

**State Plan Priority P6**  
**Regional Business Growth Plan – Far Western Region**  
**October 2008**

**1. The region**

The major centre in the Far Western region is Broken Hill. As at June 2007 the region had a population of 23,181 and the population declined 5 per cent between June 2002 and June 2007<sup>1</sup>. The main industries are mining and agriculture. Emerging industries include: tourism; goat and sheep meat production; and alternate energy production. Further growth opportunities arise from the revitalisation of the mining industry, including the expansion of traditional silver, lead and zinc mining. Prior to the drought, the growth in irrigation led to production of cotton, grains, grapes and stone fruits (Menindee area).

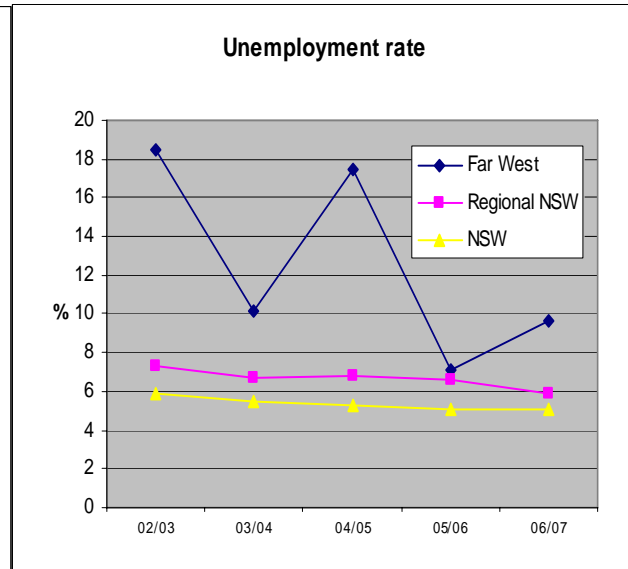
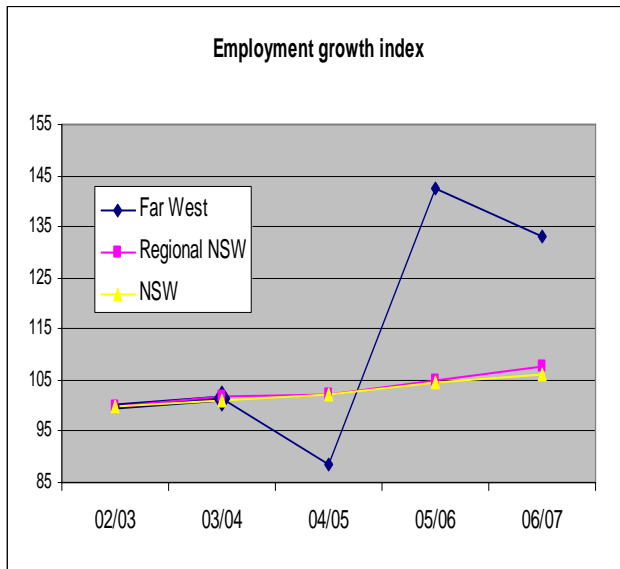
**2. Regional opportunities and challenges**

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
<b>Industry development</b>	<ul style="list-style-type: none"> <li>• Continued mining exploration and support for services to the mining industry</li> <li>• Creative industry (arts) and tourism</li> <li>• Alternate energy production</li> <li>• Exploration and development of minerals and petroleum</li> </ul>	<ul style="list-style-type: none"> <li>• Issue of scale for businesses in smaller centres</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Opportunities for development contributions to enable the provision of infrastructure necessary to respond to changing demands</li> </ul>	<ul style="list-style-type: none"> <li>• Water security for existing and future industry development</li> <li>• Alignment of transport infrastructure with business growth needs</li> <li>• Local access to tertiary education</li> <li>• Balancing development contributions to ensure housing and employment lands affordability and delivering appropriate community infrastructure</li> </ul>
<b>Land use/Planning</b>	<ul style="list-style-type: none"> <li>• Residential development of Crown lands in support of the growth of the mining industry</li> <li>• Each council in the region is reviewing and modernising its land use planning framework as part of the Standard LEP</li> <li>• Recent gazettal of the Rural lands SEPP provides greater certainty about resolving rural land use conflicts</li> <li>• Planning reforms will improve operation of planning system by providing: streamlined approach to rezoning; transparent assessment of major proposals; faster assessment of routine developments; and improved accountability and affordability of development contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Rezoning of Crown lands</li> </ul>

<sup>1</sup> Source: ABS, Cat No. 3218.0, Regional Population Growth, Australia, 2006-07.

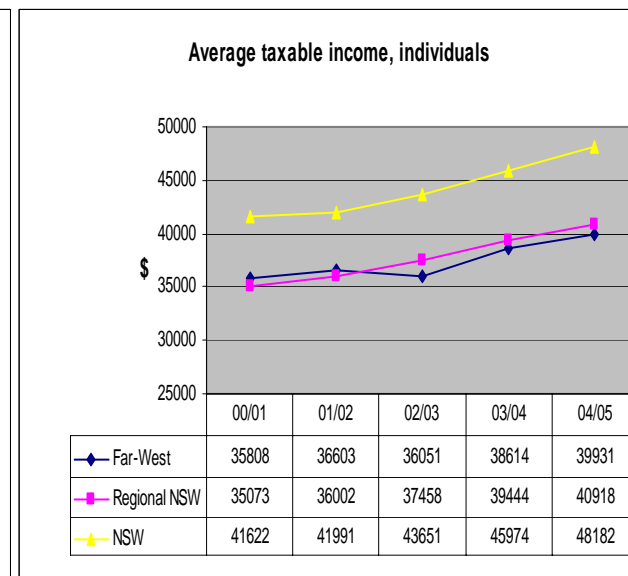
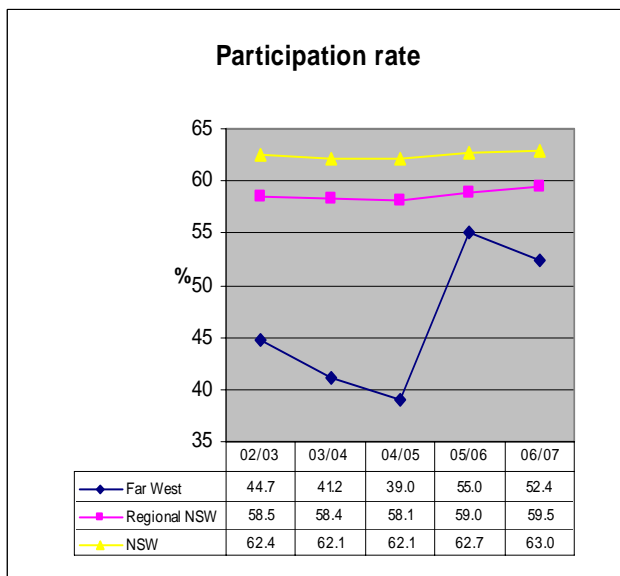
<b>Skills &amp; Employment</b>	<ul style="list-style-type: none"> <li>Increased investment in mining training</li> </ul>	<ul style="list-style-type: none"> <li>Skill shortages</li> <li>Movement of youth out of the region</li> </ul>
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### 3. Regional indicators and measures



Total Employment, (000's)	02/03	03/04	04/05	05/06	06/07
Far West	7	7	6	10	9
Regional NSW	1186	1206	1212	1243	1279
NSW	3118	3154	3187	3255	3307

Total Unemployment (000's)	02/03	03/04	04/05	05/06	06/07
Far West	1.6	0.8	1.3	0.8	1.0
Regional NSW	93.6	87.2	88.7	88.2	80.7
NSW	196.6	183.6	179.3	175.0	177.8



**Notes:** (1) ABS Labour Force regions approximate DSRD regions. (2) Due to low employment and unemployment numbers, the estimates for this region are subject to high sampling error and volatility, and data should be read with caution. (3) Labour force data for the financial year is based on the average of four quarters at August, November, February and May. (4) Taxable income for regions has been based on the postal area – statistical division concordance based on the ABS Cat No 2905.0.55.001, ABS Postal Area Classifications, Aug 2006. The concordance as at 2006 has been applied to previous years. As a result, changes in postal areas or additions and deletions of postal areas in previous years have not been considered. Sources: Labour Force data sources from ABS Cat No 6291.0.00.003 and unpublished ABS data. Taxable income data sourced from the Australian Tax Office at [www.ato.gov.au](http://www.ato.gov.au).

#### **4. High priority and high impact strategies to address barriers to business investment**

##### **Strategy 1 Develop initiatives to secure water, including re-use and recycling (in particular for Broken Hill)**

Broken Hill relies on water pumped 200 kilometres from Menindee Lakes to Stephens Creek Reservoir and reticulated for residential and industrial users, including the Perilya Ltd Mine on the Line of Lode. Broken Hill's water quality has been poor and under threat during the recent record low flows in the Darling River System.

###### High Priority and High Impact Initiative

- Securing Broken Hill's water supplies – initiatives being considered include: new sewage treatment works (improve quality of recycled water and free up potable water); works to reduce evaporation losses from Menindee Lakes); and reduce evaporation at Stephens Creek Reservoir (water efficiency).

###### Impacts

- The potential for future industrial development (mining), and expected population increases based on mining. Four (4) high probability mining and commercial projects in Broken Hill (*Far West Growth Strategy*) estimate \$48 million investment and 165 jobs in construction, with a further 181 jobs in operation.
- Estimated water savings of up to 180 gigalitres for Menindee Lakes works.

###### Resources

- Funding commitment for sewerage treatment works and reticulation of treated water required.
- Six options as part of the Darling River water saving project are to be further investigated to reduce evaporation losses from Menindee Lakes and improve supplies to Broken Hill.

##### **Strategy 2 Provide infrastructure development to support economic growth**

###### High Priority and High Impact Initiatives

- Housing infrastructure for mining and other investment: a recent study (*Far West Growth and Investment Strategy*) predicts significant opportunity for investment (largely in the mining industry) in the next three (3) to five (5) years. In order to capture the benefits, mining employees will need to reside in Broken Hill. A critical shortage of housing stock needs to be addressed to accommodate this. Land and housing needs and supply options need to be quantified and assessed for development potential (including Crown lands).
- Broken Hill Airport upgrade (proposed) - the airport is not of sufficient standard to accommodate jet aircraft, and less than four per cent (4%) of tourists arrive by air. Improved air services would provide more flexibility in tourism and business travel options.
- Facilitation of major wind farm proposal at Silverton (including matters related to Crown land leases).

###### Impacts

- Housing infrastructure: mid-range estimates in mining project construction phase (3-5 years) are \$164 million investment and 674 jobs. An estimated 1,000 new dwellings are required. Up to 300 residential parcels are potentially available from Crown lands, subject to clear freehold title.
- Broken Hill Airport upgrade - it is estimated that the introduction of jet aircraft would double the number of visitors to Broken Hill travelling by air. A hotel demand study conducted in 2002 concluded that an 80 room (four-star hotel) would be feasible in Broken Hill if jet services were established. Broken Hill

Council forecasts two per cent (2%) per annum growth in tourism numbers and 1.3 % per annum growth in accommodation. This may accelerate if Broken Hill achieves “heritage” status.

- Up to 600 turbines will generate ‘green’ electricity for the national grid, and create 700 jobs during the proposed five (5) year construction, and 100 permanent jobs.

#### Resources

- Housing infrastructure: NSW Government engagement in planning land and housing options to be presented to the market for investment. Availability of Crown lands will be subject to ongoing work by the Department of Lands. The Department of State and Regional Development (DSRD) organised a visiting program to Broken Hill in April 2008 for investors interested in residential, commercial and industrial developments.
- Runway lengthening and strengthening is required if an upgrade of Broken Hill Airport is pursued. A strong business case will need to be developed and discussions will be required with potential partners, including private sector interests.

### **Strategy 3 Facilitate development of new mining, film, arts and tourism business opportunities**

#### High Priority and High Impact Initiatives

- Mining development - where appropriate DSRD has supported new mining ventures in recent years through its programs and will continue to do so. Support to address housing shortages is specifically aimed at encouraging mining sector investment.
- Other needs to be addressed include consolidation of health services in a purpose-built building, and the availability of local mechanisms to provide training for the mining industry.
- Creative industries – Broken Hill has a significant arts based industry which is a major tourism attraction. A recent study, found that up to 20 local artists could graduate from part-time to full-time employment if they developed stronger business skills. The Far Western Regional Development Board is working with West Darling Arts to develop the business training program.
- Establishment of film friendly approval procedures.

#### Impacts

- Mining development - mid-range estimates in mining project construction phase (3-5 years) are \$164 million investment and 674 jobs. An estimated 1,000 new dwellings are required.
- Film Broken Hill - in the 12 months to July 2007 Film Broken Hill received 41 enquiries resulting in 13 film shoots with 14 pending. The total estimated local spend in that time was \$400,000. Establishment of film friendly approval procedures will result in greater access to NSW Government managed properties.
- Creative industries: average income from arts-related activities in Broken Hill was \$22,497 (compared to the national average income of \$17,000) and the average income of artists was \$44,331 compared to the average income in Broken Hill of \$34,717. Coupled with strong arts production and retail presence in Broken Hill, there is an opportunity to further develop more commercially viable arts enterprises.

#### Resources

- An estimated 1,000 new dwellings are required to service mining industry development proposed.
- Greater Western Area Health Service and DSRD are working on a proposal (staff resources) with Perilya Ltd to develop improved local health services.
- Tailored skills development and facilities will be required to meet the needs of the growing mining industry using private and public sector contributions.
- Film Broken Hill funds committed by DSRD and Broken Hill Council for a location specialist, with project management and administrative support from Broken Hill Council.
- DSRD will implement the workshop series to support the creative industries (arts business development) project.

## **Strategy 4      Develop initiatives to address retention of youth through the provision of educational and employment opportunities**

### High Priority and High Impact Initiatives

- Youth Enterprise Services (YES) and Broken Hill Youth Council (BHYC) - YES and BHYC were established as a result of a Far West Regional Development Board project (supported by DSRD) aimed at encouraging young people to explore opportunities in business. YES provides support to young business operators (e.g. advice, mentoring and business information seminars) and BHYC represents the views of young people in the wider community.

### Impacts

- Retention of young people in Broken Hill and opportunities for self employment. For example: YES has referred 39 people to the Broken Hill Enterprise Development Centre in the last twelve months. Three (3) people have been taken into the New Enterprise Incentive Scheme program and 10 have started businesses in the retail, fashion and services sector.

### Resources

- Accommodation and administrative support for BHYC is provided by the Broken Hill Enterprise Development Centre. YES has recently become a sub-committee of the Broken Hill Enterprise Development Centre.

## **Strategy 5      Develop initiatives to increase indigenous business formation**

Aboriginal people own or control some high value tourism assets in the Far Western region such as Mungo and Mootwingee National Parks, and agricultural properties such as Yovel Station at Wilcannia. Aboriginal art and artefacts have commercial potential for tourism attraction, and sales in national and international art markets. Aboriginal people represent 6.2 per cent of Broken Hill's population, with over half being less than 25 years of age. Seventy per cent (70%) of those of working age are unemployed.

### High Priority and High Impact Initiative

- For Aboriginal businesses to succeed they require appropriate levels of business management and integration with industry development initiatives (e.g. tourism marketing, commercial art exhibitions, sustainable agriculture trends), as well as capital. DSRD is continuing discussions with Aboriginal stakeholder groups in Broken Hill and Wilcannia to generate ongoing local support.

### Impacts

- Usually small scale and incremental – but important for longer term engagement by Aboriginal people in mainstream economic life of the region.
- A local *Aboriginal Employment Strategy* has a target to increase Aboriginal participation in the workforce to at least five per cent (5%) of the total workforce.

### Resources:

- Business guidance and support through DSRD programs and services.
- Individual projects can seek capital through Indigenous Business Australia.

## **Strategy 6      Develop initiatives to attract potential investment in minerals and petroleum**

The Far Western region has considerable potential for both minerals and petroleum however much of the region is remains under explored.

### High priority and high impact initiative

- During 2008-09 a high density gravity survey is proposed for the area surrounding Broken Hill.

### Impact

- The new data and information are designed to attract both minerals and petroleum exploration investment into the region, support area selection and guide exploration strategies.

### Resources

- The NSW Government has committed \$16.5 million to the New Frontiers exploration initiative across NSW over the next three years.
- This is expected to be supplemented by additional funding from industry and the Commonwealth Government

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