



Andrew Stoner MP
Deputy Premier of NSW
Minister for Trade and Investment
Minister for Regional Infrastructure and Services

MEDIA RELEASE

Thursday 10 October 2013

**\$41.9M INVESTMENT IN RESOURCES FOR REGIONS
PROJECTS**

Deputy Premier and Minister for Regional Infrastructure & Services Andrew Stoner today announced funding for six infrastructure projects in mining-affected communities through the first round of the Resources for Regions Program in 2013-14.

Mr Stoner also announced that the second round of funding through this program for 2013-14 opened today, with up to \$78 million available for economic and social infrastructure projects that will benefit mining-affected communities.

He said the Resources for Regions program offers a total of \$120 million in 2013-14 – split across two rounds – for infrastructure projects in the eligible mining-affected communities of Cobar, Lithgow, Mid-Western, Muswellbrook, Narrabri, Newcastle, Singleton and Wollongong.

“Resources for Regions provides funding to communities experiencing unique direct and indirect pressures on their infrastructure and services as a result of mining activity,” Mr Stoner said.

“These projects have been chosen for funding by an independent panel for their capacity to support economic growth and productivity, ease infrastructure constraints, and support NSW communities affected by mining.”

The six successful projects from round one are:

- Cobar - \$7.8 million to replace the waste water treatment plant;
- Lithgow - \$3.5 million for the redevelopment of Black Bridge;
- Mid-Western LGA - \$9.5 million to upgrade Ulan Road;
- Muswellbrook - \$7.6 million for a roads safety and improvement project including an over dimension vehicle bypass and industrial services centre road network;
- Singleton - \$9 million for a CBD renewal project to improve traffic flows; and
- Wollongong - \$4.5 million to upgrade Cordeaux Road and bridge.

Mr Stoner said the NSW Government is also calling for expressions of interest for the second round of funding for projects to improve local economic and social infrastructure in the eligible mining-affected communities. The second round is open to the eight Local Government Areas eligible under the first round for 2013-14.

“The NSW Government recognises that rapid growth places pressure on infrastructure. Projects that improve this infrastructure can provide economic and social benefits for regional communities,” he said.

“I encourage local councils, community groups, local businesses and non-government organisations in the eligible mining-affected communities to nominate projects for the second round of funding.”

Following the expression of interest period the NSW Government will make an initial assessment as to whether proposals are likely to qualify for more detailed consideration. Proposals that are short-listed will be invited to submit a full application.

An Independent Assessment Panel comprised of senior representatives from Infrastructure NSW, NSW Farmers and Local Government NSW will then consider applications and make funding recommendations to the Board of Infrastructure NSW.

Expressions of interest for the second round of funding close on Monday, November 11, 2013. An announcement about the short-listed applications will be made later this year and the successful projects announced early in 2014.

For more information on Resources for Regions, including details on the application process, go to www.business.nsw.gov.au/assistance-and-support/grants/regional-programs/resources-for-regions.

Other Trade & Investment media releases can be found here: <http://www.business.nsw.gov.au/media-releases>

Media: Ben Shine 0431 096 596



Restart NSW Resources for Regions

Expression of Interest Guidelines
2013-14 Second Round

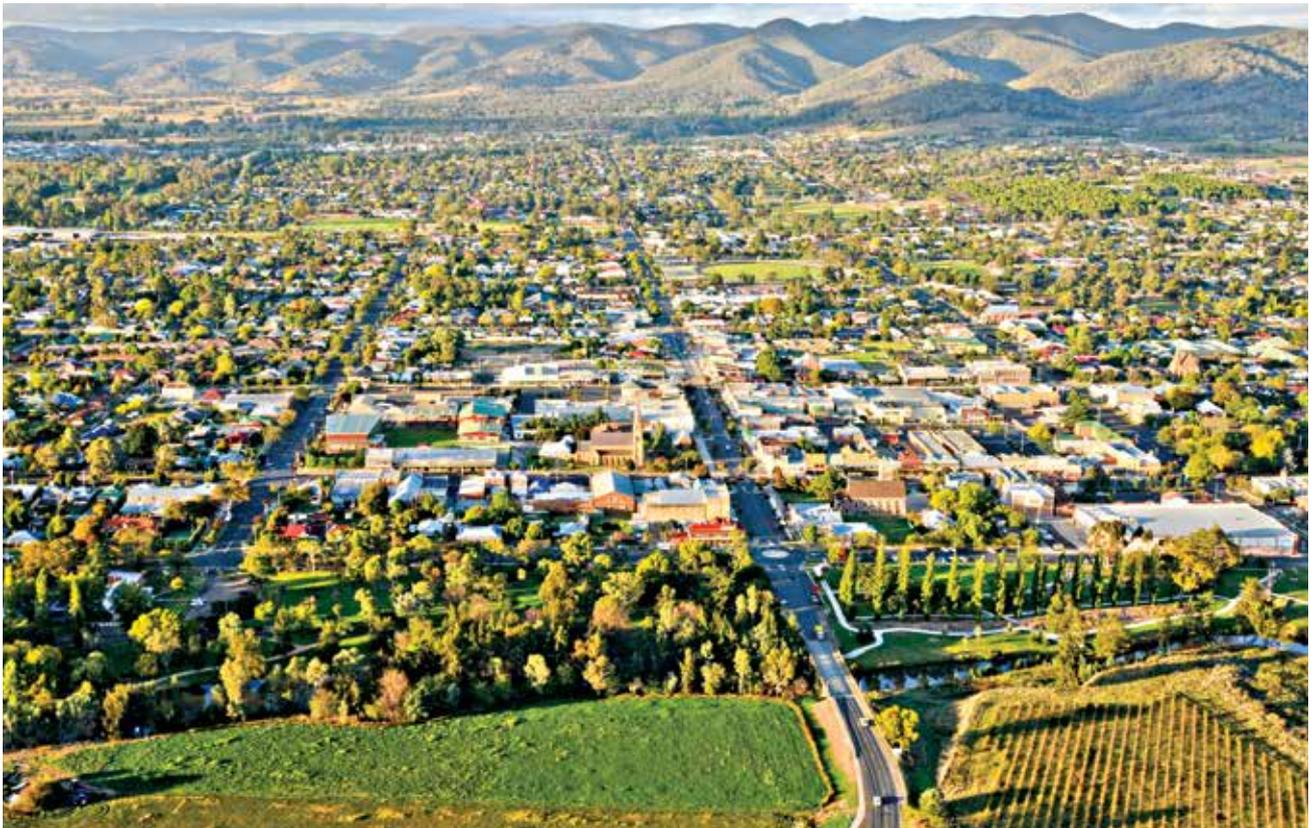


Photo credit: Cudgegong Camera Club.



Restart NSW Resources for Regions

Expression of Interest Guidelines 2013-14 Second Round

INFRASTRUCTURE FOR MINING-AFFECTED COMMUNITIES

The NSW Government is inviting Expressions of Interest for funding from Resources for Regions, a Restart NSW Fund program, for infrastructure for mining affected communities.

Restart NSW is the NSW Government's fund established to improve economic growth and productivity in the State by funding major infrastructure projects and other necessary infrastructure. A total of \$160 million has been committed to mining affected communities through the Resources for Regions program over four years from 2011-12 to 2014-15.

The objective of the Resources for Regions program is to relieve infrastructure constraints and reinvest in regional communities affected by mining. The mining industry makes a significant contribution to the economic prosperity of NSW, particularly in regional areas. However, the NSW Government

\$160m
Committed for local infrastructure

acknowledges that the mining activity that generates this wealth can also place additional stress on local infrastructure.

The NSW Government allocated \$10 million to the Resources for Regions program in 2012-13. In the 2013-14 Budget, the NSW Government committed an additional \$120 million for projects to be selected over two rounds. The NSW Government has announced the successful applications from the first round and has now announced the second round for 2013-14 for up to \$78 million.

Resources for Regions projects must improve local economic and social infrastructure in regional areas that are affected by mining activity. Projects must be located in the following Local Government Areas (LGAs):

- Cobar
- Lithgow
- Mid-Western Regional
- Muswellbrook
- Narrabri
- Newcastle
- Singleton
- Wollongong

Project nominations are invited from local councils, community groups, local businesses and non-government organisations.

Project nominations involving partnerships of these entities and/or partnerships with NSW Government entities will be welcomed.

Funding will be allocated following a robust assessment process which will include consultation with relevant stakeholders, which may include local councils, Members of Parliament and Regional Development Australia committees.

Infrastructure NSW will manage the assessment process. Projects that involve partnerships, align with NSW government priorities and/or produce a net economic benefit will be viewed favourably. This includes business projects which seek to deliver infrastructure with common user benefits.

The NSW Government also recognises that rapid growth places pressure on social infrastructure such as schools, hospitals, recreational facilities and childcare services in mining affected communities. As such, the Resources for Regions program is open to projects that cater for economic and social infrastructure. However, social infrastructure applications will also need to demonstrate how they support the economic development of an area.

APPLICATIONS

Expressions of Interest are now invited for the second round of the 2013-14 Resources for Regions program.



The application procedure is a two-step process:

1. Expressions of Interest
2. Detailed Applications

Important milestones include:

- 10 October 2013 Expressions of Interest open
- 11 November 2013 Expressions of Interest close
- Early December 2013 Announcement of shortlisted projects, which will be invited to submit Detailed Applications

- 31 January 2014 Detailed Applications close
- March 2014 Announcement of successful projects

FREQUENTLY ASKED QUESTIONS

What kinds of projects are eligible for Resources for Regions funding?

The program is open to economic and social infrastructure projects that achieve the aim of the Resources for Regions program. Examples of economic infrastructure include roads, rail, local facilities to improve the movement of freight, airports, public transport, local water and sewerage projects.

Social infrastructure may include hospitals and other health facilities and services, child care, vocational training, workplaces for frontline staff such as police officers, teachers and nurses, affordable and rental housing and aboriginal employment projects.

How will projects be assessed?

Projects will be recommended to the NSW Government by Infrastructure NSW, following review by the Regional Independent Assessment Panel. NSW Trade & Investment will coordinate the application process on behalf of Infrastructure NSW.

Expressions of Interest that comply with the application requirements will be assessed. The projects will be assessed based on the Program Criteria listed below.

Program Criteria:

1. Net economic benefits of the project for the Local Government Area, the mining affected region and the NSW economy
2. The degree to which the affected community is impacted by mining activity and the degree to which public infrastructure that is used by the mining industry (or is affected by mining activity) is subject to particular stresses, is not keeping up with demand, or is deteriorating
3. Alignment with Government priorities, including the strategic infrastructure objectives outlined in NSW 2021 Plan, Community Strategic Plan and other regional strategies and policies;
4. Affordability of the project and life-cycle cost impacts;

5. Capacity to deliver the project - including project risks and risk management approach; and implementation approach, including potential for private-public partnerships.

How can my organisation apply?

Applications should use the form provided and address all the Program Criteria.

Completed forms and all necessary material must be lodged with Infrastructure NSW by 11 November 2013.

By email: mail@insw.com

By mail: Infrastructure NSW
PO Box R220
Royal Exchange NSW 1225

Infrastructure NSW will be assisted in the administration of the Resources for Regions program by NSW Treasury and NSW Trade & Investment. NSW Trade & Investment regional managers will provide local assistance and manage initial enquiries regarding planned projects.

What is the assessment process?

Expressions of Interest
Infrastructure NSW will carry out an initial assessment based on submitted Expressions of Interest with assistance from NSW Treasury and NSW Trade and Investment. NSW Trade and Investment will consult with relevant stakeholders which may include NSW government agencies, local councils, Members of Parliament and Regional Development Australia Committees on applications received.

Infrastructure NSW will shortlist those project Expressions of Interest that best meet the criteria and invite them to submit a more detailed application.

Detailed Applications
Infrastructure NSW will carry out a detailed evaluation of each shortlisted project, taking into account the original information provided in the Expression of Interest stage and new material supporting the case for project funding. Infrastructure NSW will carry out a second evaluation of the project, taking into account the original application and new material supporting the case for project funding.

Supporting information required in the second stage will include:

- A business case and economic appraisal for the project, including financial forecasts;
- Asset procurement plans that are relevant to the project;
- Risk assessment and management strategy and project delivery plans; and
- Any other supporting documents requested by the Regional Independent Assessment Panel.

Regional Independent Assessment Panel

The Regional Independent Assessment Panel will consider the Expressions of Interest and the Detailed Applications and will make recommendations for shortlisting and for funding to Infrastructure NSW.

Following advice from the Regional Independent Assessment Panel, Infrastructure NSW will make final recommendations to the NSW Government.

Final funding decisions are made by the NSW Government.

Confidentiality and Disclosure

Applicants are advised that any information contained in the Expression of Interest which is considered confidential must be notified to Infrastructure NSW with an explanation. Summary information about the project application will be posted on Infrastructure NSW's web site unless you advise Infrastructure NSW that you do not agree to its publication.

All information provided in the application may be distributed to other parties to assist Infrastructure NSW in its evaluation. Infrastructure NSW will keep all information confidential and secure. Any request made under the Government Information (Public Access) Act 2009 for access to an application, including information marked 'confidential', will be determined in accordance with the Act.



Restart NSW Resources for Regions

Expression of Interest

PLEASE COMPLETE THIS APPLICATION FORM AND ATTACH RELEVANT DOCUMENTS

Applicant Organisation		ABN
Registered Address		
Postal Address		
Contact Person		Position
Telephone No.		Mobile
Email		

Description of Project What is the proposed infrastructure project?

Project Address Where is the project to be located?

Project Timeline (please provide the proposed start and end dates for your project)

Start / / End / /

Estimated total cost of the infrastructure

Funding requested (\$) from Resources for Regions and any other Funding Contributors: (include name, contribution amounts and whether contributors are confirmed or prospective)

4

AFFORDABILITY

Describe the funding arrangements for this proposal and the applicant's prioritisation and affordability considerations. How will the applicant fund lifecycle costs of operation, maintenance and enhancements of this infrastructure?

5

PROJECT DELIVERY

(a) Risk Management

Describe the key project, service and financial risks for this proposal and the risk management approach.

(b) Implementation

Describe the implementation approach, including potential for public-private partnership key milestones and estimated timetable.

DECLARATION

I certify that the information provided in and supporting this Expression of Interest is true and correct and that I am legally authorised to sign this Expression of Interest for and on behalf of the applicant organisation/company.

Signed

Name

Position

Date

All Expressions of Interest must also be endorsed and signed off by the Asset Owner and Asset Manager before the project will be considered.

Both Expressions of Interest and invited detailed applications must be lodged with Infrastructure NSW.

By mail: Infrastructure NSW
PO Box R220
Royal Exchange NSW 1225

Email: mail@insw.com

Website: www.insw.com

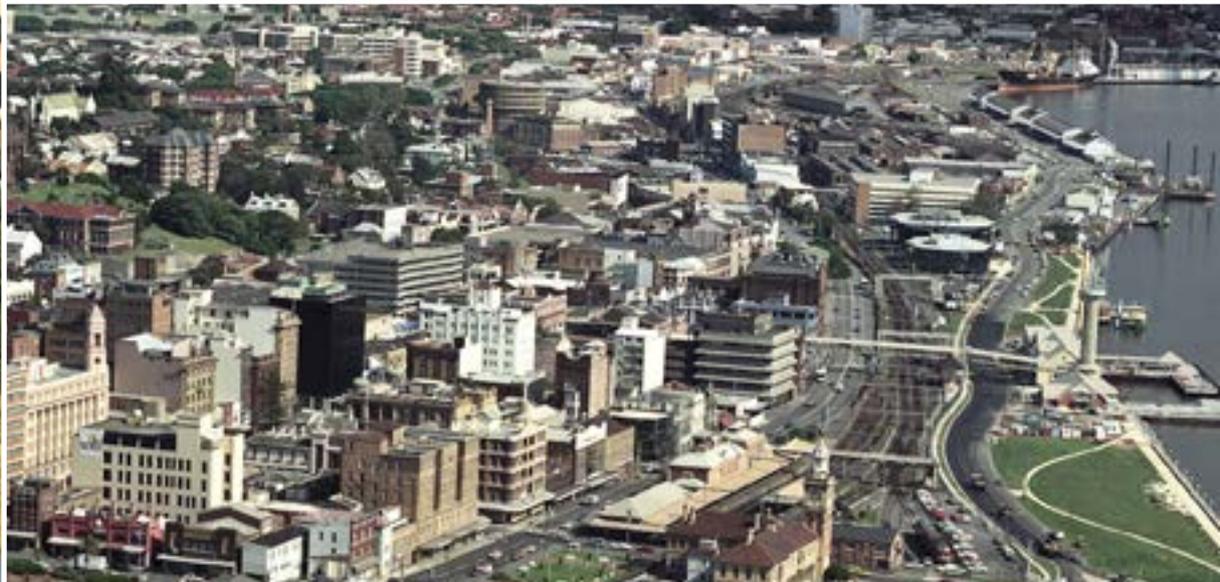
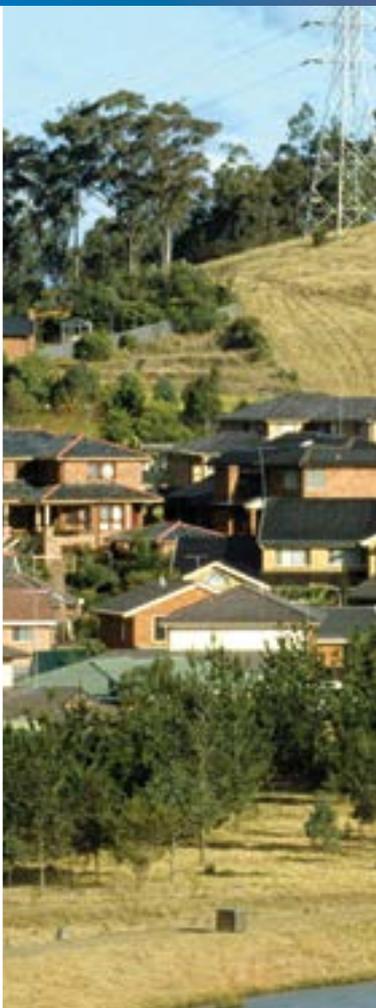
Expressions of Interest must be submitted by 5pm, 11 November 2013



Trade &
Investment

Economic Assessment of Mining Affected Communities

FEBRUARY 2013



www.trade.nsw.gov.au

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ECONOMIC ASSESSMENT OF MINING AFFECTED COMMUNITIES

Executive Summary

The NSW Liberals & Nationals Government acknowledges that mining activity can place additional stress on local infrastructure, particularly in regional NSW. In 2011, the NSW Government commenced the Resources for Regions policy, the first stage of which was to conduct an Economic Assessment of Mining Affected Communities. The 2011 assessment led to an additional allocation of \$10 million to local infrastructure projects in the Muswellbrook and Singleton Local Government Areas (LGAs) in the NSW Government's 2012-13 Budget.

The NSW Government also committed to repeating the analysis in 2012 as a mechanism for ongoing assessment of potential inequity in infrastructure investment across the State.

The 2012 assessment was again conducted by a Working Group of senior officials, chaired by NSW Trade & Investment, with representatives from the Office of Resources and Energy, Department of Premier and Cabinet, Department of Planning and Infrastructure, NSW Treasury, Department of Finance and Services and Roads and Maritime Services NSW.

The Working Group conducted a survey of LGAs in NSW to inform reconsideration of the definition of 'mining affected communities' and subsequently made some modifications to the definition used in the 2011 assessment. The key difference this year was the inclusion of a new category of LGAs - 'Indirectly Mining Affected' - which are LGAs identified as affected by mining in neighbouring areas.

The 2012 assessment has found that Tier 1 LGAs (Singleton and Muswellbrook) received more NSW Government funding on a per capita basis in 2011-12 than any other LGA category, except Tier 2, but still delivered a considerable net revenue balance to the State. Tier 2 LGAs received relatively high levels of both transport and aggregate funding and, with the exception of Mid-Western Regional LGA, were net recipients of State support overall. In 2011-12, State expenditure in all other LGAs exceeded the revenue raised.

An independent auditor, Hill Rogers Spencer Steer, was appointed to identify and report any issues which could compromise the integrity of the assessment. No issues of material concern were identified.

Introduction

In February 2012, the NSW Government released an Economic Assessment of Mining Affected Communities. The assessment was conducted during late 2011 by a Working Group of senior officials with the objective of comparing State revenue raised from communities affected by mining with the corresponding amount spent on local infrastructure and services to guide long term infrastructure investment decisions.

The assessment was a key step in delivering on the NSW Government's Resources for the Regions election commitment and led to Resources for the Regions infrastructure spending being prioritised in the Muswellbrook and Singleton local government areas (LGAs).

On release of the 2011 assessment, the NSW Government further committed to repeating the analysis in 2012 as a mechanism for ongoing assessment of potential inequity in infrastructure investment across the State. This commitment recognised both the 'lumpiness' of infrastructure spending across regions over time and also that pressure on local infrastructure due to mining is subject to change.

2012 Terms of Reference

The Terms of Reference for the 2012 assessment were in keeping with those for the 2011 assessment, with the key task being to estimate the degree to which mining affected communities subsidise, or are subsidised, by non-mining affected communities.

However, in conducting the 2012 assessment, the Working Group was requested to reconsider the definition of a 'mining affected community', including giving further consideration to the inclusion of LGAs that are impacted by mining in adjacent areas.

Consistent with the approach adopted in 2011, the 2012 assessment was again conducted by a Working Group of senior Government representatives. The Working Group was chaired by the Director General of the NSW Department of Trade & Investment, Mark Paterson AO, and comprised executive level representatives from:

- NSW Department of Trade & Investment (Division of Minerals and Energy)
- Department of Premier and Cabinet
- Department of Planning and Infrastructure

- NSW Treasury
- Department of Finance and Services and
- NSW Roads and Maritime Services.

All agencies across the Government were required to provide information to the Working Group on the regional distribution of State Government expenditure and, where relevant, on the collection during 2011-12 of fees, charges, taxes and royalties that contributed to State revenue.

Redefinition of 'Mining Affected'

For the purposes of the 2011 assessment, the Working Group determined that a mining affected community was an LGA from which the Government collected a certain threshold of mining royalties. These thresholds were:

- above \$10,000 per capita (Tier 1)
- between \$500 and \$10,000 per capita (Tier 2)
- between \$10 and \$500 per capita (Tier 3) and
- below \$10 per capita ('not mining affected' - Tier 4).

The Working Group considered that a slight variation to split the previous Tier 2 category was an appropriate way to categorise the extent to which mining activity actually occurs and royalties are earned in a particular LGA. The revised tiered categorisation used for the 2012 assessment was:

- above \$10,000 per capita (Tier 1)
- between \$2,500 and \$10,000 per capita (Tier 2)
- between \$500 and \$2,500 (Tier 3)
- between \$10 and \$500 per capita (Tier 4) and
- below \$10 per capita ('not mining affected' - Tier 5).

On review of the 2011 assessment, it was determined that a 'mining affected community' could be better defined by considering all communities affected by mining, including (i) LGAs that neighbour active mining areas and provide dormitory services and/or are used as transport thoroughfares and (ii) LGAs where significant mining activity is expected to commence in the near future.

In response to the request to give further consideration to the definition of 'mining affected', the Working Group conducted a survey to identify alternative ways of categorising LGAs for the purposes of the 2012 assessment. The Local Government and Shires Association kindly assisted the Working Group by distributing the survey to all local government authorities in NSW. A copy of the survey questions and a summary of the responses received is shown at Appendix 1.

Five local government authorities (Blue Mountains, Forbes, Newcastle, Orange and Sutherland) identified themselves as being indirectly affected by mining as a consequence of neighbouring an active mining area and being a thoroughfare for mining traffic. Three others (Goulburn Mulwaree, Greater Taree and Narrandera) responded as being affected by quarrying rather than mining.

The Working Group appreciated that quarrying may have a significant impact on local transport infrastructure, but considered that these impacts did not fit within the Terms of Reference of the assessment. Local government areas affected by quarrying only were therefore excluded from the definition of 'mining affected communities'.

However, the impact on transport infrastructure arising from additional mining-related vehicular traffic, particularly heavy vehicles, was considered to be consistent with the Terms of Reference of the assessment. The Working Group therefore accepted the Blue Mountains, Forbes, Newcastle, Orange and Sutherland local government areas as 'mining affected communities' under a new category of 'Indirectly Affected'.

A proxy measure for the indirect impact of mining on LGA infrastructure costs is mining-related heavy vehicle movements. However, direct survey data that distinguish mining-related truck movements are not available. An alternative source of information on truck movements is the Strategic Freight Model of the Bureau of Freight Statistics in Transport for NSW.

This model generates estimates of truck trips between LGAs associated with different commodities. Using this model and publically available industry data to avoid confidentiality concerns, the Bureau of Freight Statistics has estimated the following mining-related truck movements in the identified indirectly affected LGAs:

Blue Mountains	50 truck trips per day
Forbes	3-4 truck trips per day
Newcastle	550 truck trips per day
Orange	3-4 truck trips per day
Sutherland	truck trips not estimated

Data

Data sets, on an LGA basis where possible, were sourced from relevant government agencies contributing to the collection of State revenue and the distribution of State Government expenditure. All data is from the 2011-12 financial year unless otherwise stated.

Transport NSW

Transport NSW data were compiled at an aggregate level and NSW Treasury allocated the recurrent expenditure by LGA according to population.

NSW Treasury

Data provided by NSW Treasury included capital expenditure, relevant recurrent expenditure and GST and relevant other revenues. NSW Treasury capital expenditure was delineated into transport expenditure and other expenditure for each LGA.

Residual recurrent data include the balance of total State budgeted expenditure not provided by line agencies. For the purpose of this analysis, the recurrent expenditure figure is therefore considered to be representative of all State recurrent expenditure. NSW Treasury allocated the residual recurrent expenditure by LGA according to population.

Residual revenue data included the balance of total State budgeted revenue not provided by line agencies. For the purpose of this analysis, the revenue figure is therefore considered to be representative of all State revenue. NSW Treasury allocated the residual revenue by LGA according to population.

Residual capital expenditure data represented a positive adjustment to capital expenditure, allocated to each LGA according to population, so that total 2011-12 capital expenditure equalled the 2011-12 budgeted figures.

With regard to GST State revenue, Treasury allocated the total GST revenue (NSW share in 2010-11) to LGAs according to population.

NSW Trade & Investment (Division of Minerals and Energy)

Mining leaseholders in NSW are required to lodge royalty returns. These mining royalties were compiled on an LGA basis and attributed as State revenue for 2011-12.

NSW Trade & Investment

Expenditure under three programs through NSW Trade & Investment were compiled on an LGA basis and attributed as Regional Industries Investment Fund (RIIF), State Investment Attraction Scheme (SIAS) and Arts Program recurrent expenditure for 2011-12.

Note: It was the intention of the Working Group for the per capita data sets for the 2012 assessment to be consistent with and therefore able to be aggregated with the 2011 assessment data. This was not possible in the intervening period there was a change in the methodology used by the Australian Bureau of Statistics to calculate population, which rendered the population data in the two assessments are not directly comparable. In addition, some additional expenditure and revenue data were able to be derived and included in the 2012 assessment, providing improved coverage. It is anticipated that future assessments will, however, be able to be considered on an equivalent basis to the 2012 assessment, thereby providing capacity for time series evaluation.

Independent Audit

NSW Trade & Investment invited four audit firms to tender to undertake an audit of the integrity of the financial data compiled in relation to the findings in the 2012 assessment. Hill Rogers Spencer Steer were subsequently appointed as the independent auditors.

The auditor was asked to identify and report any issues which may compromise the assessment, including determining:

- that the data compiled were from an adequate and reliable source and
- that the data were applied in a manner appropriate to the objectives of the Economic Assessment of Mining Affected Communities.

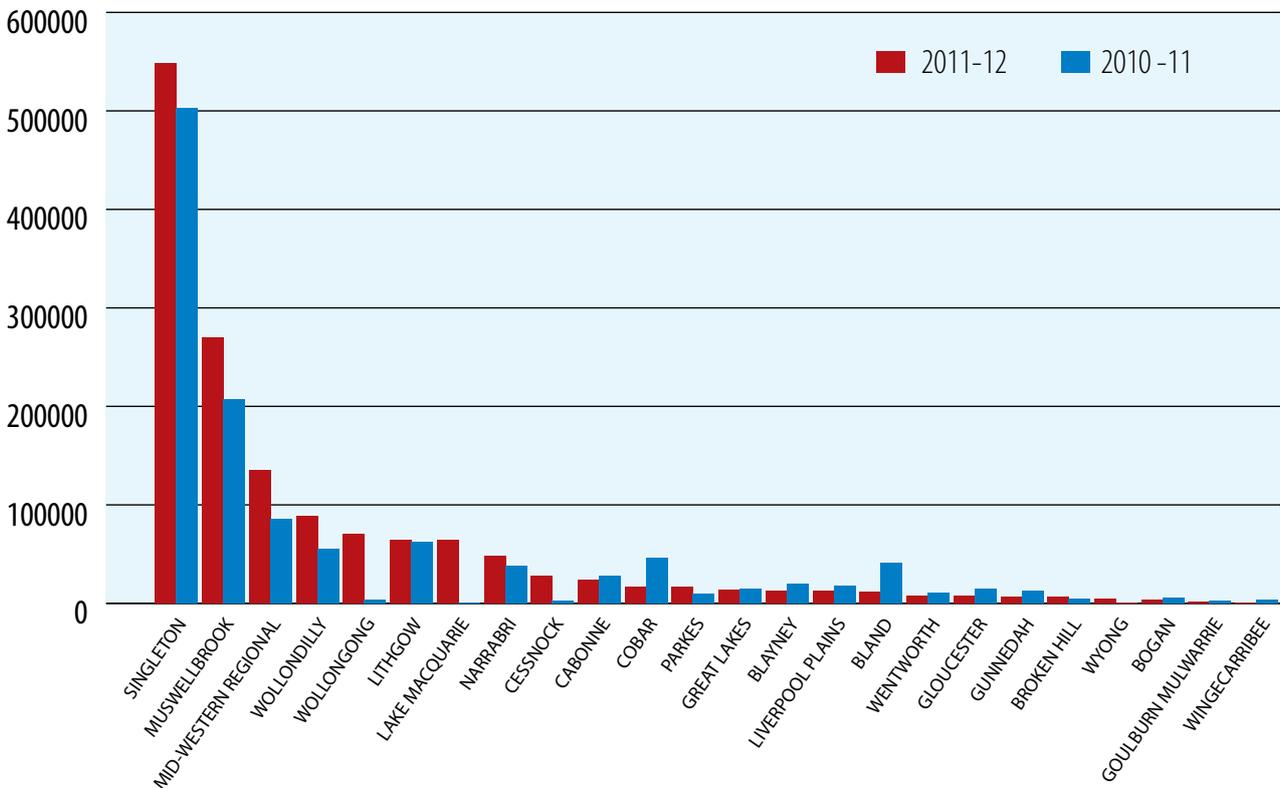
Following adjustments made by the Working Group in response to a preliminary audit process, no issues of material concern were identified.

Mining Affected Communities: Profile & Definitions

Reflecting the strong growth in the mining sector, in 2011-12 aggregate mining royalties increased significantly, rising from \$1,240.3 million in 2010-11 to \$1,464.3 million in 2011-12. This year, 43 of the 156 LGAs in NSW returned mining royalties to the State. Of these, only 23 delivered more than \$1 million in royalties, and in 14 LGAs the royalty revenue was less than \$10,000.

Once again Singleton and Muswellbrook dominated State royalty revenue, with \$819 million collected across these two LGAs in 2011-12, which is 56 per cent of all State mining royalties (\$709 million and 57 per cent in 2010 -11) (Figure 1).

Figure 1: Total Mining Royalties 2010-11 and 2011-12² (\$'000)



(Tier 1, 2, 3 & 4 LGAs)

As noted previously, consistent with the approach in the 2011 assessment it was considered appropriate for mining royalty revenue to continue to be used as a proxy for the degree of mining activity in each LGA, and for mining affectedness to primarily be defined in terms of the degree of mining activity per capita. The exception to this criterion was the five LGAs identified as fitting into the newly defined category of ‘indirectly affected’ communities (Blue Mountains, Forbes, Newcastle, Orange and Sutherland local government areas).

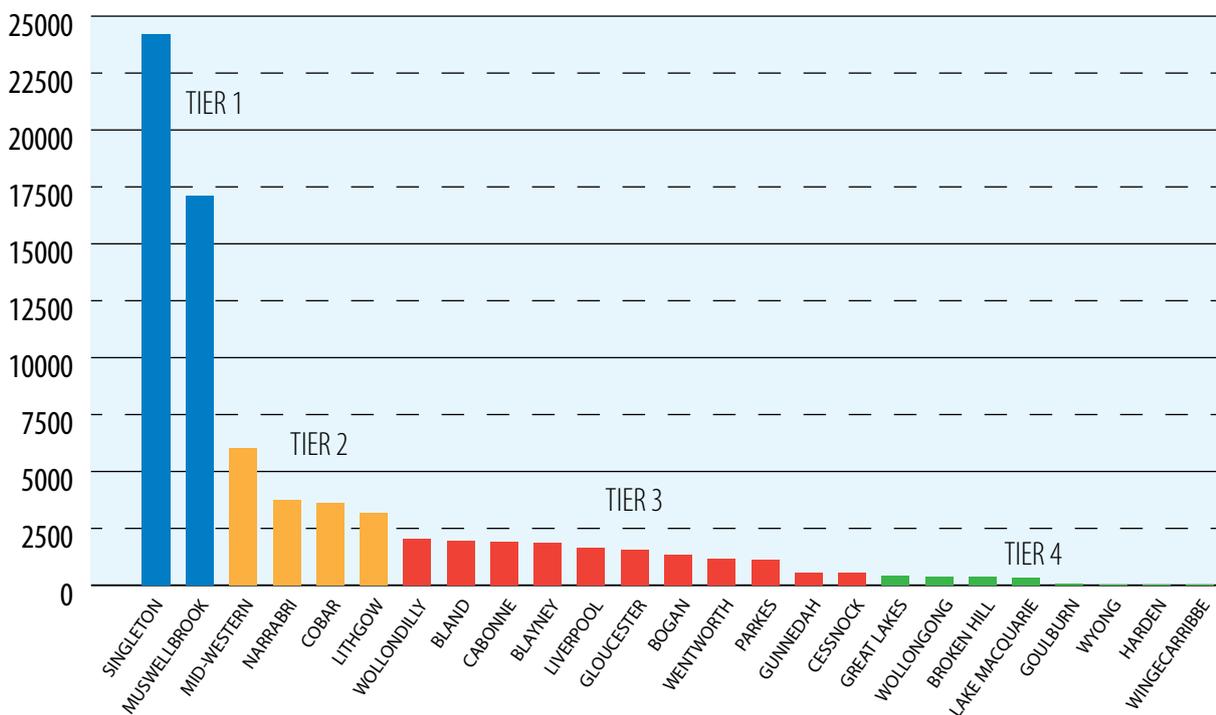
Analysis

Figure 2 shows those LGAs that fall into levels 1 - 4 of the tiered structure of annual mining royalty per capita thresholds developed for the 2012 assessment. A full listing of where each LGA in NSW fits into these categorisations is provided in Appendix 2.

A number of per capita revenue and expenditure indicators were calculated from the financial data compiled by the Working Group, namely:

- capital expenditure on transport infrastructure
- other capital expenditure
- total capital expenditure
- recurrent expenditure (being State expenditure other than through capital programs)
- total capital and recurrent expenditure
- mining royalties
- total State revenues and
- total expenditure minus revenues.

Figure 2: 2011-12 Mining Royalties (\$ per capita)



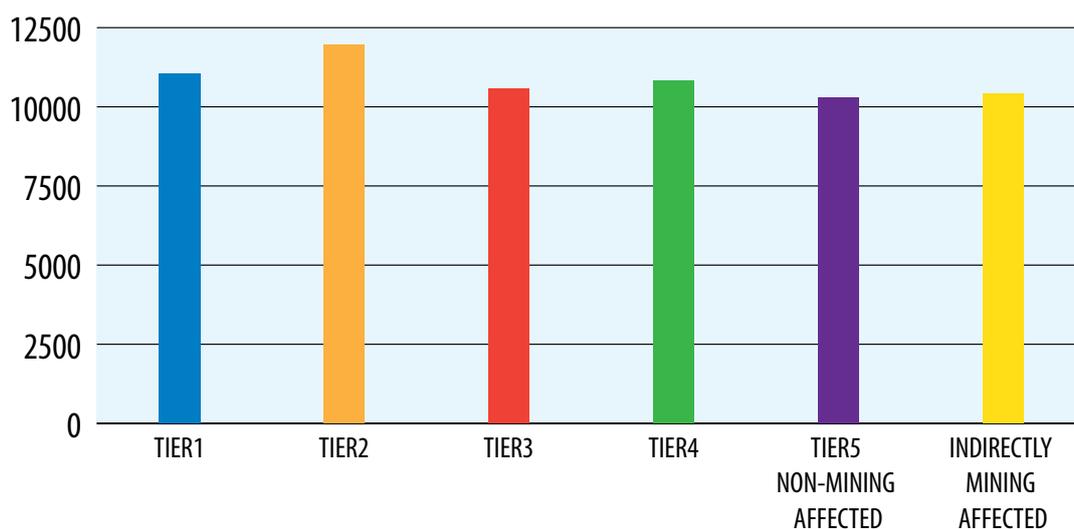
(Tier 1, 2, 3 and 4 LGAs, i.e., royalties > \$500/capita)

The average of selected expenditure indicators for each LGA category is shown in Table 1 and Figure 3. A significant result is the relatively low average amount of ‘Roads and transport’ capital expenditure per capita received by Tier 1 and 3 LGAs relative to other LGAs. However once other State funding is factored in, on average State spending was reasonably consistent across communities when measured on a per capita basis, with the most mining affected (Tier 1 and 2) LGAs being slightly favoured. The Tier 2 and 4 LGAs on average received significantly more ‘Roads and transport’ capital expenditure per capita than other LGAs.

**Table 1: Selected government expenditure indicators
Average by LGA category (2011-12)**

LGA Category	Roads and Transport Capital Expenditure	All Expenditure Total
	\$ per capita	\$ per capita
Tier 1	341	11,052
Tier 2	831	11,960
Tier 3	358	10,577
Tier 4	966	10,824
Tier 5 (not mining affected)	469	10,272
Indirectly Mining Affected	502	10,401
All NSW	522	10,434

Figure 3: 2011-12 NSW Government Expenditure (\$ per capita)



A similar per capita approach was taken to analysing the LGA revenue data. From Table 2 it can be seen that:

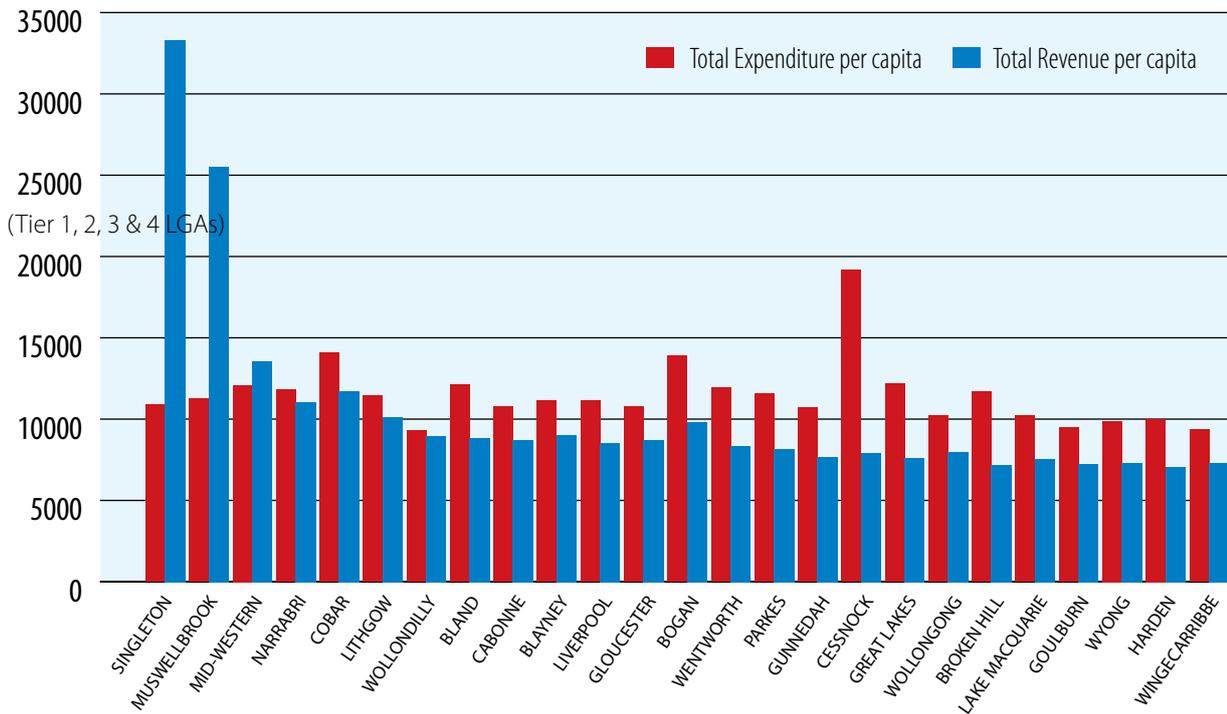
- Average total revenues raised in Tier 1 LGAs were around two and a half times those raised in Tier 2 LGAs and more than three and a half times the average across NSW. This was primarily as a result of royalties, but also due to higher 'Payroll and Other Taxes' revenues than the other LGA groups, which may also be related to mining activity
- Tier 2 LGAs also raised significantly more total revenue per capita than the other LGA groups
- Tier 1 (Singleton and Muswellbrook) LGAs contributed more to State revenue than they received in expenditure on a per capita basis and
- All LGA categories other than Tier 1 and 2 raised less revenue for the State than was expended in those regions on a per capita basis.

**Table 2: Selected revenue indicators
Average by LGA category (2011-12)**

LGA Category	Royalties	Payroll & Other Taxes	Total revenue	Net Expenditure
	\$ per capita	\$ per capita	\$ per capita	\$ per capita
Tier 1	21,278	2,308	30,085	-19,033
Tier 2	4,402	788	11,688	272
Tier 3	1,630	482	8,611	1,966
Tier 4	266	817	7,582	3,242
Tier 5 (not mining affected)	0	2,066	8,564	1,708
Indirectly Mining Affected	0	1,193	7,923	2,477
All NSW	212	1,356	8,531	1,808

Figure 4 shows the distribution of State revenue and expenditure individually across all of the mining affected LGAs. While revenue greatly exceeded expenditure in the Singleton and Muswellbrook LGAs and to a lesser extent in the Mid-Western Regional LGA, in all other LGAs State expenditure in the region exceeded revenue.

Figure 4: 2011-12 NSW Government Revenue and Expenditure (\$ per capita)



Conclusions

The 2012 assessment found that Singleton and Muswellbrook LGAs had received more aggregate funding on a per capita basis in the reporting period than any other LGA category, except Tier 2. This is in contrast to the 2011 assessment, which reported that Singleton and Muswellbrook (Tier 1) had received less State funding than all other LGA categories in the 2010 -11 financial year, and demonstrates the importance of conducting an annual economic assessment of mining affected communities.

Tier 1 LGAs did, however, still deliver a considerable net revenue balance to the State.

Tier 2 LGAs received relatively high levels of both transport and aggregate funding and, with the exception of Mid-Western Regional LGA, were net recipients of State support overall. State expenditure in all other LGAs exceeded the revenue raised.



Photo: Mark James

Appendices

APPENDIX 1

Correspondence to all LGAs on 27 September 2012

Mining Affected Communities Audit Working Group LGA Survey

In May 2011, the NSW Government established a working group of senior officials to undertake an Economic Assessment of Mining Affected Communities, in keeping with the NSW Government's Resources for the Regions election commitment.

The report of the Working Group was released in February 2012. For the purposes of that assessment, the Working Group determined that a mining affected community was a Local Government Area (LGA) from which the government collected a certain threshold of mining royalties.

On review of the 2011 assessment, it was determined that the definition of 'mining affected community' as implemented by the Working Group was insufficient to encompass all communities affected by mining, including:

- LGAs that neighbouring active mining areas and provide dormitory services and/or are used as transport thoroughfares and
- LGAs where significant mining activity is expected to commence in the near future.

In the conduct of this second assessment (2012), the Working Group has been asked to give further consideration to the definition of 'mining affected', to allow for a more refined appraisal of infrastructure needs. To this end, the following short survey will assist the Working Group to consider alternative ways of categorising LGAs for the purposes of the 2012 assessment. The survey is being sent to all local government authorities in NSW.

Please return your completed survey by September 30*, to:

Nick Milham
Principal Director Policy Development and Evaluation
Secretariat to the Mining Affected Communities Audit Working Group
NSW Trade & Investment
Ph: (02) 6391 3613
Email: nick.milham@industry.nsw.gov.au

'Nil' returns would be appreciated

* The response date was extended and completed surveys were accepted until 19 October 2012.

Survey

Name of LGA	
Contact officer	
Contact details	

1. Would you consider that the infrastructure needs of your LGA are significantly impacted by mining in or around your jurisdiction?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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2. If answer to Q1 is no, you have completed the survey. Please still return it.

3. If answer to Q1 is yes, in what capacity is your LGA affected?

a. Existing mining in LGA	yes	no
b. Current expansion of mining in LGA	yes	no
c. Transport route or dormitory for mining elsewhere	yes	no
d. Planned future mining development in LGA	yes	no
e. Future mining development elsewhere (impacting as per c above)	yes	no
f. Other:	yes	no

4. If answer to Q1 is yes, in what way are infrastructure costs in your LGA affected?

a. Additional burden on existing infrastructure	yes	no
b. New/augmented infrastructure required	yes	no
c. Other:	yes	no

5. Is mining (or further mining) expected to commence in your jurisdiction in the foreseeable future?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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If yes, what infrastructure constraint(s) is your LGA likely to face?

Survey Responses - Impact of Mining on Local Government Areas

LGA	Significantly Impacted	Impact*	Infrastructure Costs*	Further Mining Expected
Ballina	No	n/a		
Bland	Yes	All	All	Yes
Blayney	Yes	All	All	Yes
Blue Mountains	Yes	Transport route. Mining development elsewhere	All	No
Bombala	No	n/a		
Broken Hill	Yes	All	All	Yes
Cabonne	Yes	All	Burden on existing infrastructure	Yes
Cobar	Yes	All Local	Burden on existing infrastructure	Yes
Coffs Harbour	Yes	All	All	Yes
Cootamundra	No	n/a		
Deniliquin	No	n/a		
Forbes	Yes	Transport route. Mining development elsewhere	All	No
Goulburn Mulwaree**	Yes	All	All	Yes
Greater Taree**	Yes	All	All	Yes
Guyra	No	n/a		
Harden	Yes	All Current	Burden on existing infrastructure	No
Hornsby	No	n/a		
Kiama	Yes	All Current	Burden on existing infrastructure	No
Lachlan	Yes	All	All	Yes
Lake Macquarie	Yes	All	All	Yes
Lismore	Yes	All Future	All	Yes
Liverpool Plains	Yes	All	All	Yes
Lockhart	Yes	All Future	Other	Unsure
Mid-Western	Yes	All	All	Yes
Narrabri	Yes	All Current	All	Yes
Narranderra**	Yes	All	Burden on existing infrastructure	No
Newcastle	Yes	Transport route. Mining development elsewhere	All	No
Orange	Yes	All	All	Yes
Parkes	Yes	All	All	Yes
Penrith	No	n/a		
Singleton	Yes	All	All	Yes
Sutherland	Yes	Transport route. Mining development elsewhere and future	All	Yes
Upper Lachlan	Yes	All Current	All	Yes
Urana	Yes	Existing	Burden on existing infrastructure	No
Wakool	No	n/a		
Walgett	Yes	All	All	Yes
Warren	No	n/a		
Wollongong	Yes	All	All	Yes

* see response categories in Survey at Attachment 1

** affected by quarrying (not mining)

APPENDIX 2

LGA's BY CATEGORISATION 2011 -12

Mining Affected				Indirectly Mining Affected	Not Mining Affected			
Tier 1 (mining royalties > \$10,000 per capita)	Tier 2 (\$2,500 > mining royalties > \$10,000 per capita)	Tier 3 (\$500 > mining royalties > \$2,500 per capita)	Tier 4 (\$10 > mining royalties > \$500 per capita)		Tier 5 (mining royalties < \$10 per capita)			
Muswellbrook	Cobar	Bland	Broken Hill	Blue Mountains	Albury	Cootamundra	Lachlan	Shoalhaven
Singleton	Lithgow	Blayney	Goulburn Mul	Forbes	Armidale Dum	Corowa	Lane Cove	Snowy River
	Mid-Western	Bogan	Great Lakes	Newcastle	Ashfield	Cowra	Leeton	Strathfield
	Narrabri	Cabonne	Harden	Orange	Auburn	Deniliquin	Leichhardt	Sydney
		Cessnock	Lake Macquarie	Sutherland	Ballina	Dubbo	Lismore	Tamworth
		Gloucester	Wingecarribee		Balranald	Dungog	Liverpool	Temora
		Gunnedah	Wollongong		Bankstown	Eurobodalla	Lockhart	Tenterfield
		Liverpool Plains	Wyong		Bathurst Reg	Fairfield	Maitland	The Hills
		Parkes			Bega Valley	Gilgandra	Manly	Tumbarumba
		Wentworth			Bellingen	Glen Innes Sev	Marrickville	Tumut
		Wollondilly			Berrigan	Gosford	Moree Plains	Tweed
					Blacktown	Greater Hume	Mosman	Upper Hunter
					Bombala	Greater Taree	Murray	Upper Lachlan
					Boorowa	Griffith	Murrumbidgee	Uralla
					Botany Bay	Gundagai	Nambucca	Urana
					Bourke	Guyra	Narrandera	Wagga Wagga
					Brewarrina	Gwydir	Narromine	Wakool
					Burwood	Hawkesbury	North Sydney	Walcha
					Byron	Hay	Oberon	Walgett
					Campbelltown	Holroyd	Palerang	Warren
					Camden	Hornsby	Parramatta	Warringah
					Canada Bay	Hunters Hill	Penrith	Warrumbungle
					Canterbury	Hurstville	Pittwater	Waverley
					Carrathool	Inverell	Pt Mac-Hast	Weddin
					Central Darling	Jerilderie	Port Stephens	Wellington
					Clarence Valley	Junee	Queanbeyan	Willoughby
					Coffs Harbour	Kempsey	Randwick	Woolahra
					Conargo	Kiama	Richmond Vall	Yass Valley
					Coolamon	Kogarah	Rockdale	Young
					Cooma-Monaro	Ku-Ring-Gai	Ryde	
					Coonamble	Kyogle	Shellharbour	



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**2012
ECONOMIC ASSESSMENT OF MINING AFFECTED COMMUNITIES**

**Addendum Report:
Further Analysis of the Indirect Impacts of Mining**

April 2013

Further Analysis of the Indirect Impacts of Mining

The Resources for Regions program provides grants for communities experiencing unique direct and indirect pressures on their infrastructure and services as a result of mining activity.

The program is underpinned by an annual *Economic Assessment of Mining Affected Communities* as part of the NSW Government's ongoing commitment to accountability and transparency.

Introduced for the first time in 2011, the Assessment compares State revenue raised from communities affected by mining with the corresponding NSW Government expenditure on local infrastructure and services and is independently audited.

Another Assessment was conducted in 2012 (and released earlier this year) to identify communities needing priority funding and determine which local government areas (LGAs) were eligible to apply for Resources for Regions funding in 2013-14.

The 2012 Assessment identified LGAs directly impacted by mining activity based on royalties paid, and those indirectly impacted based on responses to a State-wide survey conducted through the Local Government and Shires Association (now Local Government NSW) and modelling of mining-related truck movements from the Bureau of Freight Statistics.

The Government Response to the 2012 Assessment identified seven communities for priority access to Resources for Regions funding in 2013-14. For LGAs directly impacted by mining, the level of royalties paid per capita was used as an indicator of impact. The 2012 Assessment categorised these LGAs in five tiers, and it was determined that the LGAs in the two highest tiers (Tiers 1 & 2) would qualify for the program in 2013-14. These LGAs were: Cobar, Lithgow, Mid-Western Regional, Muswellbrook, Narrabri and Singleton. (For more detail on the Tiers, see attachment 1.)

Additionally, of those LGAs that responded to the survey, Newcastle was assessed as qualifying for the program, based on the level of mining-related truck movements in that LGA.

Following the release of the 2012 Assessment and the Government Response, further consideration was given to the fact that some LGAs which are directly impacted by mining activity may also be indirectly affected. The analysis of daily mining-related truck movements reported in the 2012 Assessment was consequently extended to also include respondents to the survey, including those in Tier 3 and 4. Through this further analysis, it was determined that the Wollongong LGA was eligible to apply for program funding in 2013-14 on the basis of significant mining-related truck movements. Further detail of this analysis is in Table 1.

Table 1: Indirect Impact of Mining on 2012 LGA Survey Respondents

LGA	Directly Mining Affected LGAs		LGAs Only Indirectly Mining Affected	Tier 5 LGAs (not mining affected)	Estimated Truck Movements per day*
	Tier 1 & 2	Tier 3 & 4			
Ballina				✓	n/a
Bland		✓			<5
Blayney		✓			<5
Blue Mountains			✓		50
Bombala				✓	-
Broken Hill		✓			75
Cabonne		✓			55
Cobar	✓				-
Coffs Harbour				✓	<5
Cootamundra				✓	-
Deniliquin				✓	-
Forbes			✓		3-4
Goulburn Mulwaree		✓			200
Greater Taree				✓	-
Guyra				✓	-
Harden		✓			<5
Hornsby				✓	-
Kiama				✓	<5
Lachlan				✓	<5
Lake Macquarie		✓			350
Lismore				✓	10
Liverpool Plains		✓			50
Lockhart				✓	<5
Mid-Western	✓				-
Narrabri	✓				-
Narrandera				✓	-
Newcastle			✓		550
Orange			✓		3-4
Parkes		✓			30
Penrith				✓	-
Singleton	✓				-
Sutherland			✓		n/a
Upper Lachlan				✓	10
Urana				✓	60
Wakool				✓	-
Walgett				✓	<5
Warren				✓	-
Wollongong		✓			1,250

n/a = not able to be reported

*Estimates based on modelling by the Bureau of Freight Statistics, Transport for NSW

ATTACHMENT 1

Definition of Directly 'Mining Affected'

For the purposes of the Economic Assessment of Mining Affected Communities a community that is considered to be directly mining affected is an LGA from which the NSW Government collects a certain threshold of mining royalties. For the 2011 Assessment, these thresholds were:

- above \$10,000 per capita (Tier 1);
- between \$500 and \$10,000 per capita (Tier 2);
- between \$10 and \$500 per capita (Tier 3); and
- below \$10 per capita ('not mining affected' - Tier 4).

The royalty tiers were revised for the 2012 Assessment, as under:

- above \$10,000 per capita (Tier 1);
- between \$2,500 and \$10,000 per capita (Tier 2);
- between \$500 and \$2,500 (Tier 3);
- between \$10 and \$500 per capita (Tier 4); and
- below \$10 per capita ('not mining affected' - Tier 5).