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Transitioning Regional Economies

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Thank you for the opportunity to submit ideas in response to the terms of reference for “Transitioning Regional Economies”.

Background to My Interest

My name is Linda and I have set up a small business in Broken Hill, Far West NSW. It’s an 11 hour drive from Sydney, 9 hours from Melbourne and 6 hours from Adelaide.

My small business is in astro-tourism and I supply naked eye night sky tours amongst other products. I have discovered my younger customers have a great fascination for the space industry and are stimulated by the potential it offers. Sadly, when asked, I must advise these young folk seeking careers in astronomy or space agencies that they need to travel overseas to pursue their dreams.

I must also highlight what is missing in my area that will make my business grow bigger and stronger. It is access to reliable, fast, cable internet and affordable air travel to my region.

I’d also like to share my vision for this area – I’d like to see Broken Hill become the hub for the practical space industry in Australia.

Introduction

The language used, ie ‘resources boom’, by government and industry, has been poor and built high expectations. Putting mines in remote locations in current times will never create new, sustainable communities because the cost hurdles are too high.

The ‘boom’ was amplified due to the use of transitory workers who were paying mortgages in large cities. Many of them now must be struggling since the jobs are gone. There will be more ‘booms’ in the future and more short-term employment prospects. Again, the workers will probably lose their jobs.

The cycles reflect policies of the last 40 years or so, nationally and globally. Locally, a patchwork of policies allowed this to happen. Policies have promoted agriculture, car manufacturing, mining and construction, and many others, and tilted the population of Australia towards the large cities.

It is well known that globalisation is good for some but not for others. In my view it is time that Australia rethinks some domestic policies and focuses on the 'others'.

A place like Broken Hill is full of the 'others'. Its history of mining production is impressive. But, as the electoral districts in inland Australia become bigger and bigger, places like Broken Hill lose their voice.

Voiceless and Invisible Broken Hill

The focus of my submission is to provide an idea on how to sustain a stable mining community like Broken Hill into the future, as the cycles roll along. In doing so, the Terms of Reference item number 6 is considered:

Examine the prospects for change to the structure of each region's economy and factors that may inhibit this or otherwise prevent a broad sharing of opportunity, consistent with the national growth outlook.

Broken Hill is a good example of a regional city that has endured economic cycles, more than most of the 'others' because it's been around longer. The population has gone up and down, reflecting employment in mining. Its wealth built monuments in Melbourne's Collins Street and lined the federal and state treasury coffers with billions of dollars over a century.

That's a far cry from today.

Broken Hill is now a city largely invisible to governments and business. It's been abandoned by various policy decisions along with the rest of the 'others' in inland Australia. The result is a shrinking, ageing community.

Conveniently, there seems to be help for 'some' when they get into strife, ie communities near capital cities that provide workers for auto, aviation and steel. Yet when one of the 'other' communities suffers, the convenience of 'globalisation' rises to defend domestic political decisions.

The reality in Australia is that high population areas drive policy because that's where the votes are. Low population areas are left to survive on their own. Low population areas are now mostly in inland Australia.

How Policies Can Negatively Influence

Broken Hill cannot transition to any other type of economy, eg technology, tourism or agriculture, because government policy does not influence or redirect investment dollars here.

However, governments can and do influence and redirect investment into cities and targeted regions by establishing investment parks, relocating call centres for government departments, assisting irrigators, and so on.

Federal and State Government policies like these below greatly affect Broken Hill.

- Removal of water from the entire Far Western NSW district through the Menindee Lakes scheme;
- Promotion of tourism in capital cities with international airports and cheap direct flights to other locations;
- Denial of affordable tertiary education to remotely based children;
- Determination that Broken Hill is last on the NBN roll out list and that most inland areas will only qualify for slower, less reliable services (as I write this my NBN satellite connection is still down, since 21st December 2016, because of a dish fault, and I am still waiting for an NBN fixit contractor);
- Decisions that identify low populated inland areas as the least important places for infrastructure upgrades – freight to Broken Hill for example cannot come in by train because there is no load or unload facility.

There is an endless list of dot points that could be included above. Those mentioned paint the picture.

Future Actions – Base Space Mining in Broken Hill

If an appropriate industry could develop in Broken Hill in tandem with the existing mining and tourism sectors, then perhaps the population will grow big enough to allow the community voice to be heard again. Enough people will help to justify a bigger spend of public money.

My idea is to grow Broken Hill by basing a space industry here. Yes, there is a lot of catch up, but if Luxembourg can reinvent itself so skilfully, there should be hope for Australia.

Afterall, in 50 years or so the boom/bust economic cycles in inland areas will be a thing of the past, since terrestrial mining will be eroded by space mining advancements. The argument is not about what to do for communities to smooth out the economic cycles, it is about how this nation will move forward into the future.

The type of government policies that would positively influence the sustainability of Broken Hill are those that would push Australia into the space industry, specifically, space tourism, space mining, low Earth orbit junk management and the broad field of space industry technologies testing. There are many, multiple avenues Australia could take and all that is needed a vision from within government and a kick-start from some form of incentive.

Here we have a regional city that has mining skills and infrastructure assets that could be supporting R&D into multiple space-related areas. Broken Hill is in the middle of hundreds of kilometres of open space and nothingness – perfect for peace and quiet needed by minds mulling over in R&D mode in a specifically appointed, commercially conducive environment.

The Broken Hill community is rich with experience and history. The links to the frontiers of space are logical given the spirit of innovation and invention seen here in the past. There is a great tolerance and a resilience in the community. Future Australian space experts can cuddle up with ground based realism; it helps to be in an external environment where things can be seen more clearly and where innovation truly can flourish. Broken Hill is the ideal environment for this industry.

What would be needed to influence commercial investment in a place like Broken Hill in such a frontier economy?

- CRITICAL – a policy that delivers high speed, reliable broadband to Broken Hill.
- CRITICAL – a faster, reliable mobile phone coverage.
- CRITICAL – infrastructure that promotes low cost, reliable freight services.
- CRITICAL – affordable passenger travel to Broken Hill by air, rail and road.
- CRITICAL – specific policies to support Broken Hill as the practical home of Australia's space industry.

On that last dot point, for example, government can provide tax incentives, education & training benefits and product & process development motivation to universities and companies who will invest in this region. The incentives need to be targeted to locate enterprises and activities in Broken Hill. It's no different than targeting a money fix to a drought stricken region, or a town where the steel plant was shut down or a city that just lost its car manufacturing.

Problems on the Way to be Solved

Space industry and technology companies will take notice of a dedicated area like Broken Hill. I can imagine it ... *The Broken Hill Space Industry Reserve*.

For example, governments could get the reserve going with some seed funding. Perhaps offer matching funding to companies wanting to set up a location in Broken Hill for practical experimentation and testing activities. Government can seek input from industry and training sectors to design a reserve to suit needs of the space industry.

Australia cannot compete with established agencies but it can start its own network of the UK-styled 'catapults' to begin the industry. It will take years and a vision, leadership and drive. I suggest the first Australian catapult site be established in Broken Hill.

Luxembourg has moved into space circles, why can't Australia? Broken Hill and nearby district match the physical size of Luxembourg.

Broken Hill is a logical choice for focus of such an innovative vision. It's accessible from most capital cities and the universities within them. It has a large surrounding open environment providing protection and security. It has physical features that resemble the extremes of space, local assets like deep mining shafts for sensitive experimentation, abundant people for skilled and unskilled jobs and existing learning relationships with universities. All of these are assets worthy of being contributed to a home-grown space industry.

I have previously raised this with one of our major local mining companies. There is willingness to free up old infrastructure – land and buildings.

Government has to change its approach to policy development and be specific about its vision for certain geographic areas across Australia.

In summary, don't centre the entrance of Australia into the space industry in Canberra, Sydney, Melbourne or other city on the coast. Take a visionary leap and centre it in a place like Broken Hill that has already demonstrated its resilience over a century of mining innovation.

I felt horrified and numb when I heard that Australia stupidly knocked back an opportunity to partner with the European Space Agency. Australia, as a nation, is being left behind in the global space industry.

Many nations are involved in the space industry. Tiny innovative thinking nations like Luxembourg through to emerging economies like India, with all its challenges and hurdles.

Conclusion

I do hope that my idea will be at least investigated further and not dismissed without serious consideration.

The majority of essential services in Australia were put in largely at Government expense until recent decades. We have since been told that the 'user pays'. It would have been better if these important essential services, especially communications for voice and data, were properly installed in places like Broken Hill and other isolated towns and cities before the rules of the economy changed. Those without any of these services pre 'user pays' doctrine are still without them now. Access to voice and reliable, fast data communications are as vital to a community as is access to water and electricity.