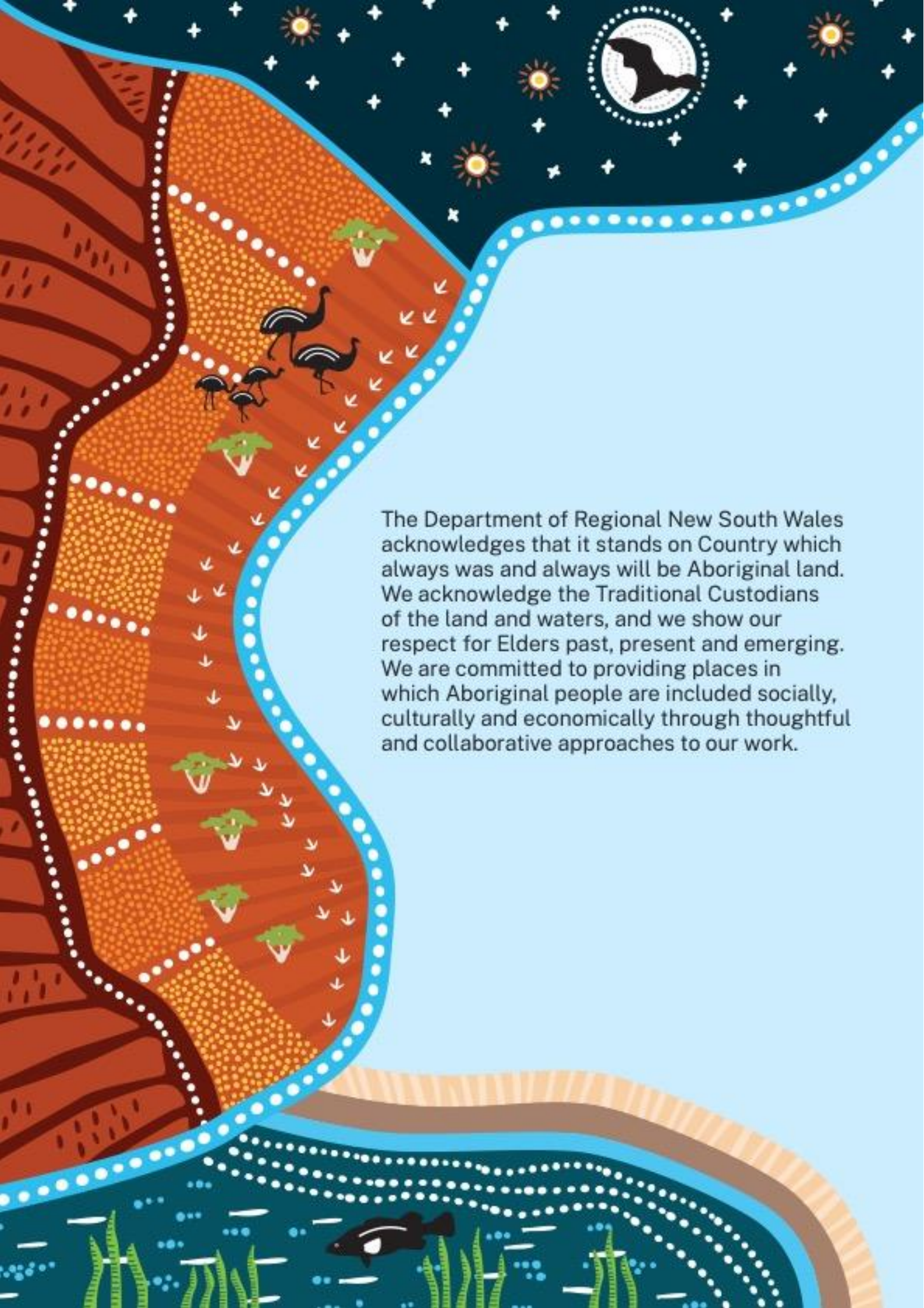


Snowy Valleys Regional Economic Development Strategy –2023 Update





The Department of Regional New South Wales acknowledges that it stands on Country which always was and always will be Aboriginal land. We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past, present and emerging. We are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

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On Country – Artwork by Mumbulla Creative

"On Country" captures the many different countries located within the Department of Regional NSW footprint. Only part of the image is shown on the Acknowledgement of Country page. The regions included in this partial image are detailed below.

The Far West region of NSW is represented by red earth plains, mallee scrubs and an abundant emu population. Freshwater countries are referenced by the expansive network of rivers stretching through the regions. The Riverina Murray region is represented by the roots of a river redgum on the banks of a river, and a large Murray Cod can be seen in the river. The night sky features as it plays an important navigational and story-telling role in traditional life.

Cover image: Khancoban Dam, Snowy Valleys region. Photo credit: Matt Beaver

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1. Executive Summary

Changes in the Snowy Valleys region since 2018

In 2018, the NSW Government developed Regional Economic Development Strategies (REDS) for 38 Functional Economic Regions (FERs) across regional NSW. Since publication, regional NSW has endured shocks including bushfires, floods, COVID-19 and the mouse plague, and significant new economic opportunities have emerged. The 2023 REDS Update provides an updated evidence base to guide governments in making policy and investment decisions to enhance resilience and drive sustainable, long-term economic growth in regional NSW.

The Snowy Valleys region has seen significant investment delivered since 2018, with additional projects in the planning or delivery stages



\$10.7 million invested to deliver the **Snowy Valleys Multi-Purpose and Emergency Evacuation Centre**.



\$32 million investment in the **Tumbarumba Multipurpose Service**.



Major upgrades to Wynyard, Capper and Fitzroy streets as part of **Tumut CBD upgrade**, totalling **\$1.76 million**.



Development of the **Snowy Valleys Sculpture Trail** with a total investment of **\$4 million**.



\$50 million invested in the **Tumut Hospital Redevelopment and upgraded Ambulance Station**.

Since 2018, the region has experienced population growth alongside increased house prices and reduced housing availability



+ 1.1% population growth since 2018.



Housing **vacancy rates** sit **below 1%**, with median house **prices** having risen by **50%** since 2018.



38.1% of the region's **population** is in the **over 55** years old age bracket.



The **unemployment** rate currently sits at **2.9%** below the NSW state benchmark, and there has been an **increase in job vacancies** in the region.

Despite significant shocks, the region's key industries (including forestry, manufacturing, tourism and farming) continue to drive economic growth



Forestry

+ 7.7% Year-on-Year (YoY) growth¹ from 2011-2020

\$ 92 million Gross Value Added (GVA) in 2020

229 jobs supported in 2021



Manufacturing

+ 0.9% YoY growth from 2011-2020

\$ 150 million GVA in 2020

822 jobs supported in 2021



Tourism

+ 2.5% YoY growth from 2011-2020

\$ 91 million visitor spend in 2021

1,063 jobs supported in 2021



Agriculture (sheep, grains and cattle)

+ 7.7% YoY growth¹ from 2011-2020

\$ 76 million GVA in 2020

728 jobs supported in 2021

Key themes from local consultation

Stakeholders from the Snowy Valleys region highlighted enhancing workforce skills, increasing housing supply, expanding the visitor economy and enhancing resilience as key priorities for the region.

Workforce shortages



An undersupply of workers in the building and engineering trades and population-serving sectors is acting as a key constraint to economic growth in the region.

Housing availability and affordability



There is a critical need for additional housing to accommodate workers on major projects, such as Snowy 2.0, as well as to attract new residents to region as it continues to recover from a range of shocks including the 2019-20 bushfires.

Building resilience



Recent shocks, in particular the 2019-20 bushfires, have highlighted the critical need to focus investment on building infrastructure and community resilience, which should be accompanied by steps to embed resilience into policy and program design.

Expanding the visitor economy



Stakeholders highlighted further growth in the visitor economy as a key mechanism for supporting long-term development of the region's economy, noting ecotourism and agritourism represent potential focus areas for tourism industry expansion.

¹ Growth rate for the broader Agriculture, forestry and fishing sector – see page 26 for further detail.

Snowy Valleys REDS - 2023 Update strategies and enablers

Strategies	Enablers
<p>Support the growth of the forestry and timber processing industry through direct support during the bushfire recovery phase and sustainable diversification of industry in the long-term.</p>	<ul style="list-style-type: none"> Plan for long-term land use for plantations and associated technology upgrades, supporting businesses to become more resilient and efficient.
<p>Increase value-add opportunities in the agriculture sector, in particular horticulture and viticulture, through improved access to and reliability of digital and transport infrastructure.</p>	<ul style="list-style-type: none"> Explore options to improve digital infrastructure by considering the findings of Snowy Valleys options paper/business case investigating delivery models for regional wireless connectivity.
<p>Expand and diversify the Snowy Valleys region's visitor economy by growing the region's agritourism and adventure tourism offerings.</p>	<ul style="list-style-type: none"> Facilitate investment in cellar doors to leverage recent private investment in cidery operations in Batlow and investigate the option for a farm gate trail to connect and enhance the benefits of local producers expanding agritourism offerings. Promote adventure tourism opportunities within the region including trail and mountain biking, hiking, winter sports and fishing.
<p>Boost and sustain the supply of skilled workers for the region's core industries with regional skills development and initiatives to attract new residents.</p>	<ul style="list-style-type: none"> Consider expanding the offering of Tumut TAFE and regional training organisations to include services, such as childcare and hospitality. Collaborate with the Regional Housing Taskforce to identify and activate new residential land in areas with physical and digital connectivity.

2. About the 2023 REDS Update

In 2018, the NSW Government and local councils developed a series of REDS for 38 Functional Economic Regions (FERs) across regional NSW. FERs are made up of one or more Local Government Areas (LGAs) that work together to create smaller economies with strong economic links.

Supporting the *20-Year Economic Vision for Regional NSW*, the REDS set out a place-based vision and framework for economic development for each FER. The REDS identify each FER's endowments, industry specialisations and key vulnerabilities and opportunities, and outline economic development strategies and actions to leverage these strengths.

Since 2018, regional NSW has endured many challenges including drought, bushfires, floods, COVID-19 and the mouse plague. At the same time a range of broader state-wide trends and actions continue to change the economic landscape across regional NSW, including digital transformation, increased remote working and the shift towards net zero. These challenges and trends have altered the landscape of economic development in many regions and created new opportunities for growth.

The 2023 REDS Update provides an updated evidence base to guide governments in making policy and investment decisions to enhance resilience and drive sustainable, long-term economic growth in regional NSW. The objectives of the update are to:

1. **Highlight progress:** reflect on significant initiatives and investments that have supported progress against the key strategies and actions in the 2018 REDS.
2. **Capture major changes:** identify and assess the impacts of major changes to regional economies since 2018, including the effect of recent 'shocks' such as bushfires, droughts, floods, mice plagues and the COVID-19 pandemic.
3. **Identify strategic opportunities:** identify key strategic opportunities and vulnerabilities for engine and emerging industries, as well as any changes to local endowments.
4. **Set the foundation for the future:** review, affirm and/or adjust the 2018 strategies, including consideration of new strategies to meet emerging priorities, to ensure they remain relevant.
5. **Identify key enablers to guide future action:** develop a non-exhaustive list of priority enabling actions that will support the 2023 REDS Update strategies.



Figure 1: Viticulture is a growing specialisation in the Snowy Valleys region. Photo credit: Matt Beaver.

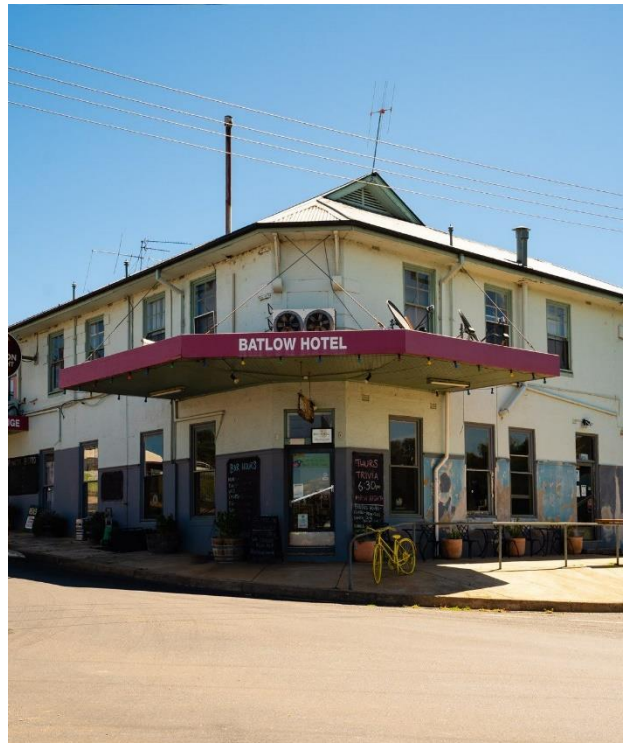


Figure 2: Batlow Hotel, Batlow. Photo credit: Matt Beaver.

3. About the Snowy Valleys region

The Snowy Valleys region is located in the western foothills of the Snowy Mountains, partially bordered by the Kosciuszko National Park in the South and the Australian Capital Territory in the North East. The region is wholly comprised of the Snowy Valleys LGA, with significant towns in the region including Adelong, Batlow, Tumbarumba and Tumut.

Total area covered (km ²)	8,960
Population (2021)	14,901
Size of the economy (2020)	\$1.011 billion
Total employment (2021)	6,447

Source: ABS (2021) Estimated Resident Population, REMPLAN (2020), ABS Census (2021)

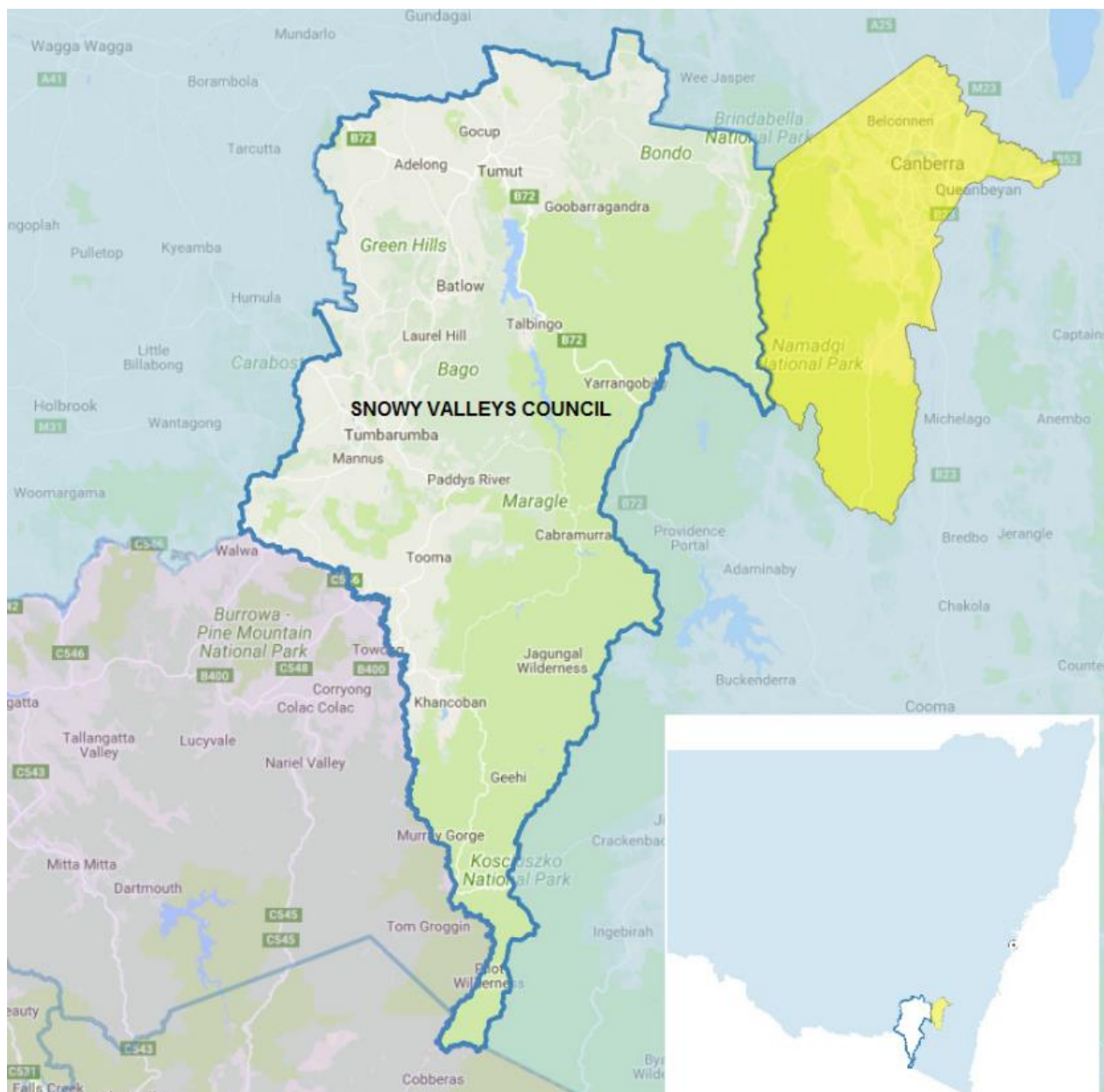




















Figure 3: Map of the Snowy Valleys Functional Economic Region.

2018 Snowy Valleys region endowments

The Snowy Valleys region is home to a wealth of physical, institutional, built and human endowments. These endowments play a key role in enabling success and growth across its 2018 industry specialisations of agriculture and forestry, tourism, electricity generation, distribution and supply and manufacturing.

Endowment	Relevant 2018 specialisation
Location – proximity to Canberra and Wagga Wagga	
Snowy Hydro infrastructure	
Snowy Mountains Highway	  
Forestry and timber processing infrastructure	 
Forestry sector specialists	 
Natural resource endowment	   
Health care infrastructure and services	   
Aboriginal heritage	

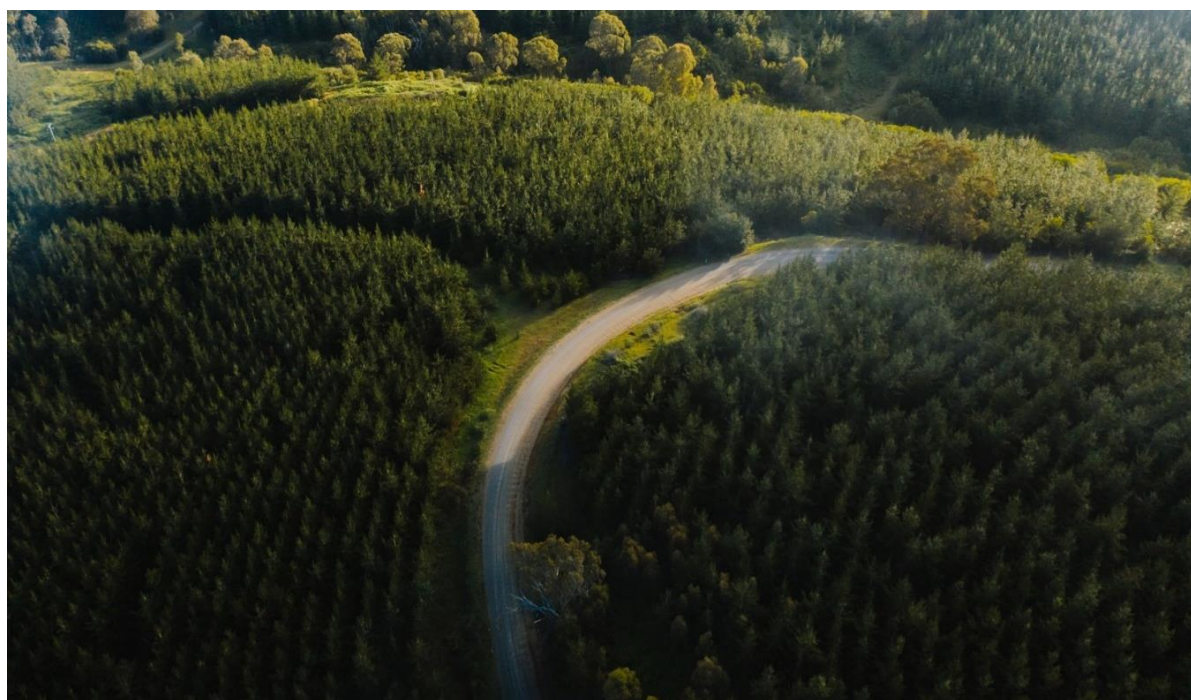


Figure 4: A forestry plantation in the Snowy Valleys region. Photo credit: Ollie Khedun.

5. The big picture: Shocks and trends impacting the Snowy Valleys region since 2018

Significant events impacting major industries

The major bushfires of 2019-20 had severe environmental and economic implications for the Snowy Valleys region. The COVID-19 pandemic further challenged the region with local businesses, particularly those in the visitor economy, suffering from the impacts of movement and operating restrictions. Flooding events have also impacted the region.

During the 2018 to 2022 period, the region had eight disaster declarations^[1] and received \$78.66 million in disaster recovery grants.^{*[2]} Achieving long-term recovery from these events and developing both industry and community resilience remains a priority for the region.

Bushfires

The 2019-20 bushfires had a devastating impact on the Snowy Valleys region, having significant environmental and economic impacts.

The fires burnt 4,293 square kilometres of the region, equating to 48% of the region's total land mass, and more than 1,050 properties were badly damaged or destroyed.^[3]

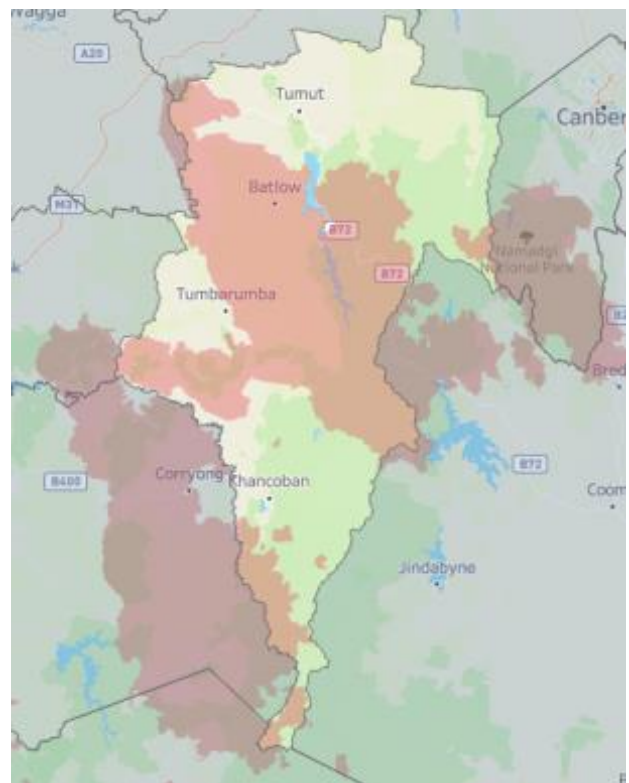
There were also substantial impacts on the region's economy, with total damage estimated at \$188 million, and significant impacts across a range of local industries.^[4]

- Forestry: 30,000 hectares of state forest and 17,000 of private forest were damaged, along with facilities.
- Horticulture: 25% of apple trees were damaged, worker accommodation destroyed and impacts on the blueberry harvest.
- Viticulture: the 2020 harvest and vintage was destroyed by smoke taint, with approximately 2,300 tonnes of produce lost at an estimated value of more than \$7 million.^[3]

In response to the substantial impact of the bushfires, and beyond the direct funding and support provided through disaster recovery payments, a range of programs have provided support for the rebuilding effort in the Snowy Valleys region.

These programs have included the NSW Government's Bushfire Community Resilience and Recovery Fund, the Bushfire Industry Recovery Package (BIRP) and the Bushfire Local Economic Recovery Fund (BLERF), which has provided the region with more than \$28 million in funding. This has included direct support for the forestry industry through the BIRP program and a range of longer-term projects funded under BLERF including improvements to the Tumut Aerodrome, the Snowy Valleys Sculpture Park and programs to upskill forestry and timber workers in the region.^[2]

** This value does not include funding provided for disaster recovery under the Natural Disaster Relief and Recovery arrangements.*



■ Bushfire impacted





Figure 5: Fire affected areas within the Snowy Valleys region.

6. Responding to change: Initiatives and investments since 2018



Figure 6: Cows grazing in a paddock in the Snowy Valleys region. Photo credit: Ollie Khedun

Since 2018, Snowy Valleys Council, the NSW Government and other key organisations have delivered new and updated strategic documents and plans that help guide economic and community development in the region. These documents support the development of local enabling actions that contribute towards progress against key REDS priorities and strategies.

Strategies and plans	Relevant 2018 strategies
<p>The Riverina Murray Regional Plan 2041 sets out a 20-year land use planning vision for the broader region to support economic growth in key sectors such as agribusiness, manufacturing and renewable energy.</p>	
<p>The Snowy Valleys Community Strategic Plan 2042 and Envisage 2040: Our Path to a Sustainable Future Local Strategic Planning Statement align to identify the core themes in the region’s planning priorities, which include preserving the character of towns and villages, promoting growth through innovation, ensuring a focus remains on caring for the natural environment, and ensuring improving local infrastructure and building resilience remain key priorities in the region.</p>	
<p>Preparing for Prosperity: Snowy Valleys Council Economic Development Strategy 2018-2022 provides a holistic blueprint for economic growth and sustainability over the short-term, providing actionable items to complement the 2018 REDS.</p>	
<p>The Riverina Murray Destination Management Plan 2018-2022 has been prepared to create a collaborative framework to guide the work of local, regional and state tourism stakeholders to grow, develop and promote the region’s visitor economy.</p>	

<p>The Snowy Valleys Destination Management Plan outlines a shift in regional branding for the council in forging an alliance with Destination Riverina Murray. This has enabled a diversification from the traditional tourism arm of snow-based tourism, to expand focus to include nature-based tourism, cycling, food and tourism and heritage and culture.</p>	
<p>The Snowy Valleys Tracks and Trails Masterplan sets out a vision of what the region’s tracks and trails network could look like in the long term, boosting tourism and location recreation opportunities.</p>	
<p>The Canberra Regional Economic Development Strategy (CREDS) sets out actions to develop an economically prosperous region that provides high quality of life and is resilient, accessible and environmentally sustainable.</p>	
<p>The Blueprint for a Resilient South East NSW is being created by the Canberra Region Joint Organisation to build resilience through actions to prevent, prepare, respond and recover from future disasters and challenges.</p>	
<p>The draft Murrumbidgee Regional Water Strategy and draft Murray Regional Water Strategy will outline overall approaches and priorities to support long-term water security in the region.</p>	



Figure 7: Picking apples at the Batlow Cider Company. Photo credit: Ollie Khedun.

Significant investments since 2018

Since 2018, the region has seen significant local, state and federal funding, as well as private investment. These investments are at varying stages of progress, with some delivered, some underway, and some investments still in the planning stage.

Public investments have largely focused on developing infrastructure which supports amenity for the local community, with a focus on place-making and regional tourism infrastructure and investments to support ongoing recovery after the 2019-20 bushfires. Grant funding has played a key role in delivery of many of these projects.

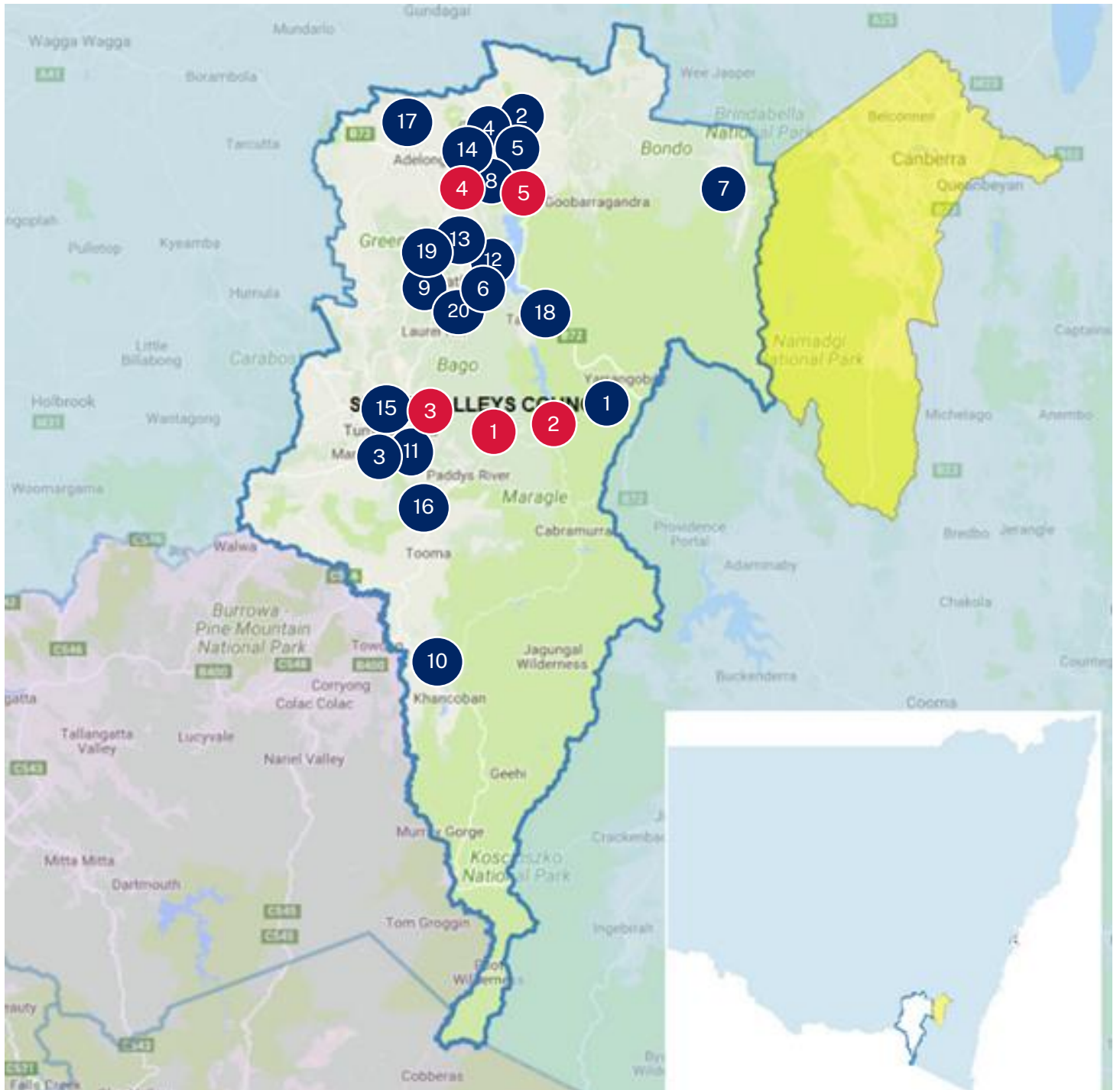


Figure 8: Significant investments since 2018 in the Snowy Valleys region, as set out on pages 18 and 19.

7. Snowy Valleys region 2023 economic snapshot

The region has seen positive rates of population growth since 2016, but continues to face structural challenges associated with an ageing population

The Snowy Valleys region has seen positive rates of population growth since 2017. However, the region faces challenges associated with an ageing population demographic profile, which highlights the ongoing need to develop social infrastructure to support the attraction and retention of people in their prime working age.

Population growth

Following a period of modest decline in total population between 2011 and 2016, the region has recorded an average annual population growth rate of 0.4% between 2018 and 2021, peaking at 0.45% in 2020 (see Figure 9). Overall population growth during this period was 1.1%. This equals a net increase of 164 residents in the Snowy Valleys region between 2018 and 2021, with the population growing from 14,737 to 14,901 people.

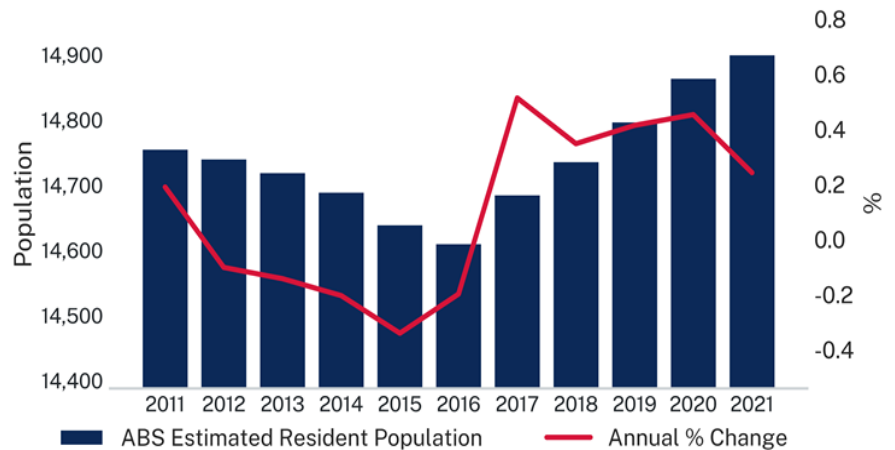


Figure 9: Snowy Valleys FER population growth, 2011-2021 (ABS ERP, July 2022).

Demographic profile

As shown in Figure 10, the proportion of the region’s population that is over 55 is around 10% higher than the NSW average, while the proportion of the population in the prime working age cohort (especially between 20 and 49) is significantly lower than the NSW average. This highlights structural ageing in the region, and a key challenge will be ensuring a local workforce is available to meet demand for labour in key sectors, such as health care, engineering trades and administrative support services.

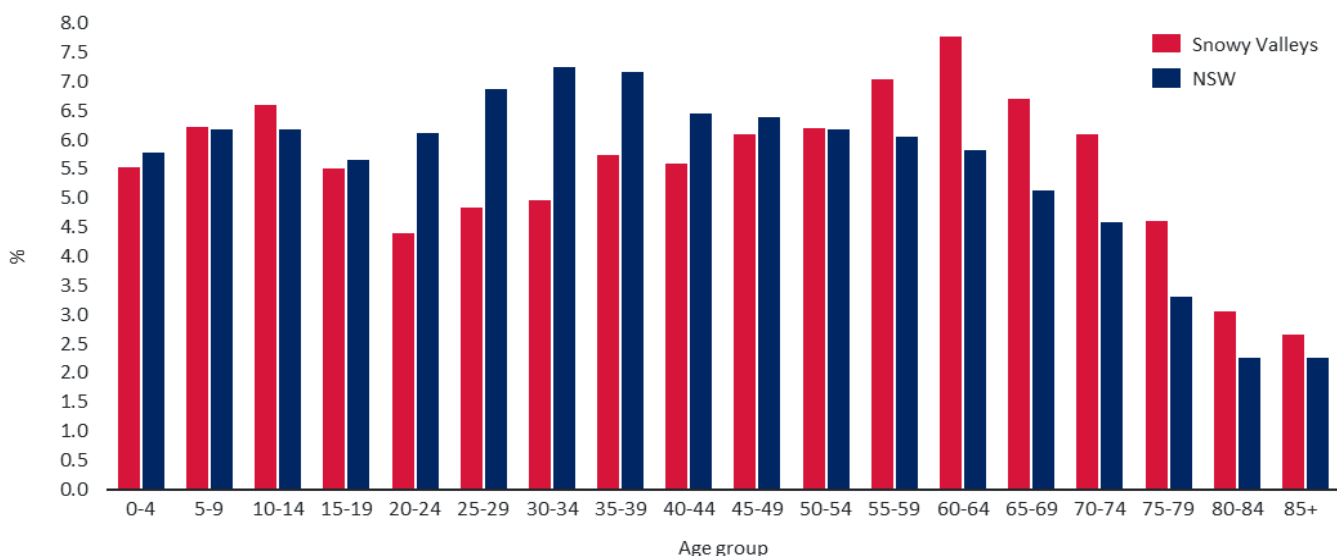


Figure 10: Snowy Valleys FER population by age, 2021 (ABS ERP, July 2022).

The region has experienced a reduction in housing availability and affordability since 2018

The Snowy Valleys region has faced a significant decline in housing availability and affordability since 2018, despite only relatively modest population growth during that time. With increased demand for worker housing associated with major projects, further growth expected in the visitor economy and the need to continue to replace housing stock lost in the bushfires, ensuring access to an adequate, accessible and affordable supply of housing in the region represents a key priority.

Housing availability

Residential vacancy rates in the region have dropped from 3.7% in January 2018 to just 0.4% in August 2022, as shown in Figure 11. Significantly increased demand for worker accommodation associated with major projects including Snowy 2.0 is likely to be a driving force behind this surge in demand. Demand for worker accommodation sits alongside the ongoing impacts of bushfire recovery and increased tourism as central factors contributing to the tightening of housing supply in the region.

Meanwhile, residential building approvals rose in 2021 on the region's historical average, recovering from their lowest point in 2019. Bushfire damage and rebuilds are expected to have played a key role in the surge, before a more recent stabilisation towards long-term average levels. This suggests that while demand for housing is increasing, housing supply is not keeping pace. This continues to be influenced by the ongoing recovery from the 2019-20 bushfires, with stakeholders during consultation indicating many homes that were damaged or destroyed in the bushfires are yet to be rebuilt.

Housing affordability

Similar to many parts of regional NSW, the increased demand for housing in the Snowy Valleys region has led to significant growth in house prices. Between June 2018 and June 2022, median house prices in the region increased by 50% from \$247,000 to \$370,000.^[19] Given the impact increasing house prices have on housing affordability, if sustained, such growth in prices may constrain the region's ability to attract and retain skilled workers. This may have significant flow-on implications for major project delivery, the ability for the region to meet workforce needs for key population serving sectors and overall economic growth.

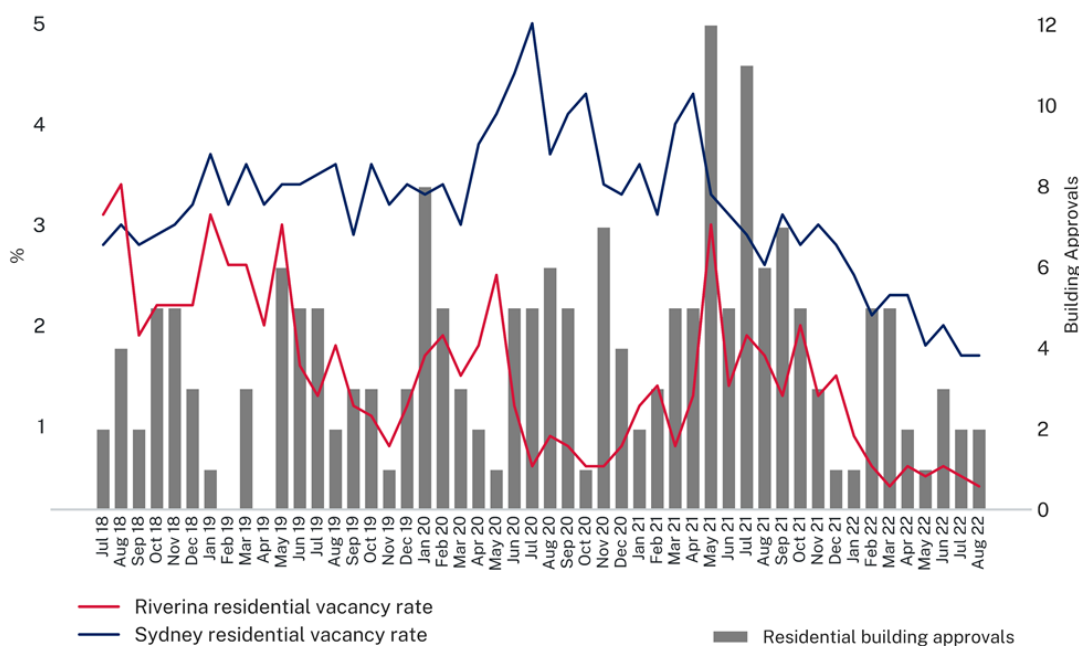


Figure 11: Snowy Valleys region FER vacancy rate and building approvals, 2018-2022 (REINSW, 2022).

Note: REINSW vacancy data collection is not aligned with the FER boundary map, resulting in an overlap with other FERs. These results are therefore intended to provide an indication of housing vacancies in the region.

The region has experienced significant reductions in unemployment since 2018, with increases in job vacancies highlighting ongoing strong demand for labour

Employment

As at June 2022, the unemployment rate in the Snowy Valleys region sat at 2.9%, as shown in Figure 12. This is below the NSW benchmark of 3.3%, reflecting a strong labour market in the region that has remained resilient to external shocks.

During the initial phase of the COVID-19 pandemic, the region's unemployment peaked at 6.0% in September 2020, before a sharp decline throughout 2021.

This sustained downward trend has been faster than the NSW average, reflecting a resilient economy that is also experiencing significant labour demand generated by major projects, such as Snowy 2.0 and bushfire recovery projects.

As shown in Figure 13 below, from mid-2020 there has been a substantial surge in job vacancies in the broader Riverina and Murray region, with total job vacancies reaching 2,472 in August 2022. Top job vacancies in the region include medical practitioners and nurses (237 vacancies), administrative (182 vacancies), carers and aides (184 vacancies), automotive and engineering trades (122 vacancies) and retail (131 vacancies).

The strong demand for these roles is consistent with other regions, as population serving roles in health, construction and hospitality face skills shortage challenges, and the flow-on impacts of border restrictions during the pandemic continue to impact on ability to fill roles in sectors, such as agriculture and retail.

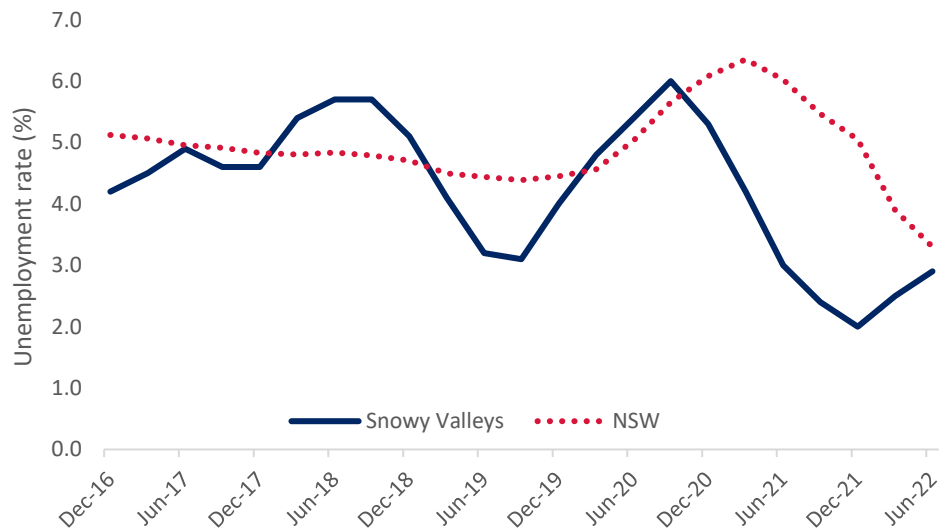


Figure 12: Snowy Valleys FER unemployment rate (%), 2016-2022 (National Skills Commission, 2022; ABS Labour Force, 2022).



Figure 13: Job vacancies, Riverina and Murray region (2018-2022) (Regional IVI, National Skills Commission, 2022).

Note: The Regional IVI – National Skills Commission job vacancy data collection is not aligned with the FER boundary map, resulting in overlap between FERs. Job vacancy data only includes online job vacancies. These results therefore are intended to provide an indication of vacancies in the region.

Aboriginal employment

There has been significant improvement in employment outcomes for Aboriginal people in the Snowy Valleys region over the past decade, with the Aboriginal unemployment rate for the region dropping from 22.4% in 2011 to 13.2% in 2021. This rate remains above the NSW Aboriginal unemployment rate of 9.8% and the NSW unemployment rate of 4.9%.

While significant positive progress has been made in recent years, there is an ongoing need for collaboration between all levels of government, industry, business and members of the Aboriginal community to help ensure this positive trend can continue. Collaboration is needed to support major project investments in the region to account for and increase Aboriginal economic participation.

Aboriginal unemployment rate: Snowy Valleys	2011	22.4%
	2016	16.8%
	2021	13.2%
NSW Aboriginal unemployment rate	2021	9.8%
NSW unemployment rate	2021	4.9%

Source: ABS Census 2021



Figure 14: Cycling in the Snowy Valleys region. Photo credit: Ollie Khedun.

Emerging industries

Public administration and safety is an emerging industry specialisation in the region, aligning with broader growth patterns for the sector observed in other parts of regional NSW. The establishment of the Snowy Mountains SAP and early phase development of Snowy 2.0 are also factors driving funding growth in these industries. The sector recorded average growth of 6.6% per year between 2011 and 2020.

Health care and **education and training** represent two growing and emerging industries in the Snowy Valleys region. The two industries have expanded at the same pace over the last decade, each experiencing 3.9% average annual growth since 2011, and growing their collective share of local GVA from 9% in 2011 to 11% in 2020. Investments to deliver upgraded health facilities in the region can be expected to support continued growth in this sector.

The increasing importance of the enabling industry cluster of health and education presents an opportunity for further collaboration and alignment with the region’s traditional industrial strengths in agriculture and forestry, electricity generation and manufacturing, so to ensure the sectors can effectively support ongoing growth in the region’s key engine industries.

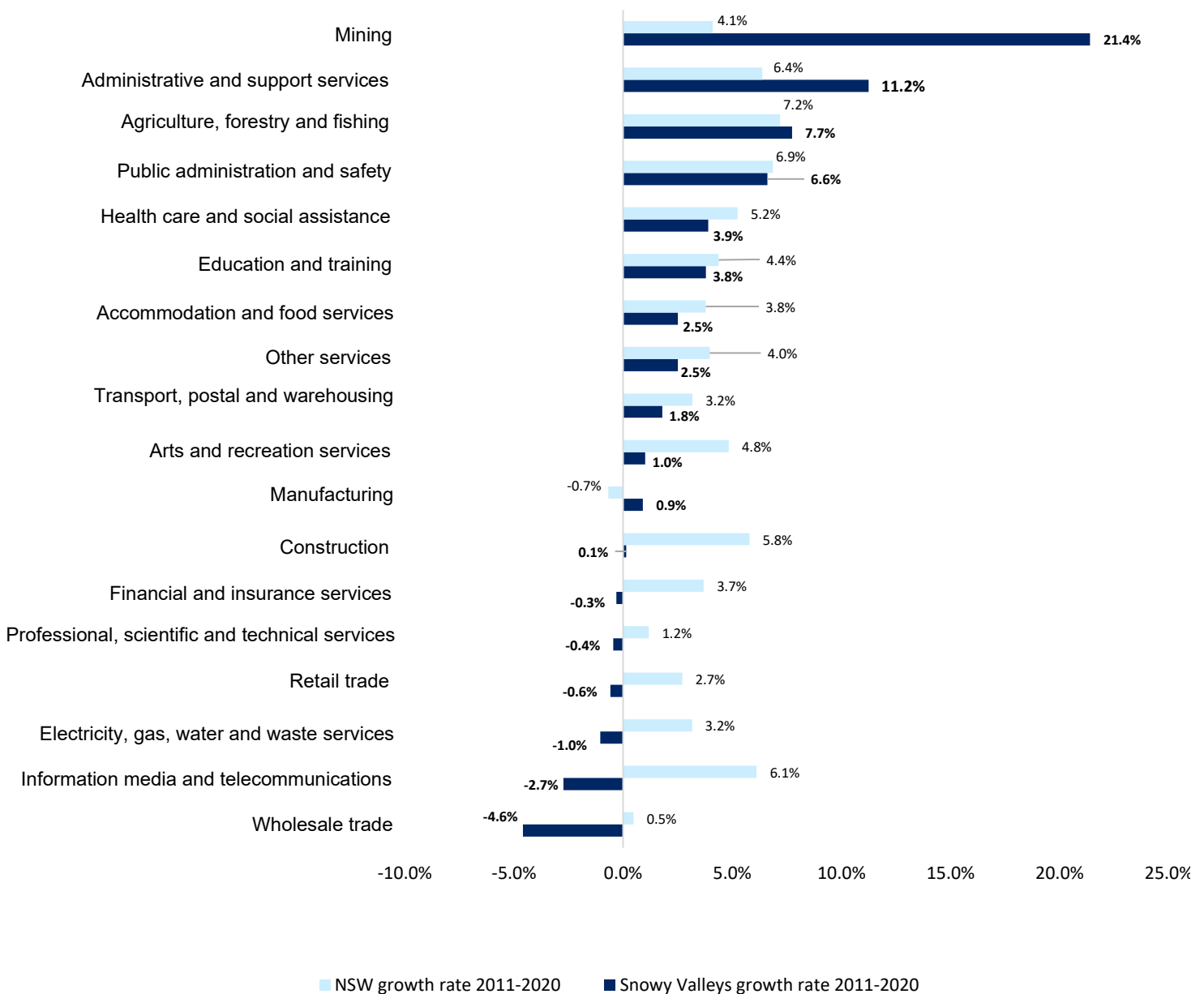


Figure 16: Change in GVA by Industry (% YoY), 2011-2020 (REMPPLAN, 2020).

8. Looking ahead: Strategic opportunities for growth, resilience and liveability

Opportunities and vulnerabilities in engine and emerging industries

Agriculture

The region's long held strength in agricultural production continues to be a contributor to economic growth. Greater collaboration with the tourism sector to explore opportunities to expand agritourism in the region can help support growth in the sector.

GVA (2020, \$m) ^a	76
Employment (2021) ^b	728
LQ score (2020)	7.6
LQ Other agriculture (2020)	8.4

^a Includes Sheep, grains, beef & dairy cattle, Agriculture, forestry & fishing, Fishing, hunting & trapping, Poultry & other livestock, Aquaculture and Other agriculture.

^b ANZSIC 2 Digit Agriculture.

Strengths

- The region's agricultural specialisation is driven by sheep, beef cattle and grain farming.
- Significant growth has also been recorded in other agricultural subsectors including berries, nuts and viticulture.

Vulnerabilities

- The industry is vulnerable to externalities, including those associated with climate change. This has been demonstrated since 2018, with the industry exposed to multiple environmental shocks in the form of major bushfires and floods.
- The bushfires caused significant direct damage to stock, property and equipment, but also had flow on impacts such as the loss of the 2020 wine grape harvest due to smoke taint.
- Recent inflationary pressures have placed upward stress on key input costs such as production and freight transport costs, as demonstrated by a 4.7% jump in service prices in 2021-22.^[20]
- Freight costs represent a significant share of the gross value of farm production in many sectors, with grains (27.4%), fruit and vegetables (21%) and beef (6.4%) particularly high-cost sectors.^[21]

Opportunities

- Further upgrades to the telecommunications network across the region to enhance digital connectivity would support innovation in the agriculture sector.
- Increased uptake of agtech in the region can drive productivity in agriculture, and support improved supply chain resilience for local agricultural businesses.
- Enhanced collaboration with tourism businesses, including exploring opportunities to develop agritourism offerings can give local agricultural businesses, such as those in the viticulture sector, an opportunity to further diversify income and showcase their products to broader markets.

Forestry

The Snowy Valleys region has been able to leverage its significant natural endowments and highly specialised infrastructure to continue to grow its forestry and downstream manufacturing industries, despite the major impacts of the 2019-20 bushfires.

GVA (2020, \$m) ^a	92
Employment (2021) ^b	229
LQ score (2020)	87.2
LQ Paper products (2020)	33.4
LQ Sawmill products (2020)	112.5

a Includes Forestry and logging, Wood product manufacturing, Sawmill product manufacturing, Pulp, paper and paperboard manufacturing and Paper product manufacturing (REMPPLAN GVA data).

b ANZSIC 2 Forestry and logging.

Strengths

- The Snowy Valleys region is a significant contributor to NSW's forestry and logging sector, accounting for 15% of the state's total GVA in 2020.
- Activities relating to forestry and timber production, including downstream manufacturing, are estimated to generate a total GVA of \$226 million locally, highlighting the strong integration of natural endowment of forests with downstream local value-add activities.
- The Snowy Valleys region's natural forestry resources and built infrastructure (in particular softwood plantations) provide a competitive advantage in sourcing and processing timber.

Vulnerabilities

- Externalities strongly influence industry performance. This has been demonstrated since 2018, with bushfires damaging or destroying 50% of plantation forests.^[3]
- Timber reserves are prone to disruptions in the supply chain due to wet soil and infrastructure damage in the event of natural disasters (as evident from the 2019-20 bushfires).
- Challenges exist with securing the long-term supply of local timbers, given harvesting of black logs after the bushfires has significantly brought forward harvesting and production in many plantation forests.

Opportunities

- Future industry growth will be contingent on ensuring resilience against climate change impacts, both in the protection of natural assets such as softwood and timber plantations and in enabling infrastructure for the transportation of inputs and outputs.
- Opportunities to enhance industry resilience by diversifying timber suppliers can help alleviate potential for long-term reduction in local timber supply.
- Close collaboration with the region's manufacturing sector provides opportunities to increase value-add processing activities and generate increased revenue for the region.

Manufacturing

The manufacturing industry, which is strongly aligned with the local forestry sector, has continued to record positive growth in recent years despite the significant external shocks impacting the forestry sector in the Snowy Valleys region.

GVA (2020, \$m)	150
Employment (2021)	822
LQ score (2020)	2.43
LQ Sawmill products (2020)	112.5
LQ Pulp & paper (2020)	38

Strengths

- Manufacturing is the second largest industry in the region, adding \$150 million to GVA in 2020 and recording average annual growth of 0.9% between 2011 and 2020.
- Sawmill and timber processing, as well as converted paper manufacturing are the key drivers of the Snowy Valleys region's manufacturing specialisation.
- Manufactured paper products account for a large portion of exports from the region.

Vulnerabilities

- Manufacturing in the Snowy Valleys region is susceptible to disruptions to forestry and logging activities, given the key reliance on local log supplies as the key input to the manufacturing process.
- During and after the bushfires of 2019-2020, timber mills were forced into overdrive to salvage burnt trees. As log supplies drop in future years, manufacturing operations are expected to slow.
- The industry is susceptible to supply chain disruptions, given the bulk nature of the sector's products.

Opportunities

- Recent major investments into a number of manufacturing facilities in the region as part of bushfire recovery projects can support sustained growth in the sector.
- A focus on supply chain efficiency and adaptability will be vital for the industry, particularly in ensuring road and rail infrastructure can remain undisrupted during climate events.
- While challenges will exist in ensuring sufficient local log supply over the medium- to long-term, developing approaches to manage this challenge can help develop enhanced supply chain resilience for the sector.

Tourism

The tourism sector has remained resilient in the Snowy Valleys region, despite the significant external shocks associated with the bushfires and the COVID-19 pandemic.

Total visitor spend (2021, \$m) ^[1]	91
Employment (2021) ^a	1,063 ^a
LQ score (2020) ^b	0.86
LQ Accommodation (2020)	2
LQ Heritage and creative (2020)	1.6

^a Summation of ANZSIC 1 digit Retail trade, Accommodation and food services, Arts and recreation services.

^b LQ score is for the Accommodation and food services industry.

Strengths

- The Snowy Valleys region's visitor economy has remained resilient since the start of the COVID-19 pandemic, representing one of the few regions in NSW to see an uptick in total overnight domestic stays (+3,000 nights between 2019 and 2021) and expenditure per person (\$341 per person in 2019 to \$383 per person in 2021).^[1]
- Many tourism products and experiences that span the region have close links to the Australian Alps, including walking and touring routes as well as good access to the ski fields in Mount Kosciuszko National Park.
- The region has seen significant investment in nature and adventure tourism, focused around enhancing tracks and trails. The Tumbarumba Rosewood rail trail represents a significant tourist attraction for the region, and a range of other projects currently underway will enhance the visitor economy in the region.
- The region's major dams provide opportunities for a range of water sports in summer months.

Vulnerabilities

- The industry is vulnerable to externalities. This has been demonstrated since 2018, with bushfires damaging tourist transport infrastructure, while COVID-19 pandemic restrictions initially significantly reduced visitation and spend in the region.
- The return of outbound international tourism presents uncertain challenges for the domestic tourism market, which has been a key driver of the rebound observed in 2021.
- The hospitality sector has also experienced ongoing staff shortages, while insufficient visitor accommodation in many parts of the region impedes further expansion. This is compounded by broader pressures associated with supplying accommodation for labour delivering major projects.

Opportunities

- Enhanced collaboration with the agricultural industry, in particular viticulture can deliver a range of beverage-related agritourism offerings. Opportunities exist to expand boutique offerings, such as cellar doors.
- A range of further investment opportunities exist for nature and adventure tourist experiences such as recreational walking tracks, lookouts and mountain biking trails. The Snowy Valleys Regional Tracks and Trails Masterplan commissioned by Snowy Valleys Council and currently under development is designed to create a long-term vision for tracks and trails across the region.

Key themes in stakeholder consultation

Stakeholders from the Snowy Valleys region noted the region continues to face a range of challenges associated with recovery from major recent shocks. A key issue discussed was the need to build back better through a focus on enhancing community and infrastructure resilience against future shocks. However, stakeholders noted the diverse and resilient nature of the local economy and highlighted that economic conditions remain strong in the region.

Building resilience

Ongoing recovery from recent natural disasters, in particular the 2019-20 bushfires and the impacts of the COVID-19 pandemic, have emphasised the need to build the principles of resilience into policy and programs. With the region still in the recovery phase, in particular those areas most heavily impacted by the bushfires such as Batlow, stakeholders noted the need to ensure that investment to aid recovery is focused on increasing resilience of both physical infrastructure and communities.

Housing availability and affordability

As reflected in the analysis of housing supply and prices, consultation input revealed concerns among stakeholders about the availability of housing in the region.

Very low vacancy rates and significant increases in house prices are posing a challenge to ensuring accommodation availability for workers on projects like Snowy 2.0, the ability to successfully attract and retain skilled workers and to meeting accommodation needs of the visitor economy.

Workforce shortages

A key issue identified in consultation with stakeholders was an undersupply of workers across all industries in the region. Strong demand was reported for labour in building and engineering trades, along with supporting services in health and education roles, which correlates with job vacancy data.

Major projects such as Snowy 2.0 are creating competition in the local labour market, with many skilled local workers taking up roles associated with the delivery of these major projects.

A priority highlighted by stakeholders was the need to undertake careful planning to ensure the region can maximise the economic benefits associated with local workforce skills development that can accompany significant investments in the region.

Expanding the visitor economy

Stakeholders saw enhancing and expanding the visitor economy as an opportunity. Stakeholders highlighted the success of the Tumbarumba Rosewood Rail Trail and potential opportunities to replicate this success through further investment, noting the importance of building community support for future expansion.

Stakeholders also highlighted the potential to expand agritourism in the region, with viticulture related tourism considered to represent a key growth opportunity.

Snowy Valleys REDS – 2023 Update strategies

The 2018 strategies remain broadly relevant to the Snowy Valleys region; however, a range of updates have been made to reflect updated needs and priorities. Changes have been made to:

- create separate strategies for forestry and agriculture that recognise differing needs for the sectors,
- create a dual focus in the forestry strategy, incorporating supporting ongoing recovery efforts in the short-term and prioritising actions to support industry diversification over the long-term,
- focus the agriculture strategy on increasing value add opportunities, in particular viticulture and horticulture, with a focus on improving access to and reliability of digital and transport infrastructure,
- narrowing the focus of the tourism related strategy to supporting diversification of the visitor economy in the region through growth in agritourism and adventure tourism.

Reflecting the changes outlined above, the 2023 REDS Update strategies for the Snowy Valleys FER are listed below (amendments made to existing 2018 strategies are highlighted in **bold**):

Amended	Support the growth of the forestry and timber processing industry through direct support during the bushfire recovery phase and sustainable diversification of the industry in the long-term.
New	Increase value-add opportunities in the agriculture sector, in particular horticulture and viticulture, through improved access to and reliability of digital and transport infrastructure.
Amended	Expand and diversify the Snowy Valleys region's visitor economy by growing agritourism and adventure tourism.
Existing	Boost and sustain the supply of skilled workers for the region's core industries with regional skills development and initiatives to attract new residents.

Key enablers of economic growth

A number of enablers have been identified to assist with delivering each of the strategies. This list is non-exhaustive, with a focus on identifying priority short- to medium-term enablers. Responsibility for implementation of these enablers sits with various levels of government, and in some cases may also include business, industry or non-government bodies. Collaboration across these entities at a local level will be key to achieving results.

Strategy	New Enablers		Lead and support	Rationale
Support the growth of the forestry and timber processing industry through direct support during the bushfire recovery phase and sustainable diversification of industry in the long-term.	Land use	Plan for long-term land use for plantations and associated technology upgrades, supporting businesses to become more resilient and efficient.	Snowy Valleys Council, Department of Primary Industries (DPI) Forestry	Support the long-term economic viability of the forestry and timber processing sector in the region.
Increase value-add opportunities in the agriculture sector, in particular horticulture and viticulture, through improved access to	Infrastructure	Explore options to improve digital infrastructure by considering the findings of Snowy Valleys options paper/business	Department of Regional NSW (DRNSW), Snowy Valleys Council, NSW	Ensuring that digital connectivity blackspots are not limiting commercial and

Strategy	New Enablers	Lead and support	Rationale	
and reliability of digital and transport infrastructure.		case investigating delivery models for regional wireless connectivity.	Telco Authority	industrial growth in the region.
Expand and diversify the Snowy Valleys region's visitor economy by growing the region's agritourism and adventure tourism.	Government and regulation	Facilitate investment in cellar doors to leverage recent private investment in cidery operations in Batlow and investigate the option for a farm gate trail to connect and enhance the benefits of local producers expanding agritourism offerings.	DRNSW, Snowy Valleys Council, Destination Riverina Murray, Destination NSW, Department of Planning and Environment (DPE)	Diversify the regional tourism offerings to grow the visitor economy to recoup impacts of the 2019-20 Bushfires and COVID-19.
		Promote adventure tourism opportunities within the region including trail and mountain biking, hiking, winter sports and fishing.		
Boost and sustain the supply of skilled workers for the region's core industries with regional skills development and initiatives to attract new residents	Services	Consider expanding the offering of Tumut TAFE and regional training organisations to include services such as childcare and hospitality.	TAFE NSW, Registered Training Organisations, Department of Education, Snowy Valleys Council	Providing a sufficient level of local skilled workforce to attract and retain skilled workers associated with major infrastructure projects.
	Government and regulation	Collaborate with the Regional Housing Taskforce to identify and activate new residential land allocation in areas with physical and digital connectivity.	Snowy Valleys Council, DPE, DRNSW	Improve the supply of connected housing in the region, which is an enabler of population growth.

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Figure 18: Inspecting trees at Wilgro Orchard in Batlow. Image credit: Matt Beaver.