from the Broken Hill region; and the Outback Open Art Prize. These two awards place Broken Hill on the 'arts calendar' whilst providing emerging artists with opportunities to showcase their work.

TAFE Western Broken Hill Campus' Learning Commons also has an exhibition capacity to support exhibition of work by local artists. The Learning Commons also has a partnership agreement with the Powerhouse Museum to bring travelling exhibitions to Broken Hill.

There are many established and emerging Aboriginal artists in the region. Measures that realise, enhance and promote this talent have been implemented to improve employment outcomes for the Indigenous community. For example, with the Central Darling Shire Council, Essential Energy, the Western Institute of TAFE, West Darling Arts and the

Australian Government have jointly supported the development of the first drive-through Aboriginal art gallery in Wilcannia. The outdoor gallery will feature local artists and promote the Wilcannia art brand.

The most significant art and cultural outcome in Wilcannia is the incorporation of Wilcannia Arts. This group is bringing all the groups together including the Regional Language Group, and the Regional Visual Artists to establish a Baarkintji Arts and Cultural Centre for the Region.

4.3.4.2 Film

Broken Hill and the surrounds has been a destination for film and other media productions since the 1970s. The area has been marketed for production based on the following:

- Its remote and urban landscapes and the weather whilst having the convenience of a studio located in the region, with production and storage
- Good access, including, road, rail, and direct flights to Sydney and Adelaide
- Community resources and support
- Ability to accommodate a large crew in the region.

There have been in excess of 300 film productions in the area since 1982, with some 25% of these being from overseas production companies. The number of productions has grown significantly over the past 10 years with some 50% growth in commercials, 350% in documentaries (although

starting from a small base) and 25% increase in feature films (although again from a small base).⁸

To build on the region's appeal to the film sector, the Broken Hill City Council has developed a plan to convert a disused power plant into a film studio precinct. Stage 1 has been completed and includes the 5th largest studio in Australia (2,230m²). The studio was designed in collaboration with the filming industry⁹. The film sector encompasses other art practices beyond film, utilising the same technologies, including video art and digital art. The cost of leasing the film studio is competitive with other Australian film studios, and the intention is for this sector to grow accordingly, drawing on its cost advantage as well as local expertise and photogenic built and natural landscapes.

The Mad Max IV product was intended to be filmed in Broken Hill, but has recently been cancelled due to unexpected recent extended rain in the region making the desert landscape too green for the apocalyptic landscape sought after by the production company. Although this cancellation has been a set-back for the local film industry, the long-term opportunities remain unchanged.

'Film Broken Hill' has been established to provide information and referral service to the film industry interested in outback locations. The service assists with identifying suitable locations, technicians, facilities

⁸ AECOM, "Broken Hill Film Studio and Precinct Business Plan, report presentation" July 2010, Broken Hill

⁹ The production company for Mad Max IV: Fury Road had leased the space for two years.

and businesses. This is a joint initiative of the Department of Trade, Investment, Regional Infrastructure & Services, the Broken Hill City Council and local freelance technicians.

The arts and recreation services industry is currently quite small in employment terms with only some 1.4% of total employment in 2011. However, it is a growing sector that is estimated to grow to some 1.7% of total employment by 2021¹⁰. It also offers sustainable employment that is unlikely to be affected by downturns in the mining or agricultural industries.

The creative arts industry is also related to and complementary with tourism, offering opportunities for cross development and promotion.

¹⁰ Development Update: Far West Region 30 November 2011

5 Regional Challenges

This section provides a high level assessment of the challenges for the region.

5.1 Social

5.1.1 Population dependence on mining sector

The peaks in the mining sector encourage significant population growth, and conversely, the troughs lead to declining populations. Population growth places strain on existing infrastructure and services whilst a declining population increases the cost burden associated with maintenance of infrastructure intended for a larger population.

5.1.2 Risk of volunteer fatigue for emerging initiatives

Often the same people volunteer their time to coordinate initiatives or events across the region.

Volunteer fatigue and limited capacity in certain management skills may be a challenge in implementing new initiatives. A balance of volunteer input and paid employment is needed to ensure that volunteers are not over-committed.

5.1.3 Limited service provision

The low population density of the Far West Region has a significant impact on the provision of services such as construction, health, aged

care, child care, education, business, legal and accounting. Furthermore, these services tend to be based in Broken Hill, which makes smaller towns and remote areas highly dependent on Broken Hill despite some of them being located 200 to 300km away.

5.1.4 Links between training and local employment

While there are many training courses available, the link between training and employment is not particularly strong. For example, consultation indicated that the Wilcannia community is sick of training for training sake. While some work has been undertaken to improve links between training and employment, this is still considered to be an ongoing challenge for the region.

In addressing the challenges, lessons can be learnt from some of the work that has been undertaken to date to improve the relationships between training and employment. For example, there was significant work done during 2011, particularly in partnership within the context of the Remote Service Delivery Local Implementation Plan. This is the main framework to help guide service delivery in Wilcannia, and has a particular focus on the need to have training which leads to employment outcomes.

Examples of good linkages between training and jobs in the Broken Hill area include the TAFE model of industry engagement. This model involves faculties working with the industries in which apprentices are engaged to ensure that there is a good alignment between training and employer needs. For example, the Head Teacher of TAFE Hospitality at Broken Hill coordinates a 'Restaurateurs Club' which provides an opportunity for employers in the hospitality industry to meet with trainers and identify

issues like specific training requirements. TAFE/industry engagement occurs regularly across all faculties, with industry sectors such as mining, metal fabrication, auto, hospitality, business, retail, health and community studies.

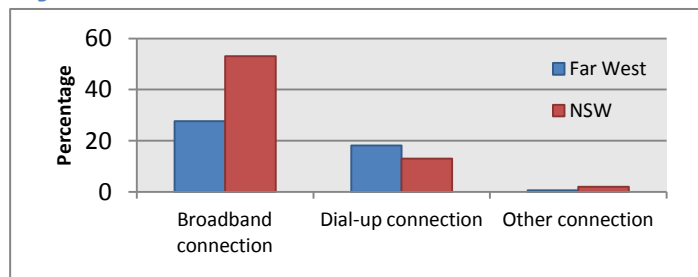
There has been some success in developing training to suit community need. An example of this is the “Introduction to Child Studies” course which is being run at St Therese’s Community School in Wilcannia.

5.2 Technological

5.2.1 Limited access to the Internet

As shown in the following figure below, access to Internet in the Far West Region is low compared with NSW overall. The number of broadband connections is almost half that of the average across NSW. There are more dial-up connections, however these are much slower and limit the potential use of the Internet. Improving Internet connections is crucial to the development of new industries in the region as they help reduce the “tyranny of distance”.

Figure 10 Internet connections - Far West and NSW (ABS)



5.3 Economic

5.3.1 Lack of economic diversity

The region’s economy is dependent on the mining sector to the extent that it is extremely susceptible to the cyclical nature of this sector. The impacts associated with this instability also affect the downstream sectors of the regional economy, implying a need to strengthen other industries and diversify the economy to improve economic and employment stability.

As discussed in Section 4.2.2.1, downturns in mining also directly and adversely affect other sectors, in particular the construction and transport sectors. Upturns in the mining sector also benefit these sectors, but there is generally a lag as these sectors re-adjust.

The need to address economic diversity is discussed further in Section 7.1

5.3.2 Difficulty maintaining a stable workforce

Other sectors (e.g. retail, tourism and agriculture) find it difficult to retain staff during mining booms, where employment opportunities in the mining sector are often offering higher salaries for a similar skill set. This is very disruptive for the local economy with a limited resource pool. Furthermore, when the mining sector contracts, the local economy is unlikely to adjust quickly enough to absorb those unemployed from the mining sector. This would lead to higher localised unemployment, or alternatively a population decline as labour has to seek opportunities outside the region.

Increased activity in the mining sector may lead to improved employment opportunities close to Broken Hill. Towns located outside of the Broken Hill region may face difficulty in maintaining a workforce. This in turn leads to higher costs for services and skills imported from Broken Hill.

5.3.3 Lack of a coordinated approach to commercial viability of local Indigenous artists

The region is very remote, with artists dispersed over a large area. This makes it difficult for independent Indigenous artists to sell their work.

Thankakali, a gallery in Broken Hill which offered bush tucker and arts programs, used to market and showcase Aboriginal artwork. However, it closed in June 2010 due to lack of a sustainable funding base. Without a dedicated Aboriginal gallery it is more difficult for artists to attract buyers.

The lack of a coordinated commercial framework and approach to showcasing local artists' work means the full potential of the sector is not realised. Indigenous artists are also more exposed to commercial exploitation. Without measures to address this, the long-term commercial viability of the sector is at risk.

In Wilcannia, there have been some endeavours, through an arts and culture project, to provide a forum for Wilcannia Aboriginal art and language to be further developed. This is an initiative which is being developed in consultation with Wilcannia Aboriginal artists and in conjunction with the Remote Service Delivery Coordinator as an economic enterprise project. TAFE is involved in the project in relation to the training needs relating to art and Baarkindji language. A key factor in this

project is ensuring that it remains true to local culture, and does not 'import' trainers whose cultural roots lie elsewhere, or whose artistic style is not representative of local culture.

5.3.4 Variable road conditions

The Central Darling Shire has estimated that approximately 93% of the roads within the Shire remain unsealed. State highways account for most of the sealed road percentage.

Two unsealed roads which stakeholders claimed cause the most significant economic impact are:

- Almost 120km of the Silver City Highway between Broken Hill and Tibooburra (in the Unincorporated Area of NSW)
- The Menindee-Pooncarie Rd (123km dirt road between the townships of Menindee and Pooncarie), 70km within the Central Darling Shire and 53km in Wentworth Shire of which 12km has now been sealed.

Unsealed roads increase travel time, impacting a range of uses and markets, including the tourism sector, agriculture transport (e.g. freight for fruit growers as well as sheep/cattle/goats) and general community access. The poor state of the Menindee-Pooncarie road means that return trip from Menindee to Mildura requires an overnight trip. This is a potential barrier to service provision to Menindee, as well as being a costly burden to businesses with suppliers/clients in Mildura.

A 2006 economic study into the sealing of the Menindee-Pooncarie road found that fruit growers experience high transport costs associated with

the use of longer routes to avoid unsealed roads as they bruise their product. However, it has been suggested by some growers that processes have adjusted, with fruit picking now occurring earlier in the season to avoid damage during travel.

Unsealed roads are also vulnerable to closure during wet weather, which may cause lengthy detours or delays. For example in good weather fruit can be delivered to Griffith for ~ \$60 per tonne by the shortest route using a mix of sealed and unsealed roads. In bad weather the cost doubles (\$120/tonne) via an all sealed route.¹¹

A number of industry and community representatives suggested that the current road upgrade/development methodology is too dependent on population size, with benefits significantly based on savings in travel time and vehicle operating costs. This disadvantages regions with low populations and population density. It was suggested that an evaluation that took greater account of the amount and value of the goods and services that use the road (or other transport links) and the cost savings and productivity benefits from development/upgrade could lead to different decisions.

5.3.5 Inadequate transit areas for live freight

The need for transit yards is dictated by animal health and safety regulation. Live cattle and sheep transported over long distances need to be spelled after specified durations of travel.

¹¹ Personal communication Tandou executives

There are no designated transit areas for “spelling” in the region. Currently, private land is used as temporary transit yards, but these temporary arrangements are not necessarily monitored and may not comply with quarantine requirements. They are also generally provided pro bono by landowners. The quarantine risk impacts the landowner in addition to neighbouring properties and, hence, can have significant financial implications.

The need for this is likely to increase with climate change due to the need to move livestock from drought affected areas.

5.3.6 Limited airport capacity

The existing airport facility is constrained in the carriers it can accommodate. Runway, taxiway and apron are currently rated at PCN 15, adequate for aircraft up to 30 tonne gross weight, but not adequate for larger craft commonly used by major carriers such as 737 or A320 aircraft. While the runway is long and wide enough, it does not have the required pavement classification or PCN rating (SRA 2007).

Current services provided are limited. For example, there are no direct flights to Melbourne (or even Mildura). The prices offered by the current service provider (Rex) are considered to be uncompetitive, presenting a barrier for more frequent travel (tourism as well as corporate travel).

The current airport facility is not large enough to provide for X-ray security or segregation of arrivals and departures. All passengers departing Broken Hill are considered as ‘non sterile passengers’ and must be screened on arrival at Adelaide and Sydney prior to entering the sterile

departure areas. If the airport services are increased, it is likely that enhanced security facilities will be required.

5.3.7 Variable and often limited quality of tourism services

Anecdotal evidence suggests that tourism services offered are of varying quality. Currently, approximately 35% of visitor nights are based in caravan parks or on camping grounds. These visitors are generally self sufficient and therefore require minimal service. The quality of services provided will need to improve if the share of visitor nights in hotels/motels/serviced apartments is to increase from the current level of approximately 34%. Further, if the tourism market is to be diversified, a greater range of services and activities will be required across the region.

5.3.8 Financing difficulties for private investments

Discussions with the Broken Hill Community Foundation indicated the relative difficulty in securing seed funding for new or expanding regional projects. This may be due to the higher risk profile businesses targeting a smaller client base. Financing difficulties are a further barrier to economic diversity.

5.4 Environmental

5.4.1 Uncertainty in water availability

Climate change impacts are expected to increase the variability of water supplies in the region. Government policy (including the Murray Darling

Basin Plan) also introduces uncertainty about future availability of supply.

In addition to direct impacts on the agriculture sector, uncertainty in water availability also impacts the tourism sector. Current facilities around the Menindee Lakes target tourism during the wetter period (e.g. boating, bird watching, kayaking etc). When the lakes are dry, as they were for almost a decade, there is a sharp decline in visitor numbers. Year-round tourism activities and attractions for all climate conditions would be needed to reduce the peaks and troughs in the visitor numbers.

5.5 Political / Legal

5.5.1 Perception of limited need for government support due to strong mining sector

There is a perception risk that when the region is benefiting from private investment in the mining sector, it does not need any additional government support. However, a boom in the mining sector does not necessarily translate to improved income and expenditure across the region. For example:

- Mining developments are not always in the incorporated area. As such, employment and broader economic benefits do not always translate to 'rates income' for the councils (e.g. Broken Hill City Council) responsible for infrastructure maintenance. Council rates are currently pegged, which means they cannot be used to offset the economic impacts during a downturn in the mining sector.

- Stakeholders indicated that in the past, mining companies used to invest more in community infrastructure. This has changed in recent years, with mining companies less likely to re-invest in community infrastructure. This has increased the community dependence on government funded infrastructure.

5.6 Summary of Challenges

Category	Challenge
Social	<ul style="list-style-type: none"> ■ Population dependence on mining sector ■ Risk of volunteering fatigue for emerging initiatives ■ Limited service provision ■ Limited access to the Internet
Economic	<ul style="list-style-type: none"> ■ Lack of economic diversity ■ Difficulty maintaining a stable workforce ■ Lack of a coordinated approach to commercial viability of local Indigenous artists ■ Variable road conditions ■ Inadequate transit areas for live freight ■ Limited airport capacity ■ Varying and often limited quality of tourism services ■ Financing difficulties for private investments
Environmental	<ul style="list-style-type: none"> ■ Uncertainty in water availability
Political	<ul style="list-style-type: none"> ■ Perception of limited need for government support due to strong mining sector

6 Regional Opportunities

This section provides a high level assessment of the opportunities for the region.

6.1 Social

6.1.1 Skills development for local needs

There are opportunities to target training needs for emerging employment opportunities in the mining sector. This will reduce future dependence on fly-in-fly-out employees in the region. Multi-skilling may also offer opportunities for residents to work outside the region if there is an economic downturn or for seasonal workers to work in other areas.

Broadband also offers a range of improved learner managed education and training options – including distance education and training via improved video links and interactive and simulation learning, on-line networking for professional development and access to more complex on-line practical examples.

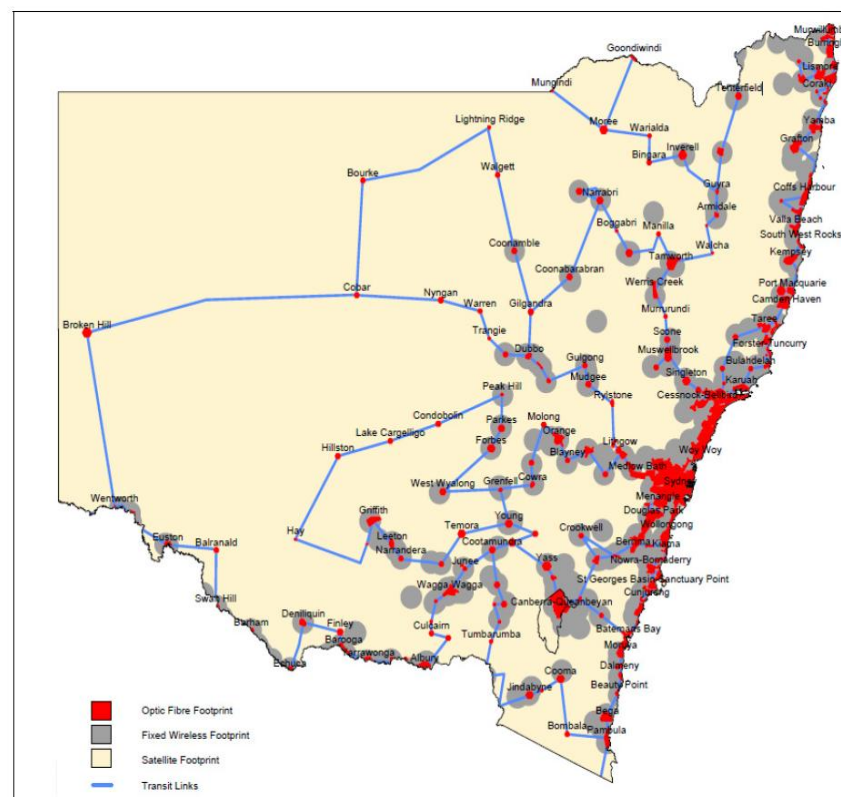
6.2 Technological

6.2.1 Rollout of National Broadband Network

The rollout of the national broadband network could provide high capacity broadband coverage, reducing the impact of issues associated with remoteness and distance. Technology and resources can be

"imported" virtually through broadband connections, avoiding the extent of additional physical resources required.

Figure 11 Location of proposed National Broadband fibre, wireless and satellite footprint in NSW



Source: NBN Co, coverage maps, <http://www.nbnco.com.au/our-network/coverage-maps.html> last accessed 18 October 2011

6.3 Economic

6.3.1 Attractive environment for mining investments

The Far West Region of NSW is considered to be an attractive option for the mining sector in many respects. Stakeholders suggested that the region's supportive attitude toward mining facilitates investment as it can reduce dependence on fly-in-fly out workers, and reduce local resistance to mining developments.

Government programs such as the Broken Hill Exploration Initiative (BHEI) have also reduced the risk for exploration companies and increased the likelihood of success.

It was also noted that due to complex Native Title issues in Queensland, establishing new mines in NSW is perceived to be less costly. However, the mining industry also welcomes further support and incentives for investment in the Far West Region and seeks that Government remains mindful that relatively junior miners are the leading investors in the region.

A key issue is to distinguish between the needs of the established mining companies and the exploration companies. The established companies are interested in support for projects that can improve operating efficiency and increase productivity such as developing the heavy vehicle by-pass noted below. They also have concerns related to the overall economy and fiscal policy that could impact on profitability. Projects that can reduce costs are important as they provide these companies with more resilience to changes in commodity prices and exchange rates.

The exploration companies may have limited, if any, established incomes and may have a limited capital base. Increased information and certainty about the location and extent of ore deposits provides a basis for effective exploration and hence the ability to attract additional capital for attractive projects. The BHEI is assisting in this. The flow through taxation scheme noted earlier could also have a positive impact on the ability for exploration companies to attract investment. However, this is outside the scope of this project.

In addition, the regional support for mining offers scope for more certainty and cost containment in moving from exploration to development with relatively easy access to exploration areas, limited if any opposition to mining activities and access to locally based contractors and employees in some cases.

The mining sector presents a solid base for employment and opportunities for employment growth during years of increased mining activity. For example, Carpentaria's pre-feasibility study for its magnetite project suggests employment potential of 1,500 construction workers from 2013 for 4 to 5 years, 1,500 operational workers for 5mtpa ore extraction with 10-15% tertiary qualified.

Investment would also include an Indigenous employment and training program. There is a broader opportunity to match employment and training opportunities in the mining sector to reduce the sector's dependence on external workers and to increase employment opportunities for the region.

6.3.2 Opportunities to leverage project and infrastructure investment

Growth in the mining sector often leads to broader investment in infrastructure to the region. In addition to the direct benefit of these investments to the community, in many cases, there are also opportunities for the regional economy to leverage these investments as they occur. For example:

- Broken Hill City Council is currently seeking funding for a heavy vehicle haulage by-pass on the eastern, southern and western sides of the city to reduce heavy vehicle traffic in the city. The project is intended to reduce mining related traffic in the built up areas. Over time, reduced transport costs and improved access may enhance the viability of new projects in the region.
- Increased commercial demand may lead to investment in a gas pipeline. This is not believed to be an imminent opportunity, but an opportunity that may emerge over time and benefit the broader economy. As such, opportunities to facilitate collaboration between potentially interested parties should be sought where possible.

The RDA Far West has also identified an opportunity to leverage infrastructure and project investment by improving regional facilitation of project development across the region. This would include activities to:

- Facilitate and coordinate the collection and collation of relevant regional information to assist project development.

- Encourage competitive procurement in the region. This includes liaising with miners and other project proponents to be on top of projects, ensuring local suppliers are made aware of procurement opportunities and assisting local suppliers/contractors to be 'tender ready'. This may involve facilitating the provision of appropriate training and acquisition of relevant competencies and 'tickets'.
- Encourage the development of a relevant 'one stop shop' approach to assist smaller miners and other project developers to obtain the necessary planning and other approvals. This could involve supporting Local Government and in liaison with relevant State Government officers.
- Match training in the region to employment requirements.

6.3.3 Stronger collaboration between the arts and tourism sectors

There are already strong links between the arts and tourism sectors in the region. It is important that the creative arts sector is well positioned to take advantage of any improvement in the tourist sector. Similarly, creative arts products and galleries are tourist attractions in their own right. As such, measures to develop and market this sector will also lead to improvements in the tourism sector.

The 2007 'Quality of Light, Quality of Life' survey indicated that local consumption is the largest share of the market in the arts sector. Whilst this may imply that the local market is very strong, it also suggests that the visitor market is not as strong as it could be. This presents an

opportunity to increase revenue for artists from other markets. An increase in sales may eventuate as a by-product of broader initiatives to increase tourism numbers (and diversity), or directly through a range of commercial and marketing initiatives that increase exposure of this artwork to the market.

To maximise the benefits of both the tourism and arts sectors, opportunities for collaboration are important. For example, a visual arts festival may have broader regional benefits if it is linked up to a broader program of festivals or events on the tourism calendar.

6.3.4 Strengthening the region's Indigenous art brand

There is an opportunity to develop the Aboriginal art brand for the region. The region must develop and market the Baarkintji culture through the arts. There have already been efforts to develop the Wilcannia Arts brand, for example through the 2010 West Darling Arts' Wilcannia Artists Exhibition in Sydney which included a series of Story Poles depicting Paakantji culture and mythology as the centrepiece.

Where there are several brands (e.g. Broken Hill brand, Wilcannia Brand) it is important that relationships are formed between them to take advantage of each other's publicity and marketing.

6.3.5 Strengthening of the film sector and supporting services

Opportunities to use the film studio complex to benefit other sectors (e.g. tourism and education) and the broader region should be explored. For

example, the facility can be used to attract university students to the region as part of their film studies. Or the site could be marketed as a tourist attraction with an interactive museum, café or outdoor exhibition to ensure that there are reasons to visit the site at any time of the day.

Furthermore, as the film studio develops, the market is expected to respond with supporting services and trained staff. Protalent (an agency which promotes children and young actors who are looking to work in the field of television drama, TV commercials, stills and film) has already leased some office space on site, indicating confidence in the local filming industry.

6.3.6 Increase and broaden tourist spending

Anecdotal evidence from the consultation process and supported by the tourism statistics, suggested that 'grey nomads' make up a significant share of the region's visitors. While these visitors were recognised as being important to the region, the lack of diversity in the tourist market was identified as a challenge, as it was believed that these visitors were self sufficient and therefore tended to spend less on accommodation and food, particularly outside of Broken Hill.

A significant portion of current tourist spending is based in Broken Hill. There are opportunities to extend this spending beyond Broken Hill to other parts of the region. For example, the Menindee Lakes are a popular tourist destination for paddling, sailing, boating, swimming, fishing and bird watching. There is limited visitation data available for the Menindee Lakes, however "it has been conservatively estimated that the Menindee

Lakes recorded 20,000 visitors in 2010” (AEC, 2011) when water to the site increased after the drought broke.

There is an opportunity to raise visitor numbers to the lakes by promoting the already recognised environmental and cultural heritage value of the Menindee Lakes to larger domestic and international market, and providing more tourist activities and facilities.

This opportunity extends to promoting and sharing the rich Indigenous heritage associated with the region.

6.3.7 Leveraging existing tourism markets and initiatives for a regional strategy

There are a range of tourism related initiatives underway or being considered, often in isolation from each other. There is an opportunity to develop a common strategy for the region to ensure that relationships between initiatives and locations (e.g. timing and marketing opportunities etc) are formed where possible, and that benefits can extend to the broader region.

6.3.8 Expanding capacity of the Broken Hill Community Foundation

The Broken Hill Community Foundation (BHCF) was established ten years ago by Pasminco when the end-of-mine life was foreshadowed. With an initial allocation of \$500,000, the Board has successfully raised additional funds through membership and donations to finance a range of projects that contribute towards a vibrant, diverse and self reliant community.

The fund provides an alternative avenue for seed funding for new or expanding projects in Broken Hill. To date, the Fund has allocated approximately \$350,000 to around 80 projects, including projects such as worm farming to reduce green waste at the tip (needed \$6,500 up front to get organics accreditation), leather goods business (needed additional equipment to bulk produce), and safety hardware solutions for use in the Mining Industry (needed \$12.5k assistance during establishment). In recent years the BHCF has formalised its funding arrangements, and where possible, the fund has moved towards a loan based arrangement.

Given the proven success of the BHCF and the demonstrated depth of experience of the voluntary Board, there is a significant opportunity to enhance and expand the role and capacity of the BHCF for the benefit of the whole region.

6.4 Environmental

6.4.1 Ensuring the continued health of the Menindee Lakes

The RDA Far West is pursuing opportunities to recognise the Menindee Lakes as a site of international significance according to the Ramsar convention (refer to Section 9.3.1). This presents opportunities to maintain and improve the environmental health of the site.

6.5 Political

6.5.1 Opportunities emerging from carbon pricing

The approval of the first step in the proposed Silverton Wind Farm is a significant opportunity for the region. Government's introduction of a carbon pricing scheme will provide further incentives for the development of renewable energy. This may present new employment opportunities for the region to offset any adverse impacts that the scheme may have on investments in the mining sector.

There may also be carbon sequestration opportunities. The development of farm wood lots has been identified as an opportunity in the region. However, any plantation or similar development may be constrained by water shortages. Work has been done in NSW and in Victoria and Western Australia in relation to growing trees in low rainfall areas.

The Yeovil project at Wilcannia is also considering the development of a wood lot. Opportunities for these developments are likely to be property specific rather than catchment scale (such as the Yeovil proposal) and should be subject to a feasibility assessment and business case. However, consideration could be given to seeking funding for a region wide assessment of this opportunity. This study would include identifying and documenting:

- Species that can survive in low rainfall conditions
- The ability of different types of projects to justify higher water prices

- Approaches and methodologies to value permanently sequestered carbon.

6.6 Summary of Opportunities

Category	Challenge
Social	<ul style="list-style-type: none"> ■ Skills development for local needs
Economic	<ul style="list-style-type: none"> ■ Rollout of National Broadband Network ■ Attractive environment for mining investments ■ Employment opportunities associated with mining ■ Opportunities to leverage private sector infrastructure investment ■ Stronger collaboration between the arts and tourism sectors ■ Strengthening the region's Indigenous art brand ■ Strengthening of the film sector and supporting services ■ Increase and broaden tourist spending ■ Leveraging existing tourism markets and initiatives for a regional strategy ■ Expanding capacity of the Broken Hill Community Foundation
Environmental	<ul style="list-style-type: none"> ■ Ensuring the continued health of the Menindee Lakes
Political	<ul style="list-style-type: none"> ■ Opportunities emerging from carbon pricing

7 Opportunity Assessment

7.1 The case for economic diversification

The discussion in Chapter 4 indicates the importance of the mining and to a lesser extent the agricultural sector to the region and suggests a strong case for both diversification of the regional economy and continuing support for mining and agriculture.

Key decisions in the mining sector are generally based on drivers and circumstances that are outside the control of regional bodies and individuals. These decisions may lead to expansion or contraction of the sector which in turn may lead to regional structural change and significant peaks and troughs in regional prosperity and employment. The adjustment process is expensive and causes major disruption and hardship, including long term unemployment.

Individual mining projects tend to be large, which adds to the overall risk of contraction, delay, or closure. Given that mining prospects and plans can change at relatively short notice it is important that the local economy is sufficiently robust and diverse to adapt to fluctuations in mining activity and employment.

Agriculture also offers challenges for regional planning. Technology and breeding programs in the sector are leading to operations becoming more capital intensive. As demonstrated by Tandou's business model, in more intensive agricultural areas, climate change and water scarcity are leading to more opportunistic cropping during periods of rain and trading in water

in times of scarcity. These issues suggest overall employment in the sector will continue to fluctuate.

The opportunities in this paper therefore focus on the need to diversify the economy and employment opportunities to ensure that the region is less exposed to these uncertainties and fluctuations in the economy. These opportunities for diversification build on the existing strengths of the region, and do not undermine the continued development and growth of the agriculture and mining sector. They are all supported by, and in turn, support the RDA Far West's regional strategy.

The mining and agriculture sectors will need flexible planning with the ability to provide short term as well as longer term labour. This is likely to mean regional workers will need to be multi-skilled and potentially contracted to more than one employer. Some part of the regional employment is likely to be fly or drive in and out including both regional residents who work part of the year in other locations and non residents who come into the region to work.

This argues for increasing the diversity of the regional economy to provide both additional full time employment and part time and casual employment for workers with skills to work across industries. The proposals in this report are designed to develop and recognise these broader skills and employment opportunities.

7.2 Key considerations

In identifying opportunities for regional development in the Far West Region, the key objectives are to:

- Leverage the existing opportunities to ensure that the region is well positioned to localise a significant share of the benefits, and that the benefit extends beyond Broken Hill to the broader Far West Region.
- Mitigate and prepare for the impacts from the challenges. Given the historic connection with the mining sector, part of the mitigation process involves the diversification of the economy.

The opportunities considered included all those already identified by the RDA Far West as well as the additional opportunities identified through the industry and community stakeholder consultation.

7.3 Assessment criteria

The opportunities for packaging were selected according to their alignment with the following criteria:

- Economic resilience - Improves resilience through reduced dependence on water and the mining sector and resultant ability to diversify the regional economy and provide economic development opportunities that are complementary to the mining industry cycles.
- Spread of benefits – industry opportunities focused on regional outcomes were preferred over those focused on local outcomes.

- Impact – opportunities were considered according to their expected economic, social and environmental impact(s).
- Role of the RDA Far West – Given the regional nature of this project, consideration was given to industry opportunities where the RDA Far West could play a legitimate, influencing and/or enabling role and which have regional industry and community support. Any opportunities which are expected to be implemented under other programs were not directly considered. However dependencies between existing and planned projects were identified, particularly where this project were considered to be instrumental to the overall opportunity package.
- Ease of implementation – This included a broad judgement about the potential cost of implementation, legal or practical impediments, likelihood of regional/industry support, and level of interest from potential investors.
- Linkages between opportunities – opportunities that link objectives, resources and benefits and could work together as a ‘package’ of opportunities were preferred.
- Strategic fit with existing or planned initiatives – opportunities that build on existing or planned initiatives were preferred. Opportunities that duplicated outcomes from existing initiatives were not considered.

7.4 Opportunities excluded from packages

Some opportunities considered and discussed in this report have not been included in the four key packaged opportunities as they do not align with the assessment criteria. More specifically, they have been excluded because:

- While significant, they do not assist in diversifying the regional economy, still leaving the region vulnerable to water availability and peaks and troughs in mining activity.
- Market conditions and signals already exist for industry to act on these opportunities independently. In the absence of market failures, these opportunities are likely to be driven by the private sector and in particular by stakeholders from outside the region. Under these conditions, the role for RDA Far West influence and/or support is reduced, although there may be a role for the RDA Far West and other regional players in encouraging and facilitating implementation.
- The issues impacting the relevant industry or sector are considered to be an issue for national policy and do not impact the relative competitiveness of the Far West NSW Region.
- They are largely single opportunities or part of a number of similar types of opportunities that do not need packaging into a structured implementation process, although, again, there may be a role for the

RDA Far West and other regional players in encouraging and facilitating implementation.

Despite being significant to the region, most of the direct opportunities relating to mining exploration and operations meet these criteria and have been excluded from the four identified opportunity packages.

However, opportunity packages 3 and 4 and particularly 4 are designed to support the mining sector and assist it to meet as much as possible of its skilled labour force and supplier needs locally.

The RDA Far West is currently consulting with the sector to review any mining industry incentives and it plans to continue consulting with the industry to identify opportunities to support and facilitate the industry in addressing any barriers to development (see facilitation proposals section 6.3.2).

Significant agricultural and other relevant regional development projects will receive similar support.

8 Packaging of opportunities

The opportunities identified as being important for the sustainable development of the Far West Region and diversification of its economy were grouped into packages based on a common overarching objective or theme. Importantly, packages of opportunities were developed in recognition that one priority action cannot singlehandedly achieve the desired objective. The relationships and co-dependencies between the opportunities in each package are critical to achieving the benefits associated with the desired objectives.

The development of these packages does not preclude the support for other opportunities or suggest neglect of the key mining and agriculture sectors. It reflects the project aim to provide a more sustainable future based on:

- Diversifying the regional economy in terms of supporting the industry sectors that are developing to reduce the historic regional reliance on the mining and agriculture and flow on activities from them (Packages 1 and 2)
- Increasing and broadening the regional business capacity and labour skills to meet the development and operational needs of current and potential industry sectors and the business services needs of the communities across the region (packages 3 and 4).

The second point above is designed to address skills and employment gaps related to supporting development opportunities. These issues were raised by range of industry stakeholders including the mining sector.

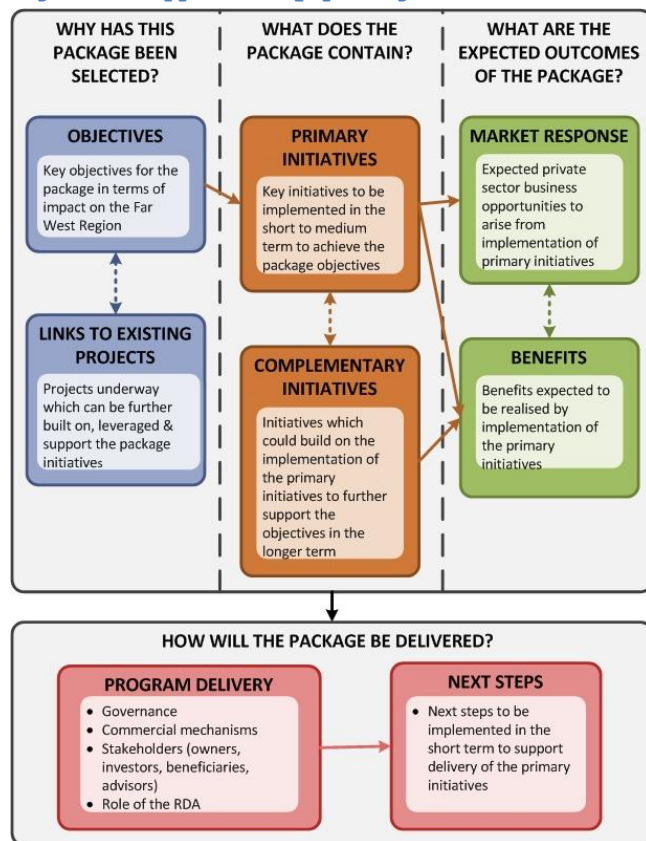
The four packages of opportunities include the following:

- **Priority Package 1:** Strengthening the tourism sector
- **Priority Package 2:** Enhancing the creative arts sector
- **Priority Package 3:** Facilitating industry sustainability and investment
- **Priority Package 4:** Alignment of training and employment opportunities to manage skills shortage

Each package is described in the following sections, following the structure outlined in Figure 12. The implications in terms of diversifying the regional economy and increasing regional economic and social resilience related to providing developments that are independent of the mining cycles and of less water are noted in each package description.

It is noted that whilst information and communications technology (i.e. NBN) is not explicitly included in the final list of opportunities, it is **an important enabler for all the packages**. The NBN rollout is not due to happen immediately and therefore its impact on regional opportunities will need to be continually assessed and prepared for. It is important that the RDA Far West continues advocating for the timing, location and technology associated with the NBN in parallel to these packages.

Figure 12 Opportunity packages - structure



9 Opportunity Package 1: Strengthening the tourism sector

Far West NSW offers significant tourism opportunities due to its unique combination of environmental attractions, warm climate, developing creative industries, Indigenous culture and heritage significance, as well as its unique mining history and characteristics.

The tourism sector is seen as a key driver of and offers an important opportunity to diversify the whole regional economy. This is an opportunity to develop an “*export*” oriented industry that is not dependent on the mining or agriculture sectors whilst still being able to build on the strength and history of these sectors in the region.

This package of works has been designed to address the need to diversify and enhance the tourism sector in response to the following key challenges and opportunities identified in Sections 5 and 6. Although focussed on the strengths of the Far West region, this package supports the strategic marketing objectives of the recently formed Inland NSW Tourism Association. The Far West’s representatives on that body will be key players in implementing this and the next package.

Category	Key opportunities Targeted	Challenge Targeted
Social	-	<ul style="list-style-type: none"> Population dependence on mining sector Risk of volunteering fatigue for emerging

		initiatives
Economic	<ul style="list-style-type: none"> Stronger collaboration between the arts and tourism sectors Increase and broaden tourist spending Encourage development of new quality tourism businesses Leveraging existing tourism markets and initiatives for a regional strategy 	<ul style="list-style-type: none"> Lack of economic diversity Varying and often limited quality of tourism services
Environmental	<ul style="list-style-type: none"> Ensuring the continued health of the Menindee Lakes 	<ul style="list-style-type: none"> Uncertainty in water availability

9.1 Key objectives

The objectives of this opportunity package are as follows:

- Diversify the supply and demand for the Far West tourism sector**

Reaching out to a more diverse market which includes singles, families, grey nomads, domestic and international travellers is more likely to smooth some of the peaks and troughs of the tourist seasons, resulting in more certainty for tourism businesses. Attracting a wider range of consumer segments will also lead to a higher expenditure profile than that provided by the ‘grey nomad’ tourists.

Diversifying the supply side of the tourism market involves providing a greater range of activities and services for visitors across the calendar year. As tourism demand increases in the region, the private sector will have more confidence in investing in new tourist services such as hospitality, retail, tours and other attractions and services. Some

support for developing new tourism businesses could be considered such as the use of Southern Cross University or similar organisation to identify business opportunities, encourage regional participation and assist in developing successful new start businesses.

- **Coordinate and optimise timing, structure and marketing of tourism activities, events and investments across the Far West Region**

Private tourism business operators and government decision makers require a working understanding of the strategic direction for the Far West tourism sector as well as key initiatives already underway. Increased collaboration between and among businesses and government should enable economies of scale to be achieved across the tourism sector, as well as provide a consistent marketing message and higher value product to potential buyers.

Better coordination of the tourism activities also aims to provide increased opportunities to identify relationships and linkages across the region and ensures areas within the region are working together rather than competing against each other.

- **Increase the number of visitors to the region, and the length of stay by targeting the ‘experience seeker’**

This objective directly relates to increasing the number of nights tourists stay in the region to increase total tourism yield (expenditure). This drives new investments by the private sector (direct and indirect) and in turn creates new employment opportunities.

Tourism Australia’s target market is the ‘experience seeker’ – a high yielding consumer segment, which can be found among all age groups, income levels and geographic locations. This market is considered to be highly predisposed to Australia’s offer and is more likely to stay longer, spend more and disperse to regional areas. Based on Tourism Australia’s research, this market segment is seeking unique, involving and personal experiences from their holidays. This includes finding opportunities to engage with locals; learning about and participating in different cultures and lifestyles; visiting authentic destinations and being challenged by and exposed to compelling experiences.

This segment (domestic and international) would appear a natural fit to the Far West Region’s offering of cultural, heritage and natural assets. This approach would also align with the broader Australia Tourism strategy, enabling the region to tap into the international market more easily.

9.2 Existing projects and key dependencies

Whilst not directly included in the proposed package of works, there are relevant projects or initiatives already underway or being developed which are important to its overall success. Similarly, the success of this package is also dependent on initiatives captured under other packages.

Projects underway that facilitate opportunities within this package include:

- The implementation of the Broken Hill Tourism Plan (e.g. improved efficiency and effectiveness of the visitor information centre and the development of a branding strategy).
- The current application to include the City of Broken Hill on the National Heritage List. The list recognises places of outstanding heritage significance to Australia based on the natural, historic, and Indigenous heritage sites.
- Festivals such as the Broken Hill Digital Arts Festival, Agfair Broken Hill and Red Desert Live. The package of works identifies ways to better integrate or coordinate these events and assumes support for these initiatives will continue.
- The proposed Silverton Wind Farm, which has so far received approval for the construction and installation of 282 wind turbines and associated infrastructure. Wind farms are often perceived to have an adverse impact on tourism, but have demonstrated that they can be a tourist attraction in their own right¹².

Measures to diversify and enhance the tourism sector are also closely linked to the opportunity package for developing the creative sector. For example, the new film studio in Broken Hill can be used to generate tourism.

¹² When completed, the wind farm would place up to 598 wind turbine generators on the Barrier Ranges near Broken Hill in Far West New South Wales sourced from <http://www.silvertonwindfarm.com.au/web/au/swf/silverton-wind-farm-project/project-status>, last access 3 August 2011

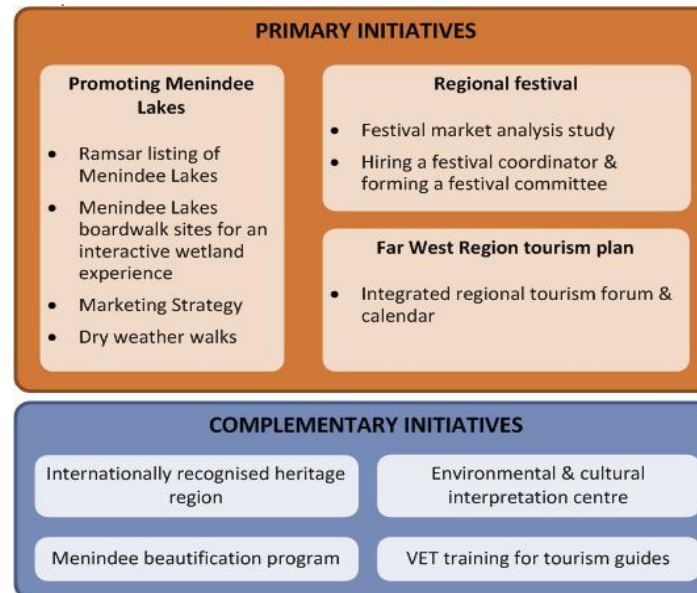
Opportunities to improve access, such as possible improvements to the Broken Hill airport and sealing of key tourist routes, will also complement the tourism package as it may attract shorter-stay markets.

9.3 Scope of works

This opportunity package includes primary initiatives to be implemented in the immediate future as well as a number of complementary initiatives to be considered at a later stage (Figure 13).

The initiatives identified promote a regional focus to the tourism sector, and facilitate diversification.

Figure 13 Opportunity Package 1 - Strengthening the tourism



9.3.1 Promoting Menindee Lakes

9.3.1.1 Ramsar listing

The RDA Far West has already taken active steps to have the Menindee Lakes recognised by the Ramsar Convention as a wetland of international significance.

The Ramsar Convention is an international treaty that provides a framework for conservation and ‘wise use’ of wetlands and their resources (defined by the Convention as “...*sustainable utilisation for the benefit of humankind in a way that is compatible with the maintenance of natural properties of the ecosystem*”).

The environmental and cultural significance of the wetlands and the tourism potential have already been identified in several recent reports, including the Menindee Lakes Project – Stage one Project Concept (2010) and the Menindee Lakes Economic Benefit Assessment (2011). The Menindee Wetlands are already included in *the Directory of Important Wetlands in Australia*.

This opportunity will not interfere with the existing uses of the site or its heritage value. Rather, the Ramsar listing is expected to assist in the ongoing protection and enhancement of what is a high value environmental and recreational asset for the region. The initiative will be used as a platform to market the region to a wider international and domestic market, promoting bird-watching activities, geotourism, and

heritage tourism.¹³ The Ramsar listing can also be used more broadly to raise awareness about the region’s offering in terms of natural assets.

The next stage of obtaining the Ramsar listing for the Menindee Lakes involves continuing face-to-face consultations, identifying the boundary area for a Ramsar listing, and gaining support from neighbours of the wetland.

9.3.1.2 Marketing strategy

Ramsar listing of the Menindee Lakes is expected to attract a new segment of the tourism market (most likely the ‘experience seeker’). However a marketing strategy is required to consider the most effective way to target the desired market and spread benefits more widely across the region. This may include forming relationships with other peak bodies and organisations that relate to the iconic experiences at Menindee, such as:

- Heritage associations
- Geological societies
- Art groups
- Bird watching groups.

¹³ Molesworth, R. et al, ‘Menindee Lakes Wetlands Project – Stage One documentation of project concept, June 2010

The marketing strategy should also include identifying opportunities to host conferences and events and establishing professional relationships with universities, research institutions etc. There may also be opportunities for a relationship to be formed with a multi-professional service learning community campus in Broken Hill¹⁴.

In developing a tourism marketing strategy, it is important to note that the internet is the most common information source used by potential tourists and generally the most cost-effective marketing channel. Therefore the use of one or more strategically located webcams as part of an international awareness and promotional program is likely to be more effective than promotional material at travel agents for example.

The marketing strategy should identify the optimal timing of key initiatives within the site – including the following two initiatives (Sections 9.3.1.3 and 9.3.1.4.

A dedicated part time staff member will be required to manage this marketing process and to provide support for the Ramsar listing process. It is expected that this role will be required for 6-12 months, with an option for extending the contract.

¹⁴ This is a pilot program currently being pursued by the University of Sydney, Department of Rural Health (and supported by the RDA Far West) to build on the Department Rural Health's program which offers student placements in Broken Hill.

9.3.1.3 Menindee Lakes boardwalk sites for an interactive wetland experience

Currently, the only way to access and explore the Menindee Lakes site is by boat or kayak. This initiative would provide a boardwalk above the water, creating a way to visit the site without prior arrangements. The preliminary study into boardwalk options was undertaken in 2002, identifying the potential locations for 300m boardwalks. The cost estimate for the proposal in 2002 was approximately \$530,000 to construct, and \$20,000 per annum for maintenance. These costs will need to be updated prior to any funding submission. The marketing strategy should determine the optimal timing for the establishment of this initiative.

9.3.1.4 Dry weather walks

This involves identifying and planning opportunities to incorporate Aboriginal Heritage tours, and other 'dry weather walks' through the Kinchega National Park. In addition to promoting the Aboriginal heritage in the area, it is important that a range of other walking tours are available. Bird watching activities will be dependent on water flow, so it is important that other all-seasons attractions to the site are available. At the initial stages, this will involve route planning and interpretive signs. Over time, the experience can be enhanced with guided tours by locally trained rangers.

9.3.2 Regional festival

Festivals provide a forum for creativity, custom, heritage and activity for both resident and guest¹⁵. They are considered to be an effective way to boost tourism and to attract visitors, and to showcase the region's cultural assets.

A regional festival will have both social and economic implications. In addition to attracting tourists, a festival has the additional benefit of creating a sense of place and pride for remote populations.

At this stage the scope of this initiative does not extend to determining the precise nature or structure of the festival. However the following list provides a guide to the types of issues that would need to be considered in developing a viable festival for the region:

- **Brand** – A regional festival would need to expand on the region's existing strengths, which includes its creative culture as well as its strong heritage. For example, an outback brand may be effective and can be applied to a range of festival activities – including art, film, music and Indigenous culture.
- **Target market** – Given the remoteness of the region, the festival may be more successful if it can cater for a range of age groups, and in

particular if it can be family-friendly. This may mean that a range of parallel activities need to be available for children and adults.

- **Scale of event** – Whilst art, film and culture may all be suitable components of a regional festival, the costs of hosting festivals can be quite significant. As such, a more cautious approach is to begin with a small and manageable festival and plan for its growth over time. For example, this could involve starting with an outback visual arts festival, followed by an arts and film festival, and then eventually introducing a full outback festival that incorporates visual arts, film and cultural activities. The appropriate scale of the festival should be informed by more extensive market research, as well as an analysis of local capacity and skills to plan and host these activities.
- **Frequency of event** – Further research needs to be undertaken to consider how often the festival should be held and what its focus should be. For example, the event may be held either annually or every second year. This decision will need to factor in opportunities to coordinate or expand existing events such as Agfair Broken Hill, a 2-day event which attracts around 10,000 visitors every other year. The frequency of the event should also consider competing festivals and events in nearby regions, and whether the festival is targeting repeat visitation or not.
- **Integration with existing festivals, events and other regional activities** – To maximise participation and gain the most benefit from marketing activities, links to existing events and festivals should be formed. For example, the festival can be timed to coincide with either or both of the Regional Art Gallery's annual art prizes, with the

¹⁵ Derrett, R 2008, 'Regional festivals: Nourishing community resilience: the nature and role of cultural festivals in Northern Rivers NSW communities', PhD thesis, Southern Cross University, Lismore, NSW. Copyright R Derrett 2008

proposed digital arts festival, as well as future activities and events in the Broken Hill film precinct. Opportunities to integrate initiatives by the West Darling Arts Inc and the Broken Hill Art Exchange with the festival should be sought where possible. For example, the Broken Hill Art Exchange Inc, a volunteer-based and artist run organisation, operates an International Artist Residency program which has hosted local artists and visiting artists from the UK, Japan, Belgium, Jamaica, Switzerland, the USA and Australia amongst others. This program can provide opportunities for guest speakers, guest exhibitions and workshops. Current and future student arts programs (including some of the art, health and environmental projects run by the Broken Hill Art Exchange) can exhibit their work as part of a festival. If targeted correctly, this can draw in a wider market of family and friends from other regions or states. West Darling Arts for the past two years has partnered with the Broken Hill University Department of Rural Health to develop and present Arts Humanities courses. They expect to continue to do so into the future, and opportunities to integrate this initiative with the festival should be explored.

- **Opportunities for a regional focus** – Although it is expected that the regional festival will be based in Broken Hill, the focus should be on extending the experience to the wider region. Exhibitions and events can be held in different towns, with shuttle buses provided between main areas at different times of the day.
- **Festival cost** – In determining the scope and the target market, the cost of producing the festival needs to be determined and the most suitable pricing approach is to be established. For example, costs may

be recovered through sale of festival tickets or ticket sales to individual events. The strengths and weaknesses of the different approaches need to be considered in more detail.

9.3.2.1 Market analysis study

A comprehensive market analysis needs to be undertaken to consider the likely size and demographic of the potential festival market, the optimal time of year, and any barriers or constraints on the market (for example, flight and accommodation capacity). The optimal time of year will depend on competing events in other regions as well as local weather constraints. For example, if camping is a key accommodation type, a winter festival is unlikely to be viable. High rainfall seasons will also lead to closure of unsealed roads, which may prevent intra-regional travel.

9.3.2.2 Hiring a festival coordinator and forming a festival committee

Subject to the findings in the market analysis, a festival committee would need to be established. The first role of the committee would be to commission the market assessment and to determine the scope, scale, cost and focus of the festival. As noted in the challenges section of the report, establishing this committee is not expected to be an easy task due to volunteer fatigue and limited capacity in certain management skills. As such, in addition to representatives from the councils, RDA Far West, and arts sector, it is expected that a dedicated part time festival coordinator will need to be employed, as well as a part time marketing coordinator. To reduce the need for further costs, opportunities to attract volunteers

need to be explored. This may include offering positions as part of university work experience or final year projects.

9.3.3 Far West Region tourism plan

As noted in the earlier chapter, there is an opportunity to develop a common tourism vision for the region to ensure that relationships between initiatives and locations (e.g. timing and marketing opportunities) are formed where possible and that benefits extend to the broader region.

9.3.3.1 Integrated regional tourism forum and calendar

It is suggested that a regional tourism forum, with local business members and tourism operators meet periodically (e.g. every quarter or half year). The forum will firstly focus on agreeing on a 'vision' for the industry based on existing documentation as well as personal experience, and then be used as a forum for information sharing and generating ideas. The purpose is to provide more strategic direction and business certainty for the industry, and to help identify opportunities to work together.

Over time, this forum should develop a collaborative tourism calendar with the purpose of helping to coordinate timing of activities across the calendar year and sharing information within the industry. This forum and calendar will facilitate collaboration and improve business certainty.

It is recommended that a regional tourism committee be established to manage the workload.

9.4 Complementary initiatives

Opportunities which would be complementary to this package include:

- **Menindee beautification program identified by RDA Far West.** This project would involve improving Menindee's streetscape and civic environment with landscaping and provision of public amenities. This is considered to be a worthwhile project to pursue due to local employment benefits and the relationship to the proposed package of works. Impacts are expected to be confined to Menindee, at the very least until benefits from other tourism initiatives (such as the Menindee Lakes Wetland Project) are being realised. As such, this is not considered to be an immediate priority. The potential for this project to complement other initiatives should be revisited once the impacts of the primary and enabling initiatives are better understood.
- **VET training for tourism guides including Indigenous guides, rangers, and a wide range of tourism and hospitality staff.** This may include opportunities for employment based training. Guided tours are only financially viable after a solid base market has been developed. This is a complementary measure that should be reconsidered as the impacts of the proposed package are better understood.
- **Greater integration of mining history with tourism opportunities.** As part of the broader tourism opportunities, the region's history should be leveraged to attract tourists. Attractions such as an underground mining tour (real, recreated or both), mine viewing areas, interpretive signage and mining heritage drives and walks, should be considered over time as part of the regional tourism plan.

- **The development of an environmental and cultural interpretation centre at Menindee.** This project has been an ongoing proposal for the region. The tourism and education facility would be used to educate visitors about the riverine ecology and the Indigenous archaeology and heritage of the Menindee Lakes and wider region. The need for this initiative will be better understood once the primary initiatives have been implemented, and the impacts on tourism in Menindee are better understood.
- **Building an internationally recognised heritage region.** When the City of Broken Hill is included on the National Heritage List, opportunities to leverage this opportunity to market the region should be investigated further. This will include opportunities to host events and conferences in the region for cross promotional purposes.

9.5 Market response

As tourist numbers and yield improve to the region, there will be more incentives and increased certainty for the private sector to invest in supporting services. Market driven initiatives may include:

- **Visitor accommodation.** This could include an eco-lodge and possible eco-tents close to the Lakes as well as improved and extended motels, camping grounds and caravan parks, B&Bs plus possibly farm stays. Depending on the outcomes of the marketing strategy, there may be opportunities to invest in conference facilities.
- **Other hospitality and retail outlets.** If the proposed package is successful in increasing tourism number and yield, as well as more

consistency in tourism numbers across the calendar year, there will be increasing incentive for private investment in restaurants, bar, shops etc. With the target market being the experience seeker market, it is expected that services and facilities which offer a local experience (e.g. a focus on local produce, views, artwork) will be more successful, and importantly, will contribute to the overall tourism vision for the region.

- **Touring services for boating, kayaking, fishing, nature tours etc.** Opportunities may be similar to those in other areas such as the Kingfisher boat cruises on the Barmah Wetlands with a certified eco-guide or the Yellow Water cruises in Kakadu National Park. It should be noted that the current boat tour would be the starting point for developing new and/or improved ecotourism offerings.
- **Educational short course targeting a niche in the market.** Opportunities for the offering of short courses for visitors may emerge over time. Courses may include heritage, photography and painting, bush tucker courses, geology etc.

9.6 Package benefits

The successful implementation of this project is expected to result in the following benefits:

- **Increased regional income and employment from the tourism sector and related businesses.** Increasing tourism will create regional income and increase employment. Money spent in the region will have multiplier effects for many small businesses in the community.

For example, in Chowilla (South Australia), tourism visitor numbers have significantly increased since it has been included on the Ramsar list. Data provided in a community forum¹⁶ suggest that visitors to Chowilla have increased from approximately 5,000-6,000 5-10 years ago to approximately 15,000 to 20,000. Similarly, the 8km boardwalk built at Banrock Station is believed to have contributed to the increase in visitors (from 40,000 per year to approximately 100,000 per year). Importantly, actions to diversify the tourism market will help smooth visitor numbers across the calendar year, and to provide more certainty for local businesses.

- **Improved lifestyle for residents.** Improving the quality and quantity of regional tourism offerings will improve the liveability and lifestyles of local communities. It will also improve the region's attractiveness, helping to alleviate population decline. As the level of services and infrastructure provided rise, this could also help the region's appeal to people from cities.
- **Increased resilience of local economy to water scarcity and cycles in mining activity.** Strengthening the tourism sector will reduce the dependence on the more cyclical mining sector and agriculture sector.

9.7 Potential to complement mining and not be affected by less water

As indicated by the data in Section 4.2.2.1 (Figure 4), tourism employment is not influenced by the mining cycle and the sector provides an important potential buffer against future mining downturns. On the other hand, the tourism sector can benefit from the mining culture and history through tourism attractions.


Periods of drought are likely to have some impact on tourism, particularly water based activities such as boating and fishing on the Menindee Lakes. However, the package offers a broader and more diverse base that should mitigate against significant visitation downturns. The proposed extension of activities and uses of the Menindee Lakes as an environmental, educational as well as recreational resource should also provide a range of interests and experiences for visitors in dry and wet periods (including flood events). This will ensure a year round attraction to the site.


9.8 Summary of Package 1 staging






















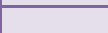






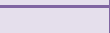



















A summary of the initiatives in the proposed package which aims to enhance and diversify the regional tourism sector is provided in the following table. The staging assumes that the primary initiatives are to commence immediately. Complementary initiatives are to be reviewed and assessed over time, taking into consideration the impact that the primary initiatives have had. Similarly, market responses are likely to occur over time when the impacts of government initiatives are better

¹⁶ Transcript provided by RDA Far West NSW

understood, and when the private sector has gained more confidence in the future of the regional tourism industry.

 Refers to full implementation

 Refers to partial implementation

Action	Implementation phasing		
	Stage 1	Stage 2	Stage 3
Primary (P); Complementary (C); Market (M)			
Ramsar Listing of Menindee lakes (P)			
Marketing strategy (P)			
The Menindee lakes boardwalk sites for an interactive wetland experience. (P)			
Dry weather walks (P)			
Festival Market Analysis Study (P)			
Hiring festival coordinator & forming festival committee (P)			
Integrated regional tourism forum & calendar (P)			
Menindee beautification program (C)			
VET training for tourism guides (C)			
Greater integration of mining history with tourism opportunities (C)			
The development of an environmental & cultural interpretation centre (C)			
Building an internationally recognised heritage region (C)			
Visitor accommodation (M)			
Other hospitality and retail outlets (M)			
Touring services (M)			
Educational short course (M)			

10 Opportunity Package 2: Developing the creative industry

This package of works leverages the proven success, competitiveness, and appeal of the region's creative industries sector. It focuses on an existing and growing industry whose growth and viability is not affected by the cyclical nature of the mining sector or water scarcity. The key challenges and opportunities targeted through this package are listed below.

Category	Opportunities Targeted	Challenge Targeted
Social	<ul style="list-style-type: none"> ■ Skills development for local needs 	<ul style="list-style-type: none"> ■ Population dependence on mining sector
Economic	<ul style="list-style-type: none"> ■ Stronger collaboration between the arts and tourism sectors ■ Strengthening the region's Indigenous art brand ■ Strengthening of the film sector and supporting services ■ Increase and broaden tourist spending ■ Leveraging existing tourism markets and initiatives for a regional strategy 	<ul style="list-style-type: none"> ■ Lack of economic diversity ■ Lack of a coordinated approach to commercial viability of local Indigenous artists ■ Varying and often limited quality of tourism services

There already exists a strong foundation for the region's visual arts sector. As noted in earlier sections, there are numerous galleries already established, and the artists appear to be relatively successful compared with the national average. The region has also already established itself

over the years as a filming destination. With the development of Stage 1 of the filming studio in Broken Hill, the region is now better placed to benefit from growth in this sector.

10.1 Key Objectives

The objectives of this opportunity package are as follows:

- **To enhance benefits to the film sector and supporting services across the region.** This involves improving access to new film initiatives across the region through collaboration and sharing of information such that benefits from key initiatives such as the film studio are not isolated to one area (i.e. Broken Hill region). Rather than diluting benefits to Broken Hill, the purpose is to facilitate improved service offerings for the regional sector and increase overall benefits through economies of agglomeration.
- **To improve and protect the commercial sustainability of the creative arts sector.** The Indigenous arts and crafts sector is particularly vulnerable to commercial exploitation. It is important that artists in the region are equipped with the necessary skills to enhance and protect their income. Early action will ensure that the right incentives are in place for new and emerging artists, and therefore increase market participation, employment and income.
- **To improve access to Indigenous arts and crafts.** The remoteness and dispersion of artists in the region is also a barrier to its commercial viability. Improved exposure of the arts sector to the tourism market will also improve its sustainability in the long term.

10.2 Existing projects and key dependencies

Projects or initiatives underway to facilitate these opportunities include:

- The continued operation and utilisation of the Broken Hill Film Studio
- The continuation of current initiatives in the arts sector –including the Broken Hill Art Exchange programs, Broken Hill Regional Art Gallery’s programs and art prizes, as well as the West Darling Arts program¹⁷.
- The successful completion and implementation of the drive-through Aboriginal art gallery in Wilcannia.

There are also strong links between this package and Package 1 (Strengthening the tourism sector), as the region’s arts culture is considered to be a key tourist attraction to the region. Therefore the success of this package is somewhat related to the initiatives identified in Opportunity Package 1, including:

- The outback festival which can increase exposure to, and promote, the region’s arts sector
- The integrated regional tourism forum and calendar which can be used to capture key events and initiatives in the arts sector.

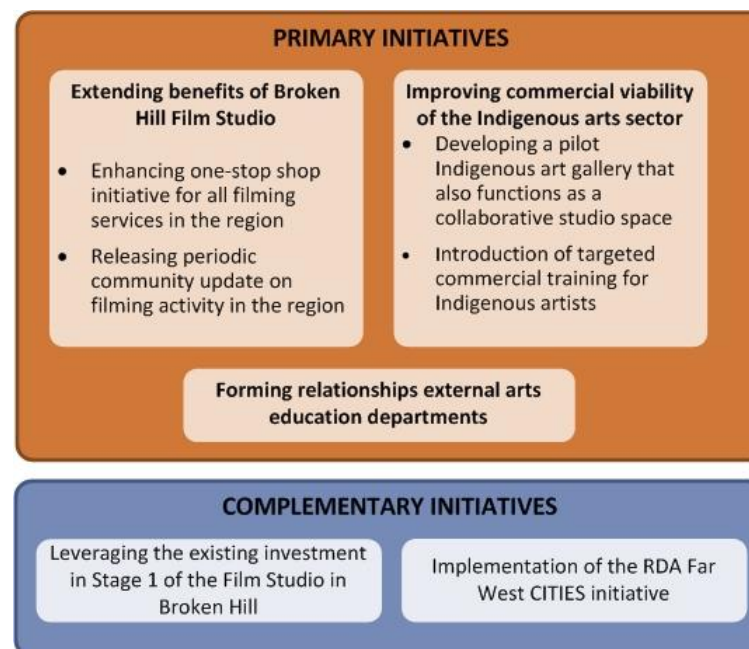
¹⁷ West Darling Arts is the peak arts organisation in Far West NSW. They partner with the NSW Government through Arts NSW, and various Federal Government departments

Opportunities to improve transport access discussed in Opportunity Package 3 will also improve the exposure to the creative arts sector.

10.3 Scope of works

This opportunity package includes primary initiatives to be implemented in the immediate future as well as a number of complementary initiatives and market responses to be considered at a later stage (Figure 14).

Figure 14 Opportunity Package 2 – Developing the creative industry



10.3.1 Extending the benefits of the Broken Hill Film Studio to the broader FAR West Region of NSW and to other sectors

Stage 1 of the Film Studio at Broken Hill has been completed, and further funds are being sought (approximately \$9 million) to develop Stage 2 and Stage 3. This initiative is being pursued by the Broken Hill Council, and is expected to deliver economic benefits across the region.

It is important that the benefits from this initiative are not isolated to the Broken Hill region. If small steps are taken to ensure that there are opportunities to distribute the benefits across the region, the private sector will also respond over time by providing more services for the industry. This will strengthen the brand and increase the overall benefit to the region.

As a first step, it is recommended that opportunities to benefit the broader region from this investment are pursued through two key initiatives:

- **Further enhancing the one-stop shop for all filming services in the region** – There is an opportunity to strengthen the collaborative marketing of filming potential in the region. Currently, the region is promoted on two separate websites: Film Broken Hill and Filmcornercountry. A collaborative approach which combines these sites will provide a one-stop shop for all filming needs in the region, and facilitate a wider range of investment in the sector. Following an invitation to tender, Film Broken Hill was recently allocated the ‘one-

stop-shop regional access point for film activity in Broken Hill and Outback NSW by Screen NSW. Although there are shared website links between the two sites, it is recommended information about the region is located on one website to facilitate a wider range of investment in the sector.

- **Releasing a periodic community update on regional filming activity** - It is expected that if the film sector grows over time, there will be more opportunities for business development in the region for a range of direct and indirect service needs. To facilitate this, it is recommended that a filming calendar or newsletter is made available on the RDA Far West website, with links also made available from other websites (e.g. council websites). This information source will provide some certainty to businesses about filming activity planned in the region. Where possible, information will include filming activity (i.e. type), likely filming duration, and average crew numbers for the duration of filming for significant activities.

10.3.2 Forming relationships with external arts education departments

To enhance the regional brand for creative arts, it is proposed to pursue a relationship with universities, similar to the types of relationships formed through the clinical placement program offered by the Department of Rural Health. The Department of Rural Health offers placements in Broken Hill and other remote sites in the region for medical students from a range of universities across the country to undertake regional placements in Broken Hill and other remote sites in the region. This program is

delivered in collaboration with the Royal Flying Doctor Service and attracts students from a range of universities¹⁸. The program has been successful in attracting students to the region for placements anywhere between 6 weeks and a year and integrating them into the community.

Although the drivers behind the medical program are different, there is an opportunity to apply a similar model to Indigenous art and filming studies. This is consistent with the community campus pilot project being pursued by the University of Sydney, the Department of Rural Health which seeks to extend the Department of Rural Health's student placement program to improve skills and outcomes across the region.

The benefit of such an initiative would be to increase the exposure of the region's arts sector to a wider audience. In the filming sector, it is an opportunity to market the landscape for filmmaking, as well as the new film studio and associated facilities. Visual arts students will learn about the region's rich arts history and culture and share these experiences with other students. After forming a bond with the location, students are more likely to return as professionals.

This is not an initiative that can be introduced immediately. Research would need to be undertaken to explore what types of placements or projects would be acceptable – either as part of the curriculum, a final year project, or even as a work experience placement. This would need to

¹⁸ Students come to Broken Hill from The University of Sydney, University of NSW, The University of Adelaide, University of Newcastle, other Australian Universities (e.g. as an elective) and as John Flynn Scholars

be followed by a feasibility study which considers the viability of a range of options.

The research and the feasibility study would need to consider issues such as availability of mentors and teachers, need for studio and/or classroom space, suitable university partners, and funding mechanism (e.g. would the partnering university contribute financially).

Given that the University of Sydney already has a relationship with Broken Hill (i.e. through the Department of Rural Health),¹⁹ it may be a good starting point to test these additional opportunities with the University's College of the Arts faculty.

10.3.3 Improving commercial viability of the Indigenous arts sector

A dedicated Indigenous art gallery in Broken Hill, with links to galleries and education programs in other regions (including Wilcannia and Menindee) will strengthen the brand of the regional Indigenous arts sector. In addition to benefiting the artists by providing more exposure for

¹⁹ West Darling Arts is also working with Broken Hill Department of Rural Health to extend the student placement program in the region by introducing the Arts Humanities component into course work. They also partner with TAFE Broken Hill to introduce programs to build the creative industries and enterprise in Wilcannia.

their work, it will also form a critical component of the regional tourism strategy.

Discussions with local artist, Eddy Wighton, indicated that there was a shortage of working space where Indigenous artists could collaborate and learn from each other outside a formal training environment. The need for this gallery therefore extends beyond a place to exhibit the work to a combined studio and gallery, where visitors can experience the artistic process first hand.

The need to provide commercial training for Aboriginal artists has also been identified through discussions with industry players, including the Broken Hill Art Exchange. Without adequate training in the art market, gallery systems and professional development, artists are vulnerable to commercial exploitation. This can threaten the long-term commercial viability of the sector, with both economic and commercial ramifications for the Aboriginal community. Training artists about the commercial aspects of their work is therefore critical to the success and credibility of the industry.

A funding proposal was recently submitted by Robinson College to the Department of Education, Employment and Workplace Relations (DEEWR). The Robinson College proposal identified a suitable location in Broken Hill that could be used as a gallery, studio and a training facility for Indigenous artists. The training opportunities would focus on providing participants with the tools and knowledge to improve the commercial viability of their art. This includes training in areas such as copyright, marketing, value appreciation etc. If approved, the funding proposal would be based on training participation (i.e. funding per Certificate II

student). The gallery and studio space would therefore need to operate on a cost-neutral basis.

The recommended initiative builds on Robinson College's proposal. It includes two distinct related pilot projects, including:

- **Developing a pilot Indigenous art gallery that also functions as a collaborative studio space.** This pilot project addresses the need to improve exposure of Indigenous artwork and artists and to improve the branding and profitability of local Indigenous artwork.
- **Introduction of targeted commercial training for Indigenous artists.** This pilot project addresses the need to improve artists' commercial skills.

It is considered necessary to separate this initiative into two pilot projects. Each pilot project addresses a different (albeit related) service need, and therefore would likely require a different funding model, monitoring framework and eventual rollout program. For example, the success of the gallery space is linked to tourism, and therefore rollout to other regions will depend on likely visitor numbers. On the other hand, rollout of the training program will be dependent on the number of artists living in the area. Splitting the project into two pilot projects will facilitate the most effective rollout program going forward.

These initiatives are discussed in more detail in the following sections.

10.3.3.1 Pilot Indigenous art gallery and studio space

The pilot Indigenous art gallery and studio space provides a commercial focal point for Indigenous art and will be marketed as a tourist destination to experience, view and buy regional Indigenous artwork.

Consistent with the Robinson College proposal, the pilot art gallery and studio space should first be established in Broken Hill, where the arts sector and tourism sector are already well established. The first step is to undertake a business plan which includes the following:

- **Financial feasibility assessment.** This would need to consider upfront establishment costs, ongoing operational and maintenance costs and an estimated revenue stream. The ongoing operation of the facility would need to be at least cost-neutral to be viable. The analysis will therefore also need to determine the required revenue streams and their feasibility. Revenue options may include entrance fees, workshops, and commission on sales.
- **Locations assessment.** This would need to consider the relative merit of different locations within Broken Hill. It is considered that being located on a main road in the city centre, with street frontage would increase visitation. This assumption needs to be tested in a financial analysis.
- **Preliminary plan for rollout.** This plan is to identify the priority areas and approach for rollout. For example, implementing galleries and workshop space of the same scale across the region may not be

financially viable, or of significant benefit to artists. These issues need to be considered further.

Subject to findings from the rollout plan, it is anticipated that the project will initially be rolled out to Wilcannia followed by Menindee. Visitors to Menindee currently pass via Broken Hill, and as such the need for a separate gallery space in each town is diminished. Instead of a full gallery in Menindee, a smaller art shop/outlet in the region may be more viable. This shop will incur lower overhead costs but enable visitors to the Broken Hill gallery to visit and find more work by local artists. In the future, if tourism numbers to Menindee increase (e.g. due to initiatives such as the Ramsar listing in Package 1), the viability of a gallery space with an entrance fee could be further considered.

In considering the appropriate rollout of the project to Wilcannia, it is important to consider options to integrate the program with the drive-through gallery currently under development.

- **Monitoring and evaluation requirements.** This initiative is proposed as a pilot program to test its success in meeting the service need before considering the appropriateness and scale of a rollout across the region. As such a monitoring and evaluation framework needs to be developed. This includes establishing Key Performance Indicators (KPIs) that measure the success of the initiative. For example, cost neutrality by year three of operation may be an appropriate KPI, subject to the findings of the financial assessment. Another KPI may be related to a target level and profitability of art sales in the gallery.

The KPIs should be reached prior to any more extensive rollout of the program.

- **Management Framework.** It is important that this initiative is supported and driven from within the community. A suitable management framework needs to be developed in consultation with the community.

10.3.3.2 Pilot project to provide targeted commercial training for Indigenous artists.

The primary objective of this initiative is to reduce artist vulnerability to commercial exploitation, and to ultimately improve the long-term profitability and sustainability of the local industry. It is recommended that Robinson College's proposal and training model for this initiative is supported and adopted.

As mentioned above, it is important that the successes of the two pilot projects within this initiative are measured independently. Unlike the gallery space, the training pilot is not intended to be cost-neutral. The training pilot aims at improving the long-term viability of the sector rather than the short term profitability. This aspect of the initiative should therefore be funded like other education programs, with funding linked to annual enrolment numbers.

Similar to the process outlined for the pilot gallery and studio space pilot project, a full business plan is required prior to implementation of the training pilot project. It is expected that this business plan has already been completed to a certain level by Robinson College to determine the

funding needs for its proposal. As such, the first step is to review and amend this plan to reflect any variation in scope (i.e. the separation of the two pilot programs). The business plan must also include an appropriate funding model which considers the split between student and government contribution. It is expected that training can be undertaken in existing Robinson College facilities in Broken Hill, as there is no obvious need to co-locate the training and gallery space.

The proposed rollout should consider where artists are currently residing to inform where training needs are most needed. It is expected that the rollout of the training initiative across the region is more urgent than the rollout of the gallery/studio space initiative. Whilst artists from outside Broken Hill are unlikely to travel to Broken Hill for training, they would be willing to travel to exhibit and sell their work. The business plan should therefore assess the feasibility of introducing this program in Broken Hill, Wilcannia and Menindee concurrently, rather than a phased rollout.

10.4 Complementary Initiatives

Opportunities which would be complementary to this package include:

- **Leveraging the existing investment in Stage 1 of the Film Studio in Broken Hill.**

The analysis undertaken to date²⁰ suggests that the financial benefit cost ratio for the film studio is very sensitive to assumptions about studio

²⁰ It is noted that the benefits to be obtained from the film studio are based on the analysis undertaken for the Broken Hill Film Studio and Precinct Business Plan

utilisation (including number of productions in the region and the percentage of these using the studio). To support the existing investment, it is recommended that Council continues to pursue opportunities to market the studio and to utilise it during any 'down time'. Where possible, these initiatives should be supported and/or facilitated. Further, opportunities to incorporate the space into the broader regional tourism strategy should be captured through other initiatives, including:

- Using the facility to host aspects of the outback festival (e.g. film screenings, moving arts, film workshops).
- Cross marketing by using the facility to host a range of tourism related events and conferences – e.g. Heritage conferences, eco-tourism conferences etc.
- **Implementation of the RDA Far West CITIES initiative.**

The initiative involves implementing Creative Industries and Technology Incubator Enterprise Sites (CITIES). This is a technology dependent project that introduces programs and recreational events of relevance to young people to develop skills relevant to the region. This includes skills in a range of sectors, with the creative sector being relevant to this package. The scope of this project could be determined with more certainty when there is more confidence about the timing of the NBN rollout to the region.

by AECOM, commissioned in 2010 by Broken Hill Council. No further financial or economic analysis has been undertaken.

10.5 Market Response

The proposed opportunity package is likely to lead to the following market responses:

- Increased investment in services for the film sector (e.g. accommodation, equipment, storage) to meet increasing demand. This is expected to be a medium to long term response as the market gains confidence in the sustainability of this industry. Improving information sharing about activity in this sector, as well as facilitating the distribution of benefits across the region, will also facilitate investment.
- More confidence in the profitability and sustainability of the Indigenous art sector will increase participation in the market and may therefore lead to more art outlets (shops and exhibition spaces) across the region and in turn a greater tourism demand.

10.6 Package Benefits

The proposed opportunity package will result in the following benefits:

- **Increase tourism expenditure.** The film studio and art gallery will strengthen the tourism sector and facilitate increased tourism expenditure. With more tourism attractions in the region, average visitor nights in the region may also increase.
- **Increased employment in the film and related services sector.** Leveraging the existing investment in the film industry and ensuring a holistic approach to marketing and information sharing across the

region will facilitate employment in the related services. This includes equipment hire/repair, hospitality, film crew services, car rental etc.

- **Increased recognition of region's art brand and profitability of Indigenous arts sector.** Improving access to buyers through a designated gallery, combined with improved commercial training for artists will increase their profitability. This will in turn encourage emerging artists to participate in the sector, facilitate growth of the market and further improve brand recognition.

10.7 Potential to complement mining and not be affected by less water

The stark scenery created by more than a century of mining complements this film and creative arts opportunity although again the industry should offer income and employment whether the mining industry is booming or in a downturn.


The recent cancellation of the Mad Max IV film because the region is too green indicates that at least in part the arid nature of the region is considered to be a strength. As such, periods of lower rainfall are unlikely to affect this package adversely.


10.8 Summary of Package 2 staging

A summary of the initiatives in the proposed package is provided in the following table. As with the other packages, the staging assumes primary initiatives are to commence immediately and that complementary

initiatives are to be reviewed and assessed over time. Market responses are likely to also occur over time as private sector confidence increases.

Action	Implementation phasing		
	Stage 1	Stage 2	Stage 3
Primary (P); Complementary (C); Market (M)			
Introducing a one-stop shop for all filming services in the region (P)			
Releasing periodic community update on regional filming activity (P)			
Forming relationships external arts education departments (P)			
Pilot Indigenous art gallery that also functions as a collaborative studio space (P)			
Introduction of targeted commercial training for Indigenous artists (P)			
Leveraging the existing investment in Stage 1 of the Film Studio in Broken Hill (C)			
Implementation of Far West CITIES (C)			
Increased investment in services for the film sector to meet increasing demand (M)			
Increased art outlets (M)			

 Refers to full implementation

 Refers to partial implementation

11 Opportunity Package 3:

Improving opportunities for small businesses

This package of works addresses some of the broader barriers that affect small regional businesses. The key challenges and opportunities targeted through this package are listed below. The package builds on a number of existing regional and/or existing or new national initiatives.

Category	Opportunities Targeted	Challenge Targeted
Social	<ul style="list-style-type: none"> Skills development for local needs 	<ul style="list-style-type: none"> Population dependence on mining sector Limited service provision
Economic	<ul style="list-style-type: none"> Rollout of National Broadband Network Opportunities to leverage private sector infrastructure investment Expanding capacity of the Broken Hill Community Foundation 	<ul style="list-style-type: none"> Lack of economic diversity Variable road conditions Inadequate transit areas for live freight Limited airport capacity Varying and often limited quality of tourism services Financing difficulties for private investments
Environmental	-	<ul style="list-style-type: none"> Uncertainty in water availability
Political	-	<ul style="list-style-type: none"> Perception of limited need for

Category	Opportunities Targeted	Challenge Targeted
		government support due to strong mining sector

Small businesses in the region are affected by a range of high level issues, including transport access, access to financing, and government regulation. It is noted that the opportunities identified for the tourism sector and creative industries (Package 1 and 2 respectively) also address barriers affecting small businesses in these sectors. This package has a broader focus on the generic issues impacting regional businesses.

11.1 Key Objectives

The objectives of this opportunity package are as follows:

- Increasing private sector investment in viable small business.** Some of the existing barriers to investments, such as bank lending practices cannot be influenced through a regional approach. As such, the objective is to reduce the impact of these external barriers through regionally focused initiatives. Importantly, this objective focuses on ensuring that viable business opportunities are facilitated where possible.
- Optimising transport infrastructure investment in the region for long term economic benefits.** Transport infrastructure, including roads, rail and airports are important for social connectivity as well as for the economy. Tourism, agriculture and mining all depend on the transport network in different ways, and as such, investment in the

networks need to be planned in a way that provides the most value for money.

- **Improve resilience of agriculture sector.** This package aims to reduce biosecurity risk to the agriculture sector, which in turn will improve the sector's economic resilience. The agriculture sector is already susceptible to a range of external challenges such as the relative strength of the Australian dollar, fluctuating world prices, water scarcity and developing water policy. The proposed package addresses the existing biosecurity risk associated with the absence of a dedicated transit yard in the region. This is one manageable risk that can be reduced through a cost-effective measure.

11.2 Existing projects and key dependencies

Projects or initiatives underway that facilitate opportunities within this package include:

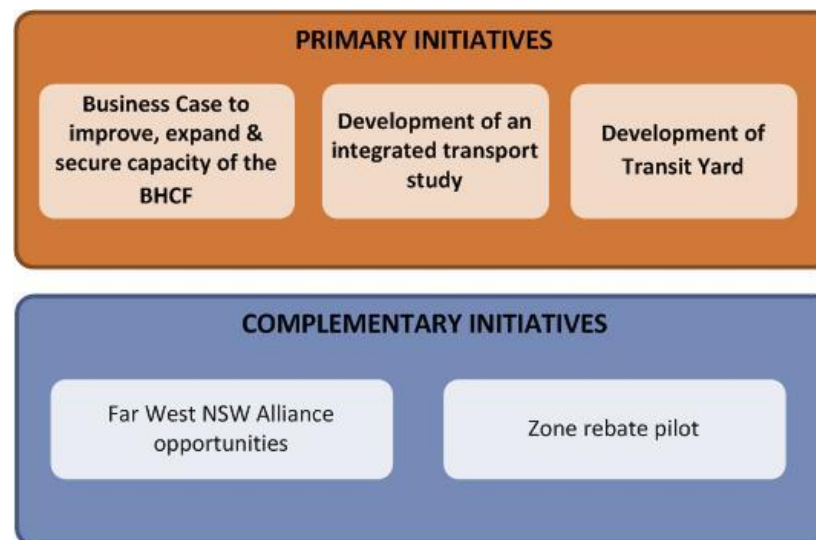
- Funding proposal by Broken Hill City Council for a heavy vehicle haulage by-pass on the eastern, southern and western side of the city to reduce heavy vehicle traffic in the city.
- Ongoing operations of the Broken Hill Community Foundation.
- Ongoing operations of the Broken Hill Enterprise Development (EDC) Centre – a non-profit organisation established to support the start and growth of businesses throughout Far West NSW. The Business Advisor also offers consultations, business plans and training.

This package of works also has close links with the other three packages, as they all aim to diversify the economy, which in turn provides increased certainty for business viability and investment.

11.3 Scope of works

This opportunity package includes primary initiatives to be implemented in the immediate future as well as a number of complementary initiatives to be considered at a later stage (Figure 15).

Figure 15 Opportunity Package 3 – Improving opportunities for small businesses



11.3.1 Business Case to improve, expand and secure capacity of the Broken Hill Community Foundation

By providing an alternative avenue for seed funding for new or expanding projects in Broken Hill, the Broken Hill Community Foundation (BHCF) has directly addressed the barrier faced by regional businesses in receiving financial support from banks. Importantly, with many of the funds being loan arrangements, the need for an alternative funding avenue for viable business opportunities has been demonstrated, and warrants further consideration.

Facilitating investment in small regional businesses is critical to the diversification of the local economy and will lead to benefits across all sectors – including tourism, arts, retail, hospitality, health and childcare. The importance of this initiative extends beyond Broken Hill, and as such, it is proposed to develop a regional approach for its services.

Given that the BHCF is already established with a very experienced Board, it is recommended that the focus is on enhancing and expanding the capacity of the existing establishment. To do this, it is recommended that a robust business case be undertaken to explore opportunities and options for expanding the capacity of BHCF from Broken Hill to the broader region.

The business case will need to assess opportunities to increase funding for BHCF to enable it to increase its scope of works.

The BHCF Board is already pursuing ‘Deductible Gift Recipient’ (DGR) status, which is a specific treatment of money under federal taxation law for its projects in the Broken Hill region. This status would enable contributions to the fund to be tax deductible and would in turn facilitate increased donations. BHCF Board believes that this initiative is critical to achieving its capital fund target of \$5million²¹.

It is noted that the Australian Taxation Office (ATO) is not usually the vehicle for such initiatives, with DGR status generally reserved for non-profit or benevolent organisations. As such, to improve the likelihood of BHCF securing additional funding for its current work in the Broken Hill region, as well as securing funding for its potential expanded role in the broader Far West Region, it is recommended that the business case explores a range of funding options.

Importantly, in adapting its role and seeking additional funding streams, the BHCF should clearly divide its role (and financing) between community projects and business development projects. It may be the case that a different funding model can be applied to these two distinct functions.

The business case should include the following:

- **Clear identification of the service need.** The service need must be based on BHCF’s ability to accommodate future funding requests from the Broken Hill region, as well as the broader region if the

²¹ This is currently \$1.3 million which includes the initial \$500,000 contribution by Pasminco.

organisation's operations are extended. This should include a historical analysis of the number of financially viable projects which were unable to secure a financial loan from the private sector (i.e. the bank). It should also include an assessment of the social/community driven projects funded over the years, and why they were not funded through other means (e.g. local government or state government funding). Resourcing constraints should be identified, based on the existing funds, anticipated demand, and proportion of likely 'loans based' funding arrangements.

- **Identification of scope and funding options.** The business case should consider two scope options, the first being the current scope (business as usual) where BHCf services Broken Hill. The second option includes an expansion of services to the broader Far West NSW RDA region.

For each of these options, five funding/delivery options could be considered (refer to the following table). For all these funding options, it is recommended that loan-based funding should be repaid with interest or at the very least adjusted for inflation.

	Description of Funding/Delivery Option
Option 1	Business as usual. This includes funding from ad-hoc government contributions, memberships and donations (with no DGR status)
Option 2	Business as usual, with DGR status for all donations

	Description of Funding/Delivery Option
Option 3	Business as usual with DGR status for a proportion of donations that relate to non-profit community projects. To do this, selection criteria need to be developed alongside Key Performance Indicators (KPIs) or targets for the split between business development projects and community development projects
Option 4	Business as usual with government funding equivalent to the additional funds expected to be raised from 'Funding Option 2'
Option 5	Business as usual with government funding equivalent to the additional funds expected to be raised from 'Funding Option 3'

- **Financial and social-economic assessment of all options.** For each option, a financial assessment from the government's perspective needs to be undertaken. The costs are equivalent to the government contribution (either direct funding or a tax discount), and the benefits would include:
 - Increased income tax from more viable businesses in the region
 - Avoided welfare assistance in the region as a result of increased employment
 - Reduced need for structural adjustment measures (i.e. costs) when the mining sector slows, or during years of extreme water scarcity.

A qualitative assessment of broader social and economic benefits should also be undertaken as part of the options assessment. This

may include benefits associated with social inclusion, employment, economic diversification etc.

The BHCF does not provide an official mentoring service to support businesses that seek seed funding. However, the Board members offer assistance where possible based on their local and/or industry experience. The business case should also consider the merit of, and options for, a formalised mentoring program.

It is noted that the Enterprise Development Centre (EDC) already provides some mentoring and training services to 15-25 businesses per month. There is an opportunity to extend the mentoring role over time to provide support for new businesses getting funding from BHCF. Opportunity to collaborate with the EDC should be considered as part of the business case.

11.3.2 Development of an integrated transport study

Over time, a range of studies has been developed to assess the feasibility of stand-alone transport investments. This includes investments such as sealing sections of roads, upgrading the airport, and the construction of a haul road through Broken Hill.

Instead of updating or using these studies in isolation, a whole-of region transport study should be undertaken to understand the regional value of transport and access, and to clearly identify the best-value investments for the regional economy.

It is recommended that the study considers rail travel, air travel, road travel and the inter-linkages between these modes. Importantly, the

assessment will not pre-empt the solutions but consider the individual and combined impact of a range of options, including those that have already been assessed in past studies.

The study will need to assess:

- Current demand for regional road, rail and airport transport. This includes assessing the distribution of demand by industry (predominantly mining, agriculture and tourism) and recreational travel by the regional community.
- The costs and benefits for each sector (mining, tourism, agriculture, private travel) and the wider economic benefits to the region under different infrastructure improvement scenarios. It is important that the scenarios consider the combined impact of several option combinations. For example, the combined impact of sealing key roads and upgrading the airport will be different to the sum of the individual impacts of both these improvements. This is because better airport access to the region may either increase or decrease road usage. Similarly providing a rail freight route to Menindee will reduce demand for road freight. It is also important that the analysis assesses how the costs and benefits differ between a full airport upgrade and a non-asset solution which targets cost, frequency, and connections of services.

It is recommended that a shared implementation and funding strategy for the Far West Region is developed as a priority once the transport study is completed. The transport study will assist in prioritising works, including:

- Enhanced airport services (whether asset or non-asset)

- Program for road upgrades and maintenance in the region
- Possibly some rail upgrade/extension works.

Whilst councils are currently responsible for road maintenance in their area, this approach may not be justified in all cases. Depending on the distribution of costs and benefits associated with the upgrades considered in the transport plan, a range of funding scenarios should be considered. For example there may be justification to split between respective councils and the State Government according to the beneficiary profile rather than geographic location. This may be an appropriate approach for a road upgrade in 'region X' that will predominantly benefit freight travel from 'region Y'.

This funding could assist in alleviating some of the pressure on the Central Darling Shire which is responsible for the largest geographical area, and therefore length of road.

11.3.3 Development of a Transit Yard

The absence of a transit yard in the region represents an avoidable biosecurity risk to the region's agriculture sector. A transit yard, located in the Far West Region, will provide a much needed service, and help to protect the local pastoral industry.

Consultation with the Pastoralists' Association of West Darling suggested that demand already exists for this service as there are approximately 4 sale yards within 8 hours of the region. Department of Agriculture, Fisheries and Forestry (DAFF) guidelines indicate that young stock should not be deprived of water for more than 20 hours. Given that animals are

not given water for approximately 12 hours before travel, the region is strategically placed to provide this service. A transit yard would also provide a central facility for animal inspection (pre and post purchase), and routine vet checks and treatment procedures.

The Pastoralists' Association of West Darling has indicated the industry's support for the initiative. Funding is required for the establishment costs which include fencing, installation/construction of the yards, utility connections, and roadworks. This was initially estimated at \$585,000 to accommodate 300 head of cattle, 3,000 head of sheep and 3,600 head of goats. This estimate will need to be revised based on more current costs prior to another funding submission.

It has been estimated that the yard would need to be used one day a week to break even on any operation and maintenance costs. Therefore a cost recovery model is considered to be possible and appropriate.

In discussions with the Pastoralists' Association of West Darling, the Livestock Health and Pest Authority (LHPA) has agreed to take responsibility for the yards once established and will provide public liability insurance for the yards.

11.4 Complementary Initiatives

Several RDA Far West initiatives which are underway complement this package of opportunities. These include:

- Far West NSW Alliance proposal. Sharing priorities in transport infrastructure and reviewing the cost sharing model which may be appropriate for these priorities is in line with the general principles of

the Far West NSW Alliance proposal. The transport study can be used as a pilot project to test the viability of future opportunities for collaboration and alliance.

- Zone rebate pilot – The RDA Far West is seeking Federal Government support for a pilot amendment of the Australian Taxation Office's existing tax rebate for remote areas to better reflect current data on remoteness and isolation. The purpose of the Zone Rebate would be to provide incentives for skilled labour in regional areas.

11.5 Market Response

Market responses to the proposed initiatives may include:

- **Change in export distribution of local goods.** Local businesses (in particular in agriculture) may pursue new markets in response to changes in the transport network. For example, if sealing the Tibbooburra Road is shown to be a priority for the region, it would provide a sealed road up into Central and Northern Queensland. Sealing this route would also provide an improved link to the Port of Darwin for shipping to Asia, opening up more opportunities.
- **New business investments.** The expansion and improvement of the BHCF to the broader region, may lead to new business opportunities being considered within and outside Broken Hill across a range of sectors.

11.6 Package Benefits

The successful implementation of this project is expected to result in the following benefits:

- Reduced risk cost to the agriculture sector. A designated transit station, which would also be used as an official and monitored quarantine base would provide peace of mind to the other landowners in the region, and ultimately avoid any costs associated with potential outbreaks. For example, in response to an outbreak (or even a suspicion of an outbreak) of ovine John's disease (OJD) affected farms would generally vaccinate their stock, with inoculation costing \$1-\$2 per sheep. An affected farm of 5,000 sheep would therefore face a cost of \$10,000 per outbreak to avoid any disruption to their sales. This risk cost would be avoided under the proposed package.
- Increased number and diversity of tourists visiting the region as a result of improved transport/access provision. This may in turn lead to greater private sector investment in much needed tourism services (e.g. accommodation).
- Increased investment in the local economy due to improved access to financing options. This will lead to income and employment benefits.
- Potential alleviation of skill shortage as a result of more competitive air travel to the region allowing for more frequent business trips. This is particularly useful in some sectors which will depend on fly-in-

fly out services. It should be noted that Illawarra, another region that has been subject to industry downturns and structural adjustment, has established a business to recruit skilled local workers to fill vacancies in the mining sector in Queensland on a fly in fly out basis from Wollongong. This operation recruits workers, arranges employment and charts the transport. The outcomes ensure workers are employed without having to uproot families, the bulk of the employee's wages are retained in the Illawarra and the workers and skills are available to return to the Illawarra as the economy picks up.

- Reduced freight costs for local growers and pastoralists. For example, a sealed road connection between Menindee and Mildura will reduce transport costs for fruit growers. This may offset some other challenges faced by the sector, including a water constrained future and a stronger Australian dollar.
- Potential for improved social outcomes from the zone rebate pilot if it is implemented and if it contributes to improved opportunities for attracting and/or retaining skilled workers in the region. However, it is noted that the effectiveness of this initiative in retaining staff is dependent on the rebate level, and may be achieved more effectively and/or efficiently through other rebate initiatives (e.g. stamp duty which encourages a more long term commitment to the region).

11.7 Potential to complement mining and not be affected by less water

This package is designed to provide opportunities to improve the viability, productivity and profitability of existing and new businesses in the region.

Initiatives that assist in reducing business costs and improve productivity should also assist in making industry and enterprises more resilient in the face of uncertain water availability.

11.8 Summary of Package 3 staging

A summary of the initiatives in the proposed package is provided in the following table. As with the other packages, the staging assumes that the primary initiatives are to commence immediately and that complementary initiatives are to be reviewed and assessed over time. Market responses are likely to also occur over time as the private sector confidence increases.

Action	Implementation phasing		
	Stage 1	Stage 2	Stage 3
Primary (P); Complementary (C); Market (M)			
Business Case to improve, expand & secure capacity of the BHCF (P)			
Development of an integrated transport study (P)			
Development of Transit Yard (P)			
Far West NSW Alliance opportunities (C)			
Zone rebate pilot (C)			
Change in export distribution of local goods (M)			
New business investment (M)			



Refers to full implementation



Refers to partial implementation

12 Opportunity Package 4:

Employment model

This package of works addresses some of the challenges in providing a stronger relationship between training investment and employment outcomes. The key challenges and opportunities targeted through this package are listed below.

Category	Opportunities Targeted	Challenge Targeted
Social	<ul style="list-style-type: none"> Skills development for local needs 	<ul style="list-style-type: none"> Population dependence on mining sector Limited service provision
Economic	<ul style="list-style-type: none"> Rollout of National Broadband Network Attractive environment for mining investments Employment opportunities associated with mining 	<ul style="list-style-type: none"> Lack of economic diversity Difficulty maintaining a stable workforce
Political	<ul style="list-style-type: none"> Opportunities emerging from carbon pricing 	-

This package builds on and extends existing regional education, training and employment initiatives to directly address the employment and skills needs of all the region's industries, and in particular mining. It also addresses key skills and services shortages across the region and offers employment and targeted training and skills development for

disadvantaged people across the region. As such, it addresses the RDA Far West's social as well as economic development objectives.

12.1 Key objectives

The objectives of this opportunity package are as follows:

- **Reduce unemployment in the region.** The region has relatively high unemployment - Broken Hill 7.9% June 2011, Central Darling 14.1% which can be targeted through this package.
- **Increased engagement and participation.** This includes improving linkages between training and employment and increasing exposure to a range of career pathways during school years.
- **Increase local skills in areas required by local industry and business.** This includes targeting training to local employment needs and opportunities.
- **Improved service provision across the region.** This involves reducing dependence on expensive services from Broken Hill and Dubbo to improve reliability of service provision and to reduce cost to local businesses and households.

12.2 Existing projects and dependencies

Projects or initiatives underway that are linked to the opportunities presented are discussed below:

- Robinson College is currently seeking funding for the Yeovil Project in Wilcannia. This community garden project offers Certificate II and III

in Horticulture. Importantly, the project which links training and employment/income by providing opportunities to use the site and the training to grow and provide fresh fruit and vegetables. This project is viewed as part of the proposed package, as it offers a horticulture employment model for the Wilcannia community.

- The construction and operation of the proposed Silverton Wind Farm. This is predicted to create new employment opportunities which may require targeted training.
- Under development is a project called TAFE Western Connect (TWC). It seeks to ensure equitable and broader delivery of training to rural and remote areas across Western NSW. It is based on a 'hub and spokes' model of delivery, and given that Broken Hill will be one of four hub sites it will have a significant impact in the area. The project aims to provide a range of training opportunities in remote communities through a combination of the use of new technologies e.g. video conference-delivered training, interactive distance learning and mobile delivery platforms.
- Another TAFE project, with partners including the Wilcannia Local Aboriginal Land Council, for which funding is being sought, is the Weinteriga Project. It is based on a case-managed approach to working with clients in identifying training and employment outcomes.
- An Interagency and Community Planning and Communication project, or Centralised Local Information Portal (CLIP) has grown out of the Schools Business Community Partnership Committee. This

project is leading to the development of software, by locals for locals, which will enable a range of functionality as diverse as coordination of resources between agencies (i.e. car sharing to Wilcannia), to a community search function for agency services to meet particular needs. The project offers potential benefit to the community due to increased efficiency in use of resources. This portal may be able to be used to promote the Group Employment Scheme (GES) including employment opportunities and services available as well as supporting its development through providing a community coordination service.

There are also strong links between this package and Package 2 (developing the creative industries), as development of the film industry may provide further employment and training opportunities in the future.

12.3 Scope of works

This package is concerned with two aspects of the labour market. The following two models are proposed, both of which are extensions of successful health sector models addressing similar needs:

■ Pipeline model

This model aims to meet the emerging employment and skills needs of the key mining sector as well as other industries in the region. It is designed to improve opportunities for local people to find a

permanent full time job (defined as a good job²²) in the region and reduce the number of contract employees brought into the region. This includes assisting local people to be competent to undertake the range of local jobs that are available and are likely to be created by employing industries across the region and reducing or eliminating any obstacles to appropriate local employment.

This opportunity builds on a proven approach, a significant body of work in the region and has regional industry and community support.

■ **Group training and employment model for trades**

This model involves developing employment opportunities for people in the smaller towns across the region, particularly jobs that meet the service needs of the local community. The model is based on the nurse practitioner model which has been widely implemented.

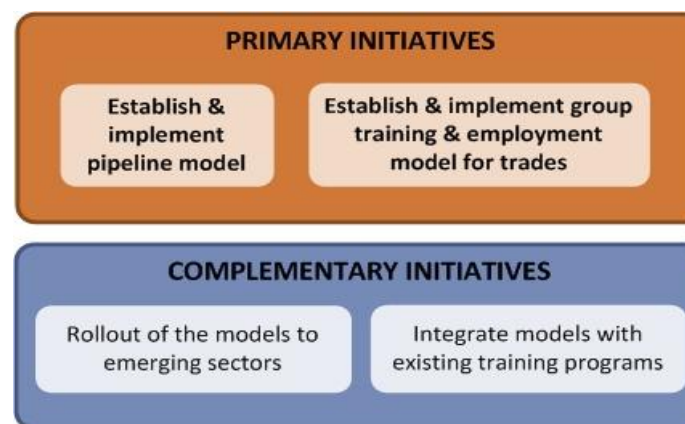
An important anticipated outcome from implementation of this opportunity is the scope to reduce the overall net expenditure on employment creation and income support.

While the intent is to improve employment opportunities for the region, consideration is given to particular needs of disadvantaged people.

A summary of the primary and complementary initiatives is provided in Figure 16.

²² Darcy Fitzpatrick et al, From education to employment how long does it take? Longitudinal Surveys of Australian Youth, 2011

Figure 16 Opportunity Package 4 – Employment model



12.3.1 Pipeline Model

The consultation indicated that there are often difficulties in filling employment needs locally despite relatively high unemployment. This initiative focuses on addressing skill shortages, a key contributor to this existing employment barrier.

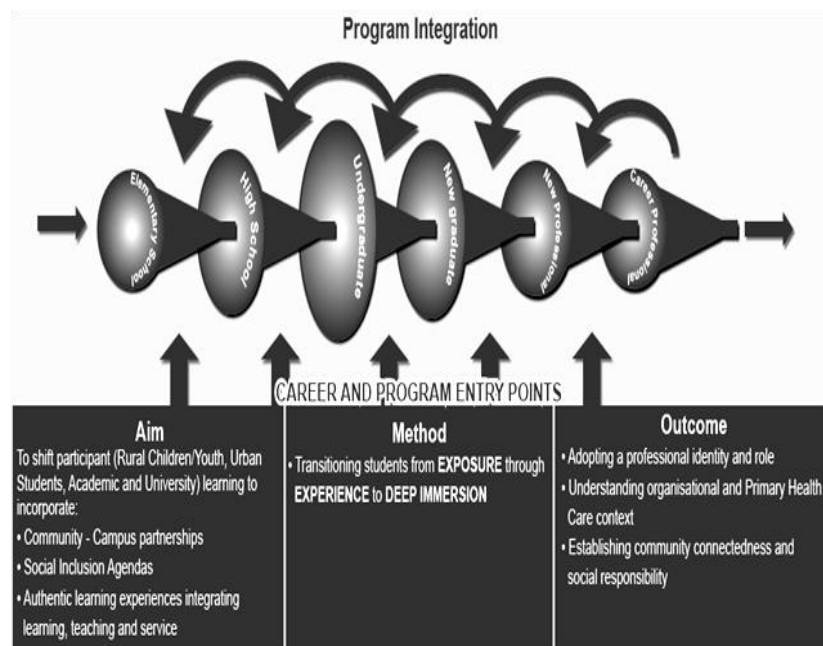
This 'pipeline' model calls for longitudinal alignments between:

- Aspiration building from early in school life, through home, school, post school education and employment processes

- Industry recruitment and retention strategies that apply to the major employing industries.

The model builds on the pipeline model developed by the University of Sydney – Broken Hill Rural Health Department for the health sector. The health career pipeline model facilitates understanding of work opportunities in the health care sector from an early age by exposing students to the sector from grade 6 upwards. The process ensures that students understand the sector, the careers on offer and the requirements to be employed in the field. This is followed by a program stage aimed at transitioning students from exposure through experience to deep immersion. This includes undergoing the relevant education and training from entry level to career professional (refer to [Figure 17](#) for health career pipeline model).

[Figure 17 Health career pipeline model](#) (Source: Broken Hill University Department of Rural Health)



There is an opportunity to extend this model to other industries in the region. The top seven industries in terms of employment are (in order): health care and social assistance, retail trade, mining, accommodation and food services, public administration and safety, education and training and construction.²³ This report also identifies tourism, creative industries, transport, and agriculture as significant and potentially growing regional industries. As such, these sectors may also benefit from the pipeline model. The initiative is an outcome of the widely supported Schools Business Community Partnership Committee whose membership extends across schools, the VET sector, RTOs, not for profit organisations, and others. The committee supports application of the model in other relevant areas, including mining. The RDA Far West NSW has moved to establish a Skills Working Group to facilitate the extension of the pipeline model to other industry sectors.

A mining pipeline presents clear opportunities for the region, particularly given the region's historical links to the sector. Importantly, the period of time before the current mining prospects move into construction and operation provides an opportunity for training and development to maximise the proportion of local recruitment. Similarly the proposed life of the mining operations in the region offers the opportunity to establish longer term pipelines to ensure an on-going flow of appropriately skilled people to meet the industry's future needs.

²³ ABS Census 2006 Broken Hill, Wilcannia and Menindee.

Prior to implementation of the pipeline model across a range of industries, it is important to identify the skills and experience needs of the major employing industries and to identify the drivers and inhibitors of getting young people into the industry. This information would then be used to develop interest and enthusiasm to work in the sector and facilitate exposure, education, training and work experience. This program will equip students with the understanding required to enter the sector and provide the professional development required as part of a career. Extension of this program to other sectors is already being developed with support from the schools, TAFE and higher education, industry and the community.

In developing and implementing this model, possible costs would need to be explored. A potential model could involve costs being paid by:

- Schools and possibly parents - staff time in supervision in school and in going to external industry facilities (this would be in line with normal school practices). Parents may have to pay the costs of excursions. Special funding may be available for disadvantaged students or a community fund may be possible.
- Industry – costs of providing people to go to the schools, guide students through facilities, provide support materials. Potentially funded by industry through promotional or other budgetary items.
- Government – education and training costs funded by current government processes including additional support for disadvantaged people.

It is recommended that in implementing the program, the following steps are undertaken:

- Consultation with potential partners, including formal and informal education links. The purpose is to identify ways to integrate prior experience and learning into recognised qualifications, and for the model to identify interested parties and form a working group
- Develop an implementation plan for the model, specifying priority industries to be targeted
- Implement a pilot run of the model on a small scale (e.g. based in one school and focused on mining skills and employment opportunities)
- Promote the model more broadly to all stakeholders who could be involved or impacted by the model
- Rollout the model to a wider group of schools.

12.3.2 Group training and employment scheme model for trades

Consultation indicated that skills shortages in the smaller towns in the region meant that services for even basic maintenance needs are not always available. Where qualified tradespeople are needed, they usually have to travel some distance (for example from Broken Hill or Dubbo). This reduces the reliability of service provision, and significantly increases the cost. This is a particular burden in regions with high percentage of low-income earners.

There is an opportunity to train locals in certain trades to increase employment whilst at the same time bringing down the cost of maintenance and repair in the region and improving access to these services. It is noted that the Central Darling Council already employs two handymen who can be hired by community members for household maintenance, but this only partially addresses the service needs in the region.

The proposed initiative is to develop a pilot program to create a Group Employment Scheme (GES) with similarities to the Group Training Scheme (GTS). Ideally this would be an expansion of the activities undertaken. The program involves:

- Recruiting people regionally to meet identified employment needs such as the need for tradespeople in the smaller townships in the region.
- Training employees based on identified local demand and service gaps. For example, to meet local demand, it may not be necessary to train all tradespeople to full certification (e.g. certified plumber, electricians etc). Instead, fit for purpose training may be more appropriate to enable these workers to undertake repairs/maintenance and potentially new building and installation at least part of the way, before a certified tradesperson is called on the job. This will reduce dependence on Broken Hill services.
- Providing on the job training. A key aspect of this program is that the participant is employed first and then trained for the job. The

participant would also be supported on the job by the staff or contractors of the GES.

- Identifying opportunities to share employment across regions. Employees would be resident in the region with the primary aim to meet local needs, but could be moved to other areas within the region to meet specific needs or as necessary to ensure full time employment. On this basis the process is similar to the GTS model.

This model is also based on the health sector, where for example, nurse practitioners are based in health facilities in small towns supported by remote General Practitioners and specialists using e-health applications. The nurse practitioner can triage patients who present and then either carry out or recommend treatment, call for professional support via appropriate e-health applications or arrange for the patient to be transferred for further action. The proposal is to extend this model to other service sectors.

In the trades example, the employees would undertake basic training to become competent to meet the most likely demand. This training could be trade specific or cover more general skills and be certified with recognised and transferable qualification. On the job support would be provided on site initially and then online as the employee gains proficiency and confidence. Additional support and follow up training could be provided through distance learning and periodic scheduled visits.

This model would require the 'trades practitioner' to 'triage' the requests for services and undertake those that are within his or her certification. Where there is a need for action beyond accredited competency the

employee would bring in a remote supervisor to review the requirements. Diagnosis would include video information and a decision made as to whether the employee can undertake the work with online supervision or whether a specialist needs to be sent out from Broken Hill or other support centre. Consideration would be given to practical aspects, such as the urgency of the job and whether the installation can be made safe by the in situ employee. In this case the work for the specialist may be bundled with other work until a future scheduled visit or until there is a large enough body of work to reduce the per job cost.

The model would allow interested employees to undertake further training with 'Recognition of Prior Learning' and to receive full trades accreditation. This training could articulate into tertiary study and beyond as required.

The model would need to either employ an appropriate set of qualified staff or contract people as required to provide the support. Online access could be provided from existing facilities such as the TAFE connected classroom in Wilcannia or other facilities in schools, local government offices or appropriate community facilities. Some collaborative arrangements for appropriate broadband connection will be needed to contain costs at the pilot stage and may be needed on an on-going basis. It is expected that the proposed model would have higher costs than a straight GTS model but would work on a similar fee for service approach.

It is expected that customers would pay a fee for service, although an alternative funding mechanism could be explored. The costs should not be higher than those of an individual contractor employing apprentices and staff. It is assumed that there could also be some government wage

support similar to apprentices and trainees plus special assistance for disadvantaged people. There would also be a case for initial support for the pilot scheme and possibly seed funding for the early years of a final scheme.

It is proposed to commence this initiative with an initial pilot scheme which could involve a subset of trades. The pilot should consider inclusion of 'low risk' trades, which would exclude electrical trades which are likely to require full certification prior to unsupervised employment. The pilot could also include less specialised jobs such as general handyman. Over time, the model may be able to be expanded to some administrative jobs such as bookkeeper.

12.4 Complementary Initiatives

Opportunities that would be complementary to this package, and should be considered further at a later stage include:

- Potential rollout of the pathway model and the group training and employment model to emerging sectors. These include hospitality and retail with a tourism focus, the film industry, and renewable energy technologies.
- New opportunities to link existing training programs to direct employment opportunities. Lessons learnt from the two models in this package should be used to assess opportunities to improve direct employment opportunities from other training courses offered in the region. This involves identifying opportunities to incorporate on-the-job training where possible, and to match and time training with

known employment opportunities. Alternatively, opportunities to integrate some existing training programs into the group training and employment scheme model should be identified.

- Development of a mechanism for skilled trades people and other workers to work outside the region during regional down turns in the mining and/or agricultural industries in a similar way to the current initiative in the Illawarra region noted earlier (Section 11.6) that organises fly in fly out jobs in Queensland. This could be a further expansion of activities for relevant operators as it could help balance the company's administrative and promotional work load during periods where local employment opportunities are reduced as well as assist in maintaining full time employment for trades and other employees.

12.5 Market response

Market responses to the proposed initiatives may include:

- Investment in increased service delivery businesses as ability to meet demand with local skills is demonstrated.
- Increased small business investment in regional towns outside Broken Hill. This would be in response to being able to access supporting services more easily.
- Increased investment in identified and targeted emerging sectors, as the business environment becomes more attractive to potential investors due to improved availability of local skills and relevant knowledge.

12.6 Package Benefits

The successful implementation of this project is expected to result in the following benefits:

- Increased utilisation of local employment for regional mining prospects. In addition to the direct employment benefits, this will reduce reliance on fly-in fly-out employment relative to other locations, and improve the region's competitiveness for future mining projects.
- Increased high school retention rates as students are engaged throughout their schooling as part of the pipeline model. With stronger links to career prospects, retention rates are expected to increase.
- Increased workforce participation rates, and reduced unemployment over the long term due to stronger links between training and employment.
- More cost effective delivery of trades service needs in regional towns, leading to increased access to, and reduced cost of, trades services outside of Broken Hill.

12.7 Potential to complement mining and not be affected by less water


This package addresses the issues of ensuring appropriately skilled workers for the mining and other key industries in the region in both the short and long term. It also seeks to ensure on-going employment that allows for activity and seasonal cycles in key industries.


While a major objective is ensuring sustainable economic development it also addresses the RDA Far West's objective to provide for social resilience and community capacity building. As such, it also seeks sustainable solutions in key areas of disadvantage such as un-employment and under-employment in Aboriginal communities.

12.8 Summary of Package 4 staging

A summary of the initiatives in the proposed package is provided in the following table. As with the other packages, the staging assumes that the primary initiatives are to commence immediately and that complementary initiatives are to be reviewed and assessed over time. Market responses are likely to also occur over time.

Action	Implementation phasing		
	Stage 1	Stage 2	Stage 3
Primary (P); Complementary (C); Market (M)			
Develop pipeline model – set up working group and pilot model at school (P)			
Rollout pipeline model to additional schools and training facilities (P)			
Establish pilot group training and employment scheme model with a subset of low risk trades (P)			
Rollout of the models to other emerging sectors and areas (C)			
Integrate models with existing training programs (C)			
Investment in increased service delivery businesses (M)			
Increased small business investment in regional towns outside Broken Hill (M)			
Increased investment in identified and targeted emerging sectors (M)			

 Refers to full implementation

 Refers to partial implementation

13 Delivery Plan

13.1 Effective governance and commercial mechanisms

Although there are already some working groups set up for some of the opportunities, similar groups need to be established for others. These should include representatives from industry, local and state government, and other key regional representatives relevant to the opportunity. The structure and model for these groups should be based on existing groups which have been deemed successful.

13.2 Enablers

13.2.1 Cost estimates

A key enabler for the RDA Far West implementing the program of opportunities is investment and funding. During the planning and validation stages, a core objective should be to undertake a detailed analysis of each opportunity to provide cost estimates which are more robust and accurate.

Part of the RDA Far West's role in the proposed program of opportunities is associated with coordinating and attracting investment, so there is a need for an overall investment attraction strategy to be owned and driven by the RDA Far West.

13.2.2 Funding

In some cases these four opportunity packages relate to existing government programs and would be eligible for funding and would not be seeking new funding from the State or Commonwealth. Any new funding would relate to developing the detailed feasibility and business cases for the packages and would either be privately funded or compete on their merit for funding under existing relevant government and/or philanthropic programs.

In addition, while public funding may be sought for the development and/or establishment stages of particular projects, the aim is that the projects and packages would generate sufficient commercial income or attract on-going non government income sources to at least cover operating costs. This is in line with the aim of the proposed opportunity packages to increase the region's sustainability and resilience and ability to meet the challenges of natural and other disasters, global market conditions and industry down turns or restructuring.

In many cases, the objective is to improve the value for money of existing funding requests, thereby reducing the longer term financial burden on government.

13.2.3 Coordinated approach to grant submissions

Much of the funding requirements for the region are obtained through a range of grant submissions. This can lead to organisations seeking funding because the opportunity presents itself, even if the concept has not been fully developed, scoped and assessed. Wherever possible, funding

proposals should be aligned with the regional objectives and the opportunities identified in this program of actions²⁴.

The RDA Far West should continue providing information about new regional grant opportunities as they emerge. It is also important that the RDA Far West plays a role in facilitating/supporting grant submissions that are consistent with the regional agenda. This will improve coordination and alignment of projects granted funding. However, it is noted that the RDA Far West would require additional support (resources and funding) to undertake this role.

13.2.4 Identifying opportunities for regional alliances

Seeking regional objectives rather than focusing on different areas within the region presents opportunities for economies of scale through collaboration and sharing of resources.

Already identified as a complementary initiative in Opportunity Package3, opportunities to deliver initiatives through an alliance framework should be considered wherever possible. This is consistent with the general principles of the Far West NSW Alliance proposal.

13.2.5 Advocating NBN rollout in the region

As mentioned in Section 8, the NBN rollout in the region is an important enabler for the four opportunity packages. Whilst all packages can

commence in the absence of the NBN, many of the opportunities rely on the NBN infrastructure to increase local capability and to take these opportunities to the next stage of development and innovation.

It is important that the RDA Far West continues advocating for the timing, location and technology associated with the NBN in parallel to these packages to enable full realisation of the identified benefits and market responses from the four opportunity packages.

²⁴ This recommendation does not refer to the range of social, health and school education programs that were not covered in the scope for this project.

13.3 Stakeholder analysis

The following tables provide a summary of the potential owners, investors, beneficiaries, and other stakeholders for each initiative within the four packages. The table also summarises the RDA Far West's role for each initiative. Key issues in these proposals are to ensure that there are relevant regional owners and sponsors, that public funding is only sought for projects where market failure would mean significant overall net benefits would be lost without public "seed" or establishment funding and that opportunity packages and their constituent projects should be economically sustainable and not require extended operational subsidies.

Table 3 Strengthening the tourism sector: Stakeholders

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA Far West
Promoting Menindee Lakes: <ul style="list-style-type: none"> Ramsar Listing of Menindee lakes Marketing strategy The Menindee lakes boardwalk sites for an interactive wetland experience. Dry weather walks 	RDA Far West with: <ul style="list-style-type: none"> Broken Hill City Council Central Darling Shire Steering Committee Inland NSW Tourism 	<ul style="list-style-type: none"> Australian Department of Sustainability, Environment, Water, Population and Communities National and international philanthropic bodies NSW Government via Office of Environment and Heritage Tourism NSW Inland NSW Tourism Private tourism operators Other private land owners and investors 	<ul style="list-style-type: none"> Tourism operators and service providers The Environment Menindee community 	<ul style="list-style-type: none"> Aboriginal traditional owners State Water Corporation/ Local Catchment Management Authority Local Governments Existing tour operators (park rangers etc) Local business organisations Pastoralists Association Land owners Universities and research bodies Inland NSW Tourism and Local Far West Tourism bodies 	<ul style="list-style-type: none"> Enlisting stakeholder and government support Engagement consultant establish Ramsar site boundaries and to assist with the application process Engage a part time project officer to assist manage the Ramsar process and marketing strategy Commission marketing strategy
Regional Festival: <ul style="list-style-type: none"> Hiring festival coordinator & forming festival committee Festival Market 	The festival committee will be established by the RDA Far West, Broken Hill City Council, and Central Darling Shire. The Festival Committee with then be the official project	<ul style="list-style-type: none"> Local government, with potential contribution by Department of Trade & Investment, Regional Infrastructure & Services (once costs are determined) and Tourism NSW 	<ul style="list-style-type: none"> Tourism service providers (hospitality, retail, etc) Local artists Community (social engagement) 	<ul style="list-style-type: none"> Local Governments Inland NSW Tourism Broken Hill Art Exchange/ West Darling Arts/ Local artists Agfair organisers 	<ul style="list-style-type: none"> Facilitate the establishment of a festival committee and coordinate engagement of a festival coordinator Consultation with identified stakeholders about the above process

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA Far West
Analysis Study	owner.	<ul style="list-style-type: none"> Inland NSW Tourism Relevant community organisations and private operators 		<ul style="list-style-type: none"> Organisers of other region festivals (e.g. Grafton Artsfest) Gallery operators Tourism business operation Desert Knowledge Australia Outback Business Network 	
Integrated regional tourism forum & calendar	A regional tourism committee to be established by the RDA Far West.	Inland NSW Tourism Broken Hill City Council Relevant community organisations and private operators	<ul style="list-style-type: none"> Tourism service providers (hospitality, retail, etc) 	<ul style="list-style-type: none"> Festival committee (once established) Local governments Gallery owners 	<ul style="list-style-type: none"> Establish membership list Organises initial tourism forum Facilitate funding if needed (subject to volunteer capacity)

Table 4 Enhancing the Creative Arts Sector Initiative: Stakeholders

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA far West
Introducing a one-stop shop for all filming services in the region	Initially RDA Far West and then handover to committee made up of Film Broken Hill & Filmcornercountry members	Same investors as for Film Broken Hill –Broken Hill City Council, Department of Trade & Investment, Regional Infrastructure & Services & RDA Far West	<ul style="list-style-type: none"> Regional businesses & services providers Local governments Film industry (local & external) 	<ul style="list-style-type: none"> Potential clients – location scouts, production companies, advertising accompanies etc Local service providers 	Facilitate collaboration between existing sites, and manage transition to combined funding arrangements
Releasing periodic community update on regional filming activity	RDA Far West Broken Hill City Council	-	<ul style="list-style-type: none"> Regional businesses & services providers 	<ul style="list-style-type: none"> Broken Hill Film Studio Film Broken Hill & Filmcornercountry 	Collate and distribute information
Forming relationships external arts education departments	RDA Far West and Broken Hill City Council	-	<ul style="list-style-type: none"> Students Arts sector Filming industry Tourism sector (long term) 	<ul style="list-style-type: none"> The University of Sydney (Sydney College of the Arts) Department of Rural Health/ Royal Flying Doctor Service (experience with similar 	Facilitative relationships between stakeholders and project officer (assumed to be from Broken Hill City Council) for research/market assessment

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA far West
				<ul style="list-style-type: none"> program) West Darling Arts Broken Hill Art Exchange Robinson College 	
Pilot Indigenous art gallery that also functions as a collaborative studio	RDA Far West (initially). Rollout to be handed over to a sub-committee	NSW Department of Aboriginal Affairs Regional Indigenous Community	<ul style="list-style-type: none"> Regional Indigenous artists Tourists Tourism businesses 	<ul style="list-style-type: none"> Robinson College West Darling Arts Gallery operators 	<ul style="list-style-type: none"> Manage the initial financial and location assessment Establishment of a sub-committee for implementation
Introduction of targeted commercial training for Indigenous artists	Robinson College	Department of Education, Employment & Workplace Relations, and where applicable - Department of Human Services – through Community Development Employment Projects	<ul style="list-style-type: none"> Indigenous artists 	<ul style="list-style-type: none"> Broken Hill Art Exchange Gallery operators Established artists 	Help facilitate and funding submissions

Table 5 Facilitating industry sustainability and investment: Stakeholders

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA Far West
Business Case to improve, expand & secure capacity of the BHCf	BHCf	<ul style="list-style-type: none"> Department of Trade & Investment, Regional Infrastructure & Services RDA Far West BHCf 	<ul style="list-style-type: none"> Regional businesses, and broader community 	<ul style="list-style-type: none"> Broken Hill Enterprise Development Centre 	To promote the concept to relevant stakeholders and government agencies on behalf of BHCf and to help secure funding for the business case
Development of an integrated transport study	RDA Far West	Local Governments, RTA NSW, NSW Department of primary Industries, Tourism NSW (for tourism research)	<ul style="list-style-type: none"> Councils Local industries – mining, agriculture, mining, tourism 	<ul style="list-style-type: none"> Agricultural sector – growers, pastoralists Tourists (through survey about transport modes) 	<ul style="list-style-type: none"> To secure funding for, and to commission study on behalf of the councils to ensure that a whole-of-region approach is taken. To engage stakeholders about the need to take a whole-of-

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA Far West
					network and whole-of-region approach to the transport issues.
Development of Transit Yard	Pastoralists' Association of West Darling	Livestock Health and Pest Authority (LHPA) Regional Pastoralists	<ul style="list-style-type: none"> Regional Pastoralists (biosecurity benefit) 	<ul style="list-style-type: none"> Regional Pastoralists (biosecurity benefit) 	Facilitate funding submissions and negotiations with LPHA

Table 6 Alignment of training and employment opportunities to manage skills shortage: Stakeholders

Initiative	Project Owners/Sponsors	Project Investors	Beneficiaries	Advisors and Stakeholder	Role of the RDA Far West
Establish & implement pipeline model (outcome of the Schools Business Community Partnership Committee, incl all schools, TAFE, others)	RDA Far West with Broken Hill High School with local mining operation (TBD)	DEEWR Department of Education and Communities Department of Trade & Investment, Regional Infrastructure & Services; Industry with Mining sector initial beneficiary and investor; Local community (schools & parents)	<ul style="list-style-type: none"> Local community Local business and industry (mining) 	<ul style="list-style-type: none"> Mining sector Training and education sector Department of Rural Health 	<ul style="list-style-type: none"> Promote the concept to potential partners and facilitate development of implementation plan (RDA Skills Working Group) Potentially obtain government funding to support the initiative being rolled out to a wider group of schools and training institutions
Establish & implement group training & employment model for trades	West State Training Ltd with support from Central Darling Shire	Local and state and Commonwealth government Note: operational cost recovery model	<ul style="list-style-type: none"> Local community Local business (service delivery) and industry 	<ul style="list-style-type: none"> Trades sector Training and education sector 	<ul style="list-style-type: none"> Promote concept to relevant stakeholders/government and to setup a process that facilitates connections between potential employers and employees

13.4 Next Steps

The following tables outline key early steps and stakeholders to be involved in implementing each of the initiatives. The timelines provided are indicative only and are intended to be reviewed and amended on a regular basis to reflect progress in the work program.

Table 7 Strengthening the tourism sector: Next steps

Theme	Task	Approximate Timeframe	Proposed lead stakeholder(s)
Promoting Menindee lakes	Commission consultant to establish Ramsar site boundary to inform approval process	By end 2011	RDA Far West
	Engage part time project officer to manage marketing strategy	By April 2012	RDA Far West
	Commission marketing strategy for Menindee Lakes	By April 2012	RDA Far West via Project Officer
Regional Festival	Establish interim voluntary festival committee and chair	By Feb 2012	Broken Hill City Council, Central Darling Shire, RDA Far West and Festival Coordinator
	Develop a proposal and seek funding for part time festival committee coordinator	By June 2012	Broken Hill City Council, Central Darling Shire, RDA Far West
	Develop funding proposal for regional festival marketing assessment and commission study	June 2012- Dec 2012	Festival committee
Integrated regional tourism forum & calendar	Establish forum membership list (e.g. local business members and tourism operators)	By December 2011	Broken Hill City Council RDA Far West
	Coordinate and facilitate Introductory forum to discuss agenda, vision and establish forum committee	By April 2012	Broken Hill City Council RDA Far West
	Assess funding needs and funding approach for ongoing activities	By June 2012	Broken Hill City Council RDA Far West/ Forum committee

Table 8 Enhancing the Creative Arts Sector Initiative: Next steps

Theme	Task	Approximate Timeframe	Proposed lead stakeholder(s)
Introducing a one-stop shop for all filming services in the region	Initiate preliminary meeting between Film Broken Hill and Filmcornercountry, Broken Hill City Council and Central Darling Shire	By December 2011	Broken Hill City Council RDA Far West
	Subject to support from above stakeholders, coordinate work plan for future collaboration	By April 2012	RDA Far West (facilitator)
Releasing periodic community update on regional filming activity	Create membership list for industry updates	By April 2012	Broken Hill City Council RDA Far West
	Develop template for newsletter update, and establish process for information gathering & collation	By April 2012	Broken Hill City Council RDA Far West
Forming relationships with external arts education departments	Facilitate initiation meeting between Robinson College, West Darling Arts, Broken Hill Art Exchange and Department of Rural Health to discuss potential options, and potential lead for the initiative, prior to facilitating contact with university departments to discuss potential relationship. A full list of the other art organisations, artists and universities engaging the city is recommended to discuss potential and current relationships and engagement.	By April 2012	RDA Far West/Broken Hill City Council
	Engage part time project officer after confirm scope of work – e.g. Research possible relationships, consult with stakeholders, estimate demand and conduct (or commission) a financial assessment. Opportunities to fill this position by existing Broken Hill City Council staff should be considered.	April 2012-August 2012	RDA Far West/Broken Hill City Council
Pilot Indigenous art gallery that also functions as a collaborative studio space	Establish sub-committee for initiative	By December 2011	RDA Far West/Appropriate regional Indigenous organisations
	Develop a proposal to seek pilot funding for financial and location assessment	Feb- June 2012	Sub-committee
Introduction of targeted commercial training for Indigenous artists	Confirm funding arrangements	By December 2011	Robinson College Appropriate regional Indigenous organisations
	Develop business plan reporting framework	Jan – April 2012	Robinson College Appropriate regional Indigenous organisations

Table 9 Facilitating industry sustainability and investment: Next steps

Theme	Task	Approximate Timeframe	Proposed lead stakeholder(s)
Business Case to improve, expand & secure capacity of the BHCF	Agree on business case need, audience and structure in consultation with Department of Trade & Investment, Regional Infrastructure & Services & RDA Far West. This should involve consultation with possible investors	December 2011 – Dec 2012	BHCF and RDA Far West
	Confirm cost and funding arrangement (i.e. funding source) for business case (estimated at approximately \$80,000-\$100,000 if outsourced)	Jan - Feb 2012	BHCF
	Complete business case	To be confirmed with investor timelines (e.g. with Budget cycle)	BHCF
Development of an integrated transport study	Establish transport committee for the region	By Dec 2011	RDA Far West
	Develop a proposal and seek funding for transport study (approximately \$50,000-\$80,000)	By Feb 2012	Transport committee
	Undertake Study	June 2012-August 2012	Transport committee
Development of Transit Yard	Continue facilitating discussion between investor and the region to promote service need for the project	Ongoing	RDA Far West
	Update cost estimate for transit yard	By Dec 2011	Pastoralists' Association of West Darling
	Update and re-submit funding proposal	To be determined by grant schedule	Pastoralists' Association of West Darling

Table 10 Alignment of training and employment opportunities to manage skills shortage: Next steps

Theme	Task	Approximate Timeframe	Proposed lead stakeholder(s)
Establish & implement pipeline model	Establish working group to develop implementation plan	By Dec 2011	RDA Far West (Skills Working Group)
	Develop implementation plan for the rollout of the model	By June 2012	Working group
	Setup and rollout pilot between a local school (potentially Broken Hill High School) and mining company	May 2012 – Dec 2012 (to run in term 3 and 4 of the 2012 school year)	Working group and local school
Establish & implement group training & employment model for trades	Conduct consultation with relevant partners and stakeholders to be directly involved	By Dec 2011	RDA Far West (Skills Working Group)
	Identify subset of trade skills to be targeted with the trades sector	January – June 2012	West State Training Ltd
	Seek potential funding opportunities for the model. Note it is anticipated that any funding required will be for pilot testing and or establishment and that on-going operations will be self funding from user pays service fees supplemented where relevant by existing training funding.	January – June 2012	RDA Far West West State Training Ltd