2018 – 2022
SNOWY VALLEYS
Regional Economic Development Strategy

THE VISION

The Snowy Valleys will work towards a sustainable path to economic prosperity and quality of life through building on its economic strengths in forestry and timber, agriculture and tourism.

Snowy Valleys Council

PREFACE

The NSW Government has assisted local councils and their communities to develop 37 Regional Economic Development Strategies across regional NSW. Each strategy is designed around one or more local government areas (LGA) that form a functional economic region as defined by economic data and community input. While the strategies have been developed using consistent methodology, each is a product of detailed data analysis and local community consultation to ensure ownership through a 'bottom-up' process: it sets out a vision for the Region, the strategies, and early stage actions required to achieve the vision.

Regional Economic Development Strategies articulate a framework for identifying actions crucial to achieving the regional vision. Projects listed within this Strategy should therefore be viewed as example projects that have emerged from the initial application of the framework. Adoption of these and future projects would be subject to further evaluative processes.

The power of the Strategy is its ability to be used on an on-going basis to identify additional high value projects over time. By complementing existing funding processes, these strategies present new opportunities to strengthen and increase investment in regional development across NSW.

Importantly, the Strategy should be viewed as the first stage of a process that will assist those with an interest in the economic development of the Region, particularly councils, communities and local businesses, in planning their future economic activities.

It provides a vehicle for engaging the community in a 'conversation' about regional needs and priorities, assists in bringing together key stakeholders and mobilising resources. In so doing, it can facilitate faster access to dedicated NSW Government funding, such as the Growing Local Economies Fund, as well helping to capitalise upon other economic opportunities.

This Strategy, prepared by Sensing Value on behalf of the Region, was formed in collaboration with key stakeholders and the broader regional community, and benefited from economic analytical assistance provided by the NSW Government's Centre for Economic and Regional Development (CERD).

It is presented in two documents, the *Snowy Valleys Regional Economic Development Strategy 2018–2022* which allows the reader to quickly and easily determine key content, while the accompanying *Snowy Valleys Regional Economic Development Strategy 2018–2022 – Supporting Analysis* details the Strategy methodology, evidence and the Strategy development process.

For further information about the Regional Economic Development Strategies program please contact the CERD on 02 6391 3025 or CERD@dpc.nsw.gov.au.

INTRODUCTION

The Snowy Valleys Regional Economic Development Strategy 2018–2022 (the Strategy) sets out a long-term economic vision and associated Strategy for the economic development of the Snowy Valleys local government area (the Region). It builds on the endowments and economic strengths and specialisations of the Region to guide investment over the next four years.[1] Economic principles suggest that endowments and specialisations play a key role in regional economy development.[2]

This Strategy is derived through detailed data analysis and consultation with key stakeholders in the Region. It seeks to build on the Snowy Valleys' industry endowments and specialisations to guide investment and other actions over the period 2018 to 2022. Snowy Valley's natural resource endowments provide the basis for the Region's economic strengths in Agriculture, Soft Wood Forestry, Timber Product Processing and Tourism.

Three core strategies have been developed to capture the opportunities identified for the Region. These are the following:

➤ Support the growth of the Forestry and Timber Processing and Agriculture sectors through improving access and reliability of infrastructure and utilities;

➤ Continue to develop and grow the Tourism sector to diversify the Region's economy; and

➤ Boost and sustain the supply of skilled workers for the core industries with emphasis on regional skills development and initiatives to attract new residents.

The Strategy also takes account of regional risks and how they might be addressed.

This Strategy is the culmination of collaboration between the Snowy Valleys Council (informed by input from the Snow Valleys community) and the NSW Government's Centre for Economic and Regional Development (CERD).

1. Regional Economic Development Strategies, Centre for Economic and Regional Development (https://www.dpc.nsw.gov.au/programs_and_services/centre_for_economic_and_regional_development/projects).

2. Regional Economic Growth Enablers Report (2017), Centre for Economic and Regional Development.

BACKGROUND

The Region is wholly comprised of the Snowy Valleys Local Government Area (LGA) (as shown in Figure 1). The Snowy Valleys LGA was established in May 2016 following the merger of the Tumut and Tumbarumba Shire Councils. In 2016, the total population of the Snowy Valleys was 14,395 people of which 4.4% were of indigenous heritage.

Figure 1: Snowy Valleys Region boundaries
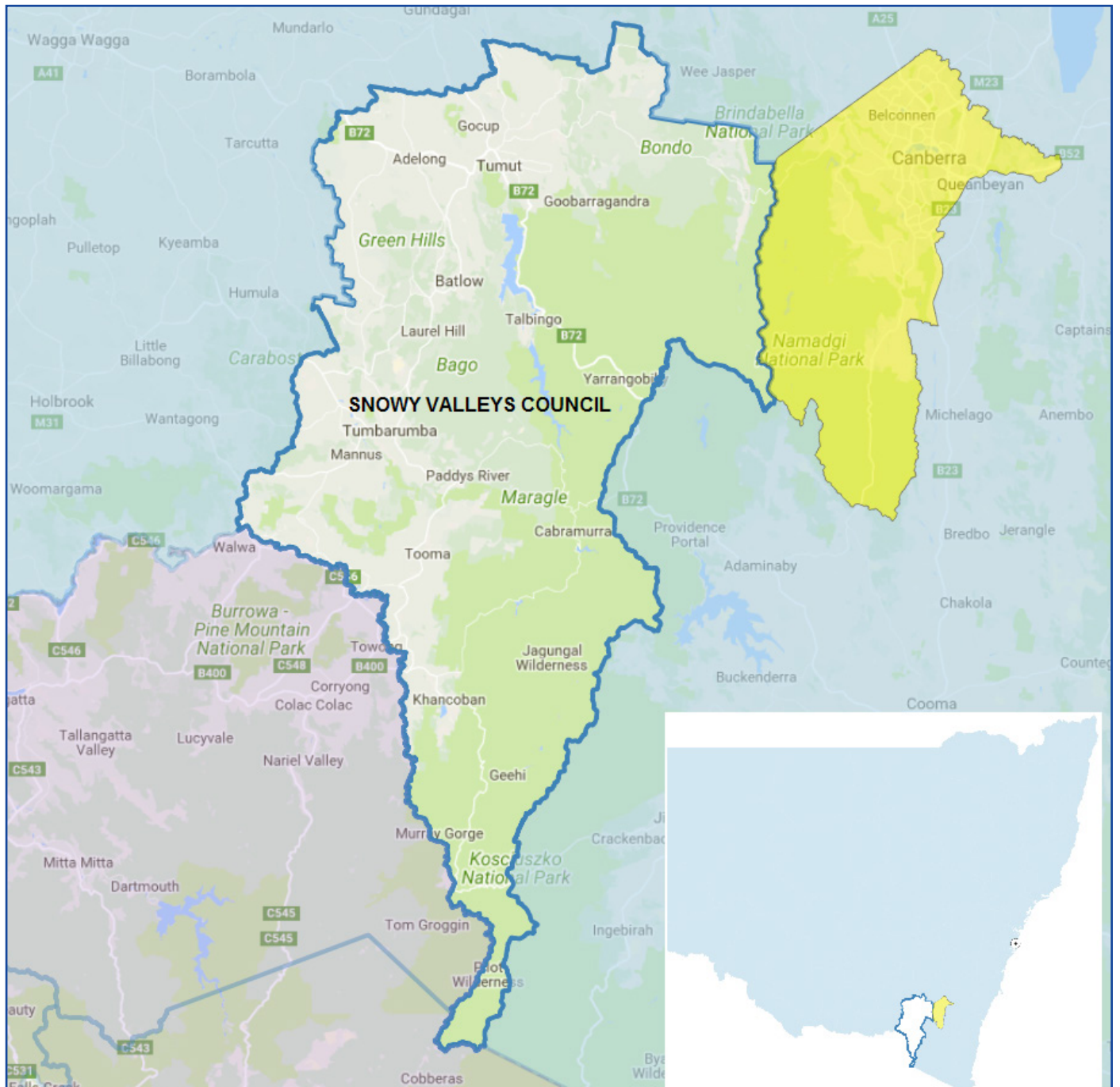
The Region encompasses a total land area of 8,960 square kilometres and is located in the western foothills of the Snowy Mountains, bordered by Kosciuszko National Park in the south. Tumut and Tumbarumba, the two major industrial and population centres, are both within a three hour drive from Canberra International Airport. The Region is also within a one hour and thirty minute drive to the major regional centre of Wagga Wagga and includes the towns and villages of Adelong, Batlow, Brungle, Jingellic, Khancoban, Rosewood and Talbingo. The Snowy Mountains Highway is a major transport corridor within the Region and connects with the Hume Highway.

Parts of the Region are located within the larger Australian Alps region, with the Snowy Valleys acting as a western gateway to the Australian Alps including Mount Kosciusko National Park, as well as the ski fields at Mount Selwyn, Thredbo and Perisher Valley[3].

Demographically, the Region is characterised by an ageing population. As of 2016 (see Figure 2), the population of the Snowy Valleys Region had a higher proportion of older and retirement aged individuals compared to the NSW State average, as well as a significantly smaller proportion of working aged individuals from the ages of 15 to 49.[4] This suggests that many young people leave the Region for educational or employment opportunities elsewhere. Population projections from the NSW State Government suggest the Region will continue to age, with significant growth expected in the 70+ age groups by 2026 that will become an increasingly prominent proportion of the population.

3. Destination Riverina Murray Destination Management Plan, March 2018.

4. Australian Bureau of Statistics census data, August 2016.

Figure 2: Population distribution in 2016 – Snowy Valleys compared with New South Wales
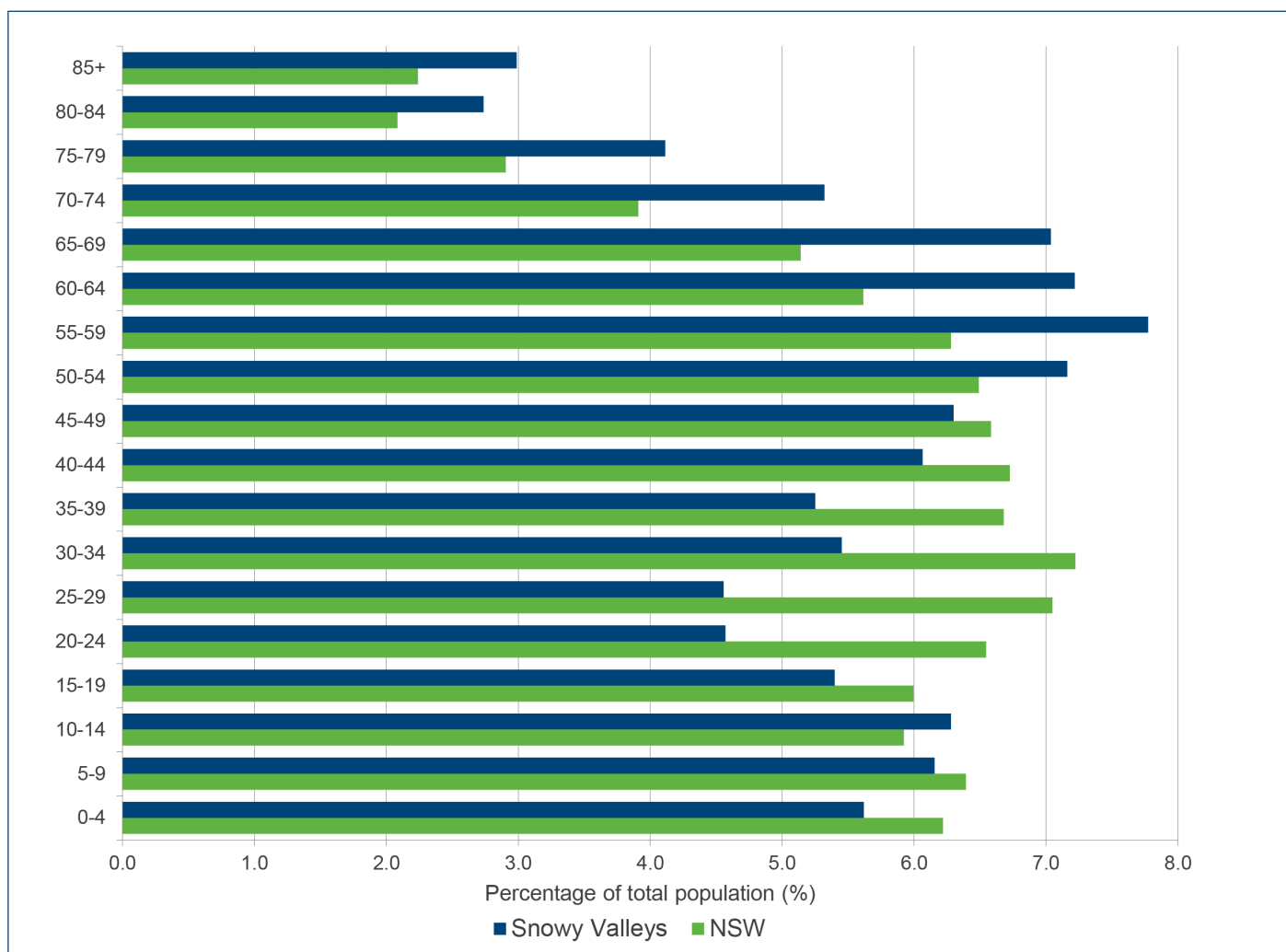
Source: Australian Bureau of Statistics Census data 2016

BACKGROUND CONTINUED

Economic Profile

The estimated Gross Regional Product (GRP) of the Snowy Valleys Region was $841 million in 2015-16. Agriculture has a combined value-add total of $218M (as per Table 1), with the Sheep, Grains, Beef and Dairy Cattle sub-sector (driven primarily by Sheep, Beef and Dairy Cattle as shown in Table 2) having the highest value added within the Snowy Valleys Region ($164 million). Activities related to Forestry and Timber Processing in aggregate total $318 million value added (Paper Stationery and Other Converted Paper Manufacturing, Sawmill Product Manufacturing and Forestry and Logging, Nursery Production and Road Freight Transport), with Paper Stationery and Other Converted Paper Manufacturing being the main driver of that total.

Table 1: Major sectors in the Snowy Valleys by value added, 2015–16

	IOIG sector	Value added ($m)
1	Sheep, Grains, Beef and Dairy Cattle	163.9
2	Paper Stationery and Other Converted Paper Product Manufacturing	157.9
3	Electricity Generation	112.9
4	Heavy and Civil Engineering Construction	111.1
5	Sawmill Product Manufacturing	110.0
6	Retail Trade	59.7
7	Other Agriculture	57.8
8	Construction Services	57.0
9	Forestry and Logging	49.7
10	Road Transport	47.7

Source: NSW Department of Premier and Cabinet Input-Output (IO) model (2017)

Major export sectors also provide an indication of a potential regional specialisation. The Snowy Valleys Region accounted for 0.1% of NSW's exports by value in 2015-16 with major exporting sectors including Sheep, Beef and Dairy Cattle ($78 million), Sawmill Product Manufacturing ($33 million), Paper Stationery and Other Converted Paper Product Manufacturing ($23 million) and Accommodation (which acts as a proxy for Tourism) ($10 million).

Employment

As detailed in Table 2 below, Forestry and Timber Processing and Agriculture are the largest employing sectors in the Snowy Valleys representing 28.5% of total jobs in the Region.

Table 2: Employment in the Forestry and Timber Processing and Agriculture Sectors in Snowy Valleys

Industry Sector (ANZSIC 3-digit)	Number of Jobs as of 2016	% of total employment in the region
Forestry and Timber Processing		
Pulp, Paper and Converted Paper Product Manufacturing	274	4.6
Wood Product Manufacturing	454	7.7
Forestry and Logging	186	3.2
Total	**914**	**15.5**
Agriculture		
Beef Cattle Farming (Specialised)	365	6.2
Apple and Pear Growing	127	2.2
Sheep-Beef Cattle Farming	103	1.8
Dairy Cattle Farming	52	0.9
Sheep Farming (Specialised)	43	0.7
Total	**766**	**13.0**

Snowy Valley's Employment Self-Containment[5] (ESC) score suggests that approximately 12 per cent of the workers who live in the Snowy Valleys work in another LGA. Conversely, Employment Self-Sufficiency[6] (ESS) indices suggest that a high proportion of local jobs are filled by people who live locally with only 11 per cent of jobs filled by workers who live outside the LGA. Trends in employment in the Region's industry sectors are shown in Figure 2.

Figure 2. Employment in the Region, 2001–2016
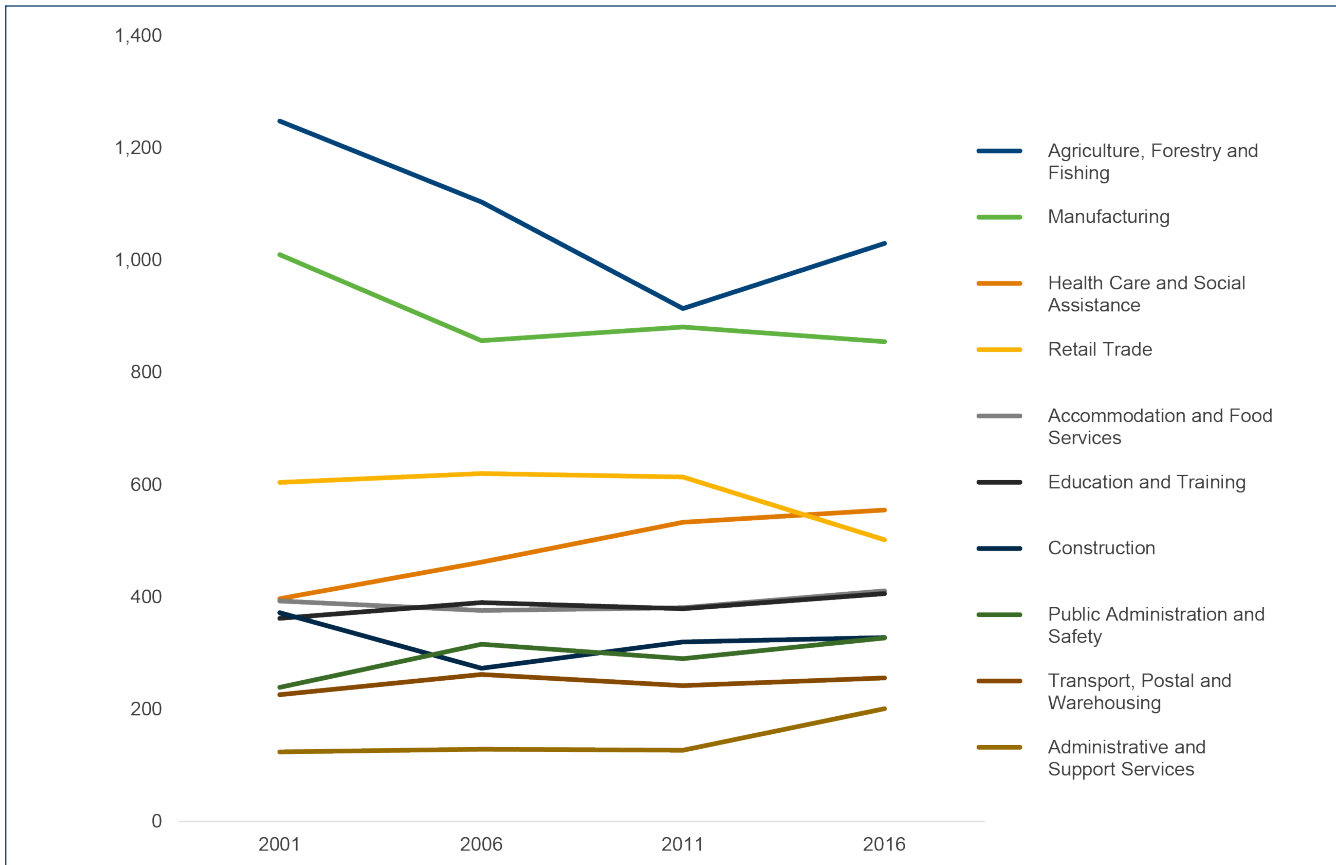
Ultimately, economic indicators represent one aspect of the approach to identifying key sectors. Other types of information, such as community consultation and online surveys, provide qualification and context that can be used in conjunction with these indicators to identify the sectors which represent the Region's comparative advantage.

6. The Employment Self-Containment index describes the percentage of employed residents who are employed within the boundaries of the LGA.

7. The Employment Self-Sufficiency index describes the percentage of local jobs that are filled by local residents for a given LGA.

Tourism

As outlined in Table 3, the Tourism sector also makes a significant contribution to the economy and vibrancy of the Snowy Valleys Region. Many of the tourism products and experiences that span the Region have close links to the Australian Alps, including walks and touring routes as well as access to the ski fields in Mount Kosciusko National Park.

Table 3: Tourism statistics for the Snowy Valleys LGA, 2016

Snowy Valleys	
No. tourism businesses	168
No. of visitors ('000s)	353
Average no. of nights stayed	3
Most common type of visitor	Domestic day (216,000)
Most common reason for visiting	Holiday
Most common form of accommodation during visit	Other (e.g. Rental properties or guest houses)
Estimated value of total spend from visitors ($m)	73
Average spend per trip ($)	205

Source: Tourism Research Australia Economic Profiles by LGA (2017)

ENDOWMENTS

Endowments are strengths that a regional economy possesses and can capitalise on. Economic principles suggest that endowments play a key role in the economic development of regions. The CERD in its Regional Economic Enablers Report (2016) found that:

"the future of individual regional economies is inexorably linked to their natural endowments and attempts to retain or establish industries without an underpinning endowment are unlikely to succeed.[7]"

A region seeking to encourage economic development should therefore concentrate on the factors that enable the growth of endowment-based industries. It must also build local leadership, and institutional capacity and capabilities, to facilitate businesses, public agencies and services to capitalise on the opportunities that a region's endowments offer.

Endowments of the Snowy Valleys Region were identified through analysis and community consultation.

Natural resource endowment

The Snowy Valleys Region is endowed with an abundance of fertile soil, water supply and climatic conditions conducive to agriculture and plantation forestry. In addition, the Region is located within the larger Australian Alps region, one of four identified "Natural Landscapes" within NSW and recognised by the World Conservation Union as one of the 167 world centres of biodiversity[8]. The Region acts as a western gateway to the Australian Alps providing access to the major snowfields in Kosciusko National Park, a major tourist destination for both winter and summer tourists, as well as other national parks and natural landscapes.

The Region contains abundant water resources from the Australian Alps that also support the Snowy Hydro Scheme which is currently Australia's largest renewable electricity generator, as well as forming the basis for the highly productive agricultural lands in the Region.

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7. Regional Economic Growth Enablers Report (2017), Centre for Economic and Regional Development.

8. Destination Riverina Murray Destination Management Plan, March 2018.

Forestry and timber processing infrastructure

The Region has an abundance of softwood plantations in Tumbarumba that form the basis of the Region's forestry and timber product industry. The Region has a number of significant forestry and timber processing assets including Visy Industries in Tumut (kraft paper & cardboard), Carter Holt Harvey in Tumut (sawmill and wood panels) and Hyne Timber in Tumbarumba (sawn timber and treated timber). Other manufacturers outside the Region who have a high dependence on utilising the timber include Big River Timbers Wagga Wagga, Norske Skog Albury and XLam Wodonga.

Snowy Hydro Infrastructure

The headwaters of the Snowy, Eucumbene and Murrumbidgee Rivers allow the Hydro scheme to work by drawing in the water flow that would normally flow east towards the coast. This water is diverted for power production and then onto the catchments of the Murray and Murrumbidgee for water supply and irrigation.

The Snowy Hydro scheme is located within the Region and is a major employer in Snowy Valleys Shire with 117 residents employed in the hydro electricity sector in 2016. The Commonwealth Government's announcement of an estimated $4 billion expansion of the Snowy Hydro Scheme represents a major economic opportunity for the Region. During the construction phase it is expected that there will be significantly increased demand for accommodation and services within the Region.

Location

Snow Valleys is located in the western foothills of the Snowy Mountains bordered by the Kosciuszko National Park and the Murray River. Tumut and Tumbarumba (the two major industrial and population centres) are also both within three hours driving distance from Canberra International Airport, and a 1.5 hour drive from the major regional centre of Wagga Wagga.

Snowy Mountains Highway

The Snowy Valleys Highway connects the Region to the Hume Highway (with access to Sydney, Canberra and Melbourne) and the Snowy Monaro region. The Snowy Mountains Highway is a major freight and passenger corridor.

Healthcare infrastructure and services

The Tumut District Hospital, Tumbarumba Multi-Purpose Service and Batlow/Adelong Multi-Purpose Service provide healthcare and social assistance services within the Region.

Forestry sector specialists

The presence of a strong forestry and wood products sector in the Region provides the Snowy Valleys with a number of specialists who have expert knowledge in their relatively niche field. These individuals represent a potential source of knowledge that could be leveraged to explore the expansion of the sector.

Aboriginal heritage

The Snowy Valleys Region is located within the traditional lands of the Ngarigo and Walgalu (Walgaloo) people. There are also strong links and spiritual connections between the Wiradjuri, Ngunnawal and Bidhawal people and the Snowy Alps, and hence significant indigenous cultural heritage values.

The increasing involvement by the local Aboriginal community in the management of the Region's natural resources and associated tourism opportunities provides a substantial advantage for the future. In particular, the community will be providing valuable input to the Kosciuszko National Park for aspects of fire, weed and pest management, and extending tourism opportunities to include the more than 20,000 years of aboriginal culture and history, including archaeological sites.

SPECIALISATIONS

A range of analytical tools have been used to identify the Region's existing economic strengths and its specialisations. A simple form of analysis that can be used to gain a further understanding of a region's comparative advantages[9] is the Location Quotient (LQ) which measures the employment concentration in industry sectors within a regional economy, compared with the same sectors across NSW. The higher the LQ, the more specialised a region is in that industry relative to the rest of NSW. For the purpose of this analysis, specialisations as defined by LQs, are in turn used as a proxy measure for those sectors and industries that represent a region's true comparative advantages.

Importantly, while LQs are used in this document for that purpose, they are only a partial measure of those comparative advantages. Hence, they have been considered alongside additional qualitative evaluations and data analysis, such as Input-Output analysis, to arrive at the findings for the Snowy Valleys Region's Strategy.

While Agriculture, Forestry and Fishing is the largest sector in the Region, employing 17.5 per cent of the workforce,[10] a more granular analysis may identify specific sectors in which Snowy Valleys has a regional specialisation. The sectors with the highest LQs in the Snowy Valleys Region are summarised in Table 4. The table highlights the top industries within the Snowy Valleys region as defined by the LQ value at the ANZSIC level 3 (last column). We show the employment figures for these specialised industries and also the growth in the employment compared to the sector average for 2011-2016. This analysis allows us to see which sub-sectors are driving the specialisation of the industry within the Snowy Valleys, and their impact on the employment within the Region.

To help understand the % employment change figure given in Table 4, a basic example would be: if a given sector grew by 10% between 2011–16, and NSW employment in that sector grew by 5% over the same period, the net change (which is the employment change figure recorded in Table 4) is (10-5) = 5% for that period.

Table 4: Sectors in the Snowy Valleys Region with the highest LQs

	ANZSIC sector (3-digit)	Location Quotient	Employment (2016)	% change compared to industry average between 2011–2016
1	Log Sawmilling and Timber Dressing	98.82	410	33.8
	Timber Resawing and Dressing	291.02	161	40.5
	Log Sawmilling	73.08	248	49.1
2	Forestry and Logging	70.33	198	44.1
	Logging	77.42	97	64.4
	Forestry	69.41	87	27.7
3	Converted Paper Product Manufacturing	32.76	223	21.2
	Corrugated Paperboard and Paperboard Container manufacturing	87.58	224[11]	21.8
4	Electricity Generation	28.36	132	5.1
	Hydro-Electricity Generation	166.21	117	-10.5
5	Sheep, Beef Cattle and Grain Farming	7.34	504	33.8
	Beef Cattle Farming (Specialised)	13.53	365	24.0
6	Fruit and Tree Nut Growing	16.72	167	-32.4
	Apple and Pear Growing	276.33	127	3.0%

Source: Sensing Value analysis based on ABS Census 2016 data

9. A region's comparative advantage for an industry includes its ability to produce goods and services at a lower cost or differentiate its products from other regions, along with access to external factors which enhance business and operations/minimize risk (Stimson, Stough and Roberts, 2006).

10. Australian Bureau of Statistics census data, August 2016.

11. ABS conducts small random adjustments to cell values to protect the confidentiality of data. For this reason, if almost all/all of the employment in an ANZSIC Level 3 sector is concentrated in a single ANZSIC Level 4 sector, the employment figure displayed for the Level 4 sector may be larger than the figure displayed for the Level 3 sector. Further information is available at: http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2901.0Chapter38202016.

In this analysis, key sectors fall into one of three categories:

Important sectors experiencing employment growth relative to the state average

In assessing the LQ of the sectors in the Region, a number of sectors were identified as having employment growth greater than the state average and thus likely to be regional specialisations (coloured blue in Figure 3). As well as having high LQs, these sectors are major employers and include Log Sawmilling and Timber Dressing, Forestry and Logging and Converted Paper Product Manufacturing, Sheep, Beef Cattle and Grain Farming, Nursery Production and Road Freight Transport.

These findings indicate that the Region has a high degree of specialisation in Forestry and Wood Product Manufacturing. Other sectors that fall into this categorisation include Electricity Generation (due to the presence of the Snowy Mountains Scheme), Local Government and Accommodation.

Potentially emerging sectors

Emerging sectors are those whose LQs are lower than the state average, but whose employment growth nonetheless grew faster than the NSW state average over the period between 2011 and 2016 (coloured green in Figure 3). In the Snowy Valleys, the most notable emerging sector is the Other Social Assistance sector, which reflects the high proportion of retirees in the Region. It would be expected that if this sector continues to grow, it could become a regional specialisation.

Important sectors experiencing employment growth that is lower than the state average

There were also a number of key sectors that had high LQs, but whose employment grew by less than the overall state industry average for that sector (coloured red in Figure 3). In the Snowy Valleys, this included the Fruit and Nut Growing sector which contracted by 32.4% relative to the state average, as well as the smaller Dairy Cattle Farming and Wood Product Manufacturing sectors. However, given the small employment totals for each of these sectors, this variability may be due to small absolute changes in employment. Despite these declines, the high LQs of these sectors suggest they will continue to be important parts of the regional economy in the future.

Figure 3 on the next page charts selected industries in the regional economy in 2016, where:

➤ industries with a larger 'bubble' employed more people;

➤ industries further above the horizontal axis are more specialised when compared to NSW (i.e. an LQ greater than 1.25[12]); and

➤ industries to the right of the vertical axis grew faster between 2011 and 2016 than the industry average across NSW. Industries on the left grew (comparatively) more slowly.

12. An LQ of 1.25 is identified in the literature as denoting a specialisation.

SPECIALISATIONS CONTINUED

Figure 3. Location Quotients and Employment Growth for Industries in the Region
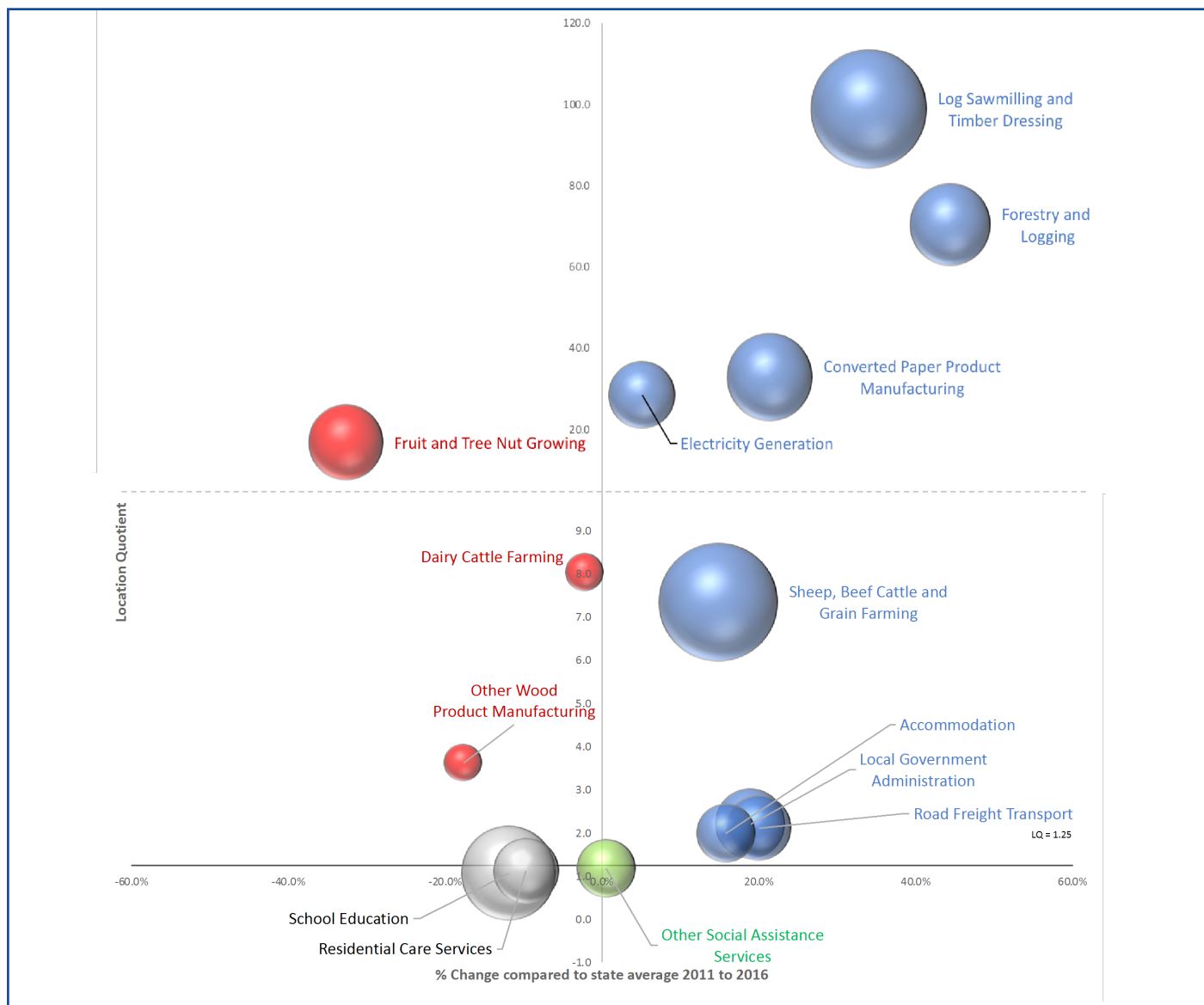
Source: ABS Census 2016 and Sensing Value analysis

BLUE sectors grew faster between 2011 and 2016 than sector average across NSW

GREEN sectors are potentially emerging specialisations

RED sectors are important sectors experiencing slower employment growth between 2011 and 2016 than the sector average across NSW

GREY sectors are regional sectors with lower employment growth and lower employment numbers when compared to the state level

SPECIALISATIONS CONTINUED

Input/Output Analysis

While Location Quotient analysis can provide insights into regional specialisations, it may not fully capture the importance of less labour-intensive sectors. An analysis of the value of outputs generated from industry sectors is therefore used to provide another indication of their importance within a regional economy.

This has already been covered in the economic background section and forms part of the analysis to establish the specialisations of the Region.

Regional Risks

The Region suffers from issues in sourcing the required skilled workforce (due to the lack of a major educational institution in the Region), and issues with the reliability of telecommunications throughout the Region present ongoing issues. The cost and reliability of energy is also an area where the Region lacks a competitive edge, although this is an issue that is facing most regional areas in Australia. Another key risk across all industries within the Region relates to road transport costs and reliability.

Identifying regional specialisations

Specialised sectors (or potentially emerging specialisations) that have a reliance on local endowments that are traded outside the Region (i.e. exported), or are servicing more than just the local population, represent sectors which can be the engines of future economic growth. In the Snowy Valleys Region these key engine industries include Agriculture, Forestry and Timber Product Processing, Hydro-Electricity Generation and Tourism, each of which are major employers and contributors to income generation for the Region.

Forestry and Timber Product Processing

The Forestry and Timber Product Processing sectors are amongst the Region's largest employers and value-adding sectors. Road Freight Transport is mostly driven by forestry-related sectors, but other sectors (notably Agriculture) are also contributors to and users of the logistics services. Employment in this sector is expected to continue to grow, consistent with current trends.

The Forestry and Timber Product Processing sectors, which are all interconnected within a single supply chain, face a number of risks including the need to source ongoing supplies of softwood timber, the ability of the Region to source appropriately skilled workers, and issues relating to road transport, given the bulk nature of the sector's products.

Agriculture

A number of key agricultural sectors also feature as specialisations of the Region. Sheep, Beef Cattle and Grain Farming is the most important while the Fruit and Tree Nut sector is also an increasingly important part of the Agricultural sector in the Region. Anecdotal evidence however, suggests that producers in the Fruit and Tree Nut sector are expecting a return to positive employment growth after a shrinkage recently.

These sectors face a number of challenges, relating to issues around the increasing costs of energy and transport (as a result of issues relating to freight roads), and issues relating to the workforce, both in terms of an ageing workforce and a shortage of skilled labourers. This is currently being exacerbated by an undersupply of accommodation options that constrains the sector's ability to bring in appropriately skilled workers. Challenging climate impacts and telecommunication issues are also increasingly prevalent risks that will need to be addressed.

Tourism

While traditional statistics do not capture the full extent of the Tourism sector, Accommodation (acting as a proxy for Tourism) provides some insight into the value of the Tourism sector in the Region, with an LQ of 1.66 and a value-add contribution of $22.42 million. Beyond this, the Region has a diversity of natural resource endowments that provide for a range of tourism offerings, both in the winter and summer tourism seasons. Parts of the Region are located within the larger Australian Alps region and the Snowy Valleys acts as a Western gateway to the Alps including Mount Kosciuszko National Park and the ski fields at Thredbo, Selwyn and Perisher Valley, as well as providing for eco-tourism, hiking and trail riding in the summer.

Whilst many of the tourism products and experiences across the Region have close links to the Australian Alps, the recently released Riverina Murray Destination Management Plan identified that the development of supporting infrastructure and products within the Region has been limited. These will need to be expanded to fully capitalise on the Region's natural attractions.

Tourism also faces fewer risks compared to the larger sectors in the Region as a result of its more diversified and less resource intensive activities. However, the type and volume of existing accommodation for Tourism has been flagged as a risk for further expansion and a regular current issue facing the Region.

The sectors discussed form the basis of the key elements of the Strategy in the next section.

STRATEGY

The three Strategy elements for the economic development of the Snowy Valleys Region link directly to the opportunities presented by the Region's endowments and specialisations, and also aim to address some key regional risks.

The Strategy elements were derived from analysis of the endowments that underpin the Region's strengths, followed by examination of current industry specialisations and emerging specialisations identified in consultation with councils and communities.

Each element is accompanied by a set of early actions, which should be interpreted simply as example actions derived from the preliminary application of the Strategy framework. It is therefore expected that there will be other actions capable of contributing to the attainment of the Region's vision that are yet to be identified. Consequently, an action's alignment with the Strategy is the primary strategic consideration, rather than it being listed in this document, and all proposed actions will be subject to further qualitative and quantitative evaluative processes.

The Three Elements of the Strategies

1	Support the growth of the **Forestry and Timber Processing and Agriculture** through improving access to and reliability of infrastructure and utilities
2	Continue to develop and grow the **Tourism sector** to diversify the Region's economy
3	Boost and sustain the **supply of skilled workers** for the Region's core industries with regional skills development and initiatives to attract new residents.

1 | Support the growth of the Forestry and Timber Processing and Agriculture sectors through improving access to and the reliability of infrastructure

The Snowy Valleys Region has a number of natural endowments that form the basis of the comparative advantage for its key sectors. The Region has a major Forestry related resource endowments and Timber Product Manufacturing facilities which are a major source of differentiation for the Region's economy. The above industries form part of an integrated supply chain which is a driver of major economic activity and underpins many of the Forestry, Agricultural, Manufacturing and Road Transport sectors in the Region.

In addition, the Agricultural sectors in the Region, including Livestock and Fruit Growing, enjoy access to a significant fertile land endowment, temperate climate, and access and geographic co-location to Food Product Manufacturing businesses in the Region. Furthermore, feedback from industry is that the Fruit and Tree Nut Growing sector is expected to grow as major producers expand, despite shrinkage in employment figures since 2011 which was driven by a change away from labour intensive resources.

These natural endowment-based sectors will be the key drivers of the Region's economy, particularly in terms of increasing the value of output and exports. Their ongoing development will however, need to be underpinned by matching infrastructure development that ensures an efficient pathway to market. Stakeholder consultation by Snowy Valleys Council has highlighted that the productivity and growth of many of these sectors is currently constrained by a lack of infrastructure development. This suggests that projects that can enhance regional infrastructure and improve utilities, telecommunications and energy networks, could significantly enhance business competitiveness in the Region.

The availability of residential land and affordable rental accommodation were identified through community consultation as also adversely impacting on the capacity of businesses in the Region to attract and retain workers. Improved telecommunications and access to energy could also increase the Region's appeal as a potential destination for residents and business.

Infrastructure Priorities

- ➤ **Industrial estates:** provide fully enabled industrial estates to meet current demand and attract new businesses to the Region
- ➤ **Digital connectivity:** provide fast and reliable internet access as well as improved mobile coverage in parts of the Region
- ➤ **Water and wastewater infrastructure:** improvements to address identified water security issues to industry townships
- ➤ **Energy infrastructure:** ensure access to energy for current and future demand and to attract new business to the Region
- ➤ **Road infrastructure:** upgrades and improvements to major roads to improve efficiency, reduce the impacts of heavy vehicles, improve travel times and time to market
- ➤ **Rail infrastructure:** investigate potential options for re-establishing rail links between the Region and Wagga Wagga

Priority Actions

- ➤ **Development of the proposed new Tumut industrial estate**
- ➤ **Improve telecommunications across the Region to assist business in Manufacturing and Agriculture**
- ➤ **Power/ gas upgrade for Tumbarumba and other locations in the Region**

Other actions identified for future consideration

- ➤ Upgrade of Bombowlee Creek Road which is a major softwood freight route
- ➤ Upgrade of Broadleaf Park Road (Taradale Complex) which is major softwood freight route
- ➤ Upgrade of Wodalga Road (Batlow Road to Greenhills Rd) which is a major softwood freight route
- ➤ Investigation of options for a rail freight link between Tumut and Wagga Wagga to help with movement of agricultural and manufacturing products
- ➤ Upgrades to the water and sewer treatment plants at Khancoban
- ➤ Address access constraints to gas, water to Tumbarumba
- ➤ Complete the upgrade and installation of the Rosewood water and sewerage network
- ➤ Development of the proposed stage three of the Snow View residential estate at Tumbarumba
- ➤ Development of the proposed medium density residential estate at Talbingo
- ➤ Development of the proposed residential estate at Tumut Airport

STRATEGY CONTINUED

2 | Continue to develop and grow the Tourism sector to diversify the Region's economy

The diversity of the natural environment and experiences on offer in the Snowy Valleys are currently the primary drivers of visitation to the Region. Parts of the Region are located within the larger Australian Alps region and the Snowy Valleys acts as a Western gateway to the Australian Alps including Mount Kosciuszko National Park and ski fields at Thredbo, Selwyn and Perisher Valley. While these ranges are the drivers of alpine tourism in winter, they also provide for the Region's summer tourism draw of hiking and biking trails, eco-tourism, fishing, indigenous culture and camping.

Whilst many of the tourism products and experiences across the Region have close links to the Australian Alps, the recently released Riverina Murray Destination Management Plan identified that the development of supporting infrastructure and products within the Region has been limited[13].

Infrastructure Priorities	Priority Actions
➤ **Sector assets:** Investment into a range of infrastructure to develop Tourism products and assets that can drive further visitation into the Region ➤ **Greater access to natural assets:** Provision of critical infrastructure to maintain and strengthen accessibility for visitors to the Region	➤ **Complete the construction of the Rosewood to Tumbarumba rail trail (identified as Tier 1 priority in the Riverina Murray Destination Management Plan)** ➤ **Upgrade and sealing of the Brindabella Road from Canberra to Tumut to establish a new touring route (identified as Tier 1 priority in the Riverina Murray Destination Management Plan)** ➤ **Development of the Hume and Hovell Mountain Biking Track and adventure trail (identified as Tier 1 priority in the Riverina Murray Destination Management Plan)** ➤ **Development of the Batlow Cidery Experience (identified as Tier 1 priority in the Riverina Murray Destination Management Plan)** Other actions identified for future consideration ➤ Development of the proposed Snowy Valleys Way Marketing Strategy ➤ Development of overtaking lanes in identified areas (e.g., near Adelong) to provide for shared road use for commercial freight and tourists ➤ Upgrade of the Yellowin Road between Batlow and Tablingo to facilitate visitation to the Blowering Dam ➤ Development of a strategy to support new investment in accommodation stock (service apartments, caravan parks) to better meet market needs ➤ Implementation of the Snowy Valleys Rail Trails Strategy ➤ Development of the proposed Interpretive Centre at Tumut ➤ Enhancement of infrastructure and facilities at Adelong Falls ➤ Development of a masterplan for the Sugarpine walk at Laurel Hill ➤ Complete refurbishment of the Tumut's heritage Junction Bridge

13. Riverina Murray Destination Management Plan, March 2018.

3 | Boost and sustain the supply of skilled workers for the Region's core industries with regional skills development and initiatives to attract new residents

The Snowy Valleys Region has relatively lower number of working aged individuals between the ages of 25 – 49. This is compounded by the Region's population having a lower than average rate of post-school qualifications, making it difficult for many businesses to address their skills gaps. Moreover, as the Region continues to grow its ageing population, there will be an increased demand for a range of healthcare and social assistance services that require skilled workers. This will be particularly important as Snowy Hydro 2.0 rolls out, as this will create pressure on the healthcare sector as the population increases.

Given the absence of an educational institute in the Region to provide the relevant courses, the Region may need to attract new residents to fill many of these existing and needed employment roles. Initiatives aimed at improving the attractiveness of the Region as a migrant destination for skilled workers, as well as efforts to cultivate leadership and sustainable growth in the Region, will also become increasing important into the future. This includes assets and amenities that improve the range of potential activities that can be undertaken in the Region, as well as modern lifestyle facilities that improve the draw of the Region. The completion of the Tumut Hospital would also represent offer a greater diversity of job opportunities for existing and potential new residents.

Infrastructure Priorities

➤ **Education and training:** create training development opportunities for young people to pursue career pathways in the Region

➤ **Community infrastructure:** development of new and improved community facilities

➤ **Amenity improvements:** enhance lifestyle amenities in the Region to increase attractiveness of the Region to skilled workers

Priority Actions

➤ **Develop the proposed Centre of Excellence for Education and Business**

➤ **Development of a multipurpose sports and community hub in Tumut**

➤ **Complete the proposed new Tumut Hospital**

Other actions identified for future consideration

➤ Establishment of the proposed Tumut multi-sports hub (including relocation of water treatment plant)

➤ Undertake the proposed Tumut Township Streetscape and Riverfront Activation Masterplan

➤ Investigate partnerships with industry to develop and implement initiatives to attract skilled residents to the Region

➤ Development of a strategy for the proposed Tumut Education Precinct

➤ Revitalisation of the Khancoban Hall

➤ Construct the proposed Mannus Lake pipeline to drought proof Tumbarumba's water supply

➤ Implementation of the 5 ways water security project to drought proof Tumbarumba's water supply

STRATEGY CONTINUED

Strategy and Implementation Actions

Enablers	Support the growth of the Forestry and Timber Processing and Agriculture sectors through improving access to and the reliability of infrastructure and utilities	Continue to develop and grow the Tourism sector to diversify the Region's economy	Boost and sustain the supply of skilled workers for the core industries with regional skills development and initiatives to attract new residents
People and skills			➤ Development of a Centre of Excellence for Education and Business
Government, regulation and information		➤ Development of the Batlow Cidery Experience (identified as Tier 1 priority in the Riverina Murray Destination Management Plan)	
Infrastructure	➤ Investment in enabling infrastructure for the proposed new industrial estate in Tumut	➤ Complete the construction of the Rosewood to Tumbarumba rail trail (identified as Tier 1 priority in the Riverina Murray Destination Management Plan) ➤ Upgrade and sealing of the Brindabella Road from Canberra to Tumut to establish a new touring route (identified as Tier 1 priority in the Riverina Murray Destination Management Plan) ➤ Development of the Hume and Hovell Mountain Biking Track and adventure trail (identified as Tier 1 priority in the Riverina Murray Destination Management Plan)	➤ Development of a multi-purpose sports and community centre at Tumut ➤ Completion of the proposed new Tumut Hospital
Utilities	➤ Improved telecommunications throughout the Region ➤ Power/gas upgrade for Tumbarumba and other locations in the Region		

IMPLEMENTATION

The effective implementation of the Strategy will involve the key stakeholders and regional community that contributed to its development, including the Snowy Valleys Council as well as state government agencies and local entities.

The completion of this document is intended to be the first stage of an ongoing process where new specific actions to further progress towards the vision are identified through application of the framework. It is recommended that an Advisory Committee made up of representatives from the council and other groups such as business chambers be established to progress the implementation of actions listed to implement this Strategy, apply the Strategy's framework to identify new actions to be added to the Action Plan, develop key performance indicators and evaluate outcomes. The Advisory Committee would meet every three months and would report progress on actions to each council. The Advisory Committee also meet six monthly with the Regional Director, Riverina-Murray, NSW Premier and Cabinet. These meetings could also be used to check the Strategy's progress and review against current grant opportunities.

After two years, the Advisory Committee will initiate the conduct a formal review of the Action Plan and associated governance processes, producing a brief report card to be published as an addendum to the Economic Development Strategy. This will also provide an opportunity to update the Action Plan for new or modified actions in view of key economic, social, environmental and policy changes.

After four years, the Advisory Committee will also begin the process of updating or refreshing the Economic Development Strategy.

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