

# Summary of the Economic Development report

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Prepared by The CIE for the Snowy Mountains Special Activation Precinct.

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The Snowy Mountains Special Activation Precinct (Precinct) aims to grow a strong one-season visitor economy into a successful four-season destination by stimulating economic development and investment and increasing year-round jobs in supporting industries.

We are creating a Master Plan that outlines the 40-year vision for the Snowy Mountains, using insights from the community, stakeholders and findings from a range of reports and technical studies.

Prior to public exhibition of the draft Master Plan in mid-2021, a range of reports have been released in advance, including the Economic Development (Economics) report, to provide additional time to review these to help inform submissions.

The Economics report outlines a range of factors that have informed the draft Master Plan, however they may not all be reflected in the draft Master Plan, as the draft Master Plan also considers the vision for the Precinct, community and stakeholder feedback, available funding for government infrastructure and protection of environmental values.

This report summary provides a high-level overview of the Economics report. More details can be found in the full [Economics report](#). If you have any comments in relation to these reports, please address them in your submission when the draft Master Plan goes on exhibition.

## Overview of the Economics report

- The Economics report was prepared by The CIE and:
  - outlines existing economic context of the region;
  - considers the NSW Government strategic direction;
  - gives an overview of economic aspects that impact on growth and visitor opportunities;
  - provides population projections, comparing the base case to the scenario growth in the Precinct; and
  - provides a market analysis for retail and food businesses within the Precinct.

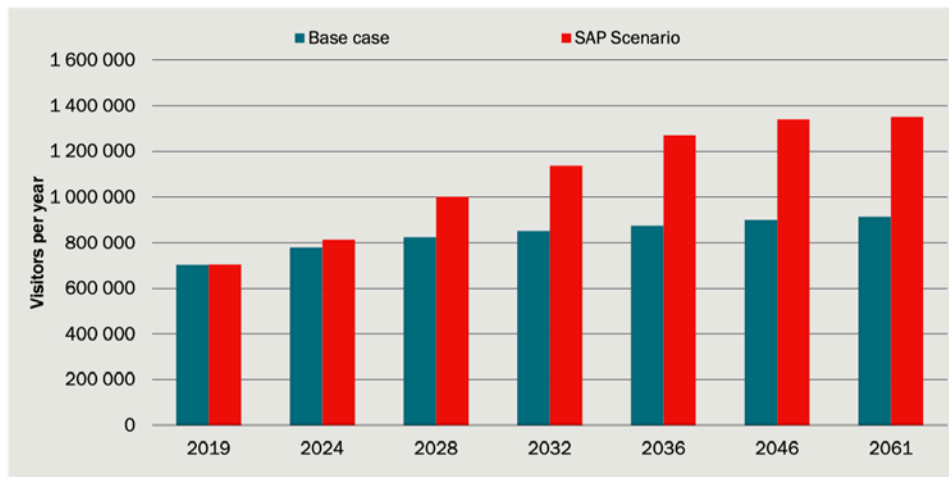
## Key findings from the Economics report that are considered in the Master Plan include:

- Tourism is the main driver for the regional economy and the market is driven by winter tourism.
- The Snowy Mountains is the most seasonal tourism location in Australia and is substantially more seasonal compared to other alpine destinations internationally.
- The extreme seasonality of tourism in the Snowy Mountains leads to it having the lowest average occupancy of any tourism region in Australia.
- To cater to the increased tourism demand in winter, there is a large seasonal workforce over this period of approximately 3,300 people employed during the winter months. This is

on top of the 3,200 employed all year round. The workforce is therefore effectively doubled during the winter season.

- Since 2010 there has been strong growth in tourism in both winter and summer, with non-winter growth linked mainly to Thredbo. This growth is predicted to continue.
- The largest current market is domestic overnight holiday tourism from NSW, largely for skiing/snow sports in winter, and day visits from the ACT.
- Almost all visitors access the region by car.
- The most critical risk to winter tourism over the medium to long term is climate change. This is most likely to impact post 2040.
- Most assets that are used in winter can also be used for summer tourism. Promoting the region as a year-round destination and further developing that market may buffer the Snowy Mountains against the impacts of climate change on the snow season and therefore visitation.
- Suggestions to drive additional tourism:
  - Increasing or removing bed limits and other constraints on alpine resorts;
  - Providing a transport solution within the Precinct to allow people to move through the area more easily and quickly;
  - Reduced cost of new developments inside Kosciusko National Park;
  - Investment in a large range of new attractions and marketing for the region (these are further outlined in the Tourism Study by Stafford Strategy).
- The Special Activation Precinct enables visitation to grow more steadily and at a higher rate without government intervention.

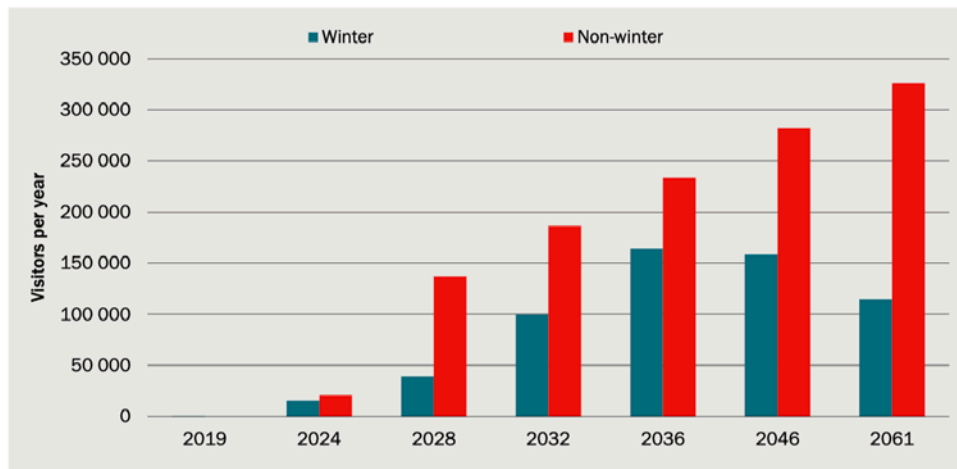
## 2 SAP scenario versus base case



Data source: The CIE.

- In 2040, under the base case 892,000 visits per year are expected, with 459,000 in winter and 433,000 in non-winter.
- New activities and development in the Precinct would drive around 326,000 additional visitors per year in non-winter and an additional 114,000 visitors per year in winter by 2061. This would drive around \$470 million more expenditure per year by 2061. The drop off in winter visitor numbers seen is due mainly to the impacts of climate change on snow as outlined in the below diagram.

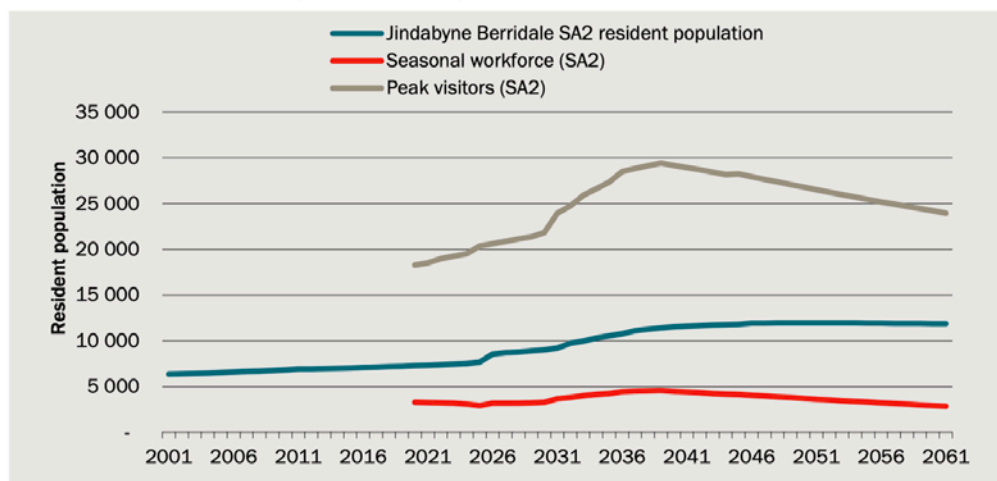
### 3 Uplift in visitor numbers from SAP



Data source: The CIE.

- Year-round tourism-related employment would increase due to increased summer expenditure before stabilising due to climate change reducing winter expenditure.
- Peak winter employment would reach over 9,000 people in around 2040. The seasonal workforce would increase to a peak of over 4,500 people (compared to an estimated 3,265 currently).
- The higher visitation and visitor expenditure would translate into higher levels of population growth in the region. Under the growth scenario of the Special Activation Precinct, resident population would increase to about 11,800 people in the Jindabyne-Berridale region.
- Peak winter visitors increase to a peak of 30,000 per night in 2040, then declines.

### 5 Forecast population by population type – SAP scenario



Data source: The CIE based on data from Go Jindy Housing and Demographics report, ABS Census 2016, DPIE provided data on estimated resident population

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