

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: Broken Hill City Council

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12 February 2018

The Director
Standing Committee on State Development
Legislative Council
Parliament House, Macquarie Street
Sydney New South Wales 2000

Response to Legislative Council Standing Committee on State Development - Regional Development and a Global Sydney Discussion paper

Broken Hill City Council welcomes the opportunity to work with all tiers of Government to investigate options and opportunities to increase investment into regional areas to strengthen the national economy.

Council's role is to provide 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 residents of Broken Hill.

As caretakers of Australia's First Nationally Heritage Listed City, Broken Hill City Council is focused on developing tripartite relationships across the all tiers of Government and partnerships with private investors and philanthropists to continue to diversify the economy and harness the opportunities to become a global visitor destination gifted to the City through the National Heritage Listing. The community has a strong economic activation program that combines a Smart Community Framework, Community Strategic Plan 2033 and an Urban Design Strategy designed to set the roadmap for future development, investment and growth.

Investment in people and infrastructure in Far West NSW will not only will benefit the community of Broken Hill but also our neighbouring communities in Central Darling Shire and Unincorporated NSW.

Broken Hill

The City of Broken Hill is the strategic service centre of Far West New South Wales. It lies in the centre of the New South Wales Outback, close to the South Australian border and midway between the Queensland and Victorian borders.

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

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 expansion and contraction of the mining industry.

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With a change in population (19,915 in 2005 to 18,856 in 2016) 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.

In order to diversify the City's economy, the community has 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, agriculture and mining, art, film services, culture and heritage and tourism and on emerging opportunities such as technology, renewable energies and education.

Defining 'regional New South Wales'

There is a complexity to regional NSW that is not adequately addressed in current boundaries and destination definitions.¹ While Council supports the suggestion of a move away from the two-tier metropolitan/regional model to a three tier model there is also an opportunity to investigate a fourth tier. The definition "remainder of NSW" for a third tier assumes similarities between regions in regional NSW. The current regional borders marry together geographies, cities and towns that are so disparate in priorities and ability to attract investment and opportunity, that to make strategic decisions of value for these populations may result in achievable outcomes for segments of the total region.

Council recognises that the NSW and Commonwealth Government have started to differentiate between regions with programs such as the Commonwealth Government Regional Growth Fund and City Deals program, Restart NSW, Stronger Country Communities and Regional Flagship programs to develop infrastructure and activity that activate drivers for growth.

But even with this shift in potential resourcing, consideration for a fourth tier has merit recognising the geographical remoteness of the Western areas of the State.

As the strategic centre of the Far West, Broken Hill City sits on the Western Border of different zones that encompass significant regions of NSW. For example:

- The Barwon Electorate is 356,291.70 km²
- Parkes Electorate: 393 413km²
- Far West Health District 194,949 km²
- Local Land Services Western Region 314,500 km²

All of these defined regions encompass communities that have access to different resources and requirements for success.

1. Relates to: Chapter 1. Question 2a. How should the NSW Government define regional New South Wales? Question 2b. Does the concept of three tiers of regions have merit?

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In noting this, Council is working with the NSW Premier's Department on a Regional Economic Development Strategy (REDS) based on the concept of a Functional Economic Region (FER), which encompasses Broken Hill City, Central Darling Shire and Unincorporated NSW. This will provide a more centralised prioritisation of infrastructure projects for the region. This concept of a Functional Economic Region for future planning provides opportunity to better target investments aimed at growing or establishing regional competitive advantage based on regional strengths and local priorities.²

The REDS will also identify priorities and the capacity of the region to define opportunities for the commercialisation of Australia's only Nationally Heritage Listed City and provide leverage for specialist businesses and potential government services to locate to Broken Hill.³

Australia's Only Heritage Listed City – Broken Hill.

New South Wales has the unique opportunity to develop a global marketing package based on heritage and cultural tourism following the announcement that the State of NSW is home to the nation's only Nationally Heritage Listed City.

The City of Broken Hill was recognised as 103rd place included on the National Heritage list on 20 January 2015.

The City was assessed against the eight (8) National Heritage Values. Broken Hill was found to meet the following seven (7):

1. The place has outstanding heritage value to the nation because of the place's importance in the course, or pattern, of Australia's natural or cultural history
 2. The place has outstanding heritage value to the nation because of the place's possession of uncommon, rare or endangered aspects of Australia's natural or cultural history
 3. The place has outstanding heritage value to the nation because of the place's potential to yield information that will contribute to an understanding of Australia's natural or cultural history
 4. The place has outstanding heritage value to the nation because of the place's importance in demonstrating the principal characteristics of:
 - A class of Australia's natural or cultural places; or
 - A class of Australia's natural or cultural environments
2. Links to Chapter 4: Question 14a. How can regional New South Wales develop as a brand?
3. Relates to Chapter 3. Question 8a. How can the NSW Government work with their federal and local counterparts to identify uniform boundaries across regional areas? Chapter 4. Question 21a. What more can the NSW Government do to accelerate the decentralisation of public sector agencies and departments to regional New South Wales?

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5. The place has outstanding heritage value to the nation because of the place's importance in demonstrating a high degree of creative or technical achievement at a particular period
6. The place has outstanding heritage value to the nation because of the place's strong or special association with a particular community or cultural group for social, cultural or spiritual reasons
7. The place has outstanding heritage value to the nation because of the place's special association with the life or works of a person, or group of persons, of importance in Australia's natural or cultural history.

As a State and National asset, the City is currently not listed in any government planning documents as a priority asset requiring tripartite investment across the all tiers of Government to harness opportunities to protect the asset and become a global visitor destination.⁴

Existing plans recognise that the Far West of NSW is steeped in culture, history and heritage but refer to attractions such as the opal mining towns of White Cliffs and Lightning Ridge, the historic river port at Bourke and national parks such as Culgoa, Sturt, Gundabooka and Mungo.

To embrace the opportunities to preserve and promote Australia's Only Nationally Heritage Listed City, strategies must be included in State Planning documents, including Destination Network Plans.

However, even the Destination Network boundaries create complexities in streamlining priorities. Formed in July 2016, Destination Country and Outback NSW has an Eastern border of Broken Hill and Unincorporated NSW in the State's Arid Zone (approx. 12 hours' drive to Sydney) and stretches as far East to the communities of Walcha, Glenn Innes and Armidale with water and mountains and only a six or seven hour drive to Sydney.

Given the significant differences between geographical location and tourism offerings, designing a Destination Strategy that will deliver achievable outcomes to all centres in this Network is questionable. Anecdotal evidence from local tourism industry operators also indicate that there has been no quantifiable benefit to the region as a result of the establishment of Destination Country and Outback NSW. The regions' operators, and in particular Broken Hill, need strong leadership from the Network to develop achievable plans and strategies.⁵

A strategy that links similar experiences across the State may also generate more economic impact on the regional visitor economy. Linking self-drives to heritage and cultural trails and national parks across Destination areas may have more appeal to the visitor than if they are trying to self-guide through a destination town guide.

4. Links to: Question 24: How can Destination NSW work with regional communities to attract visitors that will contribute to their economies?
5. Relates to Question 24b. Is Destination NSW doing enough to assist regional communities to market their local features?

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Council notes that this is a State Priority in the Far West Regional Plan to “develop a regional tourism trail between Balranald, Wentworth, Mallee Cliffs, Mungo and the Yanga floodplains; between White Cliffs, Menindee, Tibooburra and Silverton; and a Far West Sculpture Trail encompassing sites at Broken Hill, Mutawintji, White Cliffs and Wilcannia”.

This wave of interest in culture and heritage has not gone unnoticed in Broken Hill and Council, as caretaker of the national asset, has moved to consolidate its plans and activities to attract investment to ensure the preservation and promotion of the City.

Recent Federal and State funding and private investment into the region has resulted in significant period of activity and development that aligns with the provision of government services 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

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 digitisation of Broken Hill
- Archives and the Mineral and Art Intersection project.
- \$460m – AGL Silverton Wind Farm project 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.

These investments consolidate the strengths and opportunities available in the region and should underpin programs to attract and support the relocation of business and government services. For Western NSW agriculture, mining, heritage, astronomy and space activity and its reputation as a film location provide the foundation for strong arguments to place departments and services in its strategic centre, Broken Hill.⁶

6. Relates to: Question 23. How can the NSW Government work with universities and industry to ensure that regional development priorities incentivise co-location? Is the NSW Government doing enough to guarantee that the necessary soft and hard infrastructure will be in place to meet the needs of emerging hubs?

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Continued government support and incentives for industry to invest in the renewable industry sector will continue to assist Far West NSW to expand to grow in renewable energy economy.⁷

As the birthplace of BHP the region also significant mineral wealth, exploration is ongoing and new mineral deposits are being discovered. Mining 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 two years, 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. But to continue to encourage such growth and investment, there are future infrastructure requirements that Council firmly believes will enhance the region's scope for growth.

These include:

- The redevelopment of Broken Hill Airport to enable larger low budget carriers to operate in the region and the deregulation of the flight route between Sydney and Broken Hill.
- Secure connectivity to exist in a global world, including the elimination of Black Spots and providing technological improvements to allow business and industry to exchange large data sets.
- Adequate roads and transport networks

This focus on the strengths and opportunities of the region, particularly for those in growth phase, provide a foundation to develop clusters in NSW that will increase the value of opportunities for universities and industry to focus research and development activities in Far West NSW which will inform governments on the necessary drivers to appropriately support the resourcing of emerging hubs.⁸

Financing such infrastructure, may in the formative stages of development require alternate modelling to underpin the appropriate development to support change. In a recent NSW Government workshop held in Broken Hill, one local operator raised the issue of being able to access some of the State Grants quarantined for Local Government and Not-For-Profits organisations. This led to the conversation that in regions where private innovation entrepreneurial activity is limited, access to business grant funding that aligns with the community priorities and drivers may encourage expansion of their business and encourage others to take the risk.

7. Relates to: Chapter 5: Question 31. What action can the NSW Government take to assist regional communities to attract investment for renewable energy projects?
8. Relates to Chapter 4: Question 23a. How can the NSW Government work with universities and industry to ensure that regional development priorities incentivise co-location?

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Declining population has a significant impact on regional communities when competing for funding and other resources. In particular, in the Far West region 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.⁹

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.¹⁰

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. In addition, the increased risk of vehicle accidents on unsealed roads for tourist, residents and industry must be recognised.

As noted, Council has been engaged in the consultation for 2036 Regional Economic Development Plans and also in the Future Transport Strategy 2036 to ensure that these issues are highlighted.¹¹

A concentrated effort by Council to contribute to State and Federal Government inquiries also underpin the City's vision to attract people to live, work and invest in Broken Hill.

The City itself boasts affordable housing - At June 2016, the median house valuation was \$108,936, \$528,597 lower than the median house valuation for New South Wales and in the 2017 September quarter, the unemployment rate was 4.27%.

9. Relates to: Chapter 1: Question 6 What can the NSW Government do to address the impact that population figures, as a funding criteria, have on satellite cities and smaller regional centres?

10. Relates to: Chapter 5: Question 27a. What more can the NSW Government do to ensure road and rail freight corridors are made a priority to facilitate regional development and connections to Sydney?

11. Relates to Chapter 5: Question 27b: How has the NSW Government worked with stakeholders in each region to ensure that funding for freight-related projects and the priorities published in the regions' 2036 Regional Plans address the concerns raised by stakeholders?

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The affordability and lifestyle of regional living lends itself to improve the socio-economic status of families and combined with an affordable commercial property market lends itself to potential start-up companies and existing professional organisations looking to relocate some or all of their business. Affordability and rental return possibilities, coupled with extremely low vacancy rates of the residential property market has made the region an attractive option for investors from across the country. Council supports the notion of the NSW Government facilitating a trial program to provide professionals with a short-term regional living experience as many residents not born in Broken Hill have moved to the City on a temporary basis and stayed because they say – "It gets under your skin".¹²

Council welcomes any future opportunity to inform this inquiry and looks forward to its productive outcomes for the regions of NSW.

12. Relates to: Question 32a. What action can the NSW Government take to assist communities to challenge negative perceptions about regional living?

Yours faithfully,

MAYOR
DARRIEA TURLEY