



FAR WEST REGIONAL ECONOMIC UPDATE March 2016

Major Projects Update

Hawson's Iron Ore Mine

(A Carpentaria and Pure Metals joint venture) is currently early in its Bankable Feasibility Study stage. Work is currently focussed on securing off take/buyer interest in the final concentrate product. In March the Joint Venture announced it had signed a non-binding Letter of Intent with blue chip Japanese trading company Mitsubishi Corporation to sell 1 million tonnes per annum of its Super-grade pellet feed demonstrate and the company believes this is an example of strong buyer interest in amongst the world finest iron making raw material. Further in January 2016, it announced the results of pelletising test done at the China Iron and Steel Research Institute in Beijing. The results met the highly prized direct reduction quality specification. The results also showed outstanding chemical, physical and metallurgical qualities leading the company to claim the product is amongst the world's best. Higher grades improve steel making efficiency and therefore the product is attracting interest in global markets including China, Asia and the Middle East. High quality ores also attract a significant premium to the base iron ore price setting the project apart from its rivals and maintaining viability at historically low iron ore prices. The joint venture is also seeking additional funding to complete additional drilling and pilot plant test work necessary for the development of the project, which is likely to take three years from the commencement of this work. The joint venture has already invested \$22m to date on the project of which approximately one third has been spent in the far west region. Anticipated employment requirements during construction and operation will be approximately 1000 and 600 respectively with as many employees as possible being sourced from Broken Hill.

The Broken Hill Community Credit Union

The current site was purchased by the Credit Union in the mid-1990's and refurbished in 1997. The current refurbishment is expected to cost in excess of \$3 million upgrading the premises, including plant and equipment, in order to better serve its customers for many years to come. The improved layout will include the latest concepts in branch banking, including upgraded technology options, specialised break out areas and a community boardroom. The Credit Union is also offering local organisations that currently bank with BHCCU the use of the community boardroom for meetings, etc.

While the works are being undertaken by SA firm, FDC Construction and Fitout (SA) Pty Ltd, it was very important to the Board of Directors that local trades were subcontracted. This was particularly important to ensure that after construction maintenance could be attended to by local contractors. To that end, over 9 local firms/contractors have been employed to undertake various aspects of the refurbishment project. The Credit Union is currently operating from the site, albeit in a smaller space than we are used to, for the duration of stage 1 of the build. Our customers have all been very accommodating while we undertake this exciting project. On completion of the project, residual floor space may become available for further development and lease.

Broken Hill Prospecting Limited

A new mineral sands mine could be established within the next couple of years, Broken Hill Prospecting Limited is also planning to mine a cobalt deposit in the Thackaringa Hills. The company's Copi North project is directly south of Broken Hill, about 100 kilometres northwest of Wentworth, and its deposit of titanium minerals could keep the mine going for up to 10 years, said the managing director. The project holds an estimated 11.6 million tonnes of heavy mineral sands.



**Department of Employment
Employment growth predictions for the next 5
years**

Industry	Employment level – November 2015 ('000)	Department of Employment Projections	
		Projected employment growth - five years to November 2020	
		('000)	(%)
Agriculture, Forestry and Fishing			
Mushroom and Vegetable Growing	20.9	1.8	8.4
Fruit and Tree Nut Growing	31.4	1.8	5.8
Poultry Farming	13.1	1.1	8.2
Other Livestock Farming	15.2	2.2	14.1
Fishing, Hunting and Trapping	0.1	0.0	9.6
Fishing	5.3	0.5	9.7
Hunting and Trapping	0.3	0.0	9.6
Manufacturing			
Fruit and Vegetable Processing	7.4	0.6	7.6
Grain Mill and Cereal Product Manufacturing	3.8	0.3	7.6
Other Food Product Manufacturing	15.8	1.2	7.6
Basic Chemical Manufacturing	5.7	0.8	14.8
Basic Polymer Manufacturing	2.0	0.3	14.8
Fertiliser and Pesticide Manufacturing	5.1	0.3	6.3
Computer and Electronic Equipment Manufacturing	14.5	1.6	11.0
Other Machinery and Equipment Manufacturing	18.9	2.1	11.1
Electricity, Gas, Water and Waste Services			
Waste Collection, Treatment and Disposal Services	5.1	0.7	13.3
Waste Collection Services	21.0	2.9	13.6
Waste Treatment, Disposal and Remediation Services	7.3	0.9	11.7
Construction			
Building Construction	122.5	11.9	9.7
Residential Building Construction	99.3	12.4	12.5
Construction Services	6.9	0.6	9.3
Building Structure Services	90.1	6.7	7.4
Building Installation Services	255.2	32.0	12.5
Building Completion Services	201.0	12.1	6.0
Other Construction Services	105.2	15.9	15.1
Construction	15.2	1.3	8.3
Wholesale Trade			
Mineral, Metal and Chemical Wholesaling	25.7	2.4	9.4
Timber and Hardware Goods Wholesaling	47.6	4.2	8.9
Textile, Clothing and Footwear Wholesaling	13.1	0.9	6.6
Retail Trade			
Motor Vehicle Retailing	68.8	4.0	5.8
Motor Vehicle Parts and Tyre Retailing	28.3	2.7	9.5
Food Retailing	9.2	0.6	6.6

Supermarket and Grocery Stores	273.2	17.7	6.5
Specialised Food Retailing	103.1	7.0	6.8
Other Store-Based Retailing	0.2	0.0	9.3
Furniture, Floor Coverings, Houseware and Textile Goods Retailing	41.4	2.5	5.9
Hardware, Building and Garden Supplies Retailing	91.6	14.3	15.6
Recreational Goods Retailing	63.9	3.6	5.7
Clothing, Footwear and Personal Accessory Retailing	156.3	20.4	13.0
Pharmaceutical and Other Store-Based Retailing	169.0	16.9	10.0
Non-Store Retailing	13.6	4.9	36.4
Retail Commission-Based Buying and/or Selling	0.3	0.1	37.5
Retail Trade	63.9	5.4	8.4
Accommodation and Food Services			
Accommodation	111.4	5.9	5.3
Food and Beverage Services	1.0	0.1	13.0
Cafes, Restaurants and Takeaway Food Services	566.8	84.3	14.9
Pubs, Taverns and Bars	95.9	7.9	8.2
Accommodation and Food Services	0.1	0.0	12.0
Transport, Postal and Warehousing			
Road Transport	0.2	0.0	8.2
Road Freight Transport	183.8	20.6	11.2
Rail Transport	26.8	1.8	6.7
Rail Passenger Transport	7.0	0.7	10.1
Air and Space Transport	55.3	5.9	10.6
Postal and Courier Pick-up and Delivery Services	89.3	8.4	9.4
Airport Operations and Other Air Transport Support Services	12.5	1.3	10.3
Warehousing and Storage Services	60.9	11.7	19.3
Transport, Postal and Warehousing	12.2	1.0	8.5
Information Media and Telecommunications			
Motion Picture and Sound Recording Activities	0.1	0.0	5.2
Sound Recording and Music Publishing	2.6	0.4	15.4
Radio Broadcasting	4.5	0.6	12.5
Telecommunications Services	96.4	6.4	6.6
Data Processing, Web Hosting and Electronic Information Storage Services	5.1	0.5	9.9
Rental, Hiring and Real Estate Services			
Property Operators	47.3	6.0	12.7
Real Estate Services	123.4	17.0	13.8
Rental, Hiring and Real Estate Services	0.1	0.0	11.9
Professional, Scientific and Technical Services			
Architectural, Engineering and Technical Services	308.1	60.1	19.5
Legal and Accounting Services	269.9	29.5	10.9
Advertising Services	35.8	5.4	15.1
Market Research and Statistical Services	31.8	3.7	11.5
Management and Related Consulting Services	99.1	15.5	15.6
Other Professional, Scientific and Technical Services	24.1	2.4	10.2
Computer System Design and Related Services	195.3	33.8	17.3
Professional, Scientific and Technical Services	0.2	0.0	14.8



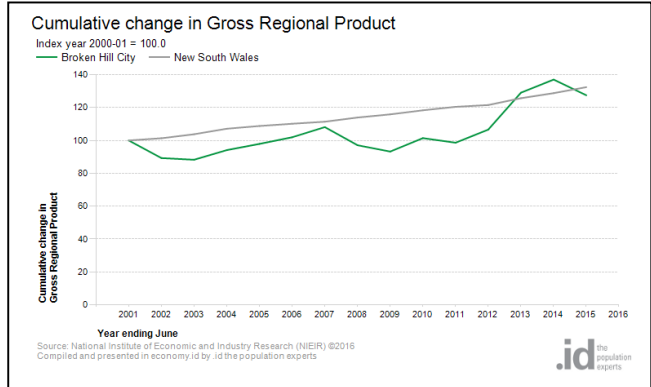
Administrative and Support Services			
Administrative Services	0.1	0.0	10.0
Employment Services	95.7	6.8	7.1
Travel Agency and Tour Arrangement Services	42.9	3.9	9.2
Other Administrative Services	70.4	10.5	14.8
Building Cleaning, Pest Control and Gardening Services	190.7	11.7	6.1
Administrative and Support Services	0.1	0.0	7.8
Public Administration and Safety			
Public Administration	13.8	1.0	7.6
Central Government Administration	132.7	10.0	7.6
State Government Administration	215.0	15.0	7.0
Local Government Administration	137.5	12.0	8.7
Justice	15.4	0.8	5.2
Education and Training			
Preschool and School Education	0.1	0.0	11.2
Preschool Education	44.2	9.1	20.5
School Education	475.9	49.1	10.3
Tertiary Education	237.3	30.8	13.0
Adult, Community and Other Education	162.2	30.5	18.8
Educational Support Services	1.0	0.2	18.8
Health Care and Social Assistance			
Hospitals	398.1	35.4	8.9
Medical and Other Health Care Services	82.9	19.1	23.0
Medical Services	158.0	42.4	26.8
Pathology and Diagnostic Imaging Services	53.9	9.3	17.3
Allied Health Services	186.9	41.5	22.2
Other Health Care Services	29.2	5.0	17.2
Residential Care Services	214.2	19.3	9.0
Social Assistance Services	18.5	3.7	19.8
Child Care Services	163.1	31.3	19.2
Health Care and Social Assistance	1.4	0.2	16.4
Arts and Recreation Services			
Museum Operation	10.5	1.0	9.5
Sports and Recreation Activities	0.1	0.0	17.9
Sports and Physical Recreation Activities	101.1	19.7	19.5
Horse and Dog Racing Activities	9.9	1.4	14.2
Arts and Recreation Services	2.3	0.3	10.8
Other Services			
Machinery and Equipment Repair and Maintenance	85.4	5.9	6.9
Personal and Other Services	0.1	0.0	8.1
Personal Care Services	103.9	13.6	13.1
Funeral, Crematorium and Cemetery Services	4.4	0.7	16.3
Other Personal Services	61.0	6.3	10.4
Private Households Employing Staff and Undifferentiated Goods and Service-Producing Activities of Households for Own Use	6.5	1.1	17.5

NSW Train Link logged 1344 passengers arriving in the January – March 2016 quarter.



Up 56 on the same period last year

Gross regional product still climbing



The official unemployment rate for Broken Hill in December 2015 was 6.2%

Source: Small Area Labour Markets

Visitor numbers recorded at the Broken Hill Visitor Information Centre January – March 2016

Month	2014/15	2015/16
January	4922	4850
February	3691	4507
March	7384	7069



Up 429 on the same period last year

Passenger numbers via the airport

Month	2015/16
January	2724
February	3874
March	4517

Broken Hill City Council received building development applications to the value of

\$2,211,514

AGL Update

AGL Broken Hill and Nyngan solar plants

AGL Energy Limited's (AGL) Nyngan and Broken Hill solar plants, Australia's largest utility-scale photovoltaic (PV) power plants located in western NSW, were officially opened during a ceremony in Nyngan in January 2016.

AGL CEO Andy Vesey accompanied the Federal Minister for the Environment, the Hon Greg Hunt MP at the ceremony along with project partner representatives: NSW Minister for Industry, Resources and Energy, the Hon Anthony Roberts; Federal Member for Parkes Mark Coultou MP; Member for Barwon, Kevin Humphries MP; Australian Renewable Energy Agency (ARENA) acting CEO, Ian Kay; Bogan Shire Council Mayor, Ray Donald and First Solar's Asia-Pacific Regional Manager Jack Curtis. Unfortunately, Broken Hill Mayor, Wincen Cuy was unable to attend the ribbon cutting ceremony.

Recognising the potential of the solar plants to lead to increased tourism and economic benefits for the Nyngan and Broken Hill communities AGL is in the early stages of developing an information and education facility at each solar plant as a legacy to support tourism

AGL thanks the local communities for their contribution to the projects during construction and believes that this is just the beginning of a 30 year partnership between the regions and AGL, during the operating life spans of the two plants. There are now up to four local full time employees operating the Nyngan plant, which will see an anticipated \$137 million flow into the regional economy through employment and direct maintenance service requirements such as plant and infrastructure upgrades. During a similar timeframe, around \$85.5 million is expected to flow into the Broken Hill region, which has two local full time employees currently operating the Broken Hill solar plant.

AGL will be hosting a community open day at the Broken Hill Solar Plant on Sunday 22 May. More details will be available in the coming weeks through the local Broken Hill media.

Since becoming operational in July (Nyngan 102 MW) and December (Broken Hill 53 MW) 2015, both plants combined have generated well over 200,000 MWh of renewable energy, which is enough to power around 34,000 average Australian homes. Annually, the two plants combined will produce approximately 360,000 MWh of renewable energy, powering more than 50,000 average Australian homes.

AGL Silverton Wind Farm

The political and economic environment has changed dramatically in recent times, especially around climate change. The agreement by nations in Paris at COP21 to continue to work towards limited climate change to two degrees Celsius above pre-industrial times will require the development of many new renewable energy projects.

With this in mind, AGL has reconfirmed its commitment to the Silverton Wind Farm development proposal and has recently reissued the construction tender for the Silverton Wind Farm. The tender is another step forward in the project's process. The tender period closes early June 2016, at which time AGL will consider the next steps in the project's progress. The Silverton Wind Farm is initially proposed to have capacity of up to 200MW and will produce approximately 700,000 MWh of renewable energy powering more than 120,000 average Australian homes.

AGL is looking to develop more large-scale renewable energy assets as shown by AGL's recent launch of the Powering Australian Renewable Fund (PARF). The fund is an innovative financing vehicle that AGL is establishing to help facilitate the development of new, large-scale renewable generation projects. It is anticipated that the PARF will fund the Silverton Wind Farm project. More information about the PARF can be viewed here <https://www.agl.com.au/about-agl/what-we-stand-for/sustainability/powering-australian-renewables-fund>

Regional Economic Update:

The Regional Economic Update is researched and produced by Regional Development Australia Far West. For all enquiries regarding the production of this report and information contained therein please contact Regional Development Australia Far West on (08) 8087 8383

