



ECONOMIC INPUTS INTO BROKEN HILL CULTURAL STUDY

Cred Consulting
November 2020





© SGS Economics and Planning Pty Ltd 2020

This report has been prepared for Cred Consulting. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au

Offices in Canberra, Hobart, Melbourne, and Sydney, on Ngunnawal, muwinina, Wurundjeri, and Gadigal Country.

Contents

1. INTRODUCTION	2
<hr/>	
2. ECONOMIC PROFILE	3
<hr/>	
2.1 General economic profile	4
2.2 Broken Hill's Creative and Cultural Economy	7
2.3 Tourism and visitation data	9
2.4 COVID Impact projections	10
3. MACRO TRENDS	12
<hr/>	
3.1 Australia Wide Macro Trends	12
3.2 Regional Australia trends	13
3.3 Potential impacts of COVID	15
4. INSIGHTS	17
<hr/>	
List of Creative industries	19

1. INTRODUCTION

SGS Economics and Planning is working with Cred Consulting to deliver the Broken Hill Cultural Study. SGS is providing early stage economic and demographic analysis of the Broken Hill economy to support the development of the study.

This short report comprises four chapters:

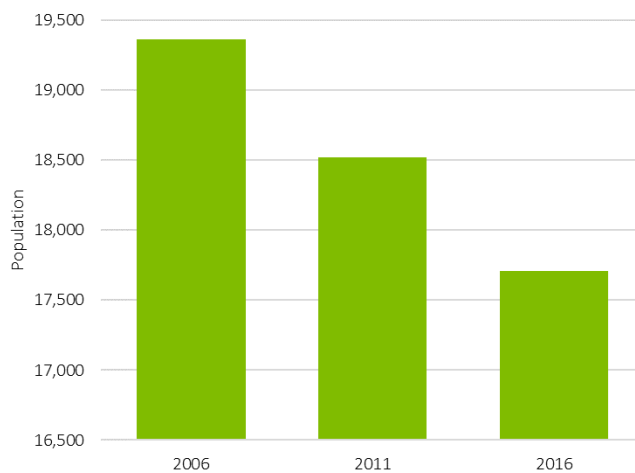
- **Chapter 2: Economic Profile.** This chapter summarises Australian Bureau of Statistics data on employment and population for the Broken Hill Region, as well as other data sources such as tourism and visitation data. It also provides an overview of the potential economic impacts of COVID-19 on the Broken Hill Economy.
- **Chapter 3: Macro Trends.** This chapter provides an overview of pertinent national and regional macro-economic trends that are likely to have some influence on the future direction of Broken Hill.
- **Chapter 4: Insights.** This chapter summarises the analysis in this report and provides a series of potential directions and considerations for the development of the Cultural Study.

2. ECONOMIC PROFILE

This chapter provides an overview of the economic composition of Broken Hill, with a particular focus on the creative industries. It also profiles the population of Broken Hill, regional tourism and visitation data and the potential impacts of COVID.

Broken Hill is a remote inland mining town located in the far western reaches of New South Wales. Close to the South Australian border, the capital city closest to Broken Hill is actually Adelaide, around 500 km South West of the town. Broken Hill grew rapidly following the discovery of silver, lead and zinc deposits in the 1880s, and the orebody is believed to be the largest zinc-lead ore deposit in the world. Heavy industrial mining typified the town and supported a large workforce, illustrated by the formation of the Broken Hill Proprietary company (now BHP Billiton, one of the largest mining companies in the world). However, scaling back of mining activity in the area along with increasing efficiency and automation in mining operations has resulted in reduced mining workforces in the area since the 1990s. This has contributed to the population of the town decreasing over the past decade, as shown in Figure 1. Between these three census periods, the Broken Hill's population fell by 9.4%.

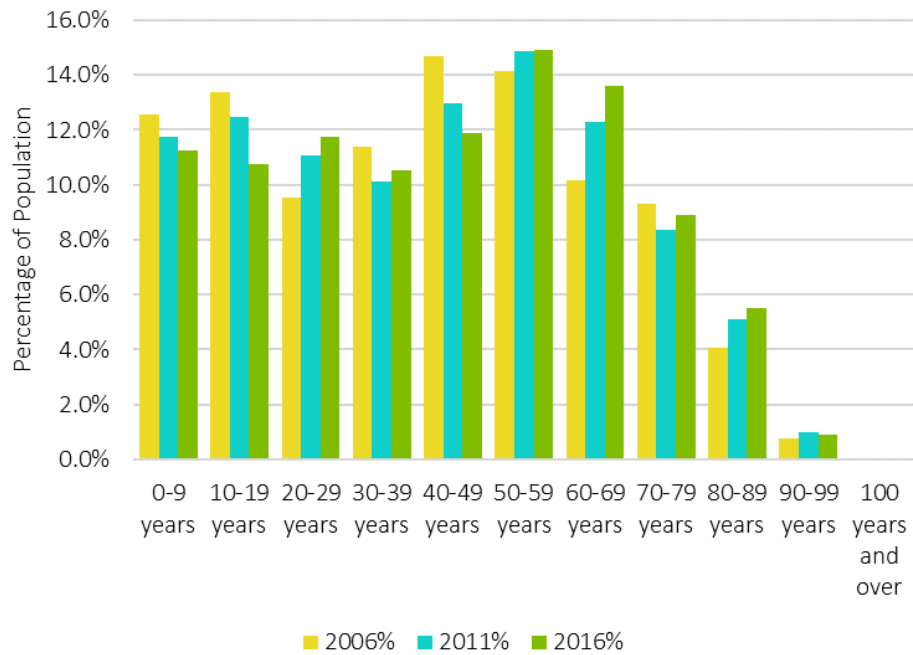
FIGURE 1: POPULATION, BROKEN HILL LGA, 2006 TO 2016



Source: ABS Census, 2006-2016

As is often the case in towns with declining populations, the population profile of Broken Hill is aging too. This is shown in Figure 2 below, with most age groups under 50 falling as a proportion of the population. Conversely, most age groups above 50 are increasing as a proportion of the population. Interestingly, the 20-29 age group is an outlier when considering this trend as it is proportionally increasing. This broader aging trend is likely to be due to declining birth rates in the area along with outward migration from younger residents. This commonly takes place as younger residents seek expanded employment and education prospects in larger metropolitan centres. In centres such as Broken Hill the lack of employment diversity often pushes young families to larger centres, as this trend is borne out in the decline in 0-10 year olds and 30-49 year olds. The sharp growth in 20-29 year olds is likely driven by mining jobs drawing in young workers.

FIGURE 2: POPULATION AGE DISTRIBUTION, BROKEN HILL LGA, 2006-2016

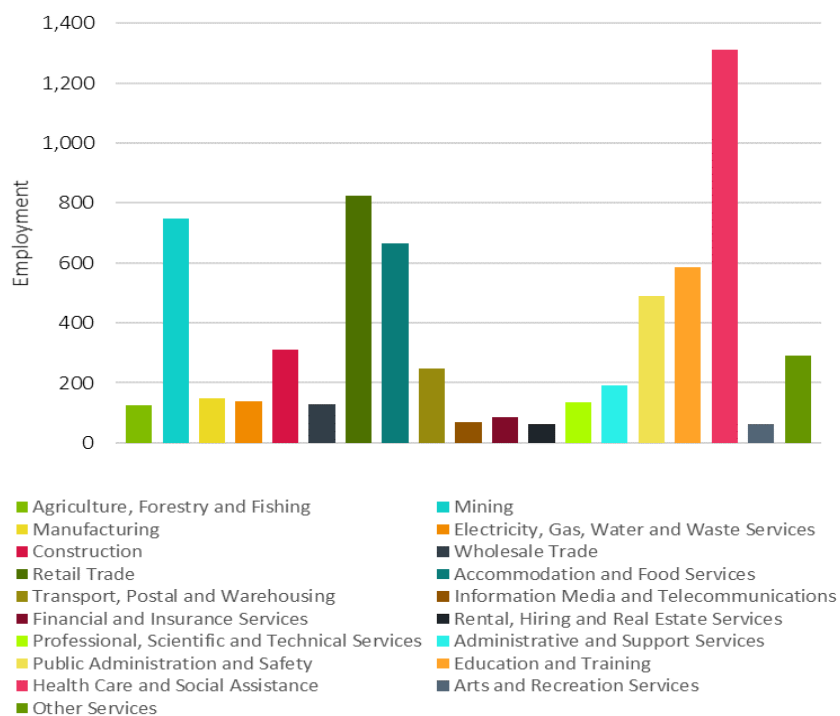


Source: ABS Census, 2006-2016

2.1 General economic profile

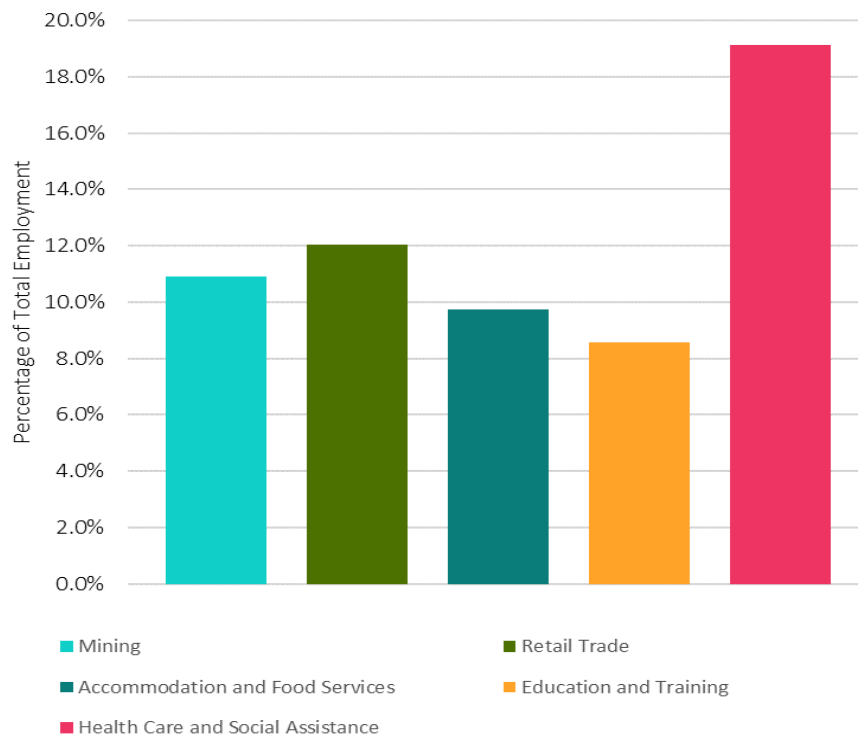
Employment in the area has since transitioned towards population-serving industries as shown in Figure 3. Healthcare and retail trade are the two largest industries in the area, employing 19% and 12% of all employees respectively. Mining still has a notable presence, employing 11% of all employees as the third largest industry. Accommodation and retail trade round out the top five largest industries by employment.

FIGURE 3: EMPLOYMENT BY INDUSTRY, BROKEN HILL LGA, 2016



Source: ABS Census, 2016

FIGURE 4: TOP FIVE INDUSTRIES BY EMPLOYMENT, BROKEN HILL LGA, 2016

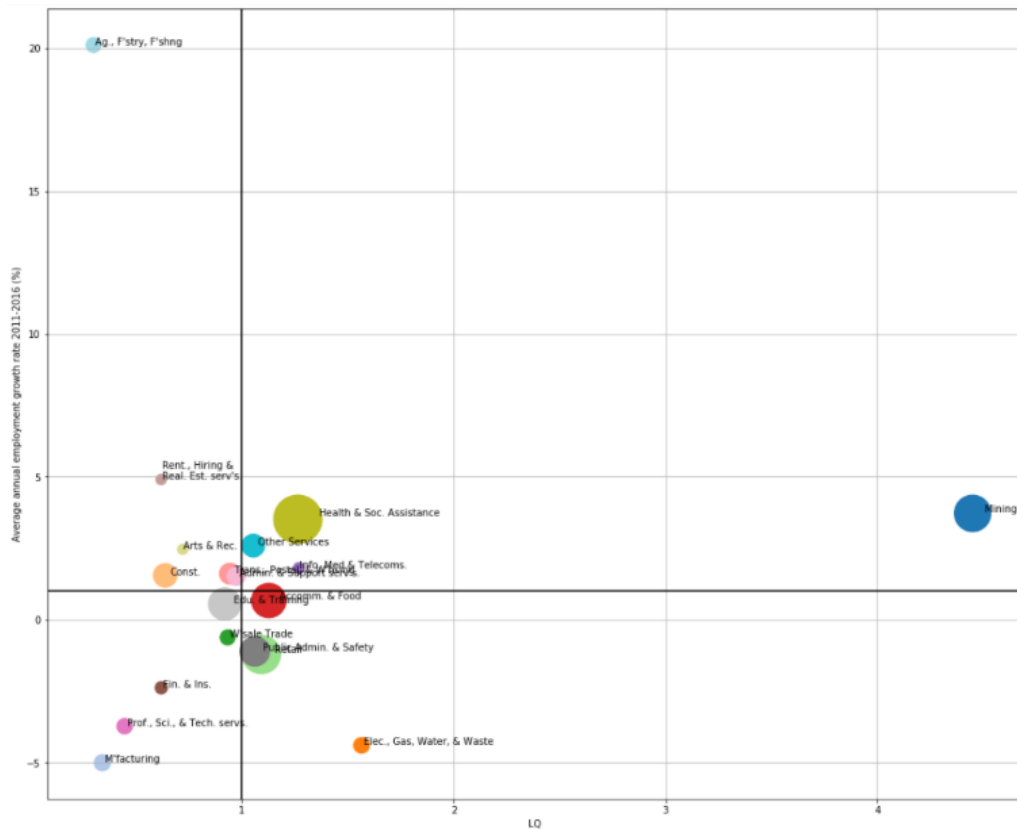


Source: ABS Census, 2016

A Location Quotient assessment has been completed to examine the relative specialisation of different industries compared with the rest of regional New South Wales. The graphed summary of this calculation is shown in Figure 5. The x-axis represents the size of the industry compared with the rest of NSW, while the y-axis illustrates the rate of growth in comparison with the remainder of NSW. The size of each bubble represents its share of jobs in the Broken Hill region. A score of '1' on the X-axis represents an industry presence in the Broken Hill economy that is proportionally the same as the rest of Regional NSW. A score of 2 represents an industry that is twice as specialised in Broken Hill compared with the rest of Regional NSW.

When looking at the graph, we can see that most of the top five employers are relatively similar in terms of specialisation with the rest of New South Wales. Mining, shown in dark blue to the far right of the graph, is a clear outlier due to its much greater size than the rest of New South Wales. This is even despite its relative decline in contribution to the Broken Hill economy, driven by its 11% contribution to Broken Hill jobs.

FIGURE 5: LOCATION QUOTIENT DATA, BROKEN HILL LGA AND REGIONAL NSW, 2016



Source: SGS, ABS Census, 2016

What this also tells is that there are few other specialised industries that may be leveraged as part of wider economic development opportunities for Broken Hill. In the context of the Cultural Study, traditional ‘creative’ industries such as Arts and Recreation and even Manufacturing are relatively *unspecialised*.

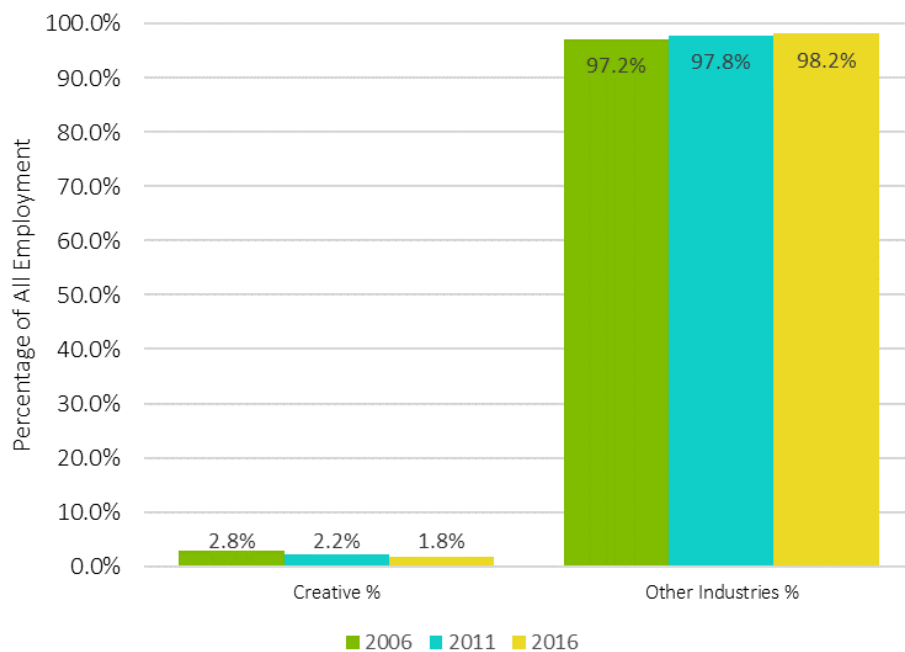
It must be noted here though that analysis of industries of employment in Broken Hill is census-derived and therefore reflects the jobs that people do. It does not reflect hobbies, vocational pursuits or potentially volunteer work that may reflect a more cultural and creative population profile than is reflected in this analysis.

2.2 Broken Hill's Creative and Cultural Economy

To try to better understand the composition of the creative and cultural sectors present in Broken Hill, specific analysis has been undertaken on industries at a 4-digit ANZSIC level. This analysis assesses 63 separate 4-digit industries across 13 creative groups. This list is provided in Appendix A. It is noted that not all of these industries appear in Broken Hill.

Creative industries make up a very small proportion of the Broken Hill economy. Figure 6 shows the share of employment in creative industries on the left, compared with all other industries on the right. Over the ten years to 2016, the share has remained around 2% and actually decreased over the past three census periods.

FIGURE 6: CREATIVE INDUSTRIES AS A SHARE OF ALL EMPLOYMENT, BROKEN HILL LGA, 2016



Source: SGS, ABS Census, 2016

The industries classified as creative industries by SGS that do appear in the Broken Hill economy are shown in Figure 7 below. Other industries that would be classified as creative industries but have not recorded any employment over the past three census periods are not included in the summary.

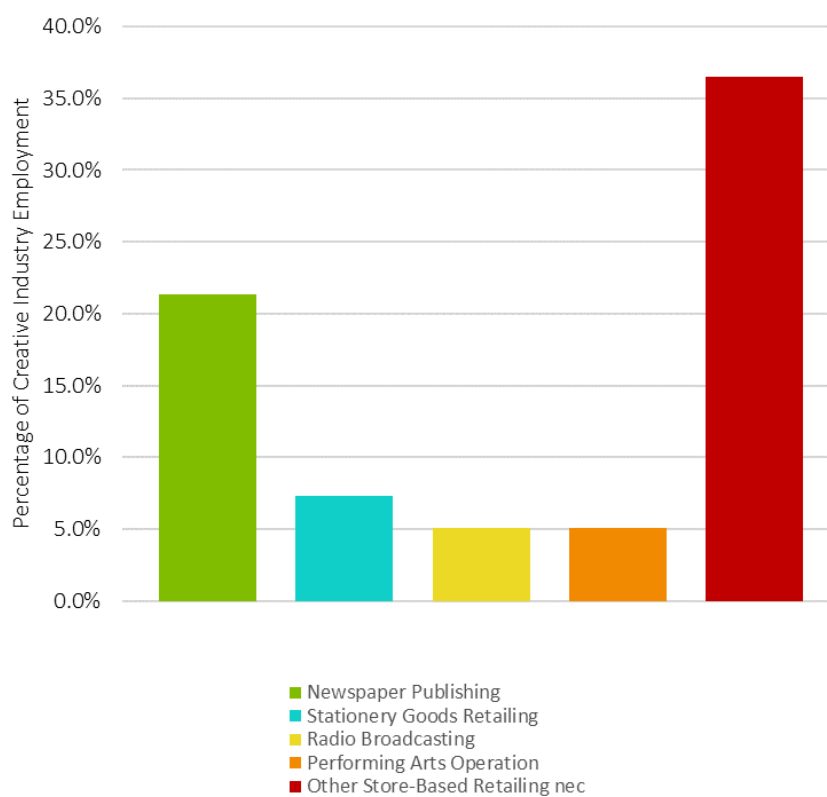
The top five of these industries, measured by share of total creative economy employment, are shown in Figure 8. Given the relative size of the creative economy in Broken Hill, these larger industries are quite traditional and may be less commonly thought of as 'creative'. Other store based retailing makes up 36.5% of all creative economy employment, while newspaper publishing makes up 21.3%. All five industries still make up a very small proportion of total employment in Broken Hill, with each employing less than 1% of the total workforce.

FIGURE 7: CREATIVE INDUSTRY EMPLOYMENT, BROKEN HILL LGA, 2016

Industry	2006	2011	2016
Clothing Manufacturing	0	0	3
Other Furniture Manufacturing	0	4	3
Jewellery and Silverware Manufacturing	0	0	4
Stationery Goods Retailing	3	5	13
Antique and Used Goods Retailing	5	0	8
Other Store-Based Retailing nec	42	41	65
Newspaper Publishing	30	36	38
Motion Picture and Video Production	3	0	0
Radio Broadcasting	11	4	9
Free-to-Air Television Broadcasting	3	11	8
Libraries and Archives	0	0	7
Architectural Services	3	0	4
Other Specialised Design Services	0	9	0
Advertising Services	8	3	7
Professional Photographic Services	0	6	0
Museum Operation	9	0	0
Performing Arts Operation	0	9	9
Creative Artists, Musicians, Writers and Performers	3	0	0
Performing Arts Venue Operation	0	4	9
Total	124	137	178

Source: ABS Census, 2016

FIGURE 8: TOP FIVE CREATIVE INDUSTRIES BY EMPLOYMENT, 2016



Source: ABS Census, 2016

2.3 Tourism and visitation data

Tourism is making up a growing share of the Broken Hill economy. Employment in the accommodation and food services industry, which covers a significant proportion of tourist spend, makes up nearly 10% of all employment in the area and has grown from 9.2% over the three census periods. While some of this would be driven by local spending at restaurants and other venues, increased employment in the industry reflects a greater capacity to service tourist activity in the area.

As shown in Figure 9, the vast majority (97%) of visitors are domestic. These visitors often stay for a long period (as shown by the average of 12 nights) and over half are likely to be visiting for a holiday. The long stay duration is most likely due to the remote nature of the area, possibly making multiple trips to the destination less likely. Business visitation too is a significant driver of tourism to the area, making up 30% of visits. Most visitors choose to stay in hotels, with roughly the same proportion making use of camping parks or staying with friends or relatives.

FIGURE 9: VISITATION OVERVIEW SURVEY, BROKEN HILL 2018-19

Origin	Visitors	Average stay (nights)	Average spend per trip	Average spend per night	Average accommodation spend - per night
Domestic	171	12	\$699	\$61	\$66
International	6	3	\$566	\$206	\$181

Source: Tourism Research Australia, 2019

FIGURE 10: DRIVERS OF VISITATION, BROKEN HILL 2018-19

Trip type	Visitors
Holiday	89
Visiting friends or relatives	23
Business	48

Source: Tourism Research Australia, 2019

FIGURE 11: ACCOMODATION OVERVIEW, BROKEN HILL 2018-19

Accommodation Type (nights)	Visitors
Hotel or similar	204
Home of friend or relative	82
Commercial camping/caravan park	84
Other	129

Source: Tourism Research Australia, 2019

As shown in Figure 12, many of the visits to the region are made by older Australians. In 2018-19, 60-69 year old tourists were the most common visitors to the area. Over 58% of visitors were aged 50 or older, with over 12% aged 70 or older. This suggests that older people are staying in Broken Hill, and staying for long periods. This is in keeping with the 'Grey Nomad' movement of retirees undertaking large road trips across Australia.

FIGURE 12: OUTBACK NSW¹ VISITATION BY AGE GROUP, 2018-19

Age	2018-19	%
15-29	-	0.0%
30-39	-	0.0%
40-49	100,000	17.0%
50-59	110,000	18.7%
60-69	159,000	27.0%
70+	73,000	12.4%
Did not specify	147,000	25.0%
Total	589,000	100.0%

Source: Destination NSW, 2019

While data at an age cohort level is not available for Broken Hill specifically, of note here is that this tourist profile is very similar to the population profile of Broken Hill, presenting a potential opportunity for greater alignment of cultural activities.

It is important to note here also that these figures are pre-COVID and are likely to change as domestic tourism drivers change over the next one to two years. This is discussed further in the next chapter.

2.4 COVID Impact projections

SGS, through its Economic Performance of Australia's Cities and Regions, models the changes of economic activity (Gross Regional Product) at a Local Government Area (LGA) level. This helps to understand the variability in economic activity and has been forecast to examine some of the impacts of COVID-19 epidemic and the related policy responses from government. As shown in Figure 13, Broken Hill is expected to perform relatively well compared with the remainder of Australia. Overall, the economy in the Broken Hill LGA is expected to grow by 1.3%. This is likely due to the extremely remote location and self-sufficiency of the economy in the area mitigating the impact of COVID as well as the region's mining resources which are expected to continue to drive national economic activity through exports.

Figure 14 shows that in reality, many industries will still take experience declines due to restrictions to trade, both locally and in terms of access to overseas markets. Industry total value added is expected to decrease by 2.8%, with significant falls in output for the arts and recreation services industry, the accommodation and food services industry, and the other services industry. Other industries include services such as beauty and religious services, which are likely to be significantly impacted by restrictions. However, the resulting decrease in output is expected to be significantly below that of other regions. Furthermore, when accounting for the transfer benefits of various job subsidies and local stimulus (as captured in Taxes less subsidies) regional product in the area is actually expected to increase.

FIGURE 13: GRP AND GDP GROWTH, BROKEN HILL LGA AND ALL AUSTRALIA, 2013-14 TO 2019-20

Region	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Australia	2.5%	2.2%	2.8%	2.4%	2.9%	1.9%	-5.9%
Broken Hill	1.6%	0.4%	3.8%	3.2%	-0.1%	0.3%	1.3%

Source: SGS, 2020

¹ The Outback NSW region covers much of the North West of the state and includes multiple towns such as Bourke, Broken Hill, Cobar, Lightning Ridge, Silverton and White Cliffs

Those industries with a more cultural and creative focus (for instance Arts and Recreation and Accommodation and Food Services) are expected to take a larger hit, due in part to a reduction in expenditure and visitation. However, as and when domestic tourism ramps up, these are also industries that are likely to need to bounce back to provide the type of services required by visitors.

FIGURE 14: FORECAST INDUSTRY VALUE ADDED, BROKEN HILL LGA, 2019-20

Industry	Broken Hill
Agriculture, Forestry & Fishing	1.0%
Mining	3.2%
Manufacturing	-5.3%
Electricity, Gas, Water and Waste	0.2%
Construction	-4.5%
Wholesale Trade	-12.8%
Retail Trade	-7.4%
Accommodation and Food Services	-33.3%
Transport, Postal & Warehousing	-8.7%
Information Media and Telecommunications	-5.8%
Financial & Insurance Services	2.7%
Rental, Hiring and Real Estate Services	6.2%
Professional, Scientific & Technical Services	-3.2%
Administrative & Support Services	-23.9%
Public Administration and Safety	-4.3%
Education & Training	-6.9%
Health Care & Social Assistance	4.8%
Arts & Recreation Services	-42.2%
Other Services	-19.2%
Ownership of dwellings	-1.7%
Taxes less subsidies on products:	49.1%
Industry Total	-2.8%
GDP	1.3%

Source: SGS, 2020

3. MACRO TRENDS

This chapter provides a brief overview of some of the macro trends that may impact Broken Hill.

3.1 Australia Wide Macro Trends

There are a variety of economic trends that are affecting the entirety of Australia. These mega trends mainly relate to business or demographic transition, with the two usually interwoven.

Mining boom and subsequent slowing growth

Mining has grown significantly as a share of the Australian economy since the early 2000s. Increased overseas demand for resources, in particular iron ore and coal, have pushed up global resource values. As a country with significant ore reserves, Australia was well placed to take advantage of this and subsequently economic activity in the sector grew rapidly. For the decade following the mid-2000s, the mining industry locally quickly moved into a period commonly referred to as the mining boom. During this period, the sector contributed 5.7% of national GDP. This is in comparison to the 1.9% over the 40 years prior². By 2009, mining made up nearly 10% of GDP³. Much of this growth was centred in remote regional areas where reserves were located such as the Pilbara, and the Bowen Basin. The nearby capital cities of Perth and Brisbane enjoying the flow on effects through supporting professional services growth and fly in fly out workers.

Since the boom, international prices have tapered off slightly as supply chains for emerging economies have diversified, leading to much slower growth in Australia. While prices remain relatively high compared with long term averages, mining has declined slightly as a share of Australia's GDP.

Services Sector growth

As in many developed nations, the Australian economy has been transforming to one increasingly dominated by services. A smaller proportion of the nation are working in manufacturing and agricultural sectors, as these requirements are being increasingly imported. Since the 1980s, agricultural jobs have decreased from around 6% of total employment to around 2.5%. Similarly, manufacturing is estimated to have declined from 16% to less than half that, at 7.5%.

Interestingly, the fall in the share of these sectors is much greater than many other developed nations. The services sector now makes up 79% of all jobs in Australia, up from 73% in 2000. Growth industries have included education and training, healthcare and accommodation and food services.

These trends disproportionately effect regional areas, with manufacturing and agriculture key components of local regional economies. Services jobs, in particular specialised ones, tend to be located in capital cities due to agglomeration benefits. These industries also attract greater numbers of migrant employees, who are contributing much of Australia's population growth and are resulting in greater growth in metropolitan areas.

² Minifie et al. (2017, p. 16), Grattan (2017)

³ ABS 1301.0 (2012)

Capital city growth

The result of increased population growth through migration and services sector growth has been rapid growth in capital city areas, outstripping that of regional areas. Services jobs and companies, in particular specialised ones, tend to be located in capital cities due to agglomeration benefits. These industries often attract migrants, and they disproportionately settle in established cities. The trend is exacerbated by the reality that migration agencies tend to prioritise skilled individuals and families, who are much more likely to be employed in highly skilled white collar industries, and therefore find their employment in capital city areas.

3.2 Regional Australia trends

While media and political attention tends to focus on a general decline in the prospects of regional and rural areas, the reality is often more varied and complex. Different regional areas are developing in different ways, and some regional towns and areas are actually growing in population and economic activity⁴.

Economic shocks can occur due to economic restructure (in traditional 'one industry towns'), migration to metropolitan areas (in particular among younger residents), social and economic inequality between regions, environmental pressures such as drought or bushfire periods and high unemployment in coastal areas⁵.

An early 2000's study looked at the factors related to the vulnerability of regional communities across Australia. Findings included:

- Opportunity is not always related to population growth in regional areas and is not confined to coastal areas. Vulnerability is instead spread between coastal and inland areas.
- Long term viability rests mainly on the strength of publicly funded government administration, education and health industries.
- Opportunity is often provided in the form of service industries such as tourism, and can be successful in small and remote locations, not just larger coastal areas.
- Opportunity for regional areas is not always related to population growth and it is not only confined to coastal areas⁶.

Regional investment

In NSW, the State Government has begun to take a pro-active interest in the development of the regional NSW Economy. Much of this has been driven by the sale proceeds of the Snowy Hydro System to the Commonwealth Government, which has led to a \$4.2 Billion Snowy Hydro Legacy Fund for investment in Regional NSW.

This however is not always uniformly distributed. The NSW Government has over the past two years focused its efforts in identifying and subsequently investing in key areas of the state based on their economic, environmental and infrastructure profiles. Two examples of these are the Special Activation Precincts and the Renewable Energy Zones.

Renewable Energy Zones (REZs)

The energy system within the state of NSW is currently going through a state of transition, as older power plants retire and new generation sources are brought online. Traditional power sources such as coal fired power plants are increasingly being replaced by smaller scale and more dispersed renewable energy sources such as solar and wind power generators. These new sources are being supported by investment in new transmission and storage infrastructure. The State Government of NSW is coordinating this transition and significant

⁴ Collits, P, 2000, 'Small Town Decline and Survival: Trends, Success Factors and Policy Issues', paper presented to the 'Future of Australia's Country Towns' Conference at La Trobe University, Bendigo, June 2000

⁵ Ibid, <http://www.regional.org.au/au/countrytowns/global/collits.htm>

⁶ Stimson, et. al., op. cit., p. 53.

investment through the implantation of three Renewable Energy Zones (REZs) in the Central-West Orana, New England and South West Regions. These regions have been prioritised for future investment due to a variety of factors such as natural energy resources, existing infrastructure and investor interest.

Broken Hill does have capacity for renewable energy generation as illustrated by the construction of the Broken Hill Solar Farm, one of the largest generators of its type in Australia at the time of construction. However, the difficulties posed by the remoteness of Broken Hill has meant that construction and transmission is compromised, and has resulted in the area not being selected as a REZ by the NSW government.

Special Activation Precincts (SAPs)

The NSW Government has embarked on an ambitious agenda to coordinate infrastructure investment and streamlined planning through the regional Special Activation Precinct (SAP) program. The SAP program will facilitate industry investment and employment growth in key regional centres by developing a master plan and industry vision that is built on the region's competitive advantages. Five SAPs have been identified and have planning and/or business cases underway:

- Parkes
- Wagga Wagga
- Snowy Mountains
- Moree
- Williamtown

Each have certain infrastructure, land use, export strengths or industry cluster strengths that can be enhanced through the coordination of state and local government planning and investment. Examples of investment that could be prioritized for these regions include freight and logistics, defense, advanced manufacturing, renewable energy, agribusiness and tourism. Investment in these operations are aligned with the Regional Investment Attraction Fund benefits, which include financial incentives and interest free loans to enable businesses to relocate to regional areas. Grants of up to \$10,000 per worker are also provided to attract skilled employees to regional areas.

Again, these regions do not cover the Broken Hill area. While this does not remove the prospect of government funding for certain industries in the area, it does greatly increase the difficulty. The NSW government is seeking to prioritize investment in these catchments in an attempt to build industry ecosystems in each SAP.

Climate change impacts

Much of regional Australia is increasingly susceptible to more frequent and extreme climatic events, linked to climate change. Agricultural areas of regional and national significance are increasingly impacted by drought, flooding and bushfire events which impact on agricultural production and quality.

Globally, a move by many nations towards a Net Zero Emissions policy by 2050 is leading to energy policy shifting away from fossil fuel-based fuel sources.

In both these situations, climate-related drivers will increasingly impact regional economies that are heavily reliant upon one industry (agriculture or coal mining), which will necessitate a transition away from these traditional industries. This diversification will seek to attract additional industries or an evolution of current industry practice to safeguard against such change.

For the most part, while Broken Hill will no doubt feel the effects of climate change through increased warming and changes to weather patterns, its local economy is less reliant on fuel-based mining than other natural resources and it has a small agricultural sector, meaning that it may not see the same industry-related impacts of climate change that other regions will.

3.3 Potential impacts of COVID

The global disruption of the COVID-19 Pandemic is still playing out across the world and the depth and longevity of its impact is hard to predict. Notwithstanding this, there are several trends that have either emerged or been exacerbated that may have an impact on Broken Hill.

Impact on tourism

COVID 19 has caused overwhelming impacts to the domestic and global tourism sector. International border closures have effectively stopped international tourism – at least to and from Australia (with the exception of the Australia-New Zealand Travel Bubble).

This has meant that the 8.6 million⁷ international visitors who visited Australia in 2018-19 will not be seen for a couple of years to come, at least. For Broken Hill, however, international tourists traditionally accounted for a very small number of visitors (3.4% in 2019), suggesting that from an inward tourism perspective, it is unlikely to be too heavily impacted.

What the global travel bans have created for Regional Australia however is an opportunity to significantly increase domestic tourism. Australia's global success in suppressing the spread of COVID-19 (at least as of writing in November 2020) means that the Australian economy is travelling relatively well, with state borders cautiously opening up to inter-state movement.

In 2018-19 9.9 million Australians travelled overseas for holidays and 92 million trips (overnight) were made locally. Assuming that Australia is able to continue its successful management of the virus over the next one to two years, this creates an opportunity for regional areas to capture that share of Australian domestic tourist who would traditionally go overseas for holidays.

Urban flight

For many residents of capital cities, COVID has highlighted that they are able to work anywhere. While not all industries and jobs are able to be undertaken from home, for those that are, 2020 has been a revelation that will likely inform how many people choose to work in the future.

Coupled with pre-COVID challenges such as housing affordability and work-life balance issues, it is expected that regional Australia will be the beneficiary of more urban residents looking to move to regional areas.

This process will not benefit all regional areas uniformly, however. Those whose jobs do permit them to work remotely are likely to require strong and stable internet connections, access to good services in regional communities, affordable housing stock and high quality amenities (such as cafes and bars) to attract them. Those towns with natural beauty, attractive main streets and access to airports are likely to be key beneficiaries as this process continues.

⁷ Tourism Research Australia, 2019

Changes to local and global supply chains

One of COVID's largest economic disruptions has been to national and even domestic supply chains. In Australia, it is estimated that 83% of air freight is carried via passenger aircraft⁸. The ceasing of international passenger movements has fundamentally altered global freight supply chains. While it is expected that over time this will recover as passenger movements re-start, in the short to medium term, this shock has caused state and federal governments to re-think Australia's productive capacity from a national security perspective. Regional Australia may be the beneficiaries of any future 're-shoring' of certain manufacturing processes that align with regional economic development aspirations (such as the renewable energy zones), labour market skill alignment and existing regional strengths that can be leveraged.

While this is not a *fait accompli*, Broken Hill's traditional strength in mining may put it in a strong position to attract more value-adding industries to the region to leverage the abundance of natural resources.

⁸ Department of Infrastructure, Regional Development and Cities 2018, Inquiry into National Freight and Supply Chain Priorities, Supporting Paper No.1

4. INSIGHTS

This chapter draws together a series of insights from the analysis undertaken in this report to help inform the direction of the Broken Hill Cultural Study.

The analysis undertaken in this short study has identified a series of insights that may help to influence the future direction of the Broken Hill Cultural Study.

- **Broken Hill has an older profile.** Nearly 30% of the population of Broken Hill is over 60, up from 24% in 2006. This suggests a high number of retirees and/or people moving into the region at retirement age. This cohort may not work in the creative and cultural sectors but are likely to engage in it through hobbies and as consumers. Stakeholder engagement should examine this further as it is likely that a focus on the creative and the cultural sectors may need a strong focus on community infrastructure need.

The decline in population over the ten years to 2016 is likely to have come from families leaving, as there is evidence that Broken Hill has a lower than average (for Regional NSW) number of 0-19 year olds and 30-49 year olds – key family household age brackets.

Local cultural and creative investment therefore should take into account the needs of this specific age profile of Broken Hill.

- **There is a strong Indigenous community.** In 2016, 8.5% of Broken Hill residents identified as Indigenous, compared to 5.9% for the Rest of NSW and 2.8% across Australia. This creates an opportunity to work with local indigenous groups and businesses to build on this cultural heritage as a way of celebrating Broken Hill's diverse physical and cultural landscape.
- **Mining is the standout industry specialisation.** Mining dominates the economy of Broken Hill, accounting for 11% of employment. Many of the other industries in Broken Hill are population serving or supportive of the Mining Industry.
- **The creative and cultural sector is small.** As a consequence of the singular focus of the Broken Hill economy, the creative and cultural sector is small, accounting for 2.8% of jobs. Of this, most are retail-related or directly linked to the regional newspaper. This makes it challenging to build on an established cultural or creative specialisation.
- **COVID-19 is likely to keep Australian tourists in Australia.** Travel restrictions across the globe, coupled with Australia's (to date) strong management of the pandemic is likely to mean that domestic tourism is a focus for economic development across Regional Australia over the next 1 to 2 years.
- **Aligning tourism with culture is an opportunity.** What stands out therefore is the need to align cultural and creative sector development with the tourism industry. This could take two dual streams to expose Broken Hill to as diverse a range of domestic tourists as possible. The age profile of Broken Hill's residents and the general age profile of many Australian's embarking on trans-national road trips (the 'Grey Nomad' cohort) present an opportunity to consolidate Broken Hill's status on such journeys by supporting the creative industries that appeal to this older cohort.

Concurrently, the increased awareness of and interest in Australia's indigenous culture, particularly in younger Australians, presents an opportunity to leverage the strong Indigenous community of Broken Hill and establish it as a destination that appeals to a

younger audience also. Younger tourists (<39 years old) currently make up a very small share of outback tourists, however COVID's curtailing of international travel is likely to change this.

- **A cultural tourism strategy requires partnering with other jurisdictions.** Broken Hill's remoteness means however that any desire to attract visitors must be done in concert with other jurisdictions to 'join the dots' along a journey that may traverse vast distance and be covered in weeks and months, rather than days. This approach too can work with the different age cohorts. Towns with strong cultural and creative industries may form one type of journey that included Broken Hill, while another that links sites of important Indigenous significance to Broken Hill and beyond.

APPENDIX A - CREATIVE INDUSTRIES

List of Creative industries

Broad Sectors	Industry Segments (4-Digit ANZSIC)
Music, Performing and Visual Arts	Music and other sound recording activities
Music, Performing and Visual Arts	Performing arts operations
Music, Performing and Visual Arts	Creative artists, musicians, writers and performers
Music, Performing and Visual Arts	Performing arts venue operation
Music, Performing and Visual Arts	Creative and performing arts activities, nfd
Music, Performing and Visual Arts	Arts and recreation services, nfd
Libraries, Archives and Museums	Libraries and archives
Libraries, Archives and Museums	Museum operation
Publishing	Music publishing
Publishing	Directory and mail list publishing
Publishing	Newspaper publishing
Publishing	Magazine and other periodical publishing
Publishing	Book publishing
Publishing	Other publishing (except software, music, internet)
Publishing	Printing
Publishing	Printing support services.
Publishing	Publishing (except internet and music publishing), nfd
Publishing	Newspaper, periodical, book and directory publishing, nfd
Publishing	Sound recording and music publishing, nfd
Media Production and Broadcasting	Motion picture and video production
Media Production and Broadcasting	Post-production services & other motion picture and video activities
Media Production and Broadcasting	Free to air television broadcasting
Media Production and Broadcasting	Cable and other subscription broadcasting
Media Production and Broadcasting	Radio broadcasting
Media Production and Broadcasting	Reproduction of recorded media
Media Production and Broadcasting	Motion picture and sound recording activities, nfd
Media Production and Broadcasting	Motion picture and video activities, nfd

Media Production and Broadcasting	Motion picture and video distribution
Media Production and Broadcasting	Motion picture exhibition
Media Production and Broadcasting	Broadcasting (except internet), nfd
Media Production and Broadcasting	Television broadcasting, nfd
Media Production and Broadcasting	Video and other electronic media rental and hiring
Media Production and Broadcasting	Information media and telecommunications, nfd
Fashion	Clothing manufacturing
Fashion	Footwear manufacturing
Internet and Digital Services	Computer system design and related services
Internet and Digital Services	Software publishing
Internet and Digital Services	Internet publishing and broadcasting
Internet and Digital Services	Internet service providers, web search portals and data processing services, nfd
Advertising	Advertising services
Design	Jewellery and silverware manufacturing
Design	Architectural services
Design	Other specialised design services
Design	Professional photographic services
Education	Arts education
Manufacturing	Knitted product Manufacturing
Manufacturing	Footwear Manufacturing
Manufacturing	Glass and Glass Product Manufacturing
Manufacturing	Other Ceramic Product Manufacturing
Manufacturing	Other Furniture Manufacturing
Manufacturing	Bakery Product Manufacturing (Non-factory based)
Manufacturing	Confectionery Manufacturing
Manufacturing	Other Food Product Manufacturing n.e.c
Retail Trade	Stationary Goods Retailing
Retail Trade	Antique and Used Goods Retailing
Retail Trade	Other Store-Based Retailing n.e.c.
Information Media and Telecommunications	Directory and Mailing List Publishing
Information Media and Telecommunications	Other Publishing (except Software, Music and Internet)
Information Media and Telecommunications	Post-production Services and Other Motion Picture and Video Activities
Information Media and Telecommunications	Free-to-Air Television Broadcasting

Professional, Scientific and Technical Services Other Specialised Design Services

Arts and Recreation Services Museum Operation

Arts and Recreation Services Performing Arts Operation

Source: SGS, 2020