

**Submission
No 36**

ESTABLISHMENT OF SPECIAL ECONOMIC ZONES

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Inquiry into the Establishment of Special Economic Zones

By the Committee on Economic Development, NSW Parliament

Submission by RDA Far West NSW

12 April 2012

Terms of Reference

That the Committee inquire into and report on the establishment of special economic zones providing state tax and financial incentives to promote economic growth, employment and investment in regional and rural New South Wales; and any other related matters.

Current Status of Business in Far West NSW

Please see Attachment 1 to this submission, the Economic Update for Far West NSW. RDA Far West NSW and the Broken Hill City Council annually update this data for the benefit of informing stakeholders about prospects and opportunities. You will see in Figure 1 that there is a significant difference between the medium and high scenario planning in our region in terms of future gross regional product (GRP). Figure 1 also shows that the region has recovered slowly from the global financial crisis (GFC) and is almost back to pre-GFC economic activity levels (in terms of GRP).

Future Economic Scenarios

External economic drivers will largely influence which scenario plays out in the future. However, we believe that there is justification for consideration of a special economic zone or targeted incentives in Far West NSW, for the following reasons:

1. Employment Initiatives are Critical

- a. Regional employment creation initiatives are imperative. At December 2011, Broken Hill's unemployment rate was 8.2% and it was 13.6% in Central Darling Shire, compared to 5.1% in Australia and 5.2% in NSW. These variations have been consistent for many years and we clearly need to reverse unemployment trends in our region.
- b. Population growth rates for the Indigenous communities are higher than the general trends in the region, which overall highlight population decline. According to the Ministerial Taskforce on Aboriginal Affairs, www.daa.nsw.gov.au/taskforce¹, The Indigenous population of Broken Hill increased by 50.5% in a recent five year period,

¹ <http://www.daa.nsw.gov.au/data/files/FINAL%20COMMUNITY%20PAPER-%20EDUCATION.pdf>

while the non-Indigenous population fell by 5.9%. In Wilcannia, the Indigenous population increased by 14.4% while the non-Indigenous population fell by 6.5%. It is estimated that the Indigenous population of NSW will grow by 35% between 2006 and 2021, an average growth rate of 2.2%. The growth rates in the Indigenous population in Far West NSW are expected to be higher. There is data that highlights the higher unemployment rates among Indigenous communities although it is based on ABS 2006 Census data. We expect the 2011 Census data will not show improvements.

- c. It is imperative that training in the region is matched to jobs on offer in the region or jobs likely to emerge in future scenarios. The matching of jobs and training must start with school students, and needs to be relevant for the region, including students, for example, who may seek to pursue a career in mining. RDA Far West is hoping to replicate a program like the MOU between the Queensland Resources Council and Federal Government Departments (DEEWR and FAHCSIA) for the targeted involvement of Indigenous people in the mining industry. However, our investigations with various parties indicate other regions in NSW may benefit from such a program instead. The Far West NSW region may not have the necessary mining industry clout to be involved.
- d. Training and further education capacities in the region need to reflect industry needs. The critical input for this to occur is the urgent rollout of the NBN in Broken Hill. Without any bricks and mortar university institutions offering a diversity of needed courses in Far West NSW, online education opportunities have potential to grow and develop in partnership with Western TAFE and registered training organisations like Robinson College to fill the gaps. The NBN rollout is also an urgent requirement for the ongoing work and future growth of the Broken Hill University Department of Rural Health within the University of Sydney.

2. Mining Industry Incentives Required to Assist Economic Growth

- a. There is a widely-held perception among most Government agencies that mining companies in the Far West NSW region are well cashed up like blue chip miners in coal and iron ore projects elsewhere in the nation, and that they do not require incentive or support to develop projects that create jobs in region. Junior and mid-tier miners can contribute to the economy in Far West NSW and we need to specifically support them.
- b. Decision-making at the local level needs to increase, and participation in decision-making processes that occur elsewhere in the nation and state that affect issues in this region is imperative. The lack of involvement in recent times has also precluded the region from access to information. The economic and employment interests of this region have suffered over the years due to lack of local participation.
- c. The recent planning review may go some way in the future toward addressing the common complaint of “red tape” in the industry.

3. Population Relocation and Decentralisation Initiatives Required

- a. There is no sense in continuing the trend of the hollowing out of inland Australia as this creates many social and infrastructure pressures in cities. Policies that allow this trend to continue also result in regions like Far West NSW otherwise failing to meet commercial or break-even economic benchmarks in business cases for public and private sector investments. Currently, 87% of the population lives in 'urban areas'; 81% live within 50km of the coast; and 86% of the land area holds just 2.3% of the population, quoted from p. 37 of the Department of Sustainability Environment Water Population and Communities March 2011 issues paper entitled "A sustainable population strategy for Australia". A year ago, RDA Far West NSW made a submission in response to the issues paper. The data is appended in entirety as Attachment 2.
- b. Specific reasons to relocate need to be identified. Media and popular culture in Australia celebrates coastal living at the expense of promoting the decline of inland regions. However, the hip pocket will react to specific incentives so long as they are meaningful. There are examples in Attachment 2. These ideas are meant to provoke thought about possibilities and potential and should not be dismissed without deeper thinking. RDA Far West realises that the issues are also of national significance and solutions will not necessarily be restricted to individual states.

4. Economic Diversification Initiatives Required

- a. When the next GFC or the next drought hits this region, we need to be able to withstand it. The diversification of the economy is an issue now, not when these negative impacts occur. Broken Hill and Mt Isa were the two hardest hit mining centres in Australia following the redundancy programs as a result of the 2008 GFC. We can capably predict another drought within a 10-15 year cycle, and it is likely that commodities from our region will continue to enjoy trends of boom/bust. Preparing for other industries in region is critical. We have nominated many projects and macro-level initiatives in the RDA Far West Regional Plan, available at www.rdafarwestnsw.org.au.
- b. Critical to economic diversification are the key themes of water, technology, energy and infrastructure. The Menindee Lakes holds two important future economic developments for the region, namely (i) engineering improvements to the system to improve water management (RDA Far West submitted information on the region's views on these to the Murray Darling Basin Authority this week) and (ii) a Ramsar wetlands in the region will allow targeted marketing among international bodies to diversify the current visitor profile. Technology enables the growth of the film industry, tourism, arts and other specific creative industries. Energy needs in the future can be supplied from this region. The Silverton Wind Farm is one example perhaps already advanced enough to progress to investment when timing is right.

However, the region is the perfect setting for solar energy development in the future.

5. Small and Medium Sized Businesses, Large Businesses Require Support to Relocate

- a. Real estate in cities is congested, sometimes scarce for certain activities, expensive and contributes to increased costs. The Far West NSW region has ample space and opportunity to facilitate business relocations.
- b. The characteristics of this region will suit specific businesses to relocate. For example, solar and wind energy firms and suppliers of inputs to these industries, and mining company support services and goods suppliers, may find Far West NSW an optimum location. It makes commercial sense for certain businesses to be relocated to areas that are complementary for their core activities – only the supporting policies are missing.

Support for the Optimum Economic Scenarios in Far West NSW

How can the Committee on Economic Development and the NSW Government assist?

Locals Must Be Involved

We have previously suggested establishment of a local think tank or go to entity that can do the following things, particularly in respect of the mining industry growth scenarios:

- Provide a mechanism at the local level, with authority and discretion to elevate project priorities among regulatory agencies.
- Coordinate and advise the “bigger picture” for significant infrastructure needs, including liaison with central cross border and critical infrastructure contacts (road, rail, ports, air, pipelines, power, water, gas), which is critical as this body would be the only one to have an understanding of all the infrastructure required or planned. This is currently done in a piecemeal way by local councils and there is a huge gap in consideration when the Unincorporated Area is concerned. For example, at proposed full production the proposed Hawson’s project would stretch most local infrastructure as it currently exists. Also, there is opportunity to consider the region’s infrastructure needs within the NSW 20 year State Infrastructure Strategy and the NSW Transport Master Plan.
- Expose red tape in current decision-making, recommend productive improvements to processes. For example, the mining industry notes it can be frustrating getting traction within government during exploration phases. The NSW Government’s endeavours to attract exploration investment can be reviewed within the context of its “New Frontiers” program. Also, Goal 4 in the NSW State Plan supports reduction of red tape and regulatory costs.
- Help to identify solutions to project development barriers, from the local context.

Despite the RDA Far West NSW having the tagline “Geography is no barrier”, the reality is that without regional representation being given the opportunity to provide input on significant issues, then geography is a significant barrier. Without the NBN being rolled out in this region with considerable urgency, geography is increasingly becoming a barrier and it is isolating this region from future participation in economic developments at times other than when there is excessively high demand for locally-produced mineral and agricultural commodities. These times are increasingly rare.

Local participation in decision-making is imperative. The exclusion of local participation has been to the detriment of the region’s economic growth. Too many services and departments have shrunk, been relocated or closed in our region. The closure of the Department of Trade and Investment’s Broken Hill office announced recently is just one more example of the long trend of decisions made that may not be in the best economic interests of this region.

Incentives Need to be Specifically Targeted

Far West NSW is an agricultural and a mining province. In order to expand these industries and diversify the economy locals must become more involved in decision-making (as stated above). RDA Far West broadly targets new industries that are aligned with water, technology, energy and infrastructure. Here are some incentive examples.

Water

We understand the Federal and State Governments are negotiating on restructure scenarios in the Menindee Lakes system. We know the area needs a few years to dry out before such works could commence. Until then, it is important to encourage and support the involvement of local businesses in building skills, supplier networks, other capacities, in order to participate in these works, and to do this in a transparent way. This requires government agencies to increase communications with locals. Increased communication will help to share information about upcoming opportunities for tenders, employment and timeframes for work requirements. This is basic knowledge sharing but it does not happen well at present. Agencies generally continue to operate in silos and as they generally don’t have a local office, they fail to make local connections and this in turn contributes to contractor influx and lack of economic involvement by local firms.

The attraction and retention of skilled labour for work like that in the above water example should be actively encouraged in our region but a dedicated resource is needed. This is a full time role and the RDA Far West NSW has requested that an Education Jobs and Skills (ESJ) Coordinator be based in our region as a priority (as noted in Attachment 1). The ESJ role is a short term appointment (up to three years) made by the Federal Government’s Department of Education Employment and Workplace Relations (DEEWR). Despite requests to date, we have been unsuccessful in these efforts and DEEWR representatives attended an RDA Far West committee meeting in March 2012 to confirm this outcome. We must continue to share the Dubbo-based appointee who can visit the region for one or two days per month. From our experience to date, we can report that the regional

visits are in fact less than anticipated and phone and email contacts drop off due to the geographic distance. Shared roles over large geographic areas do not work, despite the best intentions. Since the introductory email from the Dubbo-based ESJ role on 16 September 2011, there have been about three visits to the region and about two or three emails or phone contacts of significance per month.

Technology

The location of data centres of strategic and commercial importance to business and governments do not need to continue to be Sydney or even the western suburbs of Sydney where real estate is expensive and the threat of service interruption from, for example torrential rainfall, power outages, contractors' digging in the wrong spot and disconnecting telecommunications cables, and a host of other reasons. The discreet and geologically safe location of Broken Hill makes an ideal location for the storage of sensitive business and government data. Broken Hill City Council has many vacant buildings. There is a surplus of energy supply in the region. The NBN Co rollout plans, early in the city, would have enabled serious discussion about such opportunities. Along with creative industries developments, there is an opportunity to further develop the professional IT services in our region. Data centres in our region could be run at a much lower cost, could be readily monitored by remote supervision technology, could employ local IT people, and it would be a complementary industry to other technology-related businesses in the city.

Creative industries developments in our region depend upon the rollout of high speed broadband in Broken Hill. Despite doing all that was possible to be included in the NBN Co three-year rollout plans, Broken Hill was excluded. Broken Hill (NSW) and Emerald (Qld) were two of six Regional Backbone Blackspot Program priority areas left off the early rollout plans announced late March 2012. Without the fibre rollout in Broken Hill there is a significant constraint imposed upon all other activities – from small business start ups to social engagement activities targeting Indigenous communities, to productivity improvements in mining and regional service deliveries like health, law, welfare, training, retailing and so on. Perhaps the NSW Government could be supporting Broken Hill in representations to the NBN Co to change this. The irony is that while NBN Co is already connected to and using the Broken Hill works, “engineering” issues prevent the rest of the community becoming connected.

Energy

Solar energy in Far West NSW makes sense. With low cloud cover on the majority of days in each year, wide open spaces, ample land availability, a community that welcomes innovation and technical challenges, a supporting leadership structure across the region, the focus on this new industry in our region makes sense. However, solar industries need ongoing research and development to bring the costs down to ensure competitiveness. There is an opportunity for associated manufacturing and fabrication business start-ups in this region as well. Specific financial incentives could be developed to congregate this industry in this ideal location.

Energy is often talked about as being needed next to the user. In this region, we current and future mining and other projects that will use locally produced energy. Solar and wind energy sources are not yet fully suited to base load generation due to the unreliability of supply. However, the prospect

of using what is produced in region, through transmission grid connectivity is very high, given the knowledge of current and future projects. The ongoing reliable supply from coal generation is also still required.

Infrastructure

After 120+ years of demonstrated economic successes, it is time for the NSW and Federal Governments to understand that infrastructure needs in our region to support mining and agriculture logistics must be strategically addressed to support the next 120+ years of predicted growth and expansion. Broken Hill's strategic position in the East-West national road and rail systems is secure. The completion of the North-South systems, particularly for national road transport, is critical. The completion of this transport picture could be greatly encouraged by NSW and Federal Government joint support. This single message alone would give investors confidence and certainty about the intentions to support efficient transport systems into this region to support project developments, and also nationally to maximise productivity gains through efficient movement of goods.

The opportunity to develop a nationally-strategic multi-modal transport services hub in this region must be exploited. The concept of "multi-modal" specifically includes road, rail, air and the export sea ports. Of significance in our region, export sea and air ports in South Australia, Western Australia and New South Wales are currently of direct relevance. With some tweaking of road and rail infrastructure, the sea (and air) ports located in Victoria, Queensland and the Northern Territory will also come into consideration. Mining and agriculture produce need to access markets efficiently. The system improvements in our region will ensure economic growth prospects are properly facilitated. The city by-pass/mining haul road in Broken Hill is a critical facilitator for these greater plans.

Summary of Useful Incentives in Far West NSW and Broken Hill

Due to a range of policies and decisions over the decades, the Far West NSW region has been unfairly impacted. Loss of government department representation, loss of business, contraction of local office branches as staff and assets moved East and subsequent loss of population, deterioration in community facilities and lack of ability to make base case economic justification benchmarks for funds are some of the direct consequences.

This is a strong and resilient community and there are opportunities to correct past practices. We see the following as some clear support mechanisms that could assist the region achieve economic growth and diversification prospects.

1. RDA Far West, Broken Hill City Council and Central Darling Shire Council, other organisations, will benefit from a full time person in our region who is 100% dedicated to matching training and jobs as per regional needs. Linking this role to the RDA Far West and councils has the added benefit of tailoring this role's activities with emerging opportunities like engineering works at Menindee Lakes, construction of weir in Wilcannia, construction of the Silverton Wind Farm, facilitation of an MOU for Indigenous employment in regional mining projects,

targeted skills and trades development for the upcoming mining and exploration projects, targeted development of IT and creative industries professionals to complement the arts, film and tourism industries, and so on.

2. It is possible to dedicate Broken Hill as a “data centre hub” and focus specific business relocation policies on this. We suggest that the business case stacks up on real estate and ongoing lower operating costs alone, but the case could be supplemented with targeted application of relocation fees and payroll tax relief for people who would need to relocate to Broken Hill specifically for management and operations of a data centre hub. These programs already exist and would not be a major cost on NSW Treasury if targeted in the relatively small sector.
3. Establishment of a solar excellence centre in our region makes sense. Specific relocation and payroll tax relief could also be applied for this purpose. However, specific R&D taxation relief could be negotiated with the Federal Government for such a dedicated effort to maximise future opportunities in the solar industry. Broken Hill is hosting the nation’s first Desert Equinox Solar Art Exhibition from 1-23 September 2012, coinciding with the spring equinox. Solar energy and art have links that are being exploited by the UNSW College of Fine Arts, along with the Desert Knowledge Australia Outback Business Network. With other involvement of RDA Far West NSW, councils and other regional organisations, it is likely that an annual arts festival could emerge from this event. The UNSW COFA representative has indicated that the international artists involved in the solar art event this year could well be enticed to return on a regular basis for the solar art focus, say, every three to five years. Incentives that promote development of these two related yet distinctive industries may include establishment of a solar development zone with associated dedicated financial relief for R&D, relocation, employment and other initiatives. The dropping of all unnecessary state and federal taxes and levies over a specified time frame would greatly encourage the speedy establishment of this solar excellence centre. There is also great potential here for the merging of Indigenous art and culture with the solar energy industry, and tourism.
4. In terms of wind energy, it is suggested that the developers engage with the community to identify opportunities for direct community ownership of one or two of the turbines. This could be a special investment project for Indigenous groups or a community cooperative and would probably be highly welcomed by the developer (likely to be AGL according to media reports). Special involvement by the community in this way would demonstrate direct partnership ambitions for the developer and ensure smooth, professional construction and commissioning, maximising support and local business growth within the Far West NSW community. There are models elsewhere that can be referenced to support this initiative and while a special economic zone is not the precise incentive being targeted, it may be that a special business support zone could be developed in conjunction with the local councils.
5. Some of the above mentioned incentives may also be applicable to foster the development of transport infrastructure services, and encourage private sector investment in the various projects.

Please contact RDA Far West NSW on 08 8087 8383 for further information.

Attachment 1

Major Projects

The reactivation of mining projects in Broken Hill during 2011 that were placed in care and maintenance back in 2008 has resulted in strong investment in the Far West Region and is a positive indicator for future growth.

The expansion of Broken Hill Operation's **Rasp Mine** in Broken Hill was approved by the NSW Government in early 2011 with construction commencing shortly afterwards. It is expected to be operational by mid 2012.

Perilya commenced the redevelopment of the **Potosi Mine** in early 2011 with the mine expected to begin operations in 2013. Strong growth in global silver prices has also resulted in the company considering reopening the **North Mine** with a decision expected in late 2011.

Uranium One's **Honeymoon Mine** commenced operations in July 2011 and has an expected mine life of approximately 10 years.

Carpentaria Exploration is currently undertaking feasibility assessments for the **Hawsons Iron Project**, 60km south-west of Broken Hill. The project has the potential to be a multi-billion dollar investment for the region. This project is part of the Braemar Iron Alliance, which has been formed to facilitate iron ore developments in NSW and SA.

Bemax Resources is currently undertaking feasibility studies into the potential development of their **Atlas – Campaspe** mineral sands deposits located south-east of Broken Hill.

The **Broken Hill Plaza Shopping Centre** is due to commence construction in late 2011 with retail operations to begin in mid-late 2012. The shopping centre will greatly increase the retail sector in the region and support approximately 300 jobs.

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 (opposite) 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 and renewable energy projects included in previous editions of the study that have been removed due to lack of available data include Epuron's **Silverton Wind Farm** and Havilah's **Kalkaroo, Mutooroo, Oban** and **Benagerie (Portia)** projects.

Projects that were commenced after 2006 and that are fully operational are also included in the modelling based on their expected operational life. These projects include Bemax Resource's **Snapper Mine**, Pinnacle's **Edwards Pit Project**, Exco's **White Dam Mine** and Broken Hill City Council's **Aquatic Centre** and **Film Studio**.

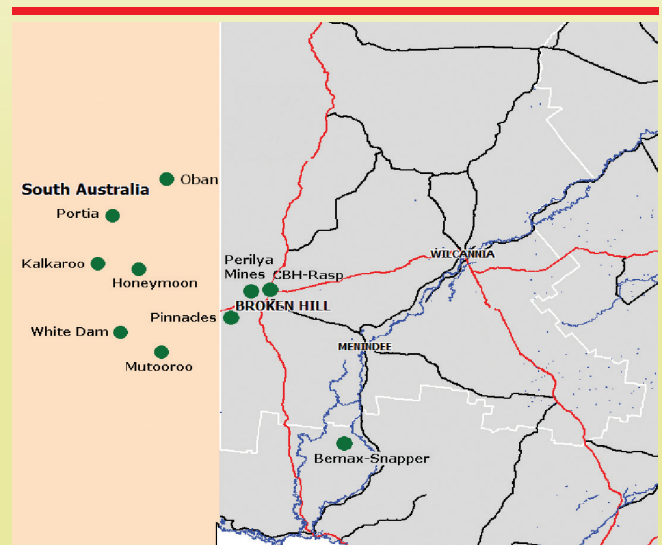


Table 1: Planned Major Projects Included in Economic Impact Modelling

Company	Project	Probability	Construction Phase				Operation Phase				
			Year Start	Total \$m	Region \$m	Jobs	Year Start	Life Years	Total \$m	Region \$m	Jobs
Uranium One	Honeymoon	High	2009	\$138	\$48	120	2011	10	\$32	\$2	85
Leasecorp	Plaza Shopping Centre	High	2011	\$18	\$13	85	2012	40+	\$12	\$4	290
Broken Hill Operations	Rasp	High	2011	\$150	\$45	90	2012	13	\$58	\$35	165
Perilya	Potosi	High	2011	\$43	\$26	90	2013	3	\$60	\$36	90 ^(a)
Bemax Resources	Atlas	Low	2013	\$138	\$28	200	2014	15	\$82	\$21	193
Carpentaria Exploration	Hawsons Iron Ore	Low	2013	\$2,700	\$945	1,000	2016	50	\$600	\$300	700

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 8.5% in the June Quarter 2011, a 0.3% decline over the last 12 months.

Demand for housing recorded strong growth with a median house price of \$134,000 in the June Quarter 2011. Investment in residential building has been particularly strong with the value of new residential building approvals more than doubling during 2010-11 as a result of confidence returning to the market and the construction of teacher housing units. Non-residential building approvals were a different story, slowing considerably during 2010-11.

The Broken Hill Airport has continued to experience steady growth in passenger numbers due to the increase in services and airline capacity. Over 63,000 passengers passed through the airport in 2010-11, an increase of 4.3% from the previous year.

Table 2: Key Economic Indicators

Indicator	Period	Level	Ann % Chg
Population	2010	22,584	-0.6%
Unemployment Rate	Jun Q 2011	8.5%	-0.3%
New Residential Approvals	2010-11	\$15.2M	128.7%
Commercial Approvals	2010-11	\$11.4M	-57.6%
Median House Price	Mar Q 2011	\$133,500	37.6%
Overnight Visitors ^(a)	2010-11	435,000	-0.9%
Broken Hill Airport RPT	2010-11	63,098	4.3%

Note: All data is valid as of 31st October 2011. RPT – Regular Passenger Transport passengers (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 is a key driver 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 June 2011 there were an estimated 435,000 domestic overnight visitors to Outback NSW, down by 0.9% from the previous year. International visitors represent a small proportion of overnight visitation with 14,200 visitors in the year ending June 2011.

Domestic overnight visitors were estimated to have added \$199M to the Outback NSW economy in the year ending June 2011, an increase of 12.3% from the previous year. The significant increase in the amount of water within the Menindee Lakes is expected to result in increased visitation to 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 redevelopment of the Broken Hill Regional Aquatic Centre is in the final stages of construction. The project will complete the \$10 million transformation of the old North Family Play Centre Pool to a multi-faceted Aquatic Centre. The construction of an enclosure for the 25 metre pool and a new indoor hydrotherapy pool are centrepieces of the development.
- The Broken Hill Airport runway is scheduled to be resealed in late 2011 to ensure safe future air traffic operation.
- Development planning of a Heavy Vehicle Haulage Road to improve the movement of heavy vehicles in and around Broken Hill.

Water Availability

During the last decade, the Menindee Lakes have been dry as a result of the prolonged drought in the Far West Region. Major rainfall in the catchment area led to a significant inflow of water starting in early 2010 resulting in the lakes reaching full capacity in late 2010. The increased availability of water in the region is likely to have contributed to the significant impact on the economy including agriculture and tourism.

The availability of water improves the profitability of farming with major agricultural producers such as Tandou looking to increase irrigated cropping in the coming years. The Menindee Lakes have continued to receive inflows through winter ensuring water availability for the 2012 and 2013 crops. As a result of water availability, Tandou has been able to increase its productive area with the rotational planting of 2,400 hectares of winter cereal crop. The company currently employs approximately 55 workers.

The availability of water in the Menindee Lakes is expected to result in significant growth in tourism visitation to the Far West Region. The Menindee Lakes are an iconic ecological asset of national significance and have the potential to support a vibrant tourism sector built around bird watching, indigenous tourism, ecotourism and recreation. The water security has the potential to facilitate investment in tourism operations in Menindee and the surrounding region which could create job opportunities.

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, before declining in 2009 as the mining industry contracted significantly as a result of existing mining companies resizing operations in late 2008.

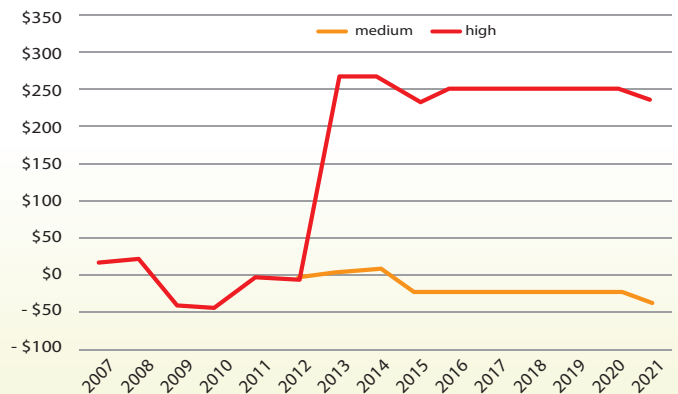
In previous years, the analysis has included a low, medium and high scenario based on the probability of certain projects proceeding. This year, all projects are either in progress (operational or under construction) or in the feasibility stage - meaning there is considerable uncertainty regarding their future development. Therefore, only two scenarios have been included this year comprising a medium scenario with the projects that are operational or under construction and a high scenario with all proposed projects with available expenditure and employment estimates.

The economic impacts in gross regional product (GRP) for the Far West Region of major projects in 2012 are expected to almost negate the negative impacts caused by the mine closures in 2008 (see **Figure 1**).

Employment in the Far West Region is projected to increase by up to 226 Full Time Equivalent (FTE) positions in 2012 based on the medium scenario. The employment breakdown includes 143 direct jobs and 83 flow-on jobs with the total representing growth of 2.3% from 2006 (see **Figure 2**).

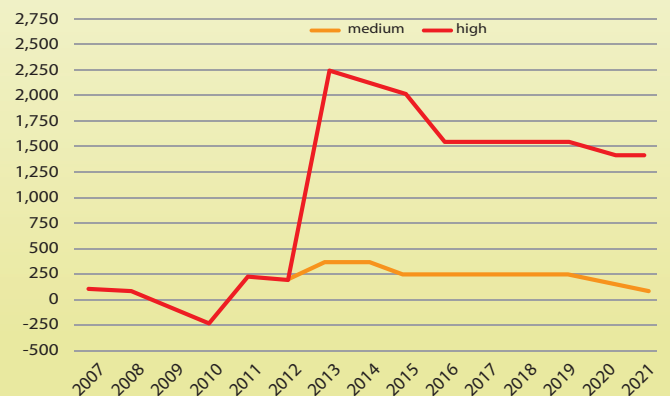
Table 3 below provides an overview of projected changes in employment by industry from the base in 2006. Employment in the mining sector is expected to partially recover in the medium term as new projects commence, though not to the 2006 level, unless downsized operations recommence full operations. 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 arts and recreation sectors.

Figure 1: Projected Change in GRP (\$m)



Note: Change from 2006. Scenarios based on the assumed probability of major projects commencing.

Figure 2: Projected Change in Employment (FTE)



Note: Change from 2006. Scenarios based on the assumed probability of major projects commencing.

Table 3: Projected Additional FTE Employment (Medium Scenario)

Sector	Report Base Year	Additional Employment			Avg. Annual %
	2006	2011	2016	2021	2006 to 2021
Agriculture, Forestry & Fishing	730	4	1	-1	-0.01%
Mining	655	-186	-66	-151	-1.73%
Manufacturing	376	17	-4	-9	-0.15%
Electricity, Gas, Water and Waste Services	229	3	-1	-1	-0.03%
Construction	497	273	-3	-4	-0.05%
Wholesale Trade	298	6	-1	-2	-0.05%
Retail Trade	1,678	16	290	285	1.05%
Accommodation and Food Services	652	10	0	-3	-0.03%
Transport, Postal and Warehousing	390	9	0	-2	-0.04%
Information Media and Telecommunications	99	5	1	-1	-0.06%
Financial and Insurance Services	164	9	-1	-3	-0.12%
Rental, Hiring and Real Estate Services	99	6	0	-1	-0.06%
Professional, Scientific and Technical Services	209	31	0	-6	-0.21%
Administrative and Support Services	292	1	0	0	0.00%
Public Administration and Safety	834	1	0	-1	0.00%
Education and Training	787	6	1	-2	-0.01%
Health Care and Social Assistance	1,439	6	0	-2	-0.01%
Arts and Recreation Services	143	23	50	30	1.26%
Other Services	456	8	0	-3	-0.04%
Total	10,027	249	266	124	0.08%

Strategy Update

Strategy/Action	12 Month Progress Report	Planned Actions for Next 12 Months
Promote Knowledge Development & Dissemination <ol style="list-style-type: none"> 1. Identify information requirements for government, business and investors. 2. Identify information/knowledge gaps. 3. Consult and involve stakeholders in data/information collection. 4. Collaborate with partner organisations to collate/prepare required data. 5. Collaborate with partner organisations to disseminate information. 	<p>An efficient e-Newsletter capability developed. All key contacts for region have been identified. Social media platform development to be completed by calendar year end. Key stakeholders fully consulted for input on submissions to Governments.</p>	<p>Regular, efficient communications will continue with all key stakeholders. Submissions and other forms of information feedback to governments will continue. Targeted contacts will continue with market participants as appropriate.</p>
Facilitate Industry and Community Engagement <ol style="list-style-type: none"> 1. Inform, involve and collaborate with key stakeholders. 	<p>Through RDA Far West and Digital Economy and Skills Working Groups.</p>	<p>Key strategies in place and implementation commenced.</p>
Build Community Capacity <ol style="list-style-type: none"> 1. Assess community capacity in terms of skills gaps. 2. Facilitate community workshops and seminars. 	<p>Working Group established. Stakeholders consulted.</p>	<p>Ongoing data collection, analysis. Ongoing partnership with Federal and State agencies, stakeholders.</p>
Support and Assist Existing Business <ol style="list-style-type: none"> 1. Consult with local business owners regarding opportunities and issues. 2. Develop strategies to capitalise on opportunities and mitigate threats. 3. Build linkages and networks between local businesses. 	<p>Ongoing through RDA Far West, Chamber of Commerce and Digital Economy and Skills Working Group.</p>	<p>Targeted actions to be pursued during 2012 and beyond.</p>
Attract and Encourage New Businesses <ol style="list-style-type: none"> 1. Profile current business base and identify target businesses and needs. 2. Identify and set aside specific requirements for target businesses. 3. Market to target sectors. 4. Facilitate relocation activities. 	<p>Ongoing through RDA Far West, BHCC, Digital Economy and Skills Working Group</p> <p>Delegations to potential funding bodies</p>	<p>Update Profile Ready to commence</p> <p>Planned approaches to market participants during 2012 and beyond in targeted areas</p>
Promote Economic Development and Diversification <ol style="list-style-type: none"> 1. Identify specific economic development initiatives. 2. Engage with relevant stakeholders. 3. Review regional economic plan. 	<p>Ongoing through RDA Far West, BHCC, Digital Economy and Skills Working Group</p>	<p>RDA Far West and all regional stakeholders are engaged in Regional Plan activities during 2012 and beyond</p>
Facilitate Infrastructure Provision and Development <ol style="list-style-type: none"> 1. Identify critical infrastructure gaps. 2. Work with partners to develop strategies for infrastructure development. 3. Develop and implement mitigation/development strategies. 	<p>Airport Master Plan</p> <p>Ongoing through RDA Far West, Digital Economy and Skills Working Group</p>	<p>Natural gas feasibility; integrated transport study to be pursued.</p>
Ensure Land Use Efficiency and Resource Protection <ol style="list-style-type: none"> 1. Identify potential land needs. 2. Engage with the NSW Department of Lands regarding tenure. 3. Develop Draft LEP for Broken Hill City. 	<p>Completed</p> <p>Completed</p> <p>In progress</p>	<p>LEP rezoning completed</p> <p>LEP rezoning completed</p> <p>Completion by July 2012</p>
Attract and Retain Skilled Labour <ol style="list-style-type: none"> 1. Increase the availability of labour. 2. Attraction of skilled persons to the region. 3. Consider overseas recruitment options. 4. Improve the effectiveness of the local training system. 5. Increase training investment by the private sector. 6. Increase indigenous participation in the workforce. 7. Support skills strategies from other levels of government. 	<p>Direct discussions with mining, agriculture and other employers in region occur regularly with RDA Far West NSW. Training and education service providers including schools, TAFE and Robinson College are kept informed of emerging industry skills needs. Skilled migration applications to the region are facilitated by RDA Far West NSW. During 2010-11, 14 applications for jobs in the region were processed.</p>	<p>An education, jobs and skills coordinator has been appointed for the region (Dubbo-based) and maintains regular contact with RDA Far West NSW and training and education representatives. A consultancy in the region funded by the NSW Government has recommended future employment facilitation actions that can progress during 2012 and beyond. These include actions to (a) reduce unemployment (b) increase links between training and employment (c) target training to meet industry needs as needed and (d) improve local services in remote towns.</p>
Attract Investment and Financing <ol style="list-style-type: none"> 1. Establish a working group to identify strategic investment opportunities. 2. Develop website for investment promotion and conduct developer tours. 3. Provide the required management support for the project. 	<p>RDA Far West NSW Regional Plan 2011-21 developed.</p> <p>Website improvements ongoing; digital economy strategy being developed for region.</p> <p>Ongoing</p>	<p>Target key areas highlighted in the Plan.</p> <p>Digital economy strategy for Far West NSW and Broken Hill City Council will be completed and implemented during 2012 and beyond.</p> <p>Ongoing</p>

Contacts and Support

For further information please contact:
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Attachment 2

15 March 2011



The Hon Tony Burke MP
Minister for Sustainability, Environment, Water,
Population and Communities
Parliament House
CANBERRA ACT 2600

Regional Development Australia
Far West NSW
p: 08 8087 8383
f: 08 8087 8413

All Postal
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PO Box 1010
Broken Hill
NSW 2880

Dear Minister Burke

Please find attached ideas and strategies from RDA Far West NSW to support the sustainable growth of our region. We may not have perfect solutions, and they may not ameliorate all the challenges we face, but they are solutions that are supported in our region and they are tailor-made to suit our environment and circumstances. We believe they create an opportunity for us to strengthen our community capacity and encourage economic growth and jobs creation in our region. We agree with comments in the issues paper that the complexity of the issues requires different thinking – this is what we offer.

We hope that you can see the link between sustainable development and the need for change in attitudes towards roll out of 'one-size' policy for all. We support tailor-made public policy along the valley by valley approach being spoken of in context with the Murray Darling Basin Plan discussion.

These ideas that we now put forward to you and your Advisory Panels are not new, but they do offer ideas on how to begin the significant task of de-cluttering the coast and put some vitality and opportunity back into regions like Far West NSW. Significantly, many RDA areas with issues similar to ours, could benefit from some of these suggestions in the future. The vast open lands covered by some of the RDAs in South Australia, Queensland, Western Australia and the Northern Territory could also benefit from our approach. In this submission, we make comment on items in the issues paper of relevance to our region, and we offer our region as a centre to 'pilot test' our programs as appropriate, in a controlled, cooperative and transparent way.

We would appreciate forthright feedback about this submission, and we look forward to receiving an opportunity to further elaborate upon our thinking. We will travel to a nominated city to engage with policy-makers and decision-makers.

Yours faithfully

Linda Nadge
CEO
RDA Far West NSW



An Australian Government Initiative



A NSW Government Initiative

Opening Comments to the Advisory Panels

The Terms of Reference (TOR) note the Minister's task to develop a Sustainable Population Strategy for Australia.

The size of the population that can be sustained in Australia is one concern, and the location of these people within Australia is another. Hence, the TOR notes the key relationships between population and infrastructure, growth opportunities, skills, regional towns, the environment and social policy issues.

In brief, we see the Minister's task through a simple lens that highlights the most relevant relationship which effectively represents all of the above – population and **financial incentive**.

Currently, 87% of the population lives in 'urban areas'; 81% live within 50km of the coast; and 86% of the land area holds just 2.3% of the population (p. 37). If there is economic incentive to live in a dusty, dry environment devoid of green trees and devoid of sandy beaches, then people will live there (eg mining operation, sheep station may currently offer a financial incentive to live in an outback area). The converse is true, and the great majority of Australia's population chooses to live close to the coast. If left unchecked, this preference will result in an unsustainable future for many small towns as people continue to desert these for the coastal lifestyle. The critical issues that emerge with the death of small towns is that mining and agricultural endeavours in the 86% of the national land area with just 2.3% of the population will become much more expensive to own and operate and the cost of living will then continue to increase for 100% of the people in the country. This is only one of the challenges we believe is yet to be fully appreciated our country's people, although the Issus Paper alludes to it.

This situation may be more easily understood, setting aside mining and agriculture influences. For example, Australia has very few policies in place that suggest there should be financial incentive to live anywhere else but within 50km of the coast where there are public transport, housing, job, health services and education alternatives. We have seen at what cost we allow this to happen in Australia this summer – floods that affect capital cities (Brisbane and surrounds) highlight poor planning, poor decision-making in many facets of city life.

In Broken Hill the flow on impact is high priced insurance for home and contents, businesses, vehicles and other property items, and acceleration in the price increases of basic goods and services that compose the cost of living – electricity, fresh food, petrol, freight – beyond what would normally be expected.

Being located 1,200km west of Sydney, without the constant noise of city streets, the smell of transport exhaust fumes, or the background gibberish caused by 24x7 media services, it is very clear to us that it is time for policy-makers to stand back and take stock of what problems have been caused by allowing, no, forcing the flood of people to the coast for the last several decades, without thinking through the risks.

From our perspective, there are policy settings that could have been adjusted to encourage populations to remain in rural areas. Policies have in the past been used to increase populations, eg families have been encouraged to have more or less children depending upon baby bonus payments, more immigrants can be welcomed to the country to fill skills shortages. Policies, combined with decades of poor decision-making concerning infrastructure and services, have forced regions like ours to shrink, lose businesses and people. Ultimately, with fewer voters in our region, there is less care amongst the organised political parties and the bureaucracy. Maybe this is a tad cynical and too simplistic, but the people in this region think this and say it often. Every member of the RDA Far West NSW committee is in receipt of these comments on a regular basis from people in our community. This matter is no longer an 'undiscussable' matter. We believe that the lack of support for our region in particular requires deep, serious consideration followed by prompt action to stem the people losses. In short, Australia needs to ensure policy is sensible and best fit for country, and not aligned with the number of votes.

The time is overdue to make policy adjustments to encourage people to relocate to less-populated parts of the country, and give financial incentive to those already there to remain. We agree that there are no 'silver bullet, simple single solutions' (p. 36) to these matters. For this reason we have a number of tailor-made suggestions that we feel are appropriate for our region.

We offer our region as a place to pilot test these creative, evocative yet relevant-for-region solutions. If successful, they may be adapted more broadly.

Following the National Forum of Regional Development Australia in Canberra, 3-4 March 2011, which was attended by Chairs and CEOs of the 55 RDA entities throughout Australia, it is clear to the RDA Far West NSW that the messages in this submission could be applied to many of the rural and remote locations throughout Australia. In particular, we are referring to the vast low-density population areas of remote South Australia, Queensland, the Northern Territory and Western Australia, the 86% of the country with 2.3% of the people. We all talk to one another and many of us have similar issues in our small towns. Many of our small towns can accommodate thousands of more residents which could inject new skills, social capital and community capacity into these areas. Infrastructure is under-utilised, vacant housing may exist in many cities (it certainly does in Broken Hill) and there is a pressing urgency in many of these locations for innovation and economic diversification (pegged to the National Broadband Network, for example).

In relation to Indigenous Australians, their so-called 'distinctive demography' (p. 37) is indeed a reality, especially in our region. One critical issue of note is that the demography, like the valley by valley approach being taken to address water issues in the Murray Darling Basin, requires a region by region approach to address the existing and emerging trends and concerns. In the RDA Far West NSW region, our Aboriginal and non-Aboriginal people have expressed many views about how to deal with emerging issues of relevance to sustainable

populations, economic participation, health solutions and many other ideas on suitable solutions to local problems. Few agencies appear to listen or dare to suggest or recommend change to existing programs even though these have clearly failed. Perhaps change may upset the applecart or perhaps innovative change is too 'courageous' and, as the television character Sir Humphrey Appleby may say...

"It is axiomatic in government that hornets' nests should be left unstirred, cans of worms should remain unopened, and cats should be left firmly in bags and not set among the pigeons. Ministers should also leave boats unrocked, nettles ungrasped, refrain from taking bulls by the horns, and resolutely turn their backs to the music."

The NSW Far West region has not seen innovative change to policies for years – the same old problems exist and the same solutions are wheeled out, just with different names and different delivery agents. The only people to benefit are those who can supply goods and services in line with strict terms and conditions of Government funding programs – consultants, hotels, airlines and hire car companies.

On the national scale, the issues paper similarly notes concern about our nation's geographic concentration in urban centres on the coast where 87% of the people are located. Our national leaders have expressed concern about this trend for decades - no policies are addressing the matter. The problems are now at crisis point and creating the complexity as noted in the issues paper. We don't need to imagine a tsunami through the Port of Brisbane or Mascot Airport, or an earthquake at Lucas Heights to understand the critical risks to the current population distribution.

We agree the time is now to make a difference and our region – Far West NSW – will continue to stir the hornets' nests and suggest policies that, if trialled and tested and proven satisfactory, will help to dissolve some of the impacts of unthinkable events.

Of the key issues raised in the issues paper, the following are salient for Far West NSW.

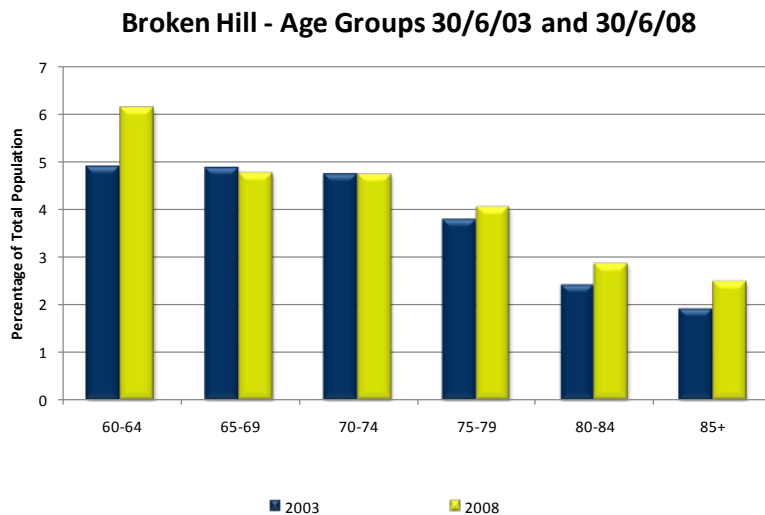
Ageing

The ABS data below, Graph 1, highlights rapid ageing in Broken Hill. These trends have serious impacts on our local Councils (Broken Hill City Council and Central Darling Shire Council) to continue to deliver adequate services to their citizens. It is a fact that most utilities and rates bills are discounted for pensioners – but the reality is that the cost of service provision has not decreased. Far West NSW has one of the highest median ages in NSW at 42.5 years, while the lowest median age was in Sydney at 35.5 years, and generally, the lowest median ages of many local government areas were in and around Sydney. High median ages were seen on the mid north NSW coast where retirees tend to relocate. The Advisory Panels need to understand that people in Far West NSW who can do so, physically and financially, are relocating – which is our region's loss. But those left behind are facing reduced health services as they enter a time in

their life cycle when the need for medical care increases (frequency of contact with health providers, and range of medical issues).

In Broken Hill, in 2009, ABS data shows that welfare and pension payments were received by 32% of the population (excluding payments relating to family, baby bonus). This compares to 32% in 2006. This is a serious issue for our region – the percentage is not changing in five years – what is changing? The base calculations show that the overall population is still shrinking. In 2006, the population was 20,131; in 2009 it was 19,960.

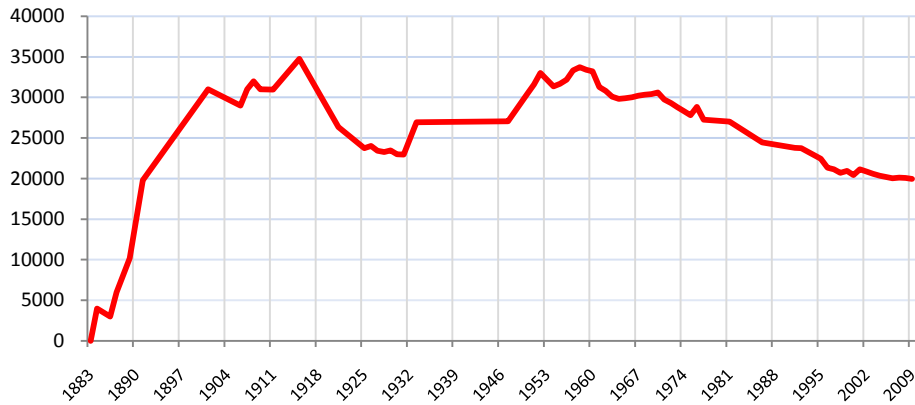
Graph 1 – Ageing Population in Broken Hill, NSW



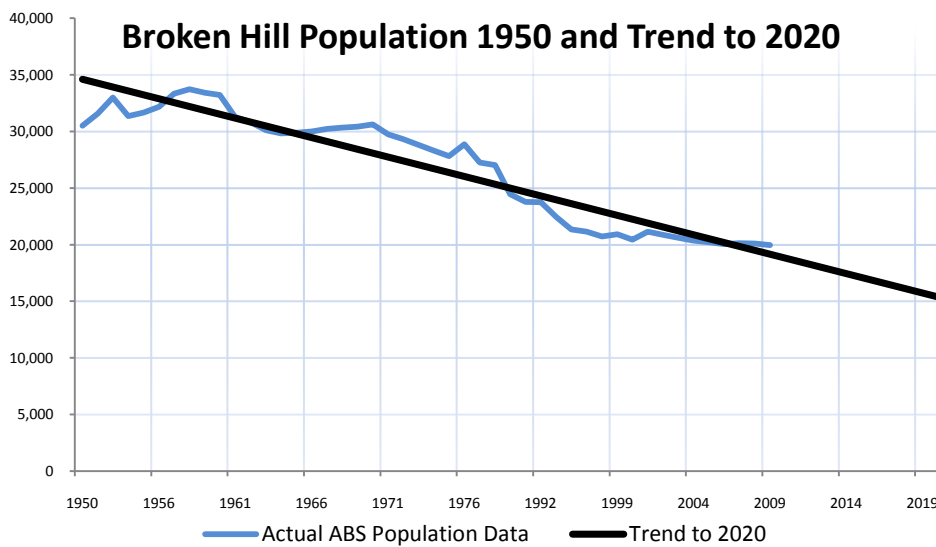
In fact, so serious is the population decline in Broken Hill that we graphed it for the period from 1883 to 2009. This is in Graph 2. ABS data has been used. The most significant times in the last 100 years' and 50 years' mining cycles can be clearly identified, reflecting periods of high recruitment, retrenchment, industrial automation, plus the impact of the declining resources. In Graph 3 we plot the trend line since the 1950s. Much of the remaining older population in Broken Hill are long term residents and many of them no doubt former miners.

Graph 2 – Long Term Trend in Broken Hill’s Population – 1883 to 2009

Broken Hill Population 1883 to 2009



Graph 3 – Population Trend in Broken Hill – 1950 to 2020



Graph 3 does not have to continue its downward trend. If we are fortunate, the mining industry will continue to survive and sustain the population at 20,000.

However, we cannot continue to put our future in the hands of commodity cycles for finite resources.

The RDA Far West Committee supports economic diversification to add more substance and alternatives to the local economy. We believe we can turn the trend line upwards with policy-setting interventions that are designed specifically for our region.

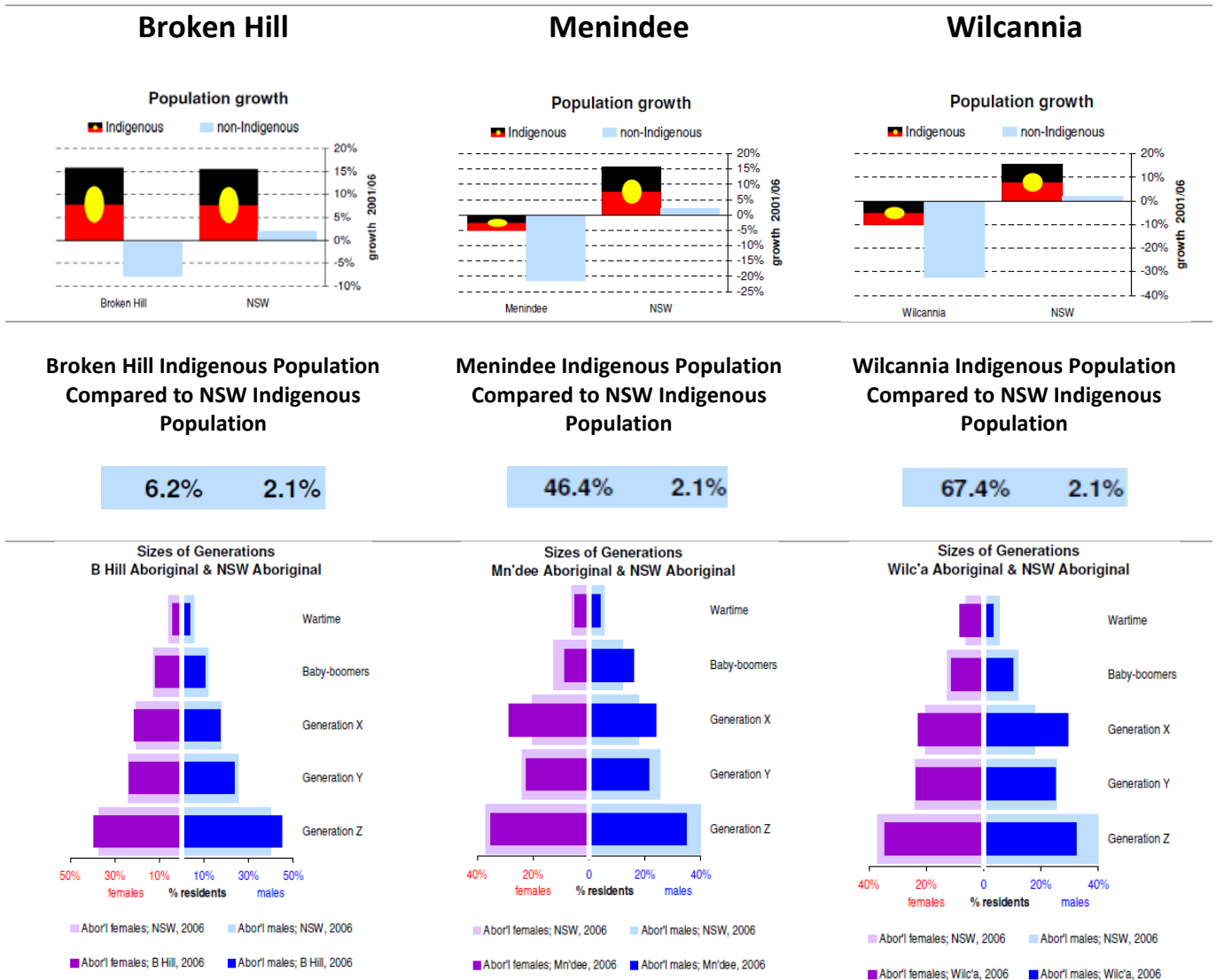
Indigenous Population

Broken Hill, Wilcannia, Ivanhoe and Menindee have significant populations of Indigenous Australians, relative within these communities to non-Indigenous, and compared to NSW overall. Table 1 data reflects population changes between the Census taken in 2001 and in 2006 for three of these centres. This data is well out of date and the trends are indicative only. Of critical concern is the very high level of welfare distributed in these communities, since job opportunities are limited and unemployment is very high, see Table 2.

In Broken Hill and in the Far West NSW Unincorporated Area, unemployment amongst all is 8.2%, three points above the national average. In Central Darling Shire, unemployment is 13.9% (Source: Small Area Labour Markets, September Quarter 2010). Indigenous unemployment in Menindee in 2006 was 42% when across NSW it was 19%. The reality is, many of the aboriginal people in the region want jobs and want to make a difference, they want to participate economically, and they want healthy, happy lives.

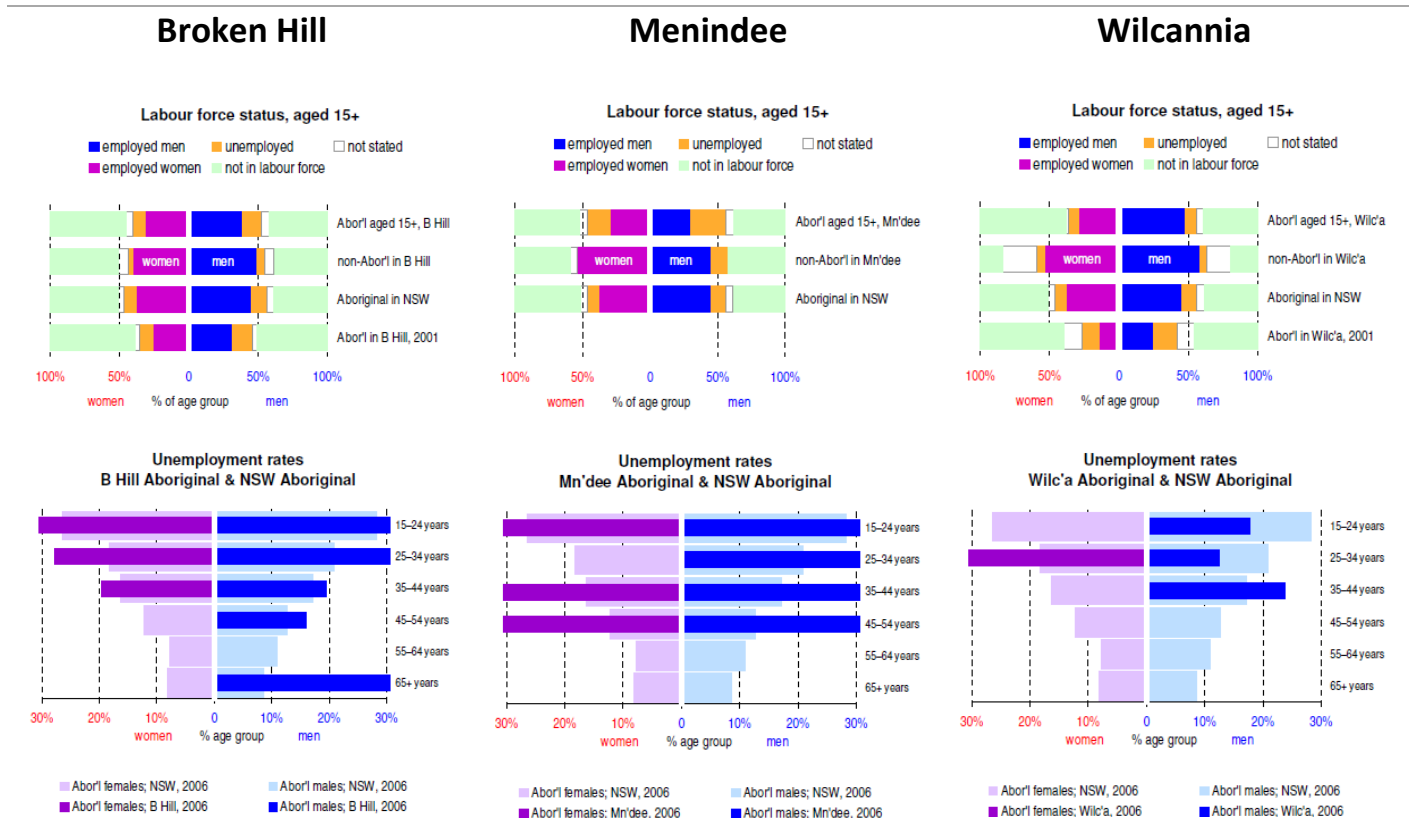
The current policies, and possibly the current attitudes and assumptions of decision-makers, located 1,000+ km away to the east, do not support the aspirations of Indigenous Australians. Table 2 highlights the unemployment data from 2006 in the Far West NSW region, but again, this data is well out of date and is indicative only. Anecdotally, however, the current unemployment situation amongst Indigenous people in the region has not changed since 2006 and is likely to have worsened.

Table 1 – Indicative Indigenous Statistical Data, Far West NSW Region, 2001-2006



Source: Community Portraits, Aboriginal Affairs NSW

Table 2 – Unemployment Rates, Far West NSW Region, 2006.



Source: Community Portraits, Aboriginal Affairs NSW

Social Inclusion

The young aboriginal people, aged 15 to 34 years, who are referenced in Table 2's lower section on unemployment, will have no future job prospects in the next four decades, if the leadership in the RDA Far West NSW region lets the status quo win. Similarly, without change agents forcing economic diversification in our region, the prospects for non-aboriginal people in our region are likewise limited.

The RDA Far West NSW Regional Plan has the following vision:

Far West NSW will be economically diverse and prosperous, socially inclusive, environmentally sustainable, innovative and creative.

To facilitate the vision, to include people throughout the region in this vision, we note there must be

- (1) Acceptance of the need for real changes in the region;
- (2) Significant shift of social attitudes, comfort zones;
- (3) Need for new skills to meet new aspirations and;
- (4) Recognition of the need for enabling technology (eg the National Broadband Network).

In the midst of the social inclusion comments, we digress briefly to highlight work which supports the approach to change being taken by the RDA Far West NSW. Tomaney's (2010) paper on place-based approaches to regional development¹ provides some inspiration for how regions can help themselves, with central government support. From this paper, we have derived support in the following key concepts.

KEY CONCEPT I

- Identify and mobilise endogenous potential of the region – ie encourage growth through local regions drawing on internal resources

ie Exploit local assets

KEY CONCEPT II

- Note the role of local/regional institutions in facilitating the regional economies – stable and lasting institutions are critical to economic development though they are likely to vary in nature between regions (whilst remaining within national context)

ie Facilitate change with local people and structures (empower locals)

KEY CONCEPT III

- Regional development policy should not just be about greater growth as measured by GDP but also about reducing inequalities; mobilising resources in lagging/peripheral areas may constitute a valid recipe for both greater overall growth and lower territorial polarisation, and may be necessary for the achievement of national wellbeing

- *[Further note: EU paper on "GDP and beyond" – GDP does not measure environmental sustainability or social inclusion; the EU is piloting an environmental pressure index and is looking at the feasibility of wellbeing indicators; plus there are other endeavours underway to assess alternatives to traditional GDP measures]*

ie Measure social, environmental health as well as economic growth

¹ Tomaney, J, 2010, *Place-based approaches to regional development: global trends and Australian implications*, Australian Business Foundation.

Unless these concepts are truly appreciated by Federal and State Governments the Far West region of NSW will struggle to progress initiatives and will continue to demand a disproportionate quantity of public welfare.

We also note that these concepts are yet to be reflected in public policy and grant funding opportunities. It is critical for our region that we can have a direct say in decisions that are being made about our region.

We no longer want to be passive observers – we want to be actively involved in the solutions and decisions about which solutions to which problems are most suitable.

Tomaney's concepts are foundation, touchstone attributes of RDA Far West NSW's strategies and plans and are reflected in how we have developed our change strategies (the regional plan) and the very difficult task ahead that we face in terms of bringing the Canberra- and Sydney-based policy-setters along with us.

By way of background and for the information of the Advisory Panels, we applied Tomaney's thinking to the processes deployed locally to develop our strategic plan. Our planning and strategy setting processes reflect the following notions from Tomaney's paper:

- Bottom up approach (fresh approach, data/evidence formed basis of change)
- Locally-designed and owned strategies
- There is a clear aim to improve the quality of human capital in region over time
- Innovation is vigorously promoted, pursued and relevant over time
- "Patient" investment funds are targeted – 'home-grown' sources identified, developed
- Endogenous asset use promoted rather than exogenous investments & transfers
- Growth opportunities exploited rather than consequences of decline ameliorated
- Human capital, innovative capacity improvements directly link to infrastructure quality, quantity
- Potential scale economies to be derived from local government cooperation, reform
- Local competitiveness focused on sustainable development, clever resource management

Key concept III, for obvious reasons, is extremely important to us as our regional strategies embody generational change, ie slow change. The existing economic hurdles are high (eg the local market has shrunk, higher energy and transport costs). Economic growth will be slow and fully at the mercy of national or global economic trends. There is a compelling case to firstly renew the social and environmental health of our region and relax on economic performance – economic arguments too often kill a good idea as short term returns are favoured always over long term sustainability.

In short, it is a grave concern among many in leadership positions in Far West NSW that the social and environmental health of this region has been allowed to suffer and become degraded, without tailor-made, public policy intervention that will reverse current trends, and

without consultation with key leaders. This is a key reference to the second dot point on page 46 and the dot point on top of page 51. The last two dot points on page 51 are significant for RDA Far West. Delay is not an option for this region, and we hope that the brief statistical presentation in this submission encourages you to realise the urgency in change for this region.

General Data

In researching background statistics in our region during compilation of the RDA Far West NSW Regional Plan, the data in Table 3 was presented to profile key centres in the region. Some data presents the affirmative case for living in regional centres (eg cost of median monthly mortgage or rent is lower), while other data supports the negative case (eg jobs are scarce, lower income can be expected). It would appear that financial incentives support people living in the Far West of NSW if they are paying off a house but encourage people to leave the region for jobs or higher incomes.

Historically, Broken Hill and surrounds are associated with mining. As we have seen, the city of Broken Hill housed 35,000 people around WWI, when mining activities were booming. Yet, in the 1800s, agriculture was the leading economic pursuit in the region, though remnants of the Darling River's paddleboat transport system for wool bales are now hard to come by. The Kinchega Station woolshed on the Darling River near Menindee, now included in the Kinchega National Park, has some preserved elements. In the 1880s, the discovery of lead, silver and zinc in the region changed the economic fortunes, not just in this region, but in many other parts of Australia. Over the years a combination of drought, climate change, over water allocation, and more drought, has lessened the contribution of agriculture and pastoral activities to the local GDP. Mining dominated the economy all through the 20th Century and for now, is continuing to do so in the 21st Century.

Mining's economic returns to the region, however, dropped off significantly in the last 50 years and the direct impact of this on the Broken Hill population over the last century reflects this. Early in the 1900s during times of high mineral exploitation, the population soared above 30,000, peaking at 34,700 by around 1915. In the 70 years until 1970, Broken Hill's population averaged 29,500. In the last 50 years, however, the population has declined due to economic downturns, redundancies, industry automation, price impacts and other cycles. Since 1970, Broken Hill's population has averaged 23,500. The ABS puts the population at 19,960 at present.

Table 3 – Social Characteristics, Far West NSW

	Broken Hill	Wilcannia	Menindee	Australia
Median Age (of persons)	42	31	42	37
Born Overseas (of total population)	4.5%	2.5%	6.5%	22.2%
English Only (spoken at home)	91.6%	91.7%	95.4%	78.5%
Median Individual Income (weekly)	\$334	\$275	\$317	\$466
Median Family Income (weekly)	\$829	\$630	\$637	\$1,171
Single Parent Families (of total families)	20.5%	22%	20.5%	15.8%
Average Household Size (persons)	2.3	3.2	2.1	2.6
Living in Houses (of all occupied dwellings)	90.9%	83.9%	87.6%	74.8%
Living in semi-detached dwellings	2.8%	7.0%	0.0%	9.2%
Living in flats or units	4.0%	0.0%	3.3%	14.2%
Dwelling fully owned (of private occupied)	48.9%	26.6%	45.1	32.6%
Dwelling under purchase	25.2%	5.5%	14.1%	32.2%
Dwelling rented	17.8%	53.8%	33.3%	27.2%
Median Mortgage (monthly repayment)	\$650	\$477	\$650	\$1,300
Median Rent (weekly)	\$110	\$87	\$50	\$190
Rented/Real Estate Agent (of total rented)	26.4%	0.0%	0.0%	50.5%
Rented/Housing Authority	9.4%	16.8%	12.7%	14.9%
Rented/other Landlord	58.2%	79.4%	80.4%	31.6%
Employed full-time (% of labour force)	55.2%	49.0%	57.1%	60.7%
Employed part time (% of labour force)	28.4%	28.6%	20.4%	27.9%
Stated Unemployed (% of labour force)	9.0%	10.6%	15.0%	5.2%

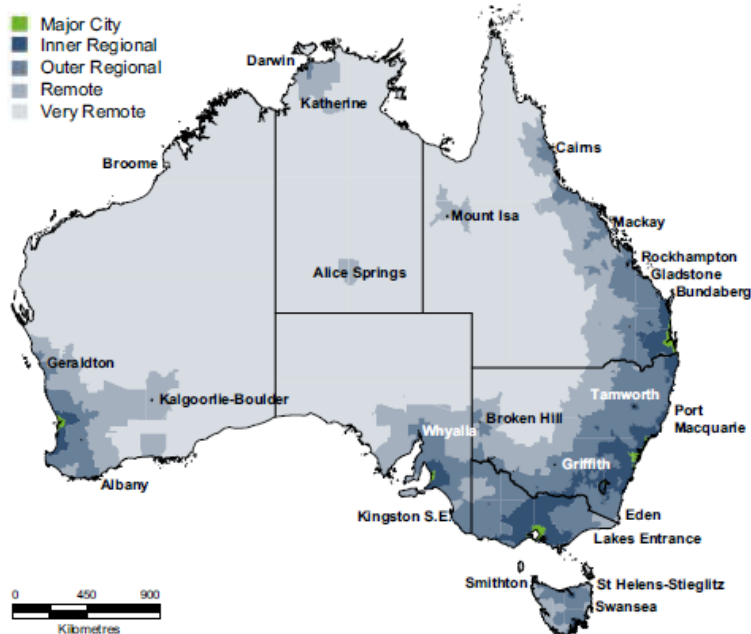
(Source: ABS, Census QuickStats, 2006)

A summary of more recent regional data is in Table 4. Our region has 0.1% of the nation's population and 2% of the nation's land area. Most of the region is classed as "remote" or "very remote" Australia (see Figure 1).

Table 4: Far West NSW – Overview

	Broken Hill City	Central Darling Shire	Unincorporated Area	Source
Population (National no. 21,955,256)	19,960	2,019	752	ABS 30/6/09
Unemployment 30/9/10 (National rate 5.3%)	8.2%	13.9%	8.2%	DEEWR 30/9/10
Land Area (National 7.7m km ²)	170 km ²	53,509 km ²	93,284 km ²	ABS 30/6/09
Population receiving welfare payments	31%	31%	29%	ABS 30/6/09
Newstart Allowance recipients >365 days (%)	57%	78%	n/a	ABS 30/6/09

Figure 1 Remoteness Classes in Australia, 2006



Source: BTRE, 2008

In 2008-09 Broken Hill had the second largest population decline in Australia after Mt Isa (and excluding the regions in Victoria affected by bushfires, ABS data). This was due to more than 400 redundancies at the Perilya Ltd mine in Broken Hill at the time of the global financial crisis. BITRE data shows that between 2002 and 2007, Central Darling Shire, classed as very remote Australia, saw its population decrease by 3.2%. But as we know from detailed analysis of our region, the decreases observed over many decades are much higher. It is nevertheless useful to look at Table 5 to gain some comparative perspective of the extremes in population increases and decreases experience in Australia during recent years.

Table 5: Local Government Areas – Fastest Population Increases/Decreases 2002-07

Fastest increases				Fastest decreases			
LGA	State	Remoteness Class ^b	Average annual growth rate (per cent)	LGA	State	Remoteness Class ^b	Average annual growth rate (per cent)
Perth	WA	Major Cities	9.8	Laverton	WA	Very Remote	-6.8
Capel	WA	Inner Regional	8.2	Dalwallinu	WA	Remote	-5.1
Melton	VIC	Major Cities	8.0	Bourke	NSW	Remote	-4.1
Ravensthorpe	WA	Very Remote	7.9	Anangu			
Melbourne	VIC	Major Cities	7.8	Pitjantjatjara	SA	Very Remote	-3.5
Wanneroo	WA	Major Cities	7.2	Richmond	QLD	Very Remote	-3.4
Weipa	QLD	Very Remote	7.0	Leonora	WA	Very Remote	-3.3
Wyndham	VIC	Major Cities	6.2	Central Darling	NSW	Very Remote	-3.2
Adelaide	SA	Major Cities	5.9	Coober Pedy	SA	Very Remote	-3.2
Thamarrurr	NT	Remote	5.9	Mullewa	WA	Remote	-3.2
				Blackall	QLD	Very Remote	-3.0

a. Table excludes LGAs with a population of less than 1000 in 2002. Population estimates for 2007 are preliminary.
 b. The majority of each LGA's population fits within the stated Remoteness Class (ASGC 2006 boundaries).
 Note: The ABS has broadened the categories of legislation used to define local government areas for statistical purposes to include the Indigenous Council areas in the states and the Northern Territory.
 Source: BITRE analysis of ABS Regional Population Growth, Australia, 2006-07 (Cat. 3218.0).

In numerous cases, mining activities are responsible for significant impacts on these extremes. People move into a region for mining work (eg Ravensthorpe, WA and Weipa, Qld) and leave when the jobs cease to exist (eg Laverton and Leonora, WA).

Obtaining relevant, good quality, 'pre-analysed' data about the changes in population for our far west NSW region has been challenging as data can be creatively grouped over different periods to present different pictures. ABS Census data is too infrequent to reflect key events.

But it is worth reviewing the maps of the local government areas throughout Australia at <http://www.regional.gov.au/local/publications/index.aspx> which puts our region into at least

the NSW and national perspective for the period 1997-2006. The data from immediate border areas, ie in Queensland and Victoria, and many other inland areas of Australia, are relevant. The uninhabited inner-continent is clearly visible. Also, growth in the Mildura City region of between 10% and 20% in this period is visible. We are concerned about the distortion this creates for our region, particularly in the context of the Murray Darling Basin Plan discussions. Mildura's growth occurs 300km to the south of Broken Hill and little benefit accrues directly to the far west NSW region.

The ABS describes Australia's centre as the average latitude and longitude around which the population is distributed. At June 2009, the centre was 48km east of Ivanhoe, in Central Darling Shire. The centre has moved 12.1km north-west in the last five years – reflecting population growth in NSW, Qld and WA.

The irony is that such remoteness exists so near to Australia's key south-east urban centres.

It is this relative closeness to large population centres and the "very remote" tag for much of the Far West NSW region which makes some of our strategies and business plans plausible and achievable.

Demographic Change and Liveability

The long term population trend in Broken Hill is shown in Graph 2. The trend line is downward over 50 years, see Graph 3, reinforcing the key point on page 49 that population change is incremental, and this is alarming for our region. Yet Graph 3 also shows that 10,000 people were lost to Broken Hill between 1970 and 2000.

That is, a third of Broken Hill's population was lost in a third of a century.

In many instances over the last decade, it was indeed a single incident (silver bullet) that impacted on population in Broken Hill. There are several sharp peaks in Graph 2 that show steep, swift corrections in population, resulting in the loss, or gain, of thousands of people in very short time periods.

We need to attract people to live in the region for longer periods of time than, say, a two year mining job contract – people who work and pay taxes, who can contribute to the social capital, who can help populate school rooms and sports fixtures on weekends, who can make festivals and pageants successful when they buy local crafts and produce. Each family lost from this region equates to lost community capacity.

To address the declines in liveability, our region is focused on two critical industry developments that will excite and enthuse young people and families – **ecotourism** and **technology**.

Ecotourism is centred on the Ramsar listing of the Menindee lakes.

Technology is centred on film and creative industries skills in Broken Hill and across the region; the NBN is critical for this and the roll out of the NBN in this region is most urgent and should be done now for social inclusion and community capacity building reasons, as well as for economic benefit reasons.

The Indigenous population trends (pp 78-79) are well understood in our region – there is a growing Indigenous population, high birth rate amongst single mothers, high populations of young Indigenous people who drop out of school and who are unemployed and remain unemployed for long periods, high mortality among adults and generally, a shorter life can be expected. Indigenous housing is sub-standard, basic amenities not provisioned, communications and internet access are much poorer in Indigenous communities, and substance abuse and suicide are critical issues. A successful Indigenous citizen (with job, income) normally struggles to continue to be able to succeed due to peer and family pressures to behave non-productively.

Consultants from the east arrive to fix the problems – but there is low esteem, little support for many programs from the local Indigenous population as the programs have been developed remotely, by persons who have failed to achieve local ‘buy-in’ for change up front. [This is a sample of some of the sentiments that have been expressed by frustrated Indigenous persons in the region].

We send specialist health staff into some regions (eg Menindee, Wilcannia) without adequate infrastructure support – eg anecdotes about nurses needing to stand on the main street in Wilcannia to receive a signal on mobile phones to be able to call home to their family because the housing doesn’t have a fixed line. Poor standard housing is also contributing to the lack of liveability for those sent to the region to help the other problems noted above.

The future focus of social policy for Indigenous people in our region needs to change as indicated (p. 79) but a critical part of that change is engagement of Indigenous people in the solution. Our Indigenous people want to be active participants in the solution-development process, not passive recipients of services that arguably have limited success. The lack of involvement and the disgust at the continuing lack of involvement leads to racial tension, accusations and frustrations that can be comfortably ignored in Canberra and Sydney offices, but prove to be a real challenge for regional workers and visiting consultants to handle.

As noted on p. 83, Australians are willing to move. The centre of gravity of the national population is just inside the Central Darling Shire boundary close to the township of Ivanhoe. Ivanhoe itself is a poignant example of how government policy has contributed to its population decline. A former Shire Mayor has previously argued that a policy decision to close down the Ivanhoe-based rail maintenance activities resulted in the immediate loss of many families and the associated loss of other families and businesses, and associated local provision

of goods and services. Tibooburra in the far north west of NSW has a similar story – in this case it was closure of road maintenance activities. The centralising of most government services, the bulking up of supply contracts and other questionable decisions have led to threadbare goods and services provision in many key centres. Taking away business incentive and opportunity from the regions has significantly contributed to the Far West NSW diaspora and no doubt in other regions too.

It should not be surprising to the Advisory Panels, then, that in Broken Hill, the Federal Government's most visible bricks and mortar representation is now Centre Link. Centre Link's business is doing so well here they have recently finished building and moving into their new premises. There is a Medicare retail outlet too.

The chart on p. 85 of the issues paper would have been more interesting if the quality of its reproduction showed the rural trends. However, we know the reality even without the chart. The BITRE map in Figure 1 of this submission tells the story. This is reflected in the table on top of p. 87 of the issues paper. The exercise too often brushed quickly over is understanding why population declines. As we have pointed out already, in a small town it can be direct policy intervention (ie removal of maintenance gangs for rail or road), and in a larger city like Broken Hill, with a single focus on mining, it can be due to a global downturn (eg financial crisis, 2007-09) and lack of economic diversification.

On p. 90, the issues of relevance to our region are working vs resident populations (with FIFO/DIDO mining personnel and government service delivery consultants) and temporary indigenous populations (the length of the Darling River is a social route for Indigenous people in Far West NSW).

A clear opportunity for the city of Broken Hill would be to provide residential base housing for existing FIFO/DIDO workers from Sydney or Dubbo (where there is an existing daily air service, or an eight hour drive to Dubbo). The city of Dubbo houses a great contingent of health workers and consultants who visit the Far West NSW region in prolific numbers. Policy-setting by State and Federal Governments could insist that at least some of these jobs become located in Broken Hill.

The air and road access to our region, and maintenance of associated infrastructure, is critical to existing economic activities. However, the expansion and diversification of our economy will hopefully bring additional improvements (more key road routes will eventually be sealed, more small airstrips upgraded to handle improved tourist numbers, the Broken Hill City Airport may gain strong Government support as a strategic location on the Australian air routes and be granted funds for its overdue upgrade).

We are comfortable that the 5 p's of ageing are addressed by our strategies (pp. 95-96).

Population – our ecotourism and technology strategies attract new people to our region because we put opportunity for jobs and income back on the table. We need dedicated policy-

setting to help make the decision to return or relocate to Broken Hill easier. For example, fast-tracking the NBN to our region will signal existence of opportunity and potential, the Ramsar listing of the Menindee Lakes will provide a positive investment climate and create a boost for new business opportunity that the market place is expected to take on board.

Participation – the strategies put skills development onto the table in ways that will excite and enthuse the region’s youth, and in ways that older people can contribute. Many older people would like to continue to work in order to stay busy, keep health issues at bay, and to earn an income. Not so many can afford to live on a pension and also cover costs of their volunteer efforts for community endeavours.

Productivity – the film studio and precinct will attract the world’s best film makers, and our local businesses will step up and increase service standards and business excellence; our plans also aim to attract relevant ecotourism investment and associated micro-businesses. We contend we have two dynamic, commercially viable new economic sectors on the cusp on development in our region (ecotourism and technology) that, without direct policy intervention, may not receive opportunity to flourish.

Preparation – our older people still have much to offer our community, especially in creative industries, customer service, tourism ventures, mining and services; they seek to economically participate in the targeted new industries. We need to generate reasons for our population to stay in place, ie proactive engagement with our older people, give them choices in region.

Place – a few years ago retirement homes were the biggest building investments on the horizon in Broken Hill. People in outlying towns are fraught with despair about where they will be located in their future years and who will look after them. Critical questions like this in our region have no obvious answers. However, we hope that additional, diverse economic activity in our region, eg ecotourism and creative industries/technology projects, will facilitate solutions.

In respect of children and young people, and their importance to economic development in Far West NSW, we place importance on providing a healthy future for the growing number of Indigenous people in our region. For all our youth, we seek to ensure that we meet the needs and interests of all our young people with our targeted, planned generational change in economic diversification.

Without specific policy intervention in our region, to facilitate this change, we condemn our region’s young people to an uncertain future. Who will be in the region providing jobs in 15 years’ time? Will the region’s population be such that it can continue to sustain the services in health and education as now, or will these have been further whittled away by 2025? Will our youth stay in region or flock to the coast? Will they be as healthy as other Australians or will their life expectancy be 10 years too short (p. 79)?

For this reason, the roll out of the NBN should not be left to economics alone. If one of the RDA's across Australia must be the last on the list of the 9½ year roll out program, then it must not be a region like ours, struggling to keep its youth in region.

In Canberra, at the March 2011 national forum of RDA Chairs and CEO's, the audience was told by Mike Kaiser, an NBN manager, that the roll out of the NBN can be facilitated by identifying and describing Telstra's assets and providing existing power infrastructure maps to the NBN Co, and also by skilling up people in region so that contractors have ready access to trained people. In short, to avoid being last on the roll out list and to avoid having the NBN rolled out in region in 2020, RDA's can facilitate speedier delivery by helping the NBN accumulate technical information as well as community engagement work.

This is an example of exactly the kind of policy intervention necessary to stop the population decline in our region. If Far West NSW is last on the NBN roll out list, we lose 10 years of the generational change program identified for now. That is, look again at Graph 3, and identify the potential issue we face by 2020. Another 5,000 people, on average, and in line with current trends, could be lost to this region by 2020 (assuming no mining boom in the interim). Without direct policy intervention and strong decision-making, this region may not be able to do very much with an NBN by 2020 – as by 2020 the population is highly likely to be the greater majority of baby boomers with another 10 years on them, while the likely occurrence of diaspora will see to the loss of youth, ambitious business people and professionals.

Broadband (high speed, high capacity) is of direct interest to youth. It provides them with mobility, entertainment, opportunity and social involvement. We already know now that the key jobs in 10 years' time are not yet known due to the rapid technological changes. The NBN project in the Far West of NSW underwrites our economic diversification quest; it will facilitate contemporary skills development, new investment in film, ecotourism, creative industries, and a host of other associated activities. Most importantly, the NBN project underwrites our region's health and education service delivery in the future. It opens opportunity for improved services, at less cost and in swifter time. The NBN delivers education opportunities to the youth in the region that currently don't exist.

Why does Government sanction that the Far West NSW region should compete with well-developed technology networks in the urban areas in highly populated coastal regions? Does this not perpetuate the problems that the Government is trying to unravel with a population strategy?

The type of policy intervention and strong decision-making that needs to be exhibited now, for a sustainable Australia, needs to be exerted in the roll out of the NBN. The unattractive sight of 55 RDA's jostling to be next on the list should not be allowed to occur. There are geographic areas of great need and we consider our Far West NSW region is one of them.

Tomaney (p. 12) says:

“...local and regional development policy should not just be about promoting greater growth, but also about reducing levels of inequality, and that mobilising resources in lagging and/or peripheral areas may constitute a valid recipe for both greater overall growth and lower territorial polarisation. More importantly ... tackling local and regional inequalities may be necessary for the achievement of national wellbeing.”

Also, on the same page:

“The European Commission ... has begun to examine the case for measuring progress “beyond GDP”.”

In pursuit of understanding the meaning of “beyond GDP”, on www.beyond-gdp.eu/ it was revealed that new indicators of success have been developed to be applied to countries. One of these is that of a ‘sustainable society’ – an indicator to be applied country-wide to ascertain if a society is sustainable. In the context of this submission, this and many other indicators in use by the EU, could be applied in Australia’s regions to compare relative results. We note with interest the definition of the sustainable society (used in this indicator) is a society:

- *that meets the needs of the present generation,*
- *that does not compromise the ability of future generations to meet their own needs,*
- *and in which each human being has the opportunity to develop itself in freedom, within a well-balanced society and in harmony with its surroundings.*

The five categories below, Table 6, identify the key components that constitute the sustainable society measure.

Table 6 – Components of the Sustainable Society Index

I Personal Development 1 Healthy Life 2 Sufficient Food 3 Sufficient to Drink 4 Safe Sanitation 5 Education Opportunities 6 Gender	III Well-balanced Society 10 Good Governance 11 Unemployment 12 Population Growth 13 Income Distribution 14 Public Debt	V Sustainable World 18 Forest Area 19 Preservation of Biodiversity 20 Emission of Greenhouse Gases 21 Ecological Footprint 22 International Cooperation
II Clean Environment 7 Air Quality 8 Surface Water Quality 9 Land Quality	IV Sustainable Use of Resources 15 Waste Recycling 16 Use of Renewable Water Resources 17 Consumption of Renewable Energy	

While Australia overall is considered to be a sustainable society by this measure, regions within Australia fall significantly short of expectations. The shortcomings of specific concern in our region are items in categories I (1, 2, 3, 4, 5, 6), III (10, 11, 12, 13), IV (15, 16, 17) and V (19, 20, 21) and many of these issues are captured in issue no 7, Social Inclusion, pp. 106-107.

As far as the NBN is concerned, the ongoing equal access to quality and diverse health and education services by the youth and others in our region is a major concern for our ability to maintain a sustainable economy into the future. See the map on p. 128 of the issues paper to assist in understanding the current education context for our region.

The second dot point on p. 123 of the issues paper cannot be achieved with substandard infrastructure, and specifically including the NBN. Jobs are essential to regional areas like Far West NSW, and this is why we see urgency in facilitating change via policy intervention and strong decision-making within Government. The region is currently a 'mining region' (p. 124) yet with so few mining companies in the region actually employing significant people, and the finite nature of mineral resources, the long-term mining link remains tenuous. Plus, as discussed previously, mass retrenchments can quickly cool the contributions of mining in the local economy, and as also mentioned previously, FIFO and DIDO is not just a mining phenomenon – it is currently used by Governments in delivery of many services in health and education via FIFO and DIDO consultants or staff who normally reside in Canberra, Sydney, Dubbo, or other urban, coastal centres.

We fully endorse the comments in respect of **tourism** and **technology**, and the need to achieve the 'inclusion dividend' through the involvement of Indigenous people in our region (p. 125). The RDA Far West NSW has developed specific strategies to capitalise on its arts and heritage resources. There is a strong local desire to successfully obtain a Ramsar nomination for the Menindee Lakes system to add scientific weight to the ecotourism aspirations. We have completed preliminary assessments of the ecological facts and discovered that the Menindee Lakes meets all nine criteria of the Ramsar Convention. The Indigenous involvement is fundamental to local regional success in ecotourism and many of the tourism products are intricately linked to Aboriginal art and culture. We have existing models of how this tourism can be packaged and marketed to maximise the involvement of local people.

In this section, our main point of difference with the issues paper concerns infrastructure. We believe that, apart from the NBN, our tourism and technology projects are free of excessive capital costs to upgrade existing infrastructure.

However, we acknowledge that over time the need to upgrade infrastructure will arise but by this time the dividends of increased economic activities in the region will support the commercial case for such upgrades.

The infrastructure needed to support these developments, we contend, will flow more naturally based on commercial realities, given the touchstone projects we flag as critical to our future economic development initiatives

– Ramsar listing of Menindee Lakes (ecotourism);
– world class film studio and tourist precinct in Broken Hill (technology/art/creative industries);
– and the enabling, supporting policy interventions we seek from Governments to address our specific needs in our region. The critical enabling projects are:

- (a) provide financial incentives for individuals to relocate to our region (zone rebate pilot study);
- (b) provide seed funding for businesses tailored to meet our region’s needs (granting of ‘DGR’ status to the Broken Hill Community Foundation);
- (c) form an alliance in Far West NSW to unite councils and the Unincorporated Area of NSW to benefit directly from collaboration, economies of scale;
- (d) specifically package incentives in the Far West of NSW directed at attracting investment in relevant industries that are suited to leverage the ecotourism/technology capabilities (by definition mining would not be included, but local horticultural endeavours would be included) – direct policy intervention and strong decision-making is necessary to support the economic incentives we want to put on the table;
- (e) various other supporting projects.

As can be seen, significant policy turnarounds are demanded by the RDA Far West NSW region in order for us to fulfil our vision for the area.

We ask that these enabling projects not be dismissed without a fair hearing!

Again, leaving the roll out of the NBN in our region to chance, based upon our ability to provide to NBN Co current infrastructure data, is far too uncertain and unpalatable. We need the strongest possible support from Government decision-making and purposeful, dedicated policy intervention.

This addresses dot point 2, section 3.11.6 on p. 134.

We believe that we can best deliver regional development in Far West NSW through enhanced environmental sustainability (Ramsar listing protects ecology of the Menindee Lakes against requirements of an internationally recognised treaty), enhanced economic productivity (the NBN is leveraged by film studio, tourist precinct, technology enabled new businesses in creative industries and flow on links to ecotourism) and enhanced liveability (fully engage our youth, our Indigenous, our older populations, retain existing businesses and professionals, maintain existing health, education and other social services).

We note with interest the second last dot point on p. 135 whereby HECS debt can be muted as incentive for professionals to relocate to remote areas. This is already being tested with medical professionals (www.doctorconnect.gov.au). We have a flagrant response to suggestions that only doctors or lawyers need to be reimbursed for their decisions to be located in these remote areas – why stop there?

Many of us in remote areas struggle to continue to live and work in the regions. There are complex positives and negatives to the argument, but we are curious about the need to discriminate on an occupation by occupation basis. We also need builders, bricklayers, gasfitters, teachers, and many others.

That is why we suggest the zone rebate pilot study. Zone rebates are administered by the Australian Taxation Office and are relevant to individual tax payers. Instead of applying, unfairly, incentives to doctors and lawyers, why not fairly apply the zone rebate in a meaningful way across residents in the Far West NSW region (pilot study) and witness the real impact and effectiveness on how well a region could be repopulated and reinvigorated.

This may help with the last dot point (p. 135). People may be more inclined to ‘stay in place’ if there is ongoing social and community amenity, quality health services and recreation facilities in their town. Over the last decade in Broken Hill, anecdotally, we all know people who left the region due to lack of ‘things to do’. If we build up our communities again, some of the retirement issues would surely take care of themselves.

The idea of ‘working ‘from a distance’ electronically’ and the FIFO/DIDO issues (p. 135) can be easily reversed so that people reside in regional cities like Broken Hill – but tough and targeted policy intervention is essential. The RDA Far West NSW believes the modelling of impacts of a pilot zone rebate scheme that offers significant and substantial tax benefits to the taxpaying residents of Broken Hill, Wilcannia, Menindee etc, will quickly cause renewed interest in relocating to our region. Moreover, the targeted industries and professionals can be more readily targeted. Our residential-based mining community is one of the few remaining in Australia (refer to dot point top of p. 137), and perhaps piloting a case study in Broken Hill could be good for other selected regions in future years, where there is no incentive to establish towns or communities, and where FIFO operations inevitably gain a strong foothold.

We urge the Advisory Panels to seriously consider this prospective enabling incentive that could help address many of our region’s critical issues in a reasonably rapid timeframe. This incentive is specifically tailored for our region, the city of Broken Hill in particular, which has a 120+ year history of continuous existence. It may not suit other mining towns where city infrastructure and facilities are not so grand and cherished.

This is a specific incentive that warrants consideration as a matter of urgency given our region suffers the prospect of unrelenting population losses in the future, without non-mining alternatives to boost economic growth.

We specifically seek urgent consideration of this incentive, given the problems identified in dot point 6 (p. 136). The experience of Ravensthorpe does not compare to the similar issues that have been experienced in Broken Hill. The crushing loss of citizens due to retrenchments and the rapid inflows of population due to excessive recruitment have been graphed and understood in our region (Graphs 2 and 3). Finite resources inevitably force a population trend line down if the economy is singly focused on mining. After celebrating mining in our region for 120+ years, we understand the inevitability of depletion of resources. Government now can make direct policy interventions for the benefit of our region, which support development of alternative industries, ie focused on ecotourism and technology. It does not have to be like Ravensthorpe in each mining community, every time the commodities market takes a dive. Planning and preparation, like we are attempting to do in Far West NSW, should help reduce the shock of such dramatic cycles.

Productivity and Prosperity

The critical comments we make support the vision and directions on p. 168. Every dot point on the page is relevant to our region. The vision is critical for our region as currently our society cannot be comfortably described as 'confident' given so much policy intervention and tough decision-making is necessary to provide that peace of mind. If projects we describe as enablers are not supported by Governments (eg DGR status for the Broken Hill Community Foundation, zone rebate enhancements to attract individuals to region), then our future is far less than confident. We need the support of dedicated, purpose-built policy and strong Government decision-making to turn the vision of RDA Far West NSW into a reality. We subscribe to a tailor-made policy application in our region as past policies have not worked, and some have clearly failed.

We echo the logic presented by the Advisory Panels concerning productivity and prosperity. We specifically note that we believe we have a clear and viable response to address the population growth projections (ie nil) seen in the map on p. 183. This is not the projection we want and we believe we are sitting on several multi-million dollar new industries in our region. Indeed, early modelling of ecotourism in the future Ramsar-listed state of Menindee Lakes, and detailed sensitivity analysis of the film precinct, supports these views. Our suite of projects and plans transcend political party lines. They can offer a real alternative for our region – all we need is policy intervention and strong decision-making.

We seek opportunity to talk further with interested parties about our change strategies, so that we can put life behind these inert words. Whilst we have an interest in the national population strategy, we are clearly focused on our region's survival and prosperity. We contend that our region may form the basis of future case studies and modelling for other regions in respect of how to more appropriately distribute the population across the nation. However, in the first instance, we require immediate growth in the population in our region, and our strategies and projects are designed to quickly achieve this. This supports the comments re economies of scale, p. 192 and the multi-speed economy, p. 196, the environment (chapter 8, pp. 230-235).

Sustainable Development

The critical issues for us in this Panel Report are:

- Acknowledgement of the pressures of population growth on the environment and society; and,
- Acknowledgement of the need for appropriate measures to ensure sustainability.

We feel our region has a sensitive and practical approach to ensure the best outcomes for our environment and its sustainability within the context of economic growth. We understand our environment is fragile and has population limitations. Our regional growth strategies do not involve huge tourism resorts or millions of visitors per year through film studio gates. Rather, our regional growth strategies reflect the making of tiny footprints in our sand as we take a journey on a sustainable growth path that sets up alternative industries to mining.

Appendices attached – sample proposals

1. The DGR status proposal description (regional enabler)
2. The Far West NSW Alliance proposal description (regional enabler)
3. The zone rebate proposal description (regional enabler)
4. The Menindee Lakes Wetlands Project proposal description (ecotourism diversification)
5. The Far West CITIES proposal description (creative industries diversification)

<p>Title:</p>	<p>1. BHCF – Attain ‘DGR’ Status [Broken Hill Community Foundation – Attain ‘Deductible Gift Recipient’ Status]</p>	
<p>Consultation:</p>	<p>RDA Far West Inc (NSW) Detailed consultation with BHCF Chair Vince Gauci, RDA Far West NSW Committee (resolution of the committee, dated 24 June 2010, “<i>That RDA Far West NSW pursue possibility to assist BHCF with obtaining DGR status</i>”).</p>	
<p>Proposal Description</p>		
<ul style="list-style-type: none"> • “Deductible gift recipient” (DGR) status is a specific treatment of money under federal taxation law that, if successful, enables the recipient, for example the Broken Hill Community Foundation (BHCF), to fund raise for contributions to its capital fund, offering contributors a tax deduction. • The BHCF is a local philanthropic entity that encourages economic and social sustainability of Broken Hill and the Far West region of NSW. Its board of directors are all volunteers. It has successfully raised capital over the years but would be more successful with DGR status. The BHCF, though, is aware that it has successfully raised capital because the cause appeals to contributors, for instance they may be former residents keen to support Broken Hill’s sustainability. • If the BHCF had more funds to invest in the region, there will be more expansion and growth in local business, more businesses established and more jobs created. This region lacks sufficient, dedicated funds to facilitate growth in this area. Credit via banks and finance agencies is tough and in many small business categories it is simply not available. • This is a complex issue and more detail on this can be provided upon request. • A key objection to prior requests for the attainment of DGR status is that “everyone will want it”. To circumvent this issue, which naturally puts Government off such generosity, we are proposing that the Government allow BHCF to have DGR status for a capped time period. In this case, the next 10 years. We recommend this timeframe based on the fact that the BHCF has proved it is a worthy and genuine cause with 10 years of experience in attempting to raise capital funds in a volatile market without DGR status. The demonstrated past experience shows that some support is now essential in order to meet future objectives in the BHCF’s commitment to sustainable economic development in Far West NSW. • Another prior objection is that DGR status is to be available to “charities”. The Far West NSW has experienced such a decline in population over the years that, of the remaining residents, about a third are welfare dependent. There is an economic argument for this region that suggests assisting the regional economy by assisting the BHCF makes financial sense as in the longer term there will be benefits like decreasing funds being assigned to welfare recipients in the region (less unemployed). • In short, an amendment to the relevant tax law in Australia is required to grant BHCF the status of DGR for a capped period of 10 years. At the end of this term, the BHCF and Government could review the performance of the two 10-year periods and perhaps use the data for future planning and roll out of similar community and economic development fund models in targeted areas, eg other mining communities which face mining redundancies, or specific parts of the Murray Darling Basin where irrigation does need to be pared back to promote other less water-intensive industries. 		
<p>What are the key outcomes of the proposal?</p>		
<p>The granting of DGR status to the BHCF for the capped period will help the BHCF achieve its objectives and in turn it will promote the RDA Far West NSW regional goals and business plan activities. The proposal will facilitate economic growth and employment generation. Specifically, key outcomes include:</p> <ul style="list-style-type: none"> • Solution to a business investment barrier could be resolved 	<p>RDA FAR WEST NSW BUSINESS PLAN 2010-11, ACTIVITY 4, 14, 21, 26, 27 OUTCOME #5 IMPROVED COMMUNITY AND</p>	

<ul style="list-style-type: none"> Investment is promoted in the region (new small business, new jobs) Diversification of investment in region can be encouraged <u>Government can test drive a community-driven investment funding model for future economic development in targeted regions of Australia.</u> 	<p>ECONOMIC DEVELOPMENT</p>
<p>Key Milestones</p>	
<ol style="list-style-type: none"> Stakeholder communications and consultations COMPLETED 2010 Presentations to Federal Ministers ASAP DURING 2011 The BHCF's DGR status to be approved and delivered in the 2011-12 Federal Budget through the necessary amendments to federal tax law By MAY 2011 	
<p>Proposal Cost</p>	
<p>Micro View There are no direct costs associated with this proposal that cannot be met by BHCF and RDA Far West NSW.</p> <p>Macro View Federal Government may forego revenue from a tax deduction offering, though this revenue can hardly be considered foregone when it does not exist without the deduction in place. This is a circular argument that should not affect the decision of Government to support DGR status for the BHCF. The 10 years' experience of the BHCF in attempting to raise capital without DGR status has confirmed that many sources of funds contributions have already been exhausted in the absence of further incentive. The greater cost of not having the DGR status is that the BHCF remains under-capitalised to fund business startups, to address the social and economic transition from a predominantly mining based economy to a more diverse economy, and the ongoing loss of human, social and intellectual capital from the region and increase in welfare dependency.</p>	
<p>Risks and Sensitivities</p>	
<ul style="list-style-type: none"> Based upon previous experiences in seeking this request from Government: <ul style="list-style-type: none"> Government will assume there is a key risk that the DGR status will be required "forever". The BHCF is happy to endorse a capped period to enable it to meet capital fund-raising targets. This means the DGR status expires 10 years into the future. This will enable the BHCF capital fund aspirations to be increased over this period. Government will assume there is a risk that "everyone" will seek DGR status and that Government will be inundated with requests. The key to the BHCF's eligibility for the DGR status is the demonstrated past 10 years of attempting to raise capital funds in the face of the harshest reality that faced the region at the time – the closure of the local Broken Hill mine. The Government could legitimately advise all future entities seeking DGR status to likewise demonstrate similar periods (ie 10 years) of proactive engagement of contributors for such causes prior to consideration for eligibility. The Foundation for Rural and Regional Renewal (FRRR) is an organisation with a DGR status. The BHCF acknowledges that FRRR serves a great purpose and indeed, the BHCF has benefitted from FRRR assistance. However, it is a Melbourne-Bendigo centric organisation and it does not guarantee local community input into its funding decision-making and in many grant funds' qualifying terms, the population base of Broken Hill precludes its eligibility for assistance as its population is greater than 10,000. Most grant funds are packaged into insignificant amounts. Also, FRRR makes it clear they will not guarantee that funds will be directed to particular geographic areas. For these and other reasons, FRRR is not the answer to rural or regional renewal in Far West NSW. 	

Title:	<h2 style="text-align: center;">2. Far West NSW Alliance</h2>	
Consultation:	<p>RDA Far West Inc (NSW)</p> <p>No consultation to date.</p>	
<p>Proposal Description</p>		
<ul style="list-style-type: none"> • The unincorporated area of NSW, Central Darling Shire Council and Broken Hill City Council (and possibly other councils in western NSW) attempt to achieve similar outcomes in the region and these activities can be more sensibly and efficiently aligned. • The vision for the economic diversification and growth in Far West NSW requires dedicated efforts, alignment of priorities. • Cost savings in some areas due to sharing or aligning of activities could be significant. • Elected representation may or may not be affected, but the current declining population in the area is causing an imbalance in current representation. Some parts of the region have more say than others. • No local authority in western NSW is profitable. Forming an alliance will help to achieve economies of scale. 		
<p>What are the key outcomes of the proposal?</p>		
<ul style="list-style-type: none"> • Effective and efficient use of resources • Fairer representation among the population • Absolute unity in regional priorities, goals • The best possible chance to achieve economic diversification, sustainable growth, and indeed all the regional goals for the Far West NSW region: <p>1. Broaden the economic base <i>Rationale:</i> Retention of existing industry and jobs is vital – but new investment will stimulate better use of under-used resources; a more stable workforce; broadening of the skills base; improved local goods and services; more sustainable community facilities; and the achievement of other economic, environmental and social objectives.</p> <p>2. Strengthen the infrastructure capacity <i>Rationale:</i> Although the region has key infrastructure in place, strengthening regional capacity to manage resources such as water and tapping into relatively new industries such as renewable energy and communication technology will enable the region to move forward – economically, socially and environmentally.</p> <p>3. Develop creative industries <i>Rationale:</i> A two-tiered approach to creative industries is required: (1) support to encourage the growth and sustainability of participants in existing creative industries such as art, tourism and film, and (2) attraction and development of ‘new’ creative industries with an emphasis on technological advancements.</p> <p>4. Improve the quality of life <i>Rationale:</i> A greater balance of service delivery is required across the region to address issues identified in unemployment data, demographics and social profile data – acknowledging that addressing these issues will have a positive impact on other regional issues and challenges.</p> <p>5. Engage the community</p>	<p>THE LOGIC WITHIN THE RDA FAR WEST NSW REGIONAL PLAN 2010-2020 AND RDA FAR WEST NSW BUSINESS PLAN FULLY SUPPORTS SUCH AN OUTCOME</p>	

Rationale: A socially inclusive region will seek to reduce disadvantage and increase participation in jobs, education, training and community activities. To achieve this, knowledge and information needs to be shared – and partnerships developed – so all sections of the community are engaged in the process.

Key Milestones

This proposal entails a broad conversation among all the key players in Far West NSW **TO BE COMMENCED AND CONCLUDED DURING 2011**

Proposal Cost

Micro View

There could be initial expenditure involved in alignment of policies, processes and systems.

Macro View

Savings from economies of scale could be derived longer term.

Risks and Sensitivities

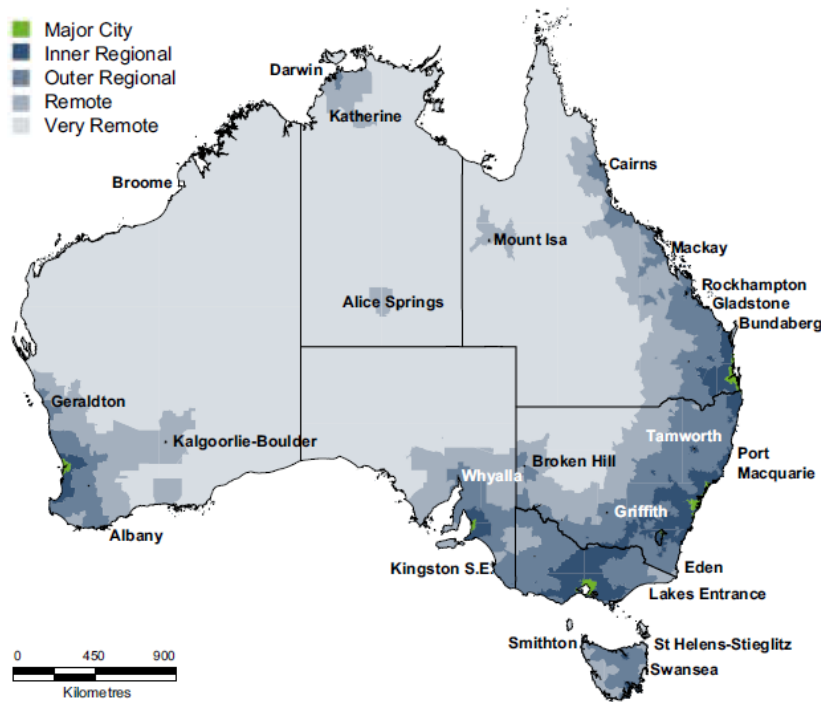
- Local political opposition. The argument for change is compelling given reduced population, inability of existing rates incomes to cover costs of service provision.
- Agreement on regional priorities will be difficult to obtain. This is unlikely as all parts of the region have expressed common themes in priorities to RDA Far West NSW during consultation in 2010.
- State and Federal political opposition. Why oppose something that makes sense, particularly if local leaders express support for it. Clearly if there is no local support then the proposal is canned.

Title:	3. Zone Rebate	
Consultation:	<p>RDA Far West Inc (NSW)</p> <p>Information was provided to The House of Representatives Standing Committee on Employment and Workplace Relations during its inquiry into regional skills relocation, dated 16 April 2010. This issue became popular in the media and was picked up by ABC Radio in regional NSW at the time, and also Desert Knowledge Australia in an online/teleconference hook-up linking many people across the nation. Broad support for the fundamental concept exists in regional Australia. There was a follow up interview following this submission, then a Federal Election, then complete silence. We raise this matter again as a solution to urban over-crowding, skills relocation.</p>	
Proposal Description		
<ul style="list-style-type: none"> • Difficult and costly to recruit and relocate necessary skilled and professional people to Far West NSW. • The population decline in Far West NSW has been over many decades. All our region's towns are in decline for various reasons, and long term downward trends are reflected in ABS data: <ul style="list-style-type: none"> ○ Broken Hill – due to ongoing mining boom-bust cycles, closure of Government services ○ Tibooburra –ever since RTA road gangs removed in the 1980s* ○ Ivanhoe – ever since Rail maintenance gangs removed since the 1980s* ○ Menindee and Wilcannia – ever since the Darling River started to dry up* • Unemployment is very high in our region Broken Hill nominally 8% or higher, depending on time of year; Wilcannia and Menindee in double digits, and over 20% amongst Indigenous population; data is variable, depending on when counts are performed and depending on how well data is reflected of reality. • With more unemployed and older people in our region, there is urgency to attract new residents to our regions – people who are able to work or start businesses in areas demanded by the region. • New families and younger people are urgently needed in our region to 'pick up the baton' where the current fatigued community leaders and volunteers are no longer able to continue contributing as they did in past years. This problem is common across our whole region. • The ZONE REBATE is already in place and in use by the ATO. It can be amended to reflect current data on remoteness and isolation that is in use by BITRE and compiled with data from the ABS (see Figure 1 at the end of this proposal). • The BITRE map shows in shades of grey the VERY REMOTE, REMOTE and OUTER REGIONAL areas that may be more deserving of consideration these days for a Zone Rebate. We suggest population change and density and distance from cities assist with definition of areas appropriate for a significant zone rebate. • Already, the Government targets doctors to regional and remote areas (see www.doctorconnect.gov.au). It is plain discrimination not to treat other skilled workers and professionals to the same areas. Where is the site for electricians, builders, plumbers, carpet layers, bricklayers, graphic artists, IT specialists? <p>*Community consultation general comments – precise years or timings may not be accurate.</p>		
What are the key outcomes of the proposal?		
A relevant Zone Rebate meets the top three goals contained in the RDA Far West Regional Plan – (i) Broaden the economic base, (ii) Strengthen the infrastructure capacity, and (iii)	RDA FAR WEST NSW BUSINESS PLAN 2010-11,	

<p>Develop creative industries, and it would also assist in achieving goals (iv) Improve the quality of life and (v) Engage the community. Without financial incentives, we cannot hope to rebuild the communities in our region. An annual tax incentive, that is significant, will assist.</p>	<p>ACTIVITY 20 OUTCOME #5 IMPROVED COMMUNITY AND ECONOMIC DEVELOPMENT</p>
<p>Key Milestones</p>	
<p>Suggest BITRE and the ATO collaborate to identify the size of the rebate for the bottom three shades of grey to attract significant zone rebates, but, since the outcome of such a clever-come-outrageous plan is unpredictable, submit the Far West NSW region, including the unincorporated area, BHCC and CDSC, to a test or pilot project over a set period of time, say three years. This could signal early successes and unresolved or unexpected matters prior to wider roll-out. TO BE COMPLETED AND IMPLEMENTED AT FEDERAL BUDGET 2011-12</p>	
<p>Proposal Cost</p>	
<p>Micro View Example: Australia's population is 22,560,586*. Assume 90% of this population is probably in the BITRE MAJOR CITY or INNER REGIONAL areas. 10% left is 2.26m. Assume three-quarters are not paying tax as they are children, students, retired, disabled, unemployed, mums or dads at home. If one-quarter is earning and paying tax, then there are about 560,000 possible persons in line for the BITRE area Zone Rebates. If say, \$50k was the incentive, which is not unreasonable compared to the offering for doctors, then cost to Federal tax revenues is \$28m. This would be relatively insignificant to the benefits gained by removing 560,000 people from cities. Also, there would be savings in regional and rural areas due to more jobs being formed and less welfare for unemployed or early retirement because there are no other options. The cost of this proposal in effect could very well likely net out to nil. However, some financial modeling should verify this – Treasury and ATO people could do this, ie no extra fees for consultants should be necessary. * http://www.abs.gov.au/ausstats/abs@.nsf/0/1647509ef7e25faaca2568a900154b63?OpenDocument</p> <p>Macro View Over time, the impact of a \$50k zone rebate which is significantly higher than the current miniscule amounts could be increased or decreased. [Note, the \$50k is the type of start figure suggested to make it significant and to get it to sell itself.]</p>	
<p>Risks and Sensitivities</p>	
<ul style="list-style-type: none"> • 'Gold-rush-like' behavior is exhibited as people flock to sensitive, vulnerable remote locations. There is room for only so many people in the Far West NSW region. Broken Hill could absorb another 10,000 people. However, Tibooburra could welcome only another few hundred. This is also the same for White Cliffs, Wilcannia, Menindee and Ivanhoe. There should be annual reviews to adjust the rebate to reflect needs. ABS census data is too infrequent. Jobs data and other metrics measured more frequently could be used. • Jealousy among targeted skills, professions. Local RDA committees are well equipped to identify needs via local consultation. • Modeling reveals \$50k to little or too much. Adjust the rebate to reflect the amount necessary to repopulate targeted inland areas like Broken Hill. The pilot program area can rectify inefficiencies. 	

FIGURE 1 BELOW IS SOURCED FROM "ABOUT AUSTRALIA'S REGIONS JUNE 2008" PUBLISHED BY BUREAU OF INFRASTRUCTURE, TRANSPORT AND REGIONAL ECONOMICS. DATA USED BY BITRE IS SOURCED FROM THE AUSTRALIAN BUREAU OF STATISTICS

Figure 1 Remoteness Classes in Australia, 2006



Note: Christmas Island & Cocos (Keeling) Islands are part of Very Remote Australia. Other external territories are excluded from the classification.

Source: ABS Australian Standard Geographical Classification: Remoteness Structure, 2006.

Examples of localities in each remoteness class

Major Cities of Australia:
Melbourne CBD, Newcastle CBD, Fremantle, Surfers Paradise, Noosa

Inner Regional Australia:
Hobart, Wodonga, Bunbury, Tamworth

Outer Regional Australia:
Darwin, Whyalla, Cairns, Swan Hill, Gunnedah

Remote Australia:
Alice Springs, Mount Isa, Port Lincoln, Esperance, Kununurra

Very Remote Australia:
Longreach, Coober Pedy, Tennant Creek, Ceduna

Title:	4. Menindee Lakes Wetlands Project	
Consultation:	<p>RDA Far West Inc (NSW)</p> <p>Detailed consultation with the Menindee, Broken Hill communities (Councils, Indigenous Elders, National Parks and Wildlife, many others) via specific public meetings and presentations, media discussions, stakeholder meetings. A key project partner is the Lower Murray Darling CMA.</p>	
Proposal Description		
<ul style="list-style-type: none"> • A Ramsar listing in the Menindee Lakes area will identify the site as being a Wetlands of International Importance. Environmental water flows are supported under federal law. • Protection of the lakes' unique ecological character will see environmental improvements in region. A review of past studies reveals biodiversity meets criteria for Ramsar listing. • Ramsar listings generally provide a boost for eco-tourism. The Menindee community seeks to develop a "boutique town" which flourishes on environmental tourism. Social and economic benefits are tremendous. • Further assessment of unpublished research relating to cultural and geological values may support a case for World Heritage listing – there are potential links to the Mungo area. • This is a difficult project involving communications with around 18 stakeholder groups and organisations. All have been communicated with and are now regularly engaged. • More information is available – research, the RDA Far West commissioned report, etc. 		
What are the key outcomes of the proposal?		
<p>The Menindee Lakes Wetlands Project meets all five goals in the RDA Far West Regional Plan. It is a catalyst for stimulation of the economy of Menindee and the Far West region through new investment opportunities and business start-ups. Key outcomes associated with increased investment are:</p> <ul style="list-style-type: none"> • Environmental restoration, preservation of the Menindee Lakes system, Darling River. • Quality of life improvements for Indigenous people in the Far West NSW region. • Sustainability of Menindee township, ensure services are available, economic diversity. 	<p>RDA FAR WEST NSW BUSINESS PLAN 2010-11, ACTIVITY 29, 30 OUTCOME #5 IMPROVED COMMUNITY AND ECONOMIC DEVELOPMENT</p>	
Key Milestones		
<ol style="list-style-type: none"> 4. Community Consultation (ascertain support) COMPLETED JULY-DEC 2010 5. Form Stakeholder Group COMPLETED 2010 6. Identify Interim Steering Committee COMPLETED 2010 (CONFIRM MENINDEE LATE MARCH 2011) 7. Perform Economic Valuation – "Future State" ASAP AWAITING CONFIRMATION TO PROCEED \$10K 8. RDA Far West/LMDCMA liaise (project needs, resources, timeline) UNDERWAY FEB-MAR 2011 9. DECCW Advice (process to proceed) BY MAR 2011 PERHAPS 10. Stakeholder Matrix (impacts & costs, high level) ASAP OR APPROX MAR 2011 11. Key Risks, Cost/Benefit Analysis PARTLY ADDRESSED IN ITEM 4; NEED TO PURSUE MAR-APR 2011 12. Communication with Stakeholders on costs/benefits/risks AIM FOR MAR 2011 MEETING, MENINDEE 		

13. Engage Project Officer to pursue stakeholder discussions on site boundaries **EOI DUE 11 FEB 2011**

14. Pursue grant funds to engage Project Officer **ASAP OR VIA GRANT PROCESSES MAY TO NOV 2011**

This project has moving milestones due to many stakeholders, resources constraints. No point documenting milestones beyond these fundamentals at this point.

Proposal Cost

Micro View

Item 3 – Interim Steering Committee – RDA Far West NSW has allocated \$6k for costs

Item 4 – Economic valuation by AEC Group is \$9.8k (Funds obtained – Fed Govt for MDB works)

Item 5 – LMDCMA may be able to divert some resources to assist in interim

Item 7, 8 – May require quote once the economic valuation is finished, say \$10k if same firm

Item 10, 11 – PO role is 6-12 months and could require up to \$150k (CDSC will provide office – other operational costs like phone, vehicle, PC will be funded via lease/hire)

Macro View

This project has the ability to invigorate economic activity and job creation in Menindee thereby relieving many social issues like unemployment, youth engagement, community sustainability, welfare dependency reduction, skills development and retention. Outcomes are based on social and environmental needs, and not just the pure economics of the “Future State” of Menindee due to a Ramsar listing.

Risks and Sensitivities

- The most critical risk is project rejection or lack of engagement by certain stakeholders due to lack of willingness to compromise. The key stakeholders likely to fall into this category are the Federal and State Governments who have commercial and operational interests. The treatment for this is open, transparent communication. In addition, the greater public good aspects of the proposal need to be constantly communicated amongst all stakeholders. Face to face discussions need to be facilitated, visits to Menindee to view the landscape and to envisage the future, speak with community members and so on are essential.
- Another risk is that scientific evidence fails to support a Ramsar listing at Menindee Lakes. The local community is convinced the science will meet DECCW’s/Ramsar Convention’s criteria and the RDA Far West has invested in a review of the science which supports the project and pursued consultation on this basis. However, DECCW will take a clinical approach and the outcome is as yet unknown. This risk can only be eliminated by DECCW.
- Loss of the key project driver (RDA Far West) too early is a project risk. The local Indigenous people need assistance and direction. They support the project but lack the project management and organizational skills and other resources to progress this complex and sensitive project. The RDAFW needs to continue to drive until the project picks up structure and resources.
- Lack of funds to engage the PO, or lack of ability to pursue other aspects of the project is a project risk. There are conflicting stakeholder interests within both Federal and State Governments. The project is easily snuffed by starving the project of funds and resources. The RDA Far West has no treatment in place for such outcomes and will continue to support the project in the best interests of the Far West NSW community until it becomes futile to do so.

<p>Title:</p>	<p>5. Far West CITIES</p>	
<p>Consultation:</p>	<p>RDA Far West Inc (NSW)</p> <p>CITIES are Creative Industries and Technology Incubator Enterprise Sites. This project has full support within our region and is particularly relevant to the Indigenous community as a means to socialise and engage youth. A presentation to the Wilcannia Community Working Party gained support and agencies within the region noted how this project could be integrated with other projects. The project has also gained the interest of a top-four bank from a corporate sponsorship perspective (Indigenous support). Many Far West NSW region community organisations have expressed support for this project.</p>	
<p>Proposal Description</p>		
<ul style="list-style-type: none"> • This project is highly technology dependent, leverages the NBN, addresses social inclusion matters in the region, and forms a platform for the future diversification of the Far West NSW economy with significant commercial upside. Yet, guidelines from Government and philanthropic organisations consistently deny project funding for such a project because capital purchase of hardware and software is required, ongoing O&M funds are needed and technology experts need to be recruited. • The project itself runs on the direction of a steering committee (called the “Virtual Team”). The following information is extracted from the RDA Far West NSW 2010-11 Business Plan: • Far West CITIES Virtual Team Formed Promote development of skills in creative industries and other contemporary technologies, targeting youth. Create opportunities for the region’s people to become technologically competent through trade events, training and skills development programs, and/or exposure to creative industries success stories. • Far West CITIES Targeted Skills Identified Liaise with education institutions to develop programs and recreational events of relevance to young people, which may operate within the schools system or as special programs during holiday periods. Focus on skills most relevant for industries that are deemed suitable, new or targeted for the region, including those relevant to film, tourism, art (graphic and performing), software, digital media, sport, entertainment, general commerce. Support both formal/institutional and free-form/creative learning styles. For formal styles, facilitate links between potential project participants located in the region, and a variety of education service providers, eg registered training organisations, TAFE facilities, universities, specialist providers, any of which may be located within the region or outside the region. • Far West CITIES Infrastructure, Sites Identified, Confirmed Locate building and facilities throughout the region, identifying buildings which are vacant, available for use, appropriate for purpose. Sites need to be capable of being linked to online services, and need to be available for linking with each other building or site. • Far West CITIES Funds, Sponsors Identified, Pursued Target industry/technology leaders for support, leadership, mentoring services. Invite them to become benefactors of Far West CITIES to support the growth and development of creative industries in Far West NSW. Promote the Far West of NSW as the site for Australian and international creative industry companies to form clusters and hubs. 		
<p>What are the key outcomes of the proposal?</p>		
<p>The Far West CITIES meets the first three goals in the RDA Far West Regional Plan and delivers a number of outcomes:</p> <ul style="list-style-type: none"> • A responsive, effective project team is established to drive and guide the development of creative industries. Flexibility is optimised via use of online collaborative tools consistent with the “geography is no barrier” regional theme. • The facilities promote development of identified skills, provide free-form learning styles and form 	<p>RDA FAR WEST NSW BUSINESS PLAN 2010-11, ACTIVITY – 45-48 OUTCOME #5 IMPROVED COMMUNITY AND</p>	

<p>links where possible to formal learning institutions.</p> <ul style="list-style-type: none"> • A number of building facilities are identified to house the project hardware and software. These are distributed throughout the region and can be accessed by any persons. • Increase potential for funding. 	<p>ECONOMIC DEVELOPMENT</p>
<p>Key Milestones</p>	
<p>15. Form Virtual Team TO BE COMPLETED DURING 2011</p> <p>16. Recruit specialist project manager TO BE COMPLETED DURING 2011 BY THE VIRTUAL TEAM/STEERING COMMITTEE</p>	
<p>Proposal Cost</p>	
<p>Micro View Item 2 above, technology recruitment and other project set up costs are estimated at \$200k. The short term funding is not for project feasibility so much as it is seen as a means to employ Government funds in an alternative way, especially in Wilcannia. This alternative way has the approval of Indigenous people in the region.</p> <p>Macro View Given the Indigenous content of this project, it is felt that funds from relevant agencies could facilitate this project over the longer term, especially in Wilcannia, a so-called RSD site. It is a key focus of the Project Manager to secure funds and sponsorship from Government, philanthropic organisations and individual corporations. Critical links with universities and the Robinson College and TAFE in western NSW must be formalised for ongoing support.</p> <p>Since this project is geared to become commercially viable in the long term, early links with key technology businesses is critical. The funding over the longer term is expected to reduce as income is generated.</p>	
<p>Risks and Sensitivities</p>	
<ul style="list-style-type: none"> • No funds – no project. • No NBN – no project. • Driver is RDA Far West NSW at present. This project goes nowhere until a Project Manager is recruited. A feasibility study for the project is not required. It is assumed that the Project Manager will assess the potential of this project in full and report on costs and benefits to the steering committee. • Lack of community buy-in. This project is supported by the community, Indigenous leaders, education stakeholders, social welfare agencies, employment agents, many others. A ‘trial’ of how technology engages the disengaged has been held in Broken Hill during 2010 and the results were remarkable. We seek to liaise with that project proponent to help Far West CITIES become a success amongst our region’s youth. 	