

## Western NSW - Punching above its weight

The Western region of NSW makes a significant contribution to the State economy.

Securing the Bells Line Expressway transport corridor will ensure that this contribution can be enhanced while strengthening links with Sydney.



### How important is the contribution of Western NSW mining to the State economy?

#### Coal

- The single biggest merchandise export in terms of value from NSW in 2009-10 was coal, coke and briquettes, together accounting for more than 27 percent of the State's exported goods (NSW Industry & Investment, 2010).
- The Central West region produced 15 percent of the total raw coal production and 18 percent of the total saleable coal production (Coal Services Pty Ltd, 2010).
- Raw coal output in the Central West was 13,593 tonnes per employee, 27 percent higher than the average for the other coal mining regions in the State, whilst saleable coal output was 57 percent higher at 12,340 tonnes per employee compared with an average of 7,866 tonnes per employee for the remainder of NSW.
  - Between 2007-08 and 2008-09, the amount of saleable coal produced in the Central West region increased by 12 percent compared with an increase of less than one percent in the other coal mining regions of the State.
    - In 2009-10, WRI estimates that the value of coal exports from the Central West equates to \$8,500 for every man, woman and child living in the region. This compares with a value of just over \$5,000 per capita for the other coal producing regions of the State.

#### Metalliferous Ores

- The export of metalliferous ores and metal scrap accounted for almost 7 percent of the value of merchandise exports from NSW in 2009-10 (NSW Industry & Investment).
- The entire metalliferous mining sector of the State is located in the combined statistical divisions of the Central West, North Western and Far West.
- The NSW Government notes that there are vast areas in north western and western NSW, particularly the Thomson Orogen and the Koonenberry Belt, which have the potential for substantial mineral discoveries (NSW Industry & Investment).

#### All Mining

- Mining in Western NSW contributes almost 11 percent of the State's exports before including the contribution to export values derived from agriculture and other sectors.

### Impact on NSW trade balance

In 2008-09, total exports from NSW, including goods and services, were valued at \$60.4 billion, equating to approximately \$8,460 per capita (DFAT, 2010). At the same time, imports to the State totalled \$100.8 billion or approximately \$14,100 per person. After allowing for the Western region's contribution to the major merchandise export commodities including coal, metalliferous ores, wheat, beef and wool, the average value of exports per person living in the Western region was around \$15,400 and that does not include any contribution to the State's exports of services. Without the commodities produced in the Western region, the NSW trade deficit would increase by more than 12 percent from \$5,700 to \$6,400 per capita.

### What about the agriculture sector?

- In 2008-09, the gross value of agricultural production (GVAP) in NSW was approximately \$9.1 billion, representing almost 22 percent of the national production levels.
- At the same time, the Western region of NSW, comprising the statistical divisions of Central West, North Western and Far West, accounted for almost one-quarter of the State's production.
- The importance of the Western region is even more evident when individual agricultural commodities are examined. Wheat forms more than 20 percent of the gross value of agricultural production in NSW, with almost 45 percent of the output produced in the Western region.
- Slaughtered cattle and calves make up 16 percent of the State's gross value of agricultural production with the Western region supplying almost one-quarter of this. The Western region's contribution to the gross value of agricultural production in NSW for selected commodities is shown in the table below.

	NSW (\$m)	Western Region (\$m)	Western Region as % of NSW (\$m)
Total agriculture	9,091	2,260	24.9%
Wheat for grain	1,845	825	44.7%
Cattle and calves slaughtered	1,491	353	23.7%
Wool	618	256	41.4%
Sheep and lambs slaughtered	513	212	41.4%
Barley for grain	372	122	32.7%
Oilseeds	178	50	28.3%
Legumes for grain	168	54	32.3%
Selected commodities as % of total GVAP	57.0%	82.8%	
Work Force (FTE)	77,620	17,312	22.3%
GVAP per FTE	\$117,126	\$130,536	111.4%

Derived from ABS Catalogue No. 7503.0



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## How will building the Bells Line Expressway further strengthen this region?

### Increasing the opportunities for expansion of the Western region's contribution to the NSW economy:

- The Western region already makes a significant contribution to the economy of NSW despite being home to less than five percent of the State's population.
- There are opportunities for further expansion of this contribution, particularly in mineral mining.
- The preservation of the Bells Line Expressway transport corridor will ensure that the workforce required to enlarge these sectors can readily maintain strong links with Sydney.
- It will also facilitate the dispersion of economic activity outside Sydney, in line with the State plan, by enabling the development of support and spin-off industries.
- The Western region is an important part of the infrastructure of NSW and therefore must be linked to the State's infrastructure planning, including transport to its capital city.

Across the State, the average value of agricultural production per full-time equivalent (FTE) employee in the agriculture sector is \$117,100 whereas in the Western region the average value is 11 percent higher at \$130,500.