Broken Hill City Council

... a safe, vibrant, prosperous and culturally rich City achieved through community leadership and sustainable management.

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Quote No 54690 - A1/23
FZ/KW
Telephone / Personal Enquiries
Ask For Mr. F. Zaknich

February 12, 2010

Chair,
Standing Committee on Broadband in
Rural and Regional Communities,
Parliament House,
SYDNEY NSW 2000

Attention: Ms Vicki Buchbach
Email broadband@parliament.nsw.gov.au

Dear Chair,

Telecommunications Availability in Rural and Regional Communities

Thank you for the opportunity to provide a submission to the Inquiry.

Background

The City

The City of Broken Hill (area 179sq km) is the largest regional centre in the western half of New South Wales. It lies in the centre of the sparsely settled New South Wales Outback, close to the South Australian border and midway between the Queensland and Victorian borders. The nearest large population centre is Mildura in Victoria, 300 kms distant to the south on the Murray River. The nearest large city is Adelaide, capital of South Australia, approximately 500 kms to the southwest. Because of its location Broken Hill has strong cultural and historical connections with South Australia. The city area is surrounded by and is a regional service centre to the Unincorporated Area of NSW and adjoining shire and district communities within NSW, South Australia and Queensland.

The most recent estimates place the population at 20,000. This represents a 30% decline since 1971, mainly related to the decline in the local mining industry. However, in recent years the population has stabilised somewhat and the rate of decline has slowed. Mining development and exploration activity both in the city and surrounding region had seen a resurgence during the past few years around high commodity prices only to see the sector follow the cycle it has in the city for over a century, and then decline substantially for the

Cont...

foreseeable term. Recent projections by the local mining companies now appear more positive. (Refer attachment 1 – Development Update: Far West Region NSW – July 2009)

Tourism is widely regarded as a strong performer and not subject to the impacts of the mining industry. Although the industry across NSW has been negatively affected by the ongoing drought, a number of national and international factors have helped to increase visitor numbers to Broken Hill and region over recent years with an 8% increase in visitation over the last 12 months increasing to upwards of a total of 300,000 visitors per year. Recent nomination of the city for national heritage listing if successful will see "the Hill that changed a nation" rightly recognised for its place and role in the nation's development.

The Organisation

Broken Hill City Council is an award winning organisation recognised by the local government industry and other levels of government and industry sectors in NSW, nationally and internationally with a range of impressive achievements over many years.

Council currently employs 275 full time, part time and casual employees, giving a total of 230 equivalent full time employees.

Council provides a significant range of services to the city and regional community. Council operates a broad "services to property and people" portfolio of community business and invests heavily in social capital.

Council presently owns or manages infrastructure assets of $172M and faces juggling competing community needs and priorities within a limited financial resource base.

Council's annual operating budget is approximately $28M (2009). Income from rates and annual charges is in the order of $12.5M or 44% of its total annual revenue. The balance of income is primarily from Commonwealth and State Government operating grants and contributions ($10.1M) and user charges and fees ($3.9M).

This collectively means that service provision and asset management in particular within this environment is a major challenge for the organisation.

Council's challenge is to continue to adjust to change after years of population decline and effectively manage its community assets - in a demanding environment for provision of services with increasing government and community accountability.

Our Vision

> **"Broken Hill will be a safe, vibrant, prosperous and culturally rich City through community leadership and sustainable management"**

In line with this Vision, the Council aims that Broken Hill in 2022 will be a community that boasts:

§ a stable or increasing population;

§ a more balanced age structure, especially by retaining young people;

§ an expanding economy;

§ an increase in employment and education opportunities;

§ a safe environment in which to live; and

§ a range of services that is comparable with those enjoyed by larger communities, including cultural, community and recreational services.

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Council will be an organisation with:

- § strong and effective leadership;
- § a healthy and sustainable financial position;
- § a safe workplace;
- § a highly skilled and motivated workforce;
- § a set of satisfied customers; and
- § cost efficient and effective business processes.

Our Mission

"Council will provide responsive community leadership and high quality services in a sustainable manner to maintain and enhance Broken Hill's lifestyle"

Community Strategic Plan Goals and Management Plan Objectives

Council's strategic goals relevant to this matter include ensuring the Council and the Broken Hill community is "connected" to the rest of the world.

Terms of reference

1. Differences between advertised service availability and consumer experiences of service levels
2. Gaps in service provision
3. Options for improving service availability

In relation to all terms of reference Councils view is that improved infrastructure and service provision together with competitive access will provide the greatest opportunities to create a level playing field for the city and its surrounding regional and remote communities. This will enable communities to carry on and develop business, communicate and educate our current and future generations - and that is the way it should be!

Gaps in service provision specific to the City include "black spots" in South Broken Hill in broadband/ADSL access due to constraints with existing telephony exchange capacity and location.

A copy of Council's earlier joint submission with Far West Regional Development Australia is attached as further information and remains relevant to this inquiry's terms of reference.

Thank you again for the opportunity to provide a submission to the Inquiry.

Yours faithfully,

FRANK ZAKNICH
GENERAL MANAGER

Outback Development Forum

DEVELOPMENT UPDATE: FAR WEST REGION NSW

Major Projects

The global economic slowdown has had a significant impact on the Australian economy with the mining sector having been particularly hard hit. Weakened global demand coupled with a significant decline in base metal prices has resulted in several mining companies in the Far West Region restructuring operations to reduce costs.

During 2008 several mining companies in the Far West Region announced downsizing of operations due to economic conditions and a reduction in base metal prices. This included Perilya resizing their **Southern Operations** and placing the **North** and **Potosi Mines** into care and maintenance.CBH Resources has placed the development of the **Rasp Mine** on care and maintenance with planning for the **Processing Plant** also placed on hold. Indications are that Bemax's operations and employment have remained relatively unchanged with the **Snapper Mine** due to start operation in 2010. Since the last update there has been significant investment movement in the ownership of Perilya and Bemax.

There are several projects in the planning stage with potential commencement during the next 4 years. Uranium One's **Honeymoon Mine** has received approval from the SA Government with construction expected to begin in 2009. Projects awaiting government approval include Havilah's **Oban Mine**, waiting for approval for a field leach trial.

Several mining companies are currently undertaking feasibility studies to determine the profitability of ore reserves and future operations following positive drilling results. Havilah's **Kalkaroo** and **Mutooroo Mines** are both well advanced in the feasibility process with a feasibility study underway for Pinnacle's **Edwards Pit Expansion**. Havilah's **Portia Mine** is currently undergoing a pre-feasibility trial mining operation.

The **Silverton Wind Farm** is the biggest project currently planned for the Far West Region. An environmental assessment has been completed for the project with the NSW Department of Planning recently consenting to the application.

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

Only projects where updated data was made available have been included in the economic impact modelling. This has been done to ensure a conservative estimate of economic impacts while ensuring that projections are based on current and reliable data.

Mining projects included in previous editions of the study that have been removed due to lack of available data include Exco's **White Dam Mine** and Bemax's **Mineral Separation Plant** expansion. Perilya's **Potosi Mine** and **North Mine Deeps** and CBH Resource's **Rasp Mine** and **Processing Plant** have also been omitted as they have been placed in care and maintenance indefinitely until global metal prices increase sufficiently to make operations financially feasible.

Several other construction projects planned for Broken Hill have also been removed from the economic impact modelling due to a lack of progress at the time of the update. These projects include Leasecorp's **Shopping Centre**, Macdonald Group's **Retirement Village** and MBS's **Golf Club Redevelopment.**

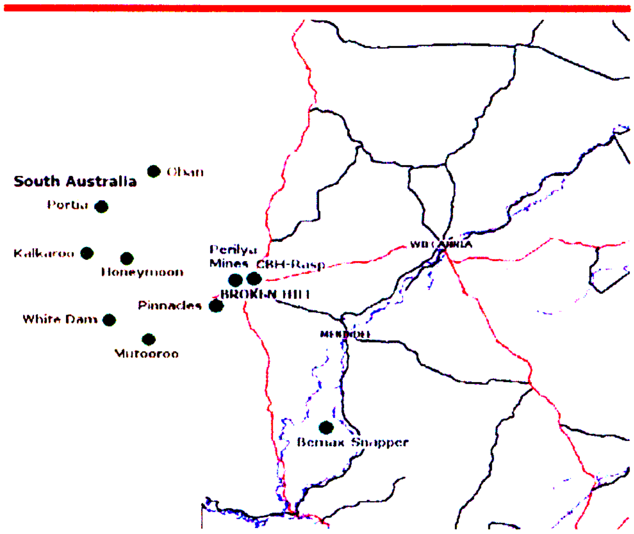


Table 1: Planned Major Projects Included in Economic Impact Modelling

			Construction Phase				Operation Phase				
Company	Project	Probability	Year Start	Total $m	Region $m	Jobs	Year Start	Life Years	Total $m	Region $m	Jobs
Havilah	Portia	Medium	2009	$20	$18	40	2009	2	$20	$12[a]	60
Havilah	Kalkaroo	Low	2010	$220	$198	200	2011	15	$200	$120[a]	200
Havilah	Mutooroo	Low	2010	$100	$90	100	2011	12	$150	$90[a]	60
Havilah	Oban	Low	2009	$7	$6	20	2010	5	$20	$12[a]	60
Uranium One	Honeymoon	High	2009	$118	$41	120	2010	7	$25	$15	65
Pinnacle Mines	Edwards Pit - Small	Medium	2010	$15	$10	5	2011	15	$18	$11[a]	50
Pinnacle Mines	Edwards Pit - Large	Low	2012	$200	$130	20	2013	15	$100	$60[a]	400
Bemax	Snapper	High	2008	$105	$32	10	2010	15	$40	$24	150
Silverton Wind Farm	Silverton Wind Farm	Medium	2010	$2,500	$625	700[b]	2011	25	$20	$15	120[c]

Note: All data is valid as of 31st March 2009. (a) Estimated using input-output model and industry benchmarking. (b) Peak jobs during construction. (c) Peak jobs during operation.

Outback Development Forum

DEVELOPMENT UPDATE: FAR WEST REGION NSW

Growth Indicators

The economic indicators outlined in the table below demonstrate the continued strong performance of the Far West Region's economy. The unemployment rate in the region was recorded at 6.8% in the December Quarter 2008, which was a decline during the last 12 months. Unemployment associated with the restructuring of mining operations in late 2008 is not believed to be captured in these figures.

Demand for housing recorded strong growth with the median selling price for houses of $150,000 in the December Quarter 2008. Investment in the region has remained strong with the value of both new residential and non-residential building approvals recording considerable growth during 2007-08.

The Broken Hill Airport has continued to experience strong growth in passenger numbers due to the increase in services and airline capacity. Almost 60,000 passengers passed through the airport in 2007-08, an increase of 23.0% from the previous year.

Indicator	Period	Level	Ann % Chg
Population	2008	22,737	-0.7%
Unemployment Rate	Dec Q 2008	6.8%	-0.7%
New Residential Approvals	2007-08	$9.2M	91.7%
Commercial Approvals	2007-08	$9.3M	43.1%
Median House Price	Dec Q 2008	$150,000	16.7%
Overnight Visitors	YE Mar 2009	479,000[a]	15.4%
Broken Hill Airport RPT	2007-08	59,561	23.0%

Note: All data is valid as of 31st March 2009. (a) Outback Tourism Region.
Source: ABS 3218.0, DEEWR SALM, ABS 8731.0, NSW Department of Housing, Tourism NSW, Bureau of Transport and Regional Economics

Tourism Sector

The tourism sector represents a key component of the Far West Region economy. The Far West Region forms part of the Outback NSW Tourism Region that also includes Balranald, Bogan, Bourke, Brewarrina, Cobar, Walgett and Wentworth.

In the Year Ending March 2009 there were 465,000 domestic visitors that stayed overnight in Outback NSW, up by 15.4% from the previous year. This exceeded the national growth trend which saw domestic overnight trips increase by 9.0%. International visitors represent a small proportion of overnight visitation with 14,000 visitors in the YE March 2009.

The value of the tourism sector was estimated to be $256M to the Outback NSW economy in the YE March 2009, an increase of 39.1% from the previous year. Broken Hill has recently been short listed for the National Heritage List, the only city in Australia to be nominated. Inclusion on the list would provide an opportunity to further promote and grow the tourism sector in the region.

Infrastructure Developments

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

- The new $4.5M Broken Hill Regional Aquatic Centre was completed and opened in late 2008. The facility, which includes a new 50m pool, is comparable to those in regional centres.
- Compass Housing Services took over management of public and community housing in Broken Hill during 2008. They are in the process of upgrading all properties in Broken Hill with funding from the NSW Government.
- Construction is near complete on the Broken Hill Regional Events Centre Pavilion at the Broken Hill Racecourse with additional funding being sourced to complete the project.
- The Commonwealth Government has signed off on $659,000 of funding for Broken Hill City Council to build a stormwater detention basin, which will help contain water overflow during rain storm events in Broken Hill.
- The NSW Government is extending funding for its bridge replacement program on rural roads with funding to replace the Bonley Bridge on the Wilcannia to Menindee Road.

Skills & Training

The Far West Region continues to experience skill shortages in certain sectors in line with the experiences throughout regional Australia. New initiatives and strategies are in place to help alleviate these shortages.

The Broken Hill High School has been awarded nearly $6M to build a trade training centre that will also benefit other schools in the region including Willyama High School and the Central Schools in Menindee, Wilcannia and Ivanhoe. The investment will go towards new facilities to provide opportunities for trades training and the development of real skills for real jobs.

The restructuring of mining operations by mining companies has resulted in several hundred people being laid off. This has had an impact on apprentices with some being laid off during their program. Broken Hill TAFE has come to an agreement with Perilya to allow apprentices to fast track their studies.

Outback Development Forum

DEVELOPMENT UPDATE: FAR WEST REGION NSW

Economic Impacts

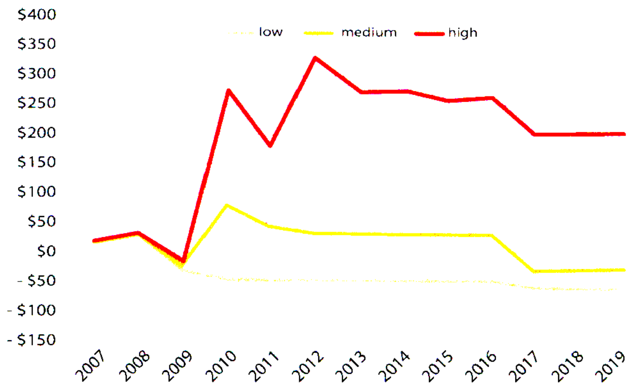
The economic impact modelling assesses projected impacts of major projects on the Far West Region from the base year of 2006 used in the original study. The region recorded economic and employment growth in 2007 and 2008 as construction commenced on several projects. Employment in the mining industry has declined significantly as a result of existing mining companies resizing operations in late 2008. This is expected to result in employment falling below 2006 levels until new projects commence.

The economic impacts for the Far West Region are projected to total an additional $78M in value added (GRP) in 2010 based on a medium scenario, primarily due to expected commencement of the Silverton Wind Farm (see **Figure 1**). To place this into perspective, the medium development scenario would increase GRP by up to 6.5% (in 2010) compared with the 2005-06 GRP estimate of $1,195M.

Employment in the Far West Region is projected to increase by up to 1,272 Full Time Equivalent (FTE) positions in 2010 based on the medium scenario. The employment breakdown includes 595 direct jobs and 677 flow-on jobs with the total representing growth of 12.7% from 2006 (see **Figure 2**). Employment impacts are expected to peak during the start of construction of the Silverton Wind Farm before levelling out.

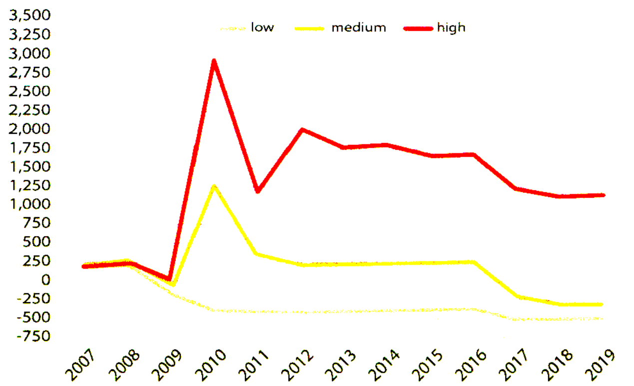
Table 3 below provides an overview of projected changes in employment by industry from the base in 2007. Employment in the mining sector is expected to partially recover in the medium term as new projects commence though not to the 2007 level unless recently downsized operations recommence full operations. In the short term, the construction sector is projected to record growth with the development of new projects while the highest flow-on employment growth is expected in the retail trade and property & business services sectors.

Figure 1: Projected Change in GRP ($m)



Note: Change from 2006. Low, medium and high scenarios based on the assumed probability of major projects commencing.

Figure 2: Projected Change in Employment (FTE)



Note: Change from 2006. Low, medium and high scenarios based on the assumed probability of major projects commencing.

Table 3: Projected Additional FTE Employment (Medium Scenario)

	ABS Census	Report Base Year	Additional Employment			Avg. Annual %
Sector	2006	2007	2009	2014	2019	2007 to 2014
Agriculture, Forestry & Fishing	716	719	4	8	-5	0.15%
Mining	645	646	-423	-198	-229	-4.48%
Manufacturing	388	408	-4	34	-43	1.00%
Electricity, Gas and Water Supply	199	200	-9	-3	-6	-0.18%
Construction	494	581	156	29	-91	0.60%
Wholesale Trade	343	349	-4	8	-13	0.28%
Retail Trade	1,706	1,722	26	44	-22	0.32%
Accommodation, Cafes and Restaurants	640	645	6	12	-7	0.23%
Transport and Storage	384	390	2	11	-11	0.35%
Communication Services	123	126	-2	4	-6	0.38%
Finance and Insurance	167	173	-6	8	-14	0.57%
Property and Business Services	625	647	12	45	-39	0.85%
Government Administration and Defence	629	630	2	3	-2	0.06%
Education	752	755	5	9	-4	0.15%
Health and Community Services	1,332	1,335	6	9	-4	0.08%
Cultural, Arts and Recreational Services	151	153	1	5	-4	0.42%
Personal and Other Services	500	504	7	11	-5	0.26%
Ownership of Dwellings	232	232	-16	-7	-4	-0.37%
Total	**10,027**	**10,215**	**-239**	**32**	**-509**	**0.04%**

Outback Development Forum

DEVELOPMENT UPDATE: FAR WEST REGION NSW

Strategy Update

Strategy/Action	12 Month Progress Report	Planned Actions for Next 12 Months
Promote Knowledge Development & Dissemination		
1. Identify information requirements for government, business and investors.	Distribution of growth / investment study within and outside the region	Ongoing distribution of Updates
2. Identify information/knowledge gaps.	Ongoing	Ongoing
3. Consult and involve stakeholders in data/information collection.	Study Updates Completed	Ongoing
4. Collaborate with partner organisations to collate/prepare required data.	Study Updates Completed	Ongoing
5. Collaborate with partner organisations to disseminate information.	Wide distribution of study within and outside the region	Ongoing
Facilitate Industry and Community Engagement		
1. Inform, involve and collaborate with key stakeholders.	Ongoing through ODF and Growth & Skills Taskforce	Ongoing
Build Community Capacity		
1. Assess community capacity in terms of skills gaps.	Forum held June 2008	More detailed analysis
2. Facilitate community workshops and seminars.	Forum held June 2008	Ongoing
Support and Assist Existing Business		
1. Consult with local business owners regarding opportunities and issues.	Ongoing through ODF and Growth and Skills Taskforce	Ongoing
2. Develop strategies to capitalise on opportunities and mitigate threats.		Ongoing
3. Build linkages and networks between local businesses.		Ongoing
Attract and Encourage New Businesses		
1. Profile current business base and identify target businesses and needs.	Ongoing through ODF and Growth and Skills Taskforce	Update Profile
2. Identify and set aside specific requirements for target businesses.		
3. Market to target sectors.	Regional Investment Tour April 2008	Commence Review future tour
4. Facilitate relocation activities.	Ongoing	Ongoing
Promote Economic Development and Diversification		
1. Identify specific economic development initiatives.	Ongoing through ODF and Growth and Skills Taskforce	Ongoing
2. Engage with relevant stakeholders.		Ongoing
3. Review regional economic plan.		ODF and new RDA
Facilitate Infrastructure Provision and Development		
1. Identify critical infrastructure gaps.	Airport Master Plan development	Ongoing
2. Work with partners to develop strategies for infrastructure development.	Ongoing through ODF and Growth and Skills Taskforce	Ongoing
3. Develop and implement mitigation/development strategies.		Ongoing
Ensure Land Use Efficiency and Resource Protection		
1. Identify potential land needs.	Completed	LEP rezoning underway
2. Engage with the NSW Department of Lands regarding tenure.	Completed	LEP rezoning underway
3. Develop Draft LEP for Broken Hill City.	In progress	Completion by April 2010
Attract and Retain Skilled Labour		
1. Increase the availability of labour.	Pool available	Ongoing
2. Attraction of skilled persons to the region.	Country Week 2008	Review / repeat
3. Consider overseas recruitment options.	Ongoing	Ongoing
4. Improve the effectiveness of the local training system.	Forum held June 2008	Ongoing
5. Increase training investment by the private sector.	Forum held June 2008	Ongoing
6. Increase indigenous participation in the workforce.	Draft Aboriginal Employment Strategy	Draft Strategy adopted/implemented
7. Support skills strategies from other levels of government	Forum held June 2008	Ongoing
Attract Investment and Financing		
1. Establish a working group to identify strategic investment opportunities.	Established taskforce	Encourage local developer interest
2. Develop website for investment promotion and conduct developer tours.	Website provided Regional Investment Tour April 2008	Ongoing hosting of website & developer visits
3. Provide the required management support for the project.	Ongoing	Ongoing

Contacts and Support

For further information please contact:
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OACC Outback NSW Area Consultative Committee

AECgroup

Profile compiled by the AECgroup. Published by the Outback Development Forum (ODF) in July 2009. The Forum and the AEC*group* would like to thank all organisations contributing to this profile.

www.brokenhill.nsw.gov.au

Broken Hill City Council

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May 8, 2009

Mr. S. Howe,
Chief Executive Officer,
Outback Area Consultative Committee,
P.O. Box 1010,
BROKEN HILL NSW 2880

Dear Scott,

Outback NSW Region - Australian Government's Backhaul Blackspots Initiative, Community Consultation

Council writes in support of the joint regional submission to the subject Community Consultation.

The lack of access to backhaul infrastructure in the Outback NSW region means that competitive pricing to other providers of mobile and broadband services has severely limited the availability of high quality/low cost services to the communities and businesses located in the region.

Council supports the premise that investing in "backhaul" telecommunications infrastructure in regional Australia will help improve pricing and competition between service providers for broadband / mobile services.

The city of Broken Hill is a priority location for backhaul supply because,

- Increased telecommunications backhaul capacity will assist to improve the commercial viability of major projects that are planned in the region and to attract the service and support businesses to the region that are reliant on telecommunications.
- Direct investment in the region through the construction phase of the network and ongoing maintenance of the infrastructure will provide much needed economic stimulus to a city and region suffering reduction in employment and vulnerable to further job losses as a result of the restructure of the mining sector and locational disadvantage.

Continued......

- Broken Hill creates the hub from which the additional network capacity can be distributed throughout the region, providing a valuable communication asset for mining, primary industries, and other economic developments that may not otherwise be possible.
- Improved ability to developing high quality telecommunications access and educational opportunities in the region in particular for indigenous communities

Improved telecommunications infrastructure and competitive access provides the greatest opportunity to create a level playing field for regional and remote communities to carry on business, communicate and educate our current and future generations.

Council looks forward to Australia Government progressing the critical regional community economic development initiative.

Yours faithfully,

FRANK ZAKNICH
GENERAL MANAGER

SUBMISSION

TO THE

AUSTRALIAN GOVERNMENTS

NATIONAL BROADBAND NETWORK: BACKHAUL BLACKSPOTS INITIATIVE

BY

OUTBACK NSW AREA CONSULTATIVE COMMITTEE AND FAR WESTERN REGIONAL DEVELOPMENT BOARD

ON BEHALF OF

REGIONAL DEVELOPMENT AUSTRALIA - OUTBACK

EXECUTIVE SUMMARY

This submission responds to recent announcements by the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy, in relation to steps to be taken by the Australian Government to fast-track the National Broadband Network in regional Australia, via its "Backhaul Blackspots Initiative". It responds directly to the Governments community consultation process which will assist in identifying the priority backhaul blackspot locations, possible backhaul link routes and a model for delivering outcomes.

The Outback Area Consultative Committee Inc (OACC) and Far Western Regional Development Board Inc (FWRDB) are jointly lodging this submission on behalf of the newly announced Regional Development Australia – Outback organisation and other leading economic and community stakeholders from the Outback New South Wales region including Broken Hill City Council, Central Darling Shire and Business Broken Hill **(Letters of Support attached).**

OACC and the FWRDB are currently transitioning to form the Australian and NSW Governments new Regional Development Australia – Outback (RDA) organisation from 1st July 2009. The new RDA body has been formed by both Governments to take on a broader strategic role to improve the coordination of regional development initiatives and ensure that there is effective engagement with communities by government.

This submission seeks to specifically address Section 4.1 (Locations) of the Stakeholder Consultation Paper released by the Australian Government and as such focuses on the identified need for Broken Hill NSW to be a priority location for alternative backhaul supply and a number of identified routes for links to Broken Hill which will maximise the economic, social and community growth potential of the communities located in the Outback NSW region.

It reflects the views of a wide range of local stakeholders and is based on verified regional data, one-on-one discussions with major community/business stakeholders and documented community views.

Due to the tight timeframe for lodgement of submissions we are not in a position to comment on the technical aspects of development of alternative backhaul infrastructure or the most appropriate operational / ownership model.

Our submission is based on the premise that the Australian Government accepts that investing in "backhaul" telecommunications infrastructure in regional Australia will help improve pricing and competition between service providers for broadband / mobile services.

The body of this submission details the strategic telecommunications infrastructure priorities for this region, which are required to support continued growth in the regional economy and the role additional backhaul infrastructure can play to facilitate these potential growth opportunities.

In summary we believe that a lack of access to backhaul infrastructure in the region at competitive pricing to other providers of mobile and broadband services has severely limited the availability of high quality/low cost services to the communities and businesses located in the region.

The key reasons for the city of Broken Hill being a priority location for backhaul supply are,

- Additional telecommunications backhaul capacity will assist to improve the commercial viability of major projects that are planned in the region and to attract the service and support businesses to the region that are reliant on telecommunications. This has a projected additional value added Gross Regional Product benefit of $54m for the region over the next 2 years.

- Economic Stimulus that will result from the direct investment in the region through the construction phase of the network and ongoing maintenance of the infrastructure

- Additional access to competitive high speed data carrying capacity will improve the pricing, service and business opportunities in the region

- From Broken Hill the additional network capacity can be distributed throughout our region, providing a valuable communication asset for mining, primary industries, and other economic developments that may not otherwise be possible.

- Improved ability to develop high quality educational opportunities in the region.

- Opportunities for more sophisticated and cost effective health service delivery (remote diagnosis, link to remote specialist clinics during local procedures)

- Improving telecommunications access for smaller indigenous communities in the region

In addition we believe that our preferred route for a backhaul link to the city of Broken Hill via the Barrier Highway (Sydney / Dubbo – Broken Hill) would offer the greatest potential for both commercial viability and regional community impact in the Outback NSW region

It would not only capture the commercial and community opportunities in the city of Broken Hill it would allow for potential "breakout points" to be developed in smaller communities and for major commercial enterprises (e.g. Mining) located on or near the Barrier Highway.

From a community development prospective this route would also provide opportunities in the smaller communities located in the outlying parts of the Outback NSW region for establishment of free wireless broadband (utilising nodes located at "breakout points" on the backhaul line) which is seen as a significant economic enabler in terms of information provision. This would have benefits for the health and education of indigenous communities, along with improving tourism potential and competitiveness in the region.

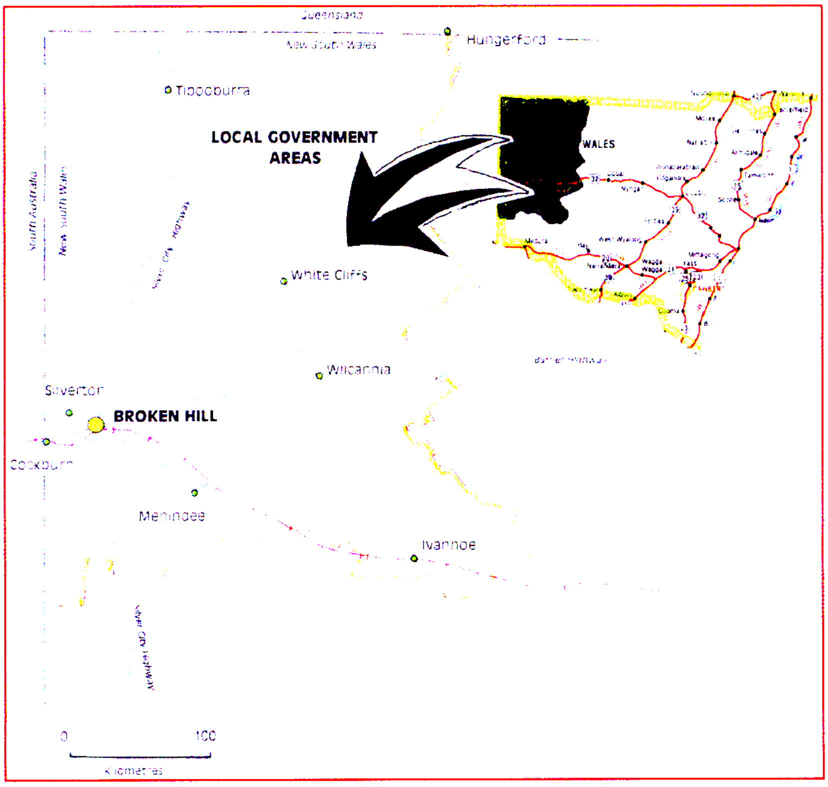
CONTEXT/BACKGROUND

The Outback Area Consultative Committee Inc (OACC) and Far Western Regional Development Board Inc (FWRDB) are jointly lodging this submission on behalf of the newly announced Regional Development Australia – Outback organisation and other leading economic and community stakeholders from the Outback New South Wales region including Broken Hill City Council, Central Darling Shire and Business Broken Hill.

OACC and the FWRDB are currently transitioning to form the Australian and NSW Governments new Regional Development Australia – Outback (RDA) organisation from 1st July 2009. The new RDA body has been formed by both Governments to take on a broader strategic role to improve the coordination of regional development initiatives and ensure that there is effective engagement with communities by government.

The key recommendations provided in this submission have been formulated with the current context of and factors affecting this region in mind.

Location of Outback NSW Region



The current boundaries of the Outback NSW Area Consultative Committee (OACC) and Far Western Regional Development Board (FWRDB), soon to be the region covered by Regional Development Australia – Outback, encompass a geographically large area of far western NSW which covers 18.4 % of the total area of NSW; the region includes the Local Government Area's of Broken Hill, Central Darling Shire and the Unincorporated Area of NSW.

Whilst the region is geographically isolated in terms of its distance from major metropolitan cities (Sydney 1200kms and Adelaide 510 kms by road transport) it is strategically located in terms of NSW and Australia. Being positioned on the national east west transport corridor (national highway and transcontinental railway line) and with its regional city (Broken Hill) centrally located to service major mining, tourism and alternative energy industries located within a 200km radius.

The region's population is around 23,500 people, it is an ageing population, which has declined by 17% in the last 15 years despite an increase of 40% in the number of Indigenous people living in the region – who now represent 8% of the total population. The regional unemployment rate of 6.8% is almost twice the national rate (various ABS and DEEWR Quarterly Unemployment Reports, Dec 2008).

The region's future key strategic advantages lie in its natural, 'under-developed' tourism product and in environmental characteristics which are particularly attractive to future development in both the creative (art/film) and clean energy generation industries (in particular wind power generation). The 'clean/green/pest-free' image of the Horticultural/Agricultural belt at Menindee is juxtaposed against a 'brown-fields-site' image in the city of Broken Hill.

The region's economic prosperity has traditionally been reliant on the success of the resources and agricultural sectors. A weakening of these sectors over the past 30-35 years has seen the region's population decline by more than 30%. However, in more recent times, the rate of population decline has stabilised and there is now the prospect of new industry developments which are expected to retain and attract population and boost economic growth.

Whilst the current world financial/credit crisis and downturn in pricing for base metals has had a negative impact on forecast growth in the region, the regional economy is much more diverse in terms of both the mining industry and other sectors (i.e. Tourism) than it was 20-30 years ago. As such it is expected that a number of proposed developments currently in a holding phase will still proceed in the medium term (2-5years).

Given this situation, the region has developed a strategy to determine the potential growth implications from current and proposed projects, understand how best to manage the impact of future projects and the attraction of support industry by these developments, and appropriately plan for changes to infrastructure, service provision and private investment in the region.

The development and implementation of a "Far West Region Growth and Investment Strategy" is being managed by the Outback Development Forum (ODF) which is a coalition of the major economic and community development organisations in the region (OACC, FWRDB and local government authorities are leading members).

It is this current Growth and Investment Strategy and its regular updates which is the key guiding plan for future development of the region both economically, socially and environmentally **(copy attached as Annexure 1)**

FAR WEST GROWTH AND INVESTMENT STRATEGY - OVERVIEW

The objective of the Far West Region Growth and Investment Strategy and its six monthly updates is to analyse the current economic and demographic carrying capacities of the region's community and to identify additional capacities and enhancements required to adequately service any projected changes in employment and population occurring from the economic impacts of major projects proposed for the region. The Strategy investigates the following issues:

· Quantify the economic, social and industry impacts of the proposed projects;
· Assess potential increased demand on infrastructure versus regional capacity; and
· Identify infrastructure, resource and skills enhancements to service projected growth.

The economic impact of planned and/or committed projects on the regional economy will be significant in the next 5 years. In the original study (2007) the impact on Gross Regional Product (GRP) was projected to range between $109 and $236 million by 2010, equating to a 9%-20% increase on the currently estimated GRP of $1.195 billion. The impact on employment is projected at between 1,055 FTEs (by 2008) and 1,933 FTEs (by 2010), equating to a 10%-19% increase on the existing regional employment base of 10,000 persons. As a result of new employment, the region's population is projected to increase to a maximum of 27,000 persons in the next 2-3 years.

Whilst the current world financial/credit crisis and downturn in pricing for base metals has had a negative impact on forecast growth in the region, the regional economy is much more diverse in terms of both the mining industry and other sectors (ie Tourism) than it was 20-30 years ago. As such it is expected that a number of proposed developments currently in a holding phase will still proceed in the medium term (2-5years).

This view is supported by the most recent Growth and Investment Strategy economic data update (January 2009) which is currently being completed; it reveals that whilst a number of large scale mining companies downsized their current operations and put some development projects on hold in region due to economic conditions. Other companies such as Uranium One's Honeymoon Mine (approx 100 kms from Broken Hill) are scheduled to commence a $7m construction phase over the next 2 years.

In addition Epuron Pty Ltd joint venture "Silverton Wind Farm Project "(located 20 kms from Broken Hill) www.silvertonwindfarm.com.au has reached the final stages of assessment by the NSW Department of Planning. This project when completed would see the largest Wind farm in the Southern Hemisphere established with $2.5 billion spent in the construction phase which would support 700 jobs and an operation phase commencing in 2011 which would support 120 fulltime jobs in the region.

The conservative projected economic impact of known major projects in the region as at January 2009 was calculated at $54 million in extra value added Gross Regional Product by 2010, or to put this into perspective it would increase the GRP of the region by up to 4.6% (in 2010) compared with the 2005 -06 estimate of $1,195m.

The facilitation and retention of this additional economic activity in the Far West Region is reliant on a number of critical factors and enablers, most of which must be immediately addressed within the next 12 - 24 months as the major projects gear up.

The important internal risks to this potential regional economy growth, relate to the local carrying capacity of the Far West Region in terms of provision and development of infrastructure and services, land tenure and access, resource availability, and attraction and retention of skilled workers.

In the original Growth and Investment Strategy, the projected development and community growth analysis of the region indicated that whilst the region previously accommodated 35,000 persons, a preliminary infrastructure audit indicates there are pressures likely to be experienced moving forward in catering for the likely rebound in growth.

The remote nature of the region and its large land area make infrastructure services a difficult proposition.

In terms of telecommunications infrastructure, the original report also indicated that whilst Telstra currently provides telecommunications infrastructure and services in the Far West Region of NSW and Telstra has previously indicated that its exchanges in the region have the capacity to service a significantly large population growth in the future. Their will need to be extensions and improvements to critical infrastructure like telecommunication services to cope with expected growth in demand for world class utilities and services in terms of quality and being price competitive for both business and residents.

ISSUES FOR CONSULTATION

This submission seeks to address Section 4.1 (Locations) of the Stakeholder Consultation Paper issued by the Australian Government and as such focuses on the identified need for Broken Hill NSW to be a priority location for alternative backhaul supply and a number of preferred identified routes for links to Broken Hill which will maximise the economic, social and community growth potential of the communities located in the Outback NSW region.

It reflects the views of a wide range of local stakeholders and is based on verified regional data, one-on-one discussions with major business stakeholders and documented community views.

Due to the tight timeframe for lodgement of submissions we are not in a position to comment on the technical aspects of development of alternative backhaul infrastructure or the most appropriate operational / ownership model.

Our submission is based on the premise that the Australian Government accepts that investing in "backhaul" telecommunications infrastructure in regional Australia will help improve pricing and competition between service providers for broadband / mobile services.

This is to be achieved by breaking the current monopoly on ownership and control of this infrastructure (Telstra is the only owner in the Broken Hill region) in some regions, by developing alternative "backhaul" links. Thus giving price competitive access to "backhaul capacity" to other retail providers.

Responses to Community Consultation Paper, Section 4.1, points 1 and 2

Broken Hill NSW as a priority location for a backhaul link

Whilst Telstra currently provides telecommunications infrastructure and services in the Far West Region of NSW and Telstra has previously indicated that its exchanges in the region have the capacity to service a significantly large population growth in the future.

Lack of access to backhaul infrastructure in the region at competitive pricing to other providers of mobile and broadband services has severely limited the availability of high quality/low cost services to the communities and businesses located in the region

In addition we believe there are opportunities in the smaller communities located in the remote outlying parts of the region (Wilcannia, White Cliffs, Menindee, Ivanhoe) for establishment of free wireless broadband (utilising nodes located at "breakout points" on the backhaul line) which is seen as a significant economic enabler in terms of information provision. This would have benefits for the health and education of indigenous communities, along with improving tourism potential and competitiveness in the region.

Key Economic / Business Development reasons for priority

- Providing critical infrastructure to assist to facilitate a projected additional $54m in value added Gross Regional Product for the region over the next two years.
- Additional telecommunications backhaul capacity will assist to improve the commercial viability of major projects that are planned in the region and to attract the service and support businesses to the region that are reliant on telecommunications

- Economic Stimulus that will result from the direct investment in the region through the construction phase of the network and ongoing maintenance of the infrastructure

- Additional access to competitive high speed data carrying capacity will improve the pricing, service and business opportunities in the region

- Increased access to information (large files, video etc) giving local businesses the ability to reliably connect to Internet sites and make large downloads/uploads, stream video etc.

- From Broken Hill the additional network capacity can be distributed throughout our region, providing a valuable communication asset for mining, primary industries, and other economic developments that may not otherwise be possible.

Key Social/Education/Community reasons for priority

- Improved ability to develop high quality educational opportunities in the region.

- Opportunities for more sophisticated and cost effective health service delivery (remote diagnosis, link to remote specialist clinics during local procedures)

- Improving telecommunications access for smaller indigenous communities in the region

Preferred Routes for Backhaul Links to Broken Hill, including potential for "breakout points" in smaller communities

Due to Broken Hill's and the Outback NSW region's strategic location in NSW and Australia, located on the national east west transport corridor (national highway and transcontinental railway line), this provides a number of options for a route for the proposed backhaul link to the city of Broken Hill which can maximise its usage, commercial viability and community impact throughout the region.

Due to time constraints for the lodgement of this submission we have been unable to fully analysis the current locations of existing Telstra fibre optic infrastructure and the technical aspects of possible routes (e.g. starting points for backhaul line and availability of linking to other existing infrastructure) for a new backhaul link to Broken Hill. However information and feedback provided by the regions local government and utilities authorities indicate that there are three potential preferred routes for a backhaul link.

On behalf of the region we recommend the following three backhaul link route options in order of priority as follows,

1. **East – West Backhaul Link via the Barrier Highway (Sydney/Dubbo – Broken Hill)**

   Installation of a backhaul link unitising this route to Broken Hill would not only capture the commercial and community opportunities in the city of Broken Hill it would allow for potential "breakout points" to be developed in smaller communities and for major commercial enterprises (e.g. Mining) located on or near the Barrier Highway, this would include the major townships of Nyngan, Cobar and Wilcannia.

   Whilst these communities are not high population centres in their own right they are the service centres for major private / government sector organisations (Local government, NSW National Parks, health, education and major mining operations) and the surrounding district population, which have need for access to high capacity / competitively priced mobile and broadband services. In addition it is our understanding that many of the communities located along this route in the Central Darling Shire (Wilcannia and White Cliffs) already have optic fibre cable/infrastructure installed in the individual townships and this may offer additional incentives / opportunities for "breaking out" the backhaul capacity in these smaller communities.

   As already identified in this submission and in the "Far West Growth and Investment Strategy", access and provision of high quality and affordable mobile and broadband services is recognised as a significant economic enabler in terms of information provision. This would have benefits for the health and education of more remote indigenous communities, along with improving tourism potential and competitiveness in the region.

   We believe this route would offer the greatest potential for both commercial viability and regional community impact in the Outback NSW region

2. East – West Backhaul Link via the Transcontinental Railway line

We understand that utilising existing communications infrastructure routes , which are often located close to major transport corridors e.g. railway lines , provides some benefits in terms of delivering technically feasible and cost effective installation of new /upgraded telecommunications infrastructure (Backhaul link).

Accordingly based on the above a backhaul link route to the city of Broken Hill via the east – west transcontinental railway line would also offer some value adding opportunities for the Outback NSW region.

This route would take in the remote communities of Ivanhoe and Menindee which are major horticultural / pastoral service centres, in addition to servicing some major government facilities (Ivanhoe Correctional Facility).

Based on regional economic / business development data available it is our estimation that opportunities for maximising the economic impact of the backhaul link via this route would be considerably less than option 1.

3. West – East Backhaul link via the Barrier Highway (Adelaide – Broken Hill)

The city of Broken Hill has a long history of commercial business and social links with the major metropolitan centre of Adelaide, South Australia.

In this regard we note that a number of the proposed mining industry developments which are projected to provide a positive effect on the Outback NSW regions Gross Regional Product over the next 2-5 years are actually located in northern South Australia, but within close proximity to Broken Hill (up to 120 kms) along the Barrier Highway.

We are also aware that the Mid North Regional Development Board, based in Clare South Australia, which has a major role in economic and community development in the North Eastern region of South Australia (directly adjoins the Outback NSW region), will be lodging a submission to this community consultation process that recommends that a backhaul link route from Adelaide or Port Pirie that links the communities in the Clare districts, the smaller communities along the Barrier highway and the city of Broken Hill be considered.

During local consultations with key region stakeholders this proposed route has been discussed and it is acknowledged that it would also be a viable route from a commercial position and would ensure that the economic and community opportunities would be maximised in the city of Broken Hill. It would however not allow for the additional economic and community opportunities in communities located in The Central Darling Shire to be maximised, unless the backhaul link was to extend via the Barrier Highway into NSW (to Dubbo) rather than terminating in Broken Hill.