

**Submission
No 13**

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: Broken Hill City Council

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2 June 2017

The Chair
The Hon Greg Pearce MLC
The Legislative Council Standing Committee on State Development
Parliament of New South Wales
6 Macquarie Street
Sydney NSW 2000

Dear Mr. Pearce

**Legislative Council Standing Committee on State Development Regional Development
and a global Sydney**

Broken Hill City Council (BHCC) would like to thank the Legislative Council Standing Committee on State Development for the opportunity to lodge this submission in relation to regional development and a global city.

"More than once Broken Hill has been given five years (or less) to live. That dismal outlook has hampered the progress of the town. Those who have taken the bold and confident view and have acted upon it are the winners today and have been so all along. Let their children prove worthy of them." The Barrier Daily Miner, September 5, 1933.

Broken Hill is a leader in remote community resilience; where the community unites to tackle problems and a global perspective is applied to deliver broad prospects for economic participation.

To ensure that the National Heritage City remains an icon in Australia's contribution to the nation's heritage, Broken Hill has chosen to harness change to make sure our children and grandchildren are winners in a changing economy.

Our community understands the importance of economic diversity to guarantee a sustainable future for the City. A sustainable economy was by far the largest priority identified through the 2013 community consultative process, further acknowledging that

diversification is the 'key' to addressing challenges associated with the contraction of the mining industry.

With a slow decline in population (19,915 in 2005 to 18,856 in 2015) the emphasis the community has given towards a sustainable economy recognises the imperative to innovate, problem solve and create new opportunity in order to remain relevant in a global environment that is marked by rapid social and technological change.

The resilience paid off and in January 2015, Broken Hill was recognised as Australia's First National Heritage Listed City. International findings show that heritage listing 'sells' and can stimulate growth through the visitor economy and the attraction of investment and entrepreneurial opportunity. As part of a very elite club, there is potential to heighten the brand of Broken Hill to world status. Partnering with Sydney as global destination provides the State with the unique advantage to embrace the economic and social benefits of having Australia's only heritage listed City within its borders.

BACKGROUND

The NSW Western Region comprises of two (2) Local Government Areas. Broken Hill City and Central Darling Shire - and along with the unincorporated area of NSW covers an area of approx. 147,000 sq. km. It is well known for its mining heritage as the birthplace of the world's largest mining company - BHP.

The area is home to approximately 46 per cent of the population of the Far West. Most people (85 per cent) live in the strategic centre of Broken Hill, which is the largest centre in the Far West. A strong cross-border relationship exists with Adelaide (South Australia) and Mildura (Victoria) and a cross-regional relationship with Dubbo to access higher-order health, education, retail, commercial and transport services.

The Unincorporated Area covers around 40 per cent of the Far West region and surrounds, but does not include Broken Hill. It comprises predominantly pastoral lease-holdings and includes a number of small, dispersed settlements such as Silverton, Tibooburra and Milparinka.

The major transport and freight links include the Barrier, Silver City and Cobb highways and the Sydney to Adelaide rail route, which provide good links to Sydney, Melbourne and Adelaide. Broken Hill also provides a regular airline passenger service to Dubbo, with connecting flights to Sydney.

The economy of the area is underpinned by health and social services, mining, agriculture, tourism and renewable energy, with significant mineral deposits around Broken Hill (including iron ore, zinc, lead, cobalt and mineral sands), and meat and wool production. Broken Hill provides ancillary service industries to support agriculture and mining in the area.

Tourism also supports the economy, with diverse and unique tourist attractions including the very marketable status of being Australia's First Heritage-Listed City. Opportunities for capitalising on arts, heritage and culture-related tourism are significant. The area has an emerging renewable energy sector, with some of the highest levels of solar radiation in NSW and a 53 MW solar farm operating to the south-west of Broken Hill.

Broken Hill has experienced water security issues over many years, and a 270-kilometre pipeline will be constructed from the Murray River to Broken Hill to secure long-term water supplies. This infrastructure will open up opportunities for new development and new industries.

The area has diverse landscapes and environmental features, arid and semi-arid desert areas, inland freshwater lake systems at Menindee, and the Darling River and associated floodplain areas and tributaries.

The traditional owners of this land are the Barundji, Karenggapa, Wadilgali, Malyangaba, Bandjigalia, Wandjiwalgu, Wiljali, Danggali, Barkindji, Barindji and Wongaibon people, who maintain a strong and proud connection to country, which is celebrated through a variety of cultural heritage sites and experiences.

ABOUT BROKEN HILL

The City of Broken Hill is the largest regional centre in the western half of New South Wales. It lies in the centre of the sparsely settled New South Wales Outback, close to the South Australian border and midway between the Queensland and Victorian borders.

The nearest population base is Mildura in Victoria, 300 kilometres to the south on the Murray River. The nearest capital city is Adelaide, approximately 500 kilometres to the southwest.

Connected by air, rail and road and with all the facilities that one would expect of a regional city, the Far West NSW region relies heavily on Broken Hill for essential services and connectivity.

Broken Hill has been and still is a city dominated by the mining industry. With a population of around 19,000 people, Broken Hill is the economic and cultural hub of Far Western NSW. It still boasts a prosperous mining industry, a thriving services industry, and welcomes over 150,000 tourists per year. The need to diversify the economy and address changes in affordability of public infrastructure are both critical issues facing the Council.

Broken Hill's isolation is as much a strength as it is a challenge. This is Australia's longest lived mining city, where some of the world's major mining companies were founded on the richest mineral deposits and where safe working practices and workers legislation were first developed for miners in Australia. The city skyline is dominated by prominent mining structures along the Line of Lode, including a memorial to miners.

ECONOMIC PROFILE

The region is sparsely populated and has a diverse range of industries and economic environments. In 2015 the economic output for the Far West region was \$1,006 million (Gross Regional Product - Economy.ID, 2015).

Key sectors across the region include agriculture, accommodation and food services, health care and social assistance, retail, public administration and mining.

An analysis of the total exports by industry sectors in Broken Hill City in 2015/16 shows the three largest industries were:

- Mining (\$968 million or 81.5%)
- Electricity, Gas, Water and Waste Services (\$54 million or 4.6%)
- Accommodation and Food Services (\$36 million or 3.1%)

In combination these three industries accounted for \$1,059 million in total or 89.1% of the total exports by total industry in Broken Hill City.

The current unemployment rate sits at 7.98% (ABS Sept 2016 quarter*) which is higher than NSW's rate (5.0%) and Regional NSW (5.87%).

There are more than 980 registered businesses in the region (ABS 2015) with more than 7,400 jobs located in Broken Hill (NIEIR 2015*).

An analysis of the jobs held by the full-time equivalent local workers in Broken Hill City in 2015/16 shows the three largest industries were:

- Health Care and Social Assistance (952 full-time equivalent local workers or 15.1%)
- Retail Trade (807 full-time equivalent local workers or 12.8%)
- Mining (743 full-time equivalent local workers or 11.8%)

In combination, these three industries accounted for 2,502 people in total or 39.8% of local workers.

Broken Hill City's Gross Regional Product was \$0.93 billion in the year ending June 2016, declining -0.4% since the previous year.

Broken Hill seeks to bring together the wide range of community expectations and aspirations across the region into a single community strategic plan.

In response to community aspirations, Broken Hill City Council and its community has partnered with the Federal and State Government and private investors, such as BHP to create a series of future proofing projects such as, the Living Museum & Perfect Light Plan (urban design strategy), Civic Centre refurbishment, library technology upgrade and a Smart City roadmap. Each of these projects are underpinned by Council's strategic vision for the city that Broken Hill will be a safe, vibrant, prosperous and culturally rich City achieved through community leadership and sustainable management.

Using traditional approaches, Broken Hill City Council is unlikely to meet its responsibilities for the built environment, including energy, transportation, telecommunications, water and waste management, health and human services, public safety and finances. (Source: Smart Cities Council).

Regional Development Australia Far West NSW Regional Plan 2013-2023 recognises a number of competitive disadvantages that inform the region's reliance on investment in infrastructure:

- High fuel prices and its impact on tourism and household budgets compounded by relatively long travel distances
- Local Government's financial inability to maintain, renew and upgrade its assets to meet community expectations for infrastructure services into the future
- Underinvestment by the State and Federal Governments
- Telecommunications & broadband access and speed are grossly inadequate

Having to choose between raising rates or cutting services is neither palatable nor practical.

However, by thinking differently about how services can be delivered by leveraging the internet, cloud, mobile and social technologies, offers Broken Hill a real opportunity to avoid that choice.

Adopting the transformational opportunities and pursuing a 'proactive and strategic intervention' approaches will advance the strategy and corporate goals of Broken Hill, and make the region an even better place to live, work, play and invest.

BROKEN HILL CITY COUNCIL'S ROLE

It is Council's role to lobby for and deliver critical enabling infrastructure to encourage innovation and investment. In the economic development space, Council provides, advocacy, leadership and direction, partnering with other agencies to facilitate, encourage and maximise sustainable development economic opportunities with the expectation that the business will directly or, in some agreed circumstances, indirectly provide increased employment opportunities for the residents of Broken Hill.

SUBMISSION

The emphasis our community has given towards a sustainable economy recognises the imperative to innovate, problem solve and create new opportunity in order to remain relevant in a global environment that is marked by rapid social and technological change. It also marks a shift in community appraisal, recognising that, although technology has reduced the need for labour over the years, it has also delivered efficiencies and bridged the isolation gap. Technology paves the way to operate on a national and global scale and delivers far greater opportunities in education, tourism and business. Now the local community is not the only source market for our goods and services and we all see the clear need for digital communications to connect Broken Hill to the world and enable us to fully capitalise on the opportunities that this infrastructure creates.

In order to reduce our reliance on the mining industry, the community identified strategies that reflect a commitment and determination to expand our thinking and adapt to remain relevant in the world as it is today. This means building on existing economic platforms, like art, culture and tourism, and building on new opportunities such as technology, renewable energies and education. Not only must we seek prospects for new business investment, we must also encourage and support local entrepreneurialism and innovation as our economy transforms to meet new opportunity.

As caretakers of Australia's First Heritage Listed City, Council's Master urban design document - The Living Museum and Perfect Light Plan (LM+PLP) is the roadmap for Broken Hill's proactive and strategic intervention approach to future proof the City.

Combined with a Smart City Framework, it paves the way for future decision making that will achieve population growth, a vibrant, engaged and active day/night economy and a proactive and growing tourism offering known domestically and internationally as a must-do Australian experience.

The LM+PLP embraces innovation and entrepreneurialism at its core and this is key to the transformation of the economy. It is a strategy for the achievement of new urban designed spaces, technology, art, events and enterprises and identifies interventions that will place the City in an optimal position to attract new visitors, events, enterprises and activities.

Designed as a powerful intervention to disrupt the status quo, the LM+PLP is a strategic program of work that has been developed in consultation with the community and was adopted by the Council in June 2015. The LM+PLP is identified as a supply side factor to achieve growth of \$101.3m in the visitor economy by 2020 and is underpinned by a \$40m integrated infrastructure development program that connects various sites in the City and fosters creativity, inclusion and innovation.

The plan is a game-changer – moving Broken Hill's economic and psychological attachment to a resource-based economy and providing actionable strategies and

activities in a staged intervention and laying the foundation for communication with government and investors.

To achieve the vision, Council needs to be able to have access to all tiers of Government in a number of areas including knowledge sharing, industry expertise, information-sharing, marketing and funding.

Ensuring the regions benefit from the expansion of international trade, infrastructure, employment, tourism, innovation and research in the greater Sydney region.

The region has experienced economic stagnation and population decline due to traditional reliance on mining. Economic restructuring since the 1970's has provided gradual results and maintenance of a population at just under 19,000 residents.

Continuing down the 'business as usual' path will likely see continued population decline, cyclical reliance on the mining sector, a well presented but empty central trade area and a good tourism offering yielding variable visitation, but an overall declining share with a fragmented and 'self-find' tourism mix.

The current strategy calls for a broadening of the economic structure, in particular the development of the tourism industry, which requires significant investments on both the supply and demand sides. Tri-partisan government support and private industry investment is integral to successful transition of the economy.

Population projections indicate that the population would decrease by 20.2% by 2026 if there was not an aggressive strategic intervention.

Mining now represents only 10.4% of employment. Between 2010 and 2015, there was a 9.5% decrease in workers employed in the mining industry. During the same period, there was a 53% increase in employment in the tourism and hospitality industry. The 13.2% of people employed within retail trade and 9.7% in accommodation and food services reflects the City's diversification into areas such as tourism.

The LM+PLP intends to restore Broken Hill to its rightful place in the social fabric of the nation – uniting residents with visitors in Australia's first National Heritage Listed City.

The overall strategy calls for infrastructure and activation to re-purpose Broken Hill with dynamic urban art installations, sound and light technology, heritage preservation and enhancement.

Critical to the holistic approach being envisioned is the up-grade to the Broken Hill Airport (to handle larger jets and low-cost carriers); the development of a Broken Hill Archives (to preserve and present the history of Broken Hill in a compelling and dynamic way); a Leadership and Innovation Movement (to develop capacity within the community through education and exposure to global trends); a marketing and communications program (especially targeted to reach culture and heritage tourism audiences domestically and internationally).

Council has also recently provided a submission to the Australian Senate Inquiry into the relocation of government bodies to regional areas.

Relocation of services will strengthen relationships between City and Country and create a more holistic approach to the expansion of international trade, infrastructure, employment, tourism, innovation and research.

Identify the sectors of the economy that can provide the greatest opportunities for regional development, including forecasts for jobs growth.

The Far West has established a reputation for having a highly skilled and motivated workforce across a range of sectors, which is available to enable an easy transition for business relocation. Organisations in the Far West have successfully attracted key senior staff over sustained periods, who seek the idyllic regional lifestyle.

In a recent study undertaken by Regional Development Australia Far West looking at workforce development needs of the region respondents reported difficulties in recruiting staff. The survey found the most difficult occupations to fill included:

- Managers and other professionals reported as difficult by 28% of respondents with another 14% reporting attracting managers and professionals as not easy.
- Accounting and finance was reported as difficult by 19% and not easy by another 14%
- Sales and marketing was reported as difficult by 20% and not easy by another 20%, and
- Administration was reported as difficult by 14.3% and not easy by another 23.8% of respondents.

When asked about the main reasons for unfilled vacancies over 30% of respondents reported a shortage of qualified applicants. The survey further asked employers what skills and positions they envisioned being required in the next five years. Respondents reported a number of expected skill areas that would be required in the next five years, including;

- 43% of respondents reporting information technology
- 39% reported accounting and finance
- Another 39% reported administration, and
- Managers and other professionals was reported at 35%

In several categories respondents were asked to further clarify the type of skills within an industry sector. The responses included;

- Education – teachers, tutors and academics
- Health – Dentists, nurses and doctors

- Managers and other professionals – assets managers, project managers, business management, senior executives and strong leaders
- Other – Care workers, customer service, retail sales and tour guide

Sectors that can contribute to regional growth in Far West NSW include:

TOURISM

In 2015/16, the total tourism and hospitality sales in Broken Hill City was \$82.8m, the total value added was \$49.3m. Economic forecasting shows that when Broken Hill achieves its aim of doubling the value of tourism by 2020, it will create 651 new jobs in the city alone. This will have implications across regional NSW, with self-drive destinations end-route that rely on Broken Hill to attract tourists to visit the Far West NSW footprint and beyond. By maximising established and new relationships with universities and other global archiving/museum/heritage institutions world-wide through educational opportunities at the Country University Centre (announced in 2017), the LM+PLP will come to life.

INNOVATION - (Renewable Energy Studies and Smart Community Technologies)

Around the world cities are setting targets and creating strategies to become renewable. For many the goal of getting 100% of their energy from renewable sources is decades away. Broken Hill is there! AGL's Broken Hill Solar Plant (the second largest installation of its kind in Australia) feeds enough energy into the grid each year to power the city's residential power needs more than two and a half times over. The Silverton Wind Farm (currently under construction), also an AGL initiative, will further bolster the region's renewable industry by generating up to six times the amount of electricity that the solar plant produces.

From a Smart Community perspective Broken Hill has strong potential to be a leader. The region is a good value proposition for the increasing number of people looking for a "tree change" with the opportunity for connectedness and community engagement. Broken Hill is fortunate to have many of the fundamental elements for lifestyle, economic growth, sustainability and social cohesion in place.

The LM+PLP, is the roadmap for Broken Hill's proactive and strategic intervention approach. Combined with the Smart City Framework, it paves the way for future decision making that will achieve population growth, a vibrant, engaged and active day/night economy and a proactive and growing tourism offering known domestically and internationally as a must-do Australian experience.

Telstra research and global experience suggests Smart technology investments generally return \$3.30 for every \$1 contributed. Although this is aggregated across many implementation environments, the returns are nonetheless compelling.

Council has established strong strategic partnerships to assist with the transition of Broken Hill to a Smart Community and has, or are in the process of introducing a number of new technologies including:

- Citywide Public Wi-Fi
- Smart Parking Pilot at Airport
- Smart lighting and CCTV Pilot in Sturt Park
- Civic Centre Smart Technology and Remote Conferencing Upgrade
- Upgraded fibre network connectivity

Telstra investment to enable the internet of things through the exchange (the platform for smart technology integration).

Attracting and retaining skilled workers in these areas will be essential for the growth of these sectors having a direct impact on the City, Regional, State and National Economy.

Broken Hill will call on the expertise and resources of its City cousins in Sydney to help us make this happen.

National Economics (NIEIR) - Modelled Series computes that the direct addition of 20 jobs in the Professional, Scientific and Technical Services sector of Broken Hill economy is estimated to lead to a corresponding direct addition of \$2.98m in Output from the local Professional, Scientific and Technical Services sector. The combination of all direct, industrial and consumption effects would result in total estimated rise in Output of \$5.48m in Broken Hill City economy, representing a an output multiplier of 1.84 and add value to the wider Australian economy to the tune of \$2.45m in Output.

The combined effect of economic multipliers in Broken Hill and the wider Australian economy is estimated to be \$7.93m added to Australia's Output. It would also lead to a further increase in indirect demand for intermediate goods and services across related industry sectors. These indirect industrial impacts are estimated to result in an additional eight (8) jobs, representing an employment multiplier of 1.41.

The combination of all direct, industrial and consumption effects would result in a total estimated increase of 33 jobs located in Broken Hill City. This represents an employment multiplier of 1.66 and a value add to the wider Australian economy estimated to be an addition of 41 jobs.

Impact on value added would have a corresponding direct increase in value added of \$1.43m. A further \$0.76m in value added would be generated from related intermediate industries. These indirect industrial impacts represent a value added multiplier of 1.53 and a value add through consumption effects as correspondingly more wages and salaries are spent in the local economy. It is estimated that this would result in a further increase in value added of \$0.41m.

The combination of all direct, industrial and consumption effects would result in an estimated addition in value added of \$2.59m in Broken Hill City economy, representing a value added multiplier of 1.82 and to the wider Australian economy to the tune of \$1.01m in value added.

The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be \$3.60m added to Australia's value added.

In summary, GRP in Broken Hill City is estimated to increase by \$2.59m. The effect on the Australian economy (including Broken Hill City) is estimated to be a growth in Gross Domestic Product (GDP) of \$3.60m.

EDUCATION

In May 2017, the NSW Government announced \$8m commitment to the establishment of Country Universities with Broken Hill being identified as a site for development by 2018.

Building a workforce for the future and developing comprehensive career pathways are critical to the growth, sustainability and economic diversity of the Far West region.

Providing locally supported tertiary pathways within the region is now more important than ever. The region's economy is diversifying, however options to increase access to education pathways have not enhanced to meet the current and future demand of the region's workforce, and provide additional opportunities for our young people to remain in the region.

Currently, individuals wishing to enrol in tertiary courses either undertake a distance learning model or move to a city with a university campus that offers the courses they wish to access. In NSW the closest options for face to face university delivery options are Dubbo, almost 800km's from Broken Hill or Bathurst at 950km's from Broken Hill. Students could opt to move out of the state and enrol with La Trobe in Mildura, Victoria, 300km's away or Adelaide in South Australia, 500km's from Broken Hill.

These options are often not suitable for the region. Students completing their HSC and seeking to further their education through face to face delivered tertiary pathways must leave home, and in the case of the far west often move states.

The CUC will deliver on the need to provide local higher education opportunities for a regional and rural community with a higher than average proportion of low socio-economic students. In doing so:

- Reduce the migration of intellectual and economic capital from Far West NSW to urban areas;
- Supply a local workforce with university qualifications locally, without having to design incentive packages to attract those people to Far West from outside the area and;
- Students can design university research tasks around local challenges and opportunities, to the benefit of the whole community.

The future regional infrastructure program, the LM+PLP projects and the Smart City interventions provide opportunities to partner course opportunities with practical experience. Educational opportunities include: Project Management, water resource and renewable energy construction and management, computer sciences, computer engineering / data analysis, professional development for educators on the SMART solution to specific k-12, Photovoltaic (PV) technology etc.

A direct addition of 10 jobs in the Tertiary Education sector of Broken Hill City economy is estimated to lead to a corresponding direct addition of \$2.18m in Output from the local Tertiary Education sector. From this direct expansion in the economy it is anticipated that there would be a flow on effects into other related intermediate industries, creating a further increase of \$0.60m in Output. This represents an employment multiplier of 1.28.

There would be an additional contribution to Broken Hill City economy through consumption effects as correspondingly more wages and salaries are spent in the local economy. It is estimated that this would result in a further increase in Output of \$0.74m.

The combination of all direct, industrial and consumption effects would result in total estimated rise in Output of \$3.53m in Broken Hill City economy, representing an output multiplier of 1.62 and add to the wider Australian economy to the tune of \$1.55m in Output. The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be \$5.08m added to Australia's Output.

It would also lead to a further increase in indirect demand for intermediate goods and services across related industry sectors. These indirect industrial impacts are estimated to result in an additional three (3) jobs, representing an employment multiplier of 1.29.

This addition of jobs in the local economy would lead to a corresponding increase in wages and salaries, a proportion of which would be spent on local goods and services, creating a further four (4) jobs through consumption impacts.

The combination of all direct, industrial and consumption effects would result in a total estimated increase of 17 jobs located in Broken Hill City. This represents an employment multiplier of 1.74 and a value add to the wider Australian economy creating a further five (5) jobs.

The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be an addition of 22 jobs.

The direct addition of 10 jobs in the Tertiary Education sector of Broken Hill City economy would lead to a corresponding direct increase in value added of \$1.33m. A further \$0.28m in value added would be generated from related intermediate industries. These indirect industrial impacts represent a value added multiplier of 1.21.

There would be an additional contribution to Broken Hill economy through consumption effects as correspondingly more wages and salaries are spent in the local economy. It is estimated that this would result in a further increase in value added of \$0.36m.

The combination of all direct, industrial and consumption effects would result in an estimated addition in value added of \$1.96m in Broken Hill City economy, representing a value added multiplier of 1.48 and a value add to the wider Australian economy to the tune of \$0.63m. The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be \$2.60m added to Australia's value added.

In summary, GRP in Broken Hill City is estimated to increase by \$1.96m. The effect on the Australian economy (including Broken Hill City) is estimated to be a growth in Gross Domestic Product (GDP) of \$2.60m.

BUILDING, CONSTRUCTION AND ENGINEERING

With \$700m of confirmed infrastructure projects in renewable energy, water security, health facilities, heritage and arts and culture, Broken Hill offers boundless opportunities for savvy developers.

A conservative estimate of 25 new longer term jobs in this sector is estimated to lead to a corresponding direct addition of \$5.56m in Output from the local Building Construction sector.

The combination of all direct, industrial and consumption effects would result in total estimated rise in Output of \$10.51m in Broken Hill City economy, representing an output multiplier of 1.89 and an impact on the Australian economy to the tune of \$4.32m in output. The combined effect of economic multipliers in Broken Hill and the wider Australian economy is estimated to be \$14.84m added to Australia's output.

The combination of all direct, industrial and consumption effects would result in a total estimated increase of 48 jobs located in Broken Hill City. This represents an employment multiplier of 1.94 and adds to the wider Australian economy creating a further 13 jobs. The combined effect of economic multipliers in Broken Hill and the wider Australian economy is estimated to be an addition of 62 jobs.

The direct addition of 25 jobs in the Building Construction sector of Broken Hill City economy would lead to a corresponding direct increase in value added of \$1.21m

The combination of all direct, industrial and consumption effects would result in an estimated addition in value added of \$3.22m in Broken Hill economy, representing a value added multiplier of 2.67 and add to the wider Australian economy to the tune of \$1.72m in value added.

The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be \$4.94m to Australia's value added.

In summary, GRP in Broken Hill City is estimated to increase by \$3.22m. The effect on the Australian economy (including Broken Hill City) is estimated to be a growth in Gross Domestic Product (GDP) of \$4.94m.

AUSTRALIAN HERITAGE HUB

Broken Hill already has a firmly established reputation as a heritage and culture hub, recognised by its National Heritage Status. Maximising established and new relationships with universities and other global archiving/museum/heritage institutions world-wide

through educational opportunities at the Country University will grow the region's profile as a centre of excellence in Heritage. There is an opportunity for Broken Hill to join Trade Delegations to promote the diversity of the State's investment value.

The direct addition of 10 jobs in the Heritage Activities sector of the Broken Hill economy would lead to a combined impact all direct, industrial and consumption effects would result in a total estimated increase of 21 jobs located in Broken Hill City. This represents an employment multiplier of 2.07.

The combination of all direct, industrial and consumption effects would result in total estimated rise in Output of \$4.40m in Broken Hill economy, representing an output multiplier of 1.64 and would flow outside the region to the wider Australian economy to the tune of \$2.51m in Output. The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be \$6.91m added to Australia's Output. It would also lead to:

- A further increase in indirect demand for intermediate goods and services across related industry sectors estimated to result in an additional seven jobs, representing an employment multiplier of 1.73.
- A corresponding increase in wages and salaries, a proportion of which would be spent on local goods and services, creating a further three jobs through consumption impacts.
- Industrial and consumption effects in the wider region - eight jobs.
- The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be an addition of 29 jobs.

The combination of all direct, industrial and consumption effects would result in an estimated addition in value added of \$2.18m in Broken Hill economy, representing a value added multiplier of 1.57. Effects would flow outside the region to the wider Australian economy to the tune of \$1.04m in value added.

The combined effect of economic multipliers in Broken Hill City and the wider Australian economy is estimated to be \$3.22m added to Australia's value added. In summary, GRP in Broken Hill City is estimated to increase by \$2.18m.

How collaboration between levels of government, non-government and private sectors can assist the regions to benefit from Sydney's global position.

The LM+PLP is the blueprint to start strategic and interesting conversations between Broken Hill, governments and investors. Council recognises that to maximise the leverage of the National Heritage Listing proclamation and become a global destination, tripartite partnerships for economic development involving the three tiers of Government and partnerships with private investors will be vital to its success.

Developing those strategic relationships however, requires significant forward planning and a strategy that defines decision making and purpose. The LM+PLP cradles Council's forward thinking and underpins an integrated approach to the City's economic transition and sustainability.

Designed as a powerful intervention to disrupt the status quo, the plan is a strategic program of work that has been developed in consultation with the community and was adopted by the Council in June 2015.

The LM+PLP is identified as a supply side factor to achieve growth of \$101.3m in the visitor economy by 2020 and is underpinned by a \$40m integrated infrastructure development

program that connects various sites in the City and fosters creativity, inclusion and innovation.

The plan is a game-changer – moving Broken Hill's economic and psychological attachment to a resource-based economy and providing actionable strategies and activities in a staged intervention but will not succeed without the support of State and Federal Governments and private investors.

The plan has been recognised by State and Federal Governments and private investors as providing a clear and bold vision for economic sustainability. Recent Federal and State funding and private investment into the region has resulted in significant period of activity and development in Broken Hill, particularly relating to mining, agribusiness, land and water management, renewable energy, tourism and human services.

Major project funding committed to Broken Hill includes:

- \$500m - NSW Government 270km Murray to Broken Hill water pipeline
- \$3.905m - NSW Government's Resources for Regions to transform YMCA into an Integrated Health Facility
- \$30m – NSW Health Broken Hill Health Service redevelopment
- \$200,000 – NSW Government to host an Argent Street Sculpture Symposium in 2017.
- % of \$8m NSW Government – Country University Centre

It follows other recent announcements such as \$5.2m from the State's Resources for Regions program to refurbish the Civic Centre. Private investment is also driving significant economic activity and boosting public confidence. These include:

- \$5.7m from the BHP Billiton Foundation (BHPBF) for the construction of new Broken Hill Archives and the Mineral and Art Intersection project.
- \$460m – AGL Silverton Wind Farm project that will be built in the Barrier ranges near Silverton, just outside of Broken Hill. The Wind Farm will further bolster the region's renewable industry by generating up to six times the amount of electricity that the solar plant produces.
- \$166.7m from ARENA combined with \$64.9m from the NSW Government to build the AGL Solar Plant

Mining also continues to play a significant role in the regional economy and includes successful exploration and/or mining of gold, mineral sands, iron ore, silver, lead and zinc and potentially uranium.

During the past 12 months, three major mining companies - Carpentaria Exploration, Perilya and Consolidated Broken Hill have all announced extensions to their operations, each with minimum 10 year operational mine life.

Funding and investment of this magnitude represents a significant investment in the future of Broken Hill. Council firmly believes the city has a bright future and plenty of scope for growth and this continued investment by Government and private sector demonstrates a commitment to the future of the City.

Council also supports government discussions on the decentralisation of Government Services to:

- Support the development and sustainability of regional economies and communities.

- Attract investment and skills from metropolitan Sydney to regional NSW.
- Increase the opportunities for local communities in regional NSW to participate in Government decision-making.
- Support the development and sustainability of regional economies and communities.

2. Attract investment and skills from metropolitan Sydney to regional NSW.

Increase the opportunities for local communities in regional NSW to participate in Government decision-making.

Notwithstanding its ambition, as Broken Hill moves forward it must contend with the real challenges of economic pressures created by limited revenue growth, the environmental load created by human activity, ageing infrastructure, growing national / international competition, and service-design expectations of residents, visitors and businesses whose demands are being shaped by their aspirations.

The projects in the LM+PLP are designed to create visitor attractions and experiences that are sufficiently strong, differentiated from other destinations and deliver outcomes with the critical mass to become iconic global tourist attractions. This is a multilayered and multifaceted approach to deliver an authentic tourist experience that allows the city capitalise on its heritage.

Other significant issues that require tri-partisan support to leverage off Global Sydney and grow the State's economy include:

CONNECTIVITY (Access to the National Broadband Network (NBN) and Telecommunications)

High speed broadband has been identified as a major barrier to growth within the region. High-speed internet services are economic drivers for agribusiness, mining and tourism services.

The younger demographic and industry have overwhelmingly listed the lack of high speed broadband as a major barrier for the region. High speed broadband has been identified as essential to grow and provide best practice services in health and education service delivery, economic development, training pathways, business mentoring and support, tourism and access to government services.

The centres in the Unincorporated Area have the least connectivity and a significant number of homes in the region do not have internet access at home. Currently, large areas of South Broken Hill do not have access to internet or the service is very slow and not able to support current internet based services and technologies.

The roll-out of the NBN will be critical for the region and in the long-term will enable the wider take-up of technology. Over the next 20 years, the Far West could benefit significantly from the use of new technology in freight and passenger transport; for example, through autonomous freight, agricultural and passenger vehicles, as well as in agricultural and mining production.

Telecommunication within the region also adds a further burden to access of services. Mobile communication is limited within the region, with many areas receiving no mobile coverage at all. Mobile service providers are limited in the region and whilst access to a variety of providers may be the expectations of residents in the east of the state, residents in the far west have very few options, only one mobile provider has reasonable coverage

within the region and even that is sparse in the outlying areas, again further impacting the issue of access and contributing to other issues within the region. Limited access to providers also adds to the cost burden for both industry and residents in the region, another burden that neither industry nor the residents of the region can afford.

TRANSPORT

Actions taken by transport providers during the past 18 months have contributed to the cumulative transport disadvantage for residents and there is increasing concern that the continuance of this trend will impact of the growth on the regional economy.

The Far West community relies heavily on appropriate and affordable transport services. Our remote location requires capable and regular, cost effective access to Sydney, Adelaide and regional NSW to allow the City to take full advantage of the tourism, mining and employment growth opportunities that arise.

The 2016 withdrawal of Federal Government subsidies resulted in Great Southern Rail (which operates the only railway link to the nearest capital city, Adelaide) eliminating the economy class service. The NSW Long Term Transport Master Plan highlighted that the western region has the highest per capita use of community transport in regional NSW. Affordable rail transport is especially important considering the low socio-economic status of the region and the large number of senior citizens depending on specialised medical treatment in Adelaide and Sydney. Rail transport is the preferred method of transport for people on the low income bracket. Affordable rail transport also makes strong positive influences on economic development and tourism.

This reinforces the importance of making efficient connections between these cities and regional NSW.

The announcement by Great Southern Rail was followed by Regional Express Airlines (Broken Hill's sole airline provider) to increase airfares on its direct flights between Sydney and Broken Hill to a minimum \$500.00 one-way base fare. This has raised concern regarding the possible negative impact of the region's ability to grow business and tourism opportunities.

In particular, the cost is impacting on securing conferences and events which is a key part of the Broken Hill's economic diversification strategy. On this matter, Council has received repeated requests from conference and event coordinators and residents to represent the community concern over the impact of travel charges and delegate movements to and from the City.

Council has also made recent representations to raise awareness of the ongoing concern of the residents of Broken Hill and to:

- Investigate the option of a cross-border train service from Broken Hill to Adelaide.
- Seek a commitment from NSW Trains for a second service to Broken Hill from Sydney to complement the existing service. Consideration could be given to extending this route to Adelaide providing an Adelaide train service for Broken Hill residents and tourist alike and;
- Lobby the Federal Government to reconsider the removal of concession travel for Great Southern Rail Services to assist residents travel to Adelaide.

ROAD INFRASTRUCTURE

The Draft Far West Regional Development Plan 2017 acknowledges that; "Historically, infrastructure investment has been provided in a piecemeal way, resulting in ad hoc or misaligned priorities across the region. Infrastructure requirements and investment need to be coordinated to deliver maximum benefit to the economy and the broader regional community."

Many local roads in the region are unsealed due to the expensive cost of sealing and maintenance which can impact on economic productivity. For example, the Central Darling Shire Council has estimated that approximately 93 per cent of the roads within its boundaries remain unsealed or without an all-weather surface. The unsealed roads are vulnerable to closure during weather events, causing lengthy detours. There is an increased risk of tourists and residents, as well as drivers of industrial vehicles, having an accident on unsealed roads.

Local road connections that feed into the State and national road freight network are important for transporting agricultural produce and mining products.

Restrictions on certain freight vehicles using local roads and the cost of local road maintenance, are significant impediments to the road freight network.

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

HEAVY VEHICLE BYPASS

Broken Hill is a strategic regional transport hub lying on the junction of a major east-west road transport corridor (the Barrier Highway) and north-south road transport corridor (the Silver City Highway).

Over a period of many years, Council has identified numerous problems caused by the 24-hour a day movement of heavy vehicles through the city. In 2012, the Commonwealth, NSW Government and Perilya committed \$6m to the project but Council, at that time was unable to secure the capital for the remaining \$3.7m.

Construction of the bypass however, continues to be a major priority for industry, business and Council to deliver a range of economic and social benefits to the Broken Hill and the surrounding region.

Recognised benefits of the bypass include:

- A cost effective road route around Broken Hill for through traffic.
- An economical road route between raw material supplies and treatment facilities on opposite sides of heavily built up areas of Broken Hill.
- A reduction in heavy vehicle and vehicles with high and/or wide load movement through residential areas.

- A reduction in nuisance caused by traffic generated dust and noise (this is a priority health issue in Broken Hill given high lead levels in some parts of the community).
- Enhanced road safety for all users in built up areas of Broken Hill.
- Enhanced regional transport links for vehicles (including heavy vehicles) between the Silver City Highway and the Barrier Highway.
- Increased transport efficiencies for heavy vehicles with reduced travel time and fuel consumption through Broken Hill.
- A more practicable route for over dimensioned vehicles.

In addition, the construction of the bypass road will greatly improve the environmental amenity in Broken Hill. This will be of particular relevance to Australia's First National Heritage City Status and the removal of heavy vehicle through traffic will be in keeping with the heritage status of the city.

The planned road will ultimately connect all local state highways and regional roads without trucks having to pass through the city centre. This will be especially important in relation to the proposed road on the western side of the city for access to the Silverton and Nine Mile Roads as the planned Silverton Wind Farm development progresses. The bypass road may also provide a viable wide and/or high load bypass for the city.

Considerably higher growth could be expected from the introduction of mainstream carriers providing faster travel at lower fares even without route expansion and introduction of additional routes would likely stimulate even higher growth.

ACCESS (Airport - Improve accessibility for visitors to and within Broken Hill)

Broken Hill Airport is a major regional airport providing important air transport links to South Australia, New South Wales and Victoria and is the gateway to a number of the regional communities. It supports Regular Public Transport (RPT) services, Royal Flying Doctor Service (RFDS), air charter operations and General Aviation (GA). Existing Broken Hill airport infrastructure is not adequate to support the continued effective operation and amplification of air services to meet the projected growth for passenger movement demand.

The Broken Hill Airport currently lacks adequate infrastructure and facilities to support projected growth in aviation demand. This was assessed in the 2010 Broken Hill Airport Master Plan and would likely present a major constraint to the region's drive to expand the local tourism industry.

Broken Hill Airport has a market disadvantage because it does not offer jet or Low-Cost Carrier services together with the attractive airfares and schedules which they may provide to air travellers to and from the region.

The airport is serviced by one airline (Regional Express) turbo-prop aircraft at a time when air travellers are expecting that jet services be used.

BHCC is seeking to upgrade current airport infrastructure to overcome constraints presently preventing use of the airport by major budget carriers, limiting regional flight capacity and prohibiting direct international flights, or major domestic link flights between Broken Hill and major gateway airports.

The extent of general aviation and aviation support industry activity at the Airport does not match the high quality of the airport infrastructure which could be required in the

future to service the aviation sports and GA air charter activity commonly associated with a major tourist destination.

This in turn constrains the potential of Broken Hill and wider Far West NSW region to capitalise on trends in tourism yielding good potential for further development of regional tourism, as well as growth and employment opportunities associated with recent resurgence in mining activity and other large-scale investment projects.

Infrastructure upgrades are a necessary pre-requisite - without the proposed upgrades Broken Hill Airport will not:

- Be capable of servicing jet aircraft
- Have the ability to service jet aircraft
- Will not be attractive to professional airport management firms.
- Deregulation of the flight route between Broken Hill and Sydney would allow other airlines to offer flights between Broken Hill and Sydney.

PARTNERSHIPS (Attention to Agribusiness – Inclusion in Trade Missions)

Agriculture is a well-established industry in the Far West NSW region. An abundance of land coupled with suitable climatic conditions has played a central role in the region's historical growth and development, including suitability for a variety of agriculture including horticulture (stone fruits, citrus, roses, table grapes), and livestock (such as cattle, sheep and goats), as well as cotton, barley and wheat. The agricultural sector accounts for approximately 11% of the area's Gross Regional Product, 6% of its employment and 20% of its exports. Traditionally, agriculture was largely based around pastoral activities such as wool production. Horticulture production has long been established as a significant contributor to the region's economy. Growth opportunities to expand and diversify production and increase value added processes are abundant. The sector has been developing cotton, malting grains, grapes and stone fruits and in non-irrigation areas, pastoralists have diversified into goat and sheep meat production. Due to the region's hot, dry climate, high quality fruits such as grapes and peaches can be harvested many weeks before many competing regions.

In summary, Broken Hill City Council advocates on behalf of the City that collaboration between all tiers of Government and private investment is essential to supporting this community to harness the value of being Australia's only National Heritage Listed City for the benefit of all Australians.

Yours faithfully

JAMES RONCON
GENERAL MANAGER