



Southern Highlands Destination Strategy 2020-2030



Acknowledgement of Country

The Wingecarribee Shire acknowledges the Traditional Custodians of this land and we pay our respects to Elders both past and present. We would also like to acknowledge our young leaders who are the Elders of today, tomorrow and our future.



Executive Summary

The Southern Highlands is a special place, sitting atop the Great Dividing Range, enjoying a cool climate with four distinct seasons, a natural landscape of gorges, waterfalls and rolling hills, our distinct towns and villages; and most importantly, our people.

Wingecarribee 2031 Community Strategic Plan, describes an area with thriving primary industries, a diverse and sustainable economy attracting (and retaining) people in the area. However, with no intervention, our region is on a path to a different type of future. By 2041, based on the current trajectory, half of the population is expected to be over the age of 55; which would have detrimental impacts on schools, health and community infrastructure, housing, industry and employment.

However, 2041 is a long way off and we have time to adjust our course, to move towards a more desirable future. In order to achieve this, we must start today. We must start doing things differently.

The Southern Highlands Destination Strategy 2020-2030 charts a new course towards a future we can be proud of – a future that protects our special place. This Strategy is built on the foundation of four pillars: People, Place, Prosperity and Partnerships. This is how we will enact change.

We are fortunate that our region has numerous competitive advantages in our strategic location, pristine natural environment, local lifestyle and amenity.

There are significant opportunities in some traditional industries as well as some new and emerging sectors, including:

- Tourism and Attractions
- Agribusiness
- Equine
- Professional Business Services
- Creative Industries
- Healthcare
- Advanced Manufacturing
- Education

Through these combined opportunities, our region can create new jobs, which will attract young families to the area and help to rebalance our demographics into the future. As these jobs are created and new families move to the region, our economy will become more diverse, we will enable our local agriculture, equine and tourism industries to flourish and new industries to emerge. We will grow, protecting the unique character of our special place.

Changing the current course will not be easy; and direct, intentional and meaningful actions are required of Council. There are numerous challenges that we face, which we must overcome. On the strong foundation of our four pillars, the priority activities can effect change and we will achieve our desired future.

Southern Highlands Destination Strategy





PILLAR	 <p>1. PEOPLE</p>	 <p>2. PLACE</p>	 <p>3. PROSPERITY</p>	 <p>4. PARTNERSHIPS</p>
GOAL	<p>We will attract new jobs/ residents and ensure we have the required local training</p>	<p>We will enable our towns and villages to strengthen as vibrant and active places respecting the heritage</p>	<p>We will focus on key industries that can add jobs and value to our economy</p>	<p>We will work with industry partners and all tiers of government to deliver our new future</p>
COUNCIL ROLE	<ul style="list-style-type: none"> • Leader • Partner • Supporter • Promoter 	<ul style="list-style-type: none"> • Leader • Provider • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Partner • Promoter
PRIORITY ACTIVITIES	<ul style="list-style-type: none"> • Encourage local training and workforce development outcomes • Create new jobs through promotion of the area for new and expanding businesses • Attract and support new residents 	<ul style="list-style-type: none"> • Conduct place activation initiatives in key towns • Support local events in towns and villages • Ensure local planning controls support investment and vibrancy of our towns and villages 	<ul style="list-style-type: none"> • Focus on key Industries: <ul style="list-style-type: none"> • Tourism and Attractions • Agribusiness • Equine • Professional Business Services • Creative Industries • Healthcare • Advanced Manufacturing • Education • Ensure efficient and transparent planning and development process for investors 	<ul style="list-style-type: none"> • Partner with industry to deliver key catalytic projects • Create a local environment that is conducive to economic and investment growth



Table Of Contents

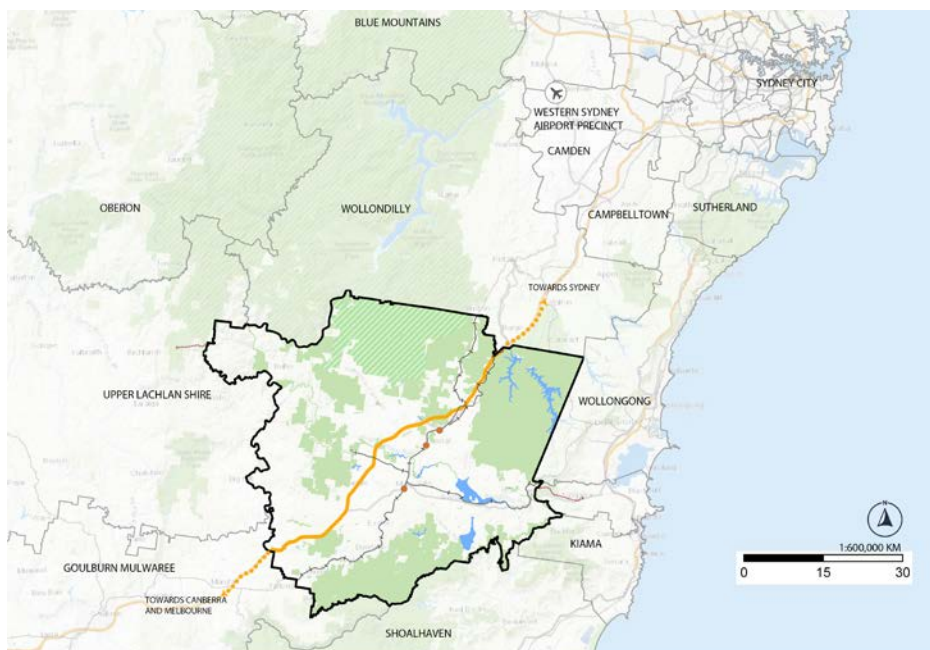
Executive Summary	3
Table of Contents	5
1. Background	6
2. About the Southern Highlands	8
2.1 Strategic Location	8
2.2 Regional Population and Demographics	10
2.3 Economic Overview	11
2.4 Housing Affordability	15
2.5 Tourism Overview	16
3. Determining Our Future	17
3.1 Expected Future	17
3.2 Desired Future	17
4. Competitive Position	19
4.1 Our Strengths	20
4.2 Our Challenges	21
4.3 Our Opportunities	22
4.4 Key Catalytic Projects	24
5. Destination Strategy	25
5.1 Role of Council	25
5.2 Future Vision	26
5.3 Destination Strategy Foundation Pillars	26
5.4 Destination Strategy Priority Activities	28
6. Measuring Progress	32
References	33
Appendix A: Review of Plans and Strategies	34
Appendix B: Consultation and Engagement	35



1. Background

The Wingecarribee Shire (the Southern Highlands) is located 75 kilometres from the south-western fringe of Sydney and 110 kilometres from Sydney’s central business district (Figure 1.1). The Shire is predominantly rural in character with agricultural lands separating towns and villages, characterised by unique landscape and aesthetic appeal.

Figure 1.1: Wingecarribee Local Government Area (LGA)



Source: Wingecarribee Shire Council

Bushfire Season 2019-20 and COVID-19 Pandemic

During the development of this strategy, the Southern Highlands experienced one of the worst bushfire seasons on record and as the rebuilding process began the COVID-19 pandemic emerged.

The bushfires interrupted one of the busiest tourism periods for the region and the restrictions brought in by the Commonwealth and State Governments to manage the spread of COVID-19 caused further disruptions to all businesses in the region. The restrictions created an economic crisis that has

impacted every business in some way and many businesses (and industries) have been severely impacted.

The COVID-19 crisis will have a lasting effect on the Australian economy and society. It will likely become a defining element of the current generation, similar to the Great Depression or World War II.

Wingecarribee Shire Council (WSC) has until now had separate strategies for tourism and economic development. While a common practice amongst local governments, there is a strong connection between tourism and economic development. Tourism, like other industry sectors has the opportunity to contribute to a vibrant and growing economy, so it is only rational that economic development and tourism be combined into a single Destination Strategy. This whole of destination approach positions the Southern Highlands as an attractive investment destination; a place to live, work, learn, play and visit.

The main guiding document for this Strategy is Council’s Community Strategic Plan, Wingecarribee 2031 (adopted June 2017); for which social justice and environmental sustainability are guiding principles. Council embraces the principle of sustainability defined as ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’ (Our Common Future, Brundtland 1987). Further, in February 2020, Council made a Climate Emergency Declaration. The declaration recognises the latest climate change science from the Intergovernmental Panel on Climate Change and the Australian Climate Council. Council is currently developing the Environment and Climate Change Strategy covering the community and Council’s vision of the Shire’s response to this declaration.

Adapting to the changing climate will be important for our community, our businesses and our economy. Less cold nights and higher temperatures may impact our cool climate agriculture and viticulture. Extreme weather events may also have an impact on our tourism and retail sectors.

Our region can also play a significant role in finding solutions, both through mitigation of, and adaptation to, climate change.

Supporting actions such as increasing canopy cover, practising regenerative agriculture, as well as exploring sustainable tourism and making our homes more resilient to temperature will all contribute to the resilience of the shire. Council’s actions to adapt to climate change are outlined in the Climate Change Adaptation Plan, which covers impacts to infrastructure and our services, along with how we can support the community.

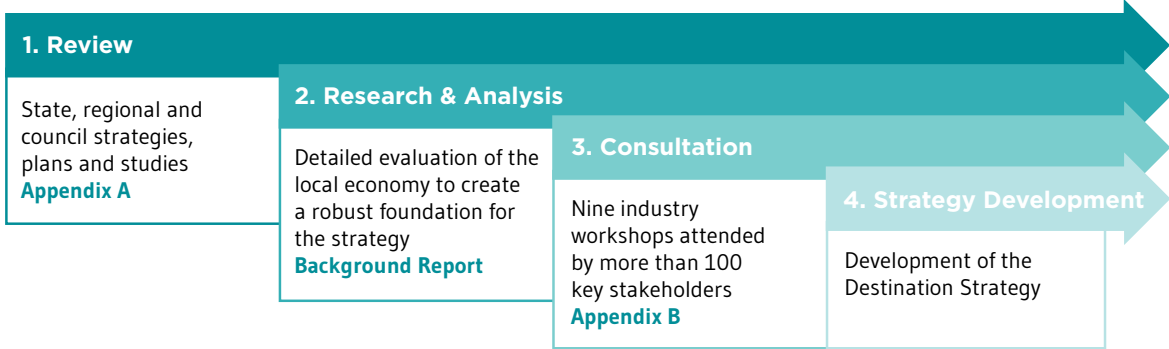
Our Community Vision:

In 2031 we will be... A healthy and productive community, learning and living in harmony, proud of our heritage and nurturing our environment.

To achieve this vision, Wingecarribee 2031 is structured around the themes of Leadership, People, Places, Environment and Economy. We want to maintain our rural landscape and the unique characteristics of our towns and villages. We want to protect and enrich our natural environment and ensure that a strong economy works in harmony with, and in support of, our community and environment.

This Destination Strategy was developed to provide the blueprint to achieve the 2031 vision for the Wingecarribee economy over the next 10 years. Council recognises that only the private sector can create jobs, so Council will seek to influence future economic and tourism development by providing an environment that is conducive and supportive of future growth.

Figure 1.2: Destination Strategy development process





2. About the Southern Highlands

Our current context and situation

The Southern Highlands is a well-known tourist destination with the three main towns – Moss Vale, Mittagong and Bowral, many villages – including Berrima, Robertson and Bundanoon; numerous wineries and natural beauty. At the same time, agriculture and a number of large-scale industries also contribute meaningfully to the local economy.

The region's proximity to Sydney combined with our emphatically rural lifestyle, and its reputation as a garden district; also encourages a movement of residents from 'the City' to our countryside as well as hosting a large number of holiday homes for Sydney-based residents. Visitors to the Destination Southern Highlands website will know that... 'We're so close, yet world's away!'

An in-depth analysis of the Southern Highlands economy and its tourism sector provides a critical snapshot of the Southern Highlands, and identifies the key trends, projections, opportunities and challenges for our region over the next 10 years.

2.1 Strategic Location

The Southern Highlands is strategically located within an easy drive from Sydney, Canberra and Wollongong, and only an hour from the ocean (Figure 2.1). The region benefits greatly from having such a significant population of people so close that can act as visitors and/or consumers. The region is well connected via the Hume Highway, Illawarra Highway and the Main Southern Rail Line (even though some upgrades would improve accessibility).

The Southern Highlands sits atop the Great Dividing Range, providing a cool climate with four distinct seasons. This geography also provides a natural landscape of gorges, waterfalls and rolling hills, which the area is renowned for.

The development of the Western Sydney Airport and Aerotropolis by 2026 will present a number of opportunities for the Southern Highlands, including tourism, with the potential to tap into a more lucrative international visitor market.

A detailed Background Report was completed that has formed the foundation for this Strategy. The following pages are a summary of this Background Report.

Figure 2.1 Strategic Location



Source: Wingecarribee Shire



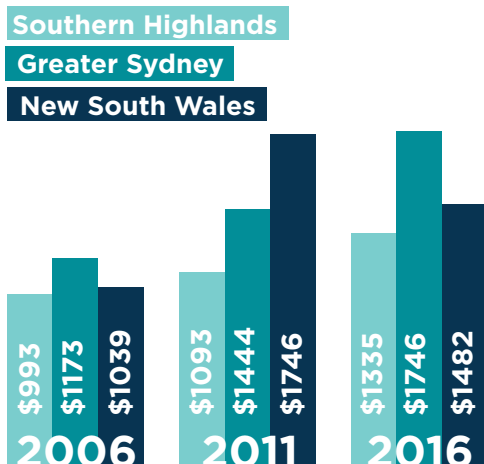
2.2 Regional Population and Demographics

Population growth in the Southern Highlands and the broader region has accelerated in recent years, though our rate of growth remains below the broader regional average and is expected to weaken out to the year 2041. By 2041, our region is expected to have a population of 53,062, an increase of 3.7% or almost 2,000 people.

Our population is older and ageing faster than the Sydney Metropolitan region and the State. Currently one in every three Southern Highlands residents is over the age of 55. On current trends, by 2041 one in every two people will be aged 55 years and older – i.e. half the population.

MEDIAN HOUSEHOLD INCOME (\$/WEEK)

Sources: ABS (2017), ABS (2012), ABS (2007).



POPULATION

Population 2019-41 projected to add just 1,928 people (Average annual growth of 0.2%)



2019

51,134

SOURCE: ABS (2020)

2041

53,062

Source: NSW Government (2019); ABS (2019); Lucid Economics



BY

2041

1 out of every 2 people will be aged 55+

Source: NSW Government (2019)

Unchecked, these trends will change the structure of the local economy, shifting expenditure patterns towards older residents who spend less than other age cohorts, and revealing the inadequacy of current housing types

An important measure for standard of living, median household income in the Southern Highlands has increased over time; however not as quickly as it has increased at the state level. It has also remained below Sydney Metropolitan and New South Wales levels, which is based on the structure of the local economy.

A significant challenge for the region is to maintain its current character and appeal, while at the same time manage future population growth and demographic mix

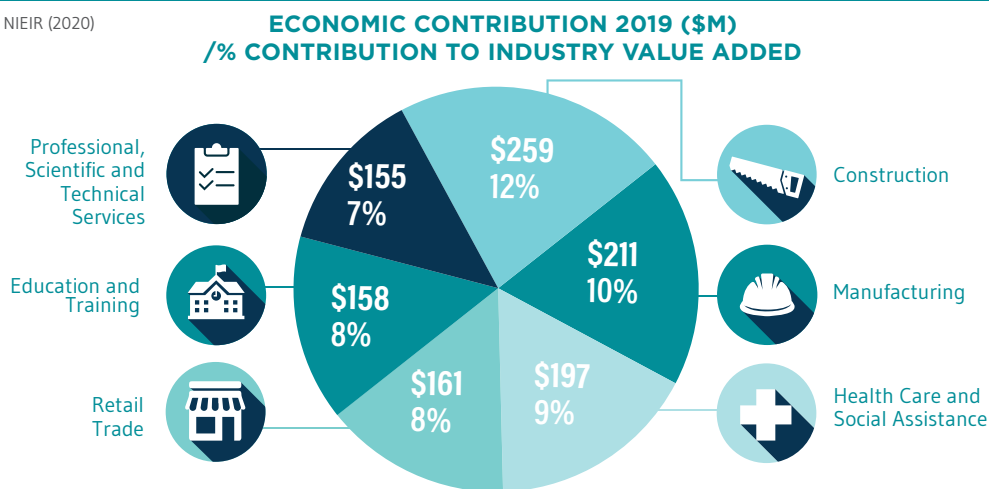
2.3 Economic Overview

The Southern Highlands economy has grown broadly in line with the NSW average over the past 10 years, with Gross Regional Product (GRP) at \$2.9 billion in 2018-19, up 3.2% from the previous year.

However, growth in the Southern Highlands has been more volatile than the broader NSW economy, primarily due to our two largest industries, construction and manufacturing, which typically experience volatility. There has also been volatility in the agricultural industry.

TOP 6 INDUSTRIES

Source: NIEIR (2020)



The manufacturing industry in the Southern Highlands is significant and is proportionally 60% larger than it is at the State level. The sector is dominated by the Boral Cement Works and Komatsu as well as a handful of other large manufacturing businesses.

While it does not appear in the top six industry sectors by economic contribution or employment, agriculture is still an important industry for the Southern Highlands, where we enjoy high quality soils and ample water.

Local strengths in healthcare and education demonstrate that the Southern Highlands is a strong service hub for the broader region, providing services that are required by a large population. This is further supported by our relative strength in retail which, together with the Accommodation and Food Services industry sector, also demonstrates the strength of tourism in our area.



98.5%
of all businesses
are small business.
(<20 employees)

Source: ABS (2020)

Like most local economies in Australia, the Southern Highlands economy is dominated by small businesses (98.6%). This is typical of our top four industries (by number of businesses) – construction, professional services, agriculture, and rental, hiring and real estate – where there are a number of individual traders and small businesses.

Our community greatly values its pristine rural environment and wants this lifestyle preserved, including farmlands and local agricultural production.

Currently, the region’s agricultural activities are based on beef and dairy cattle, horses, flowers and a wide variety of other smaller crops.

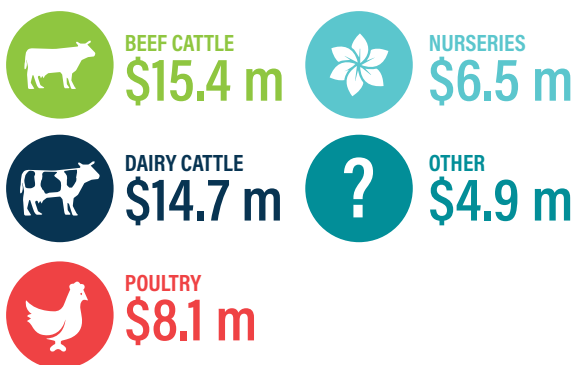
However, the region is dominated by small farms, reducing opportunities for economies of scale and making it increasingly difficult for local farms to remain profitable and viable.

We have already seen many small family farms converted to weekend retreats or hobby farms, which reduces their productive capacity and impairs their ability to generate economic outcomes for the region.

Development pressures are significant and include subdivision for residential and lifestyle purposes, for infrastructure, industry and agriculture.

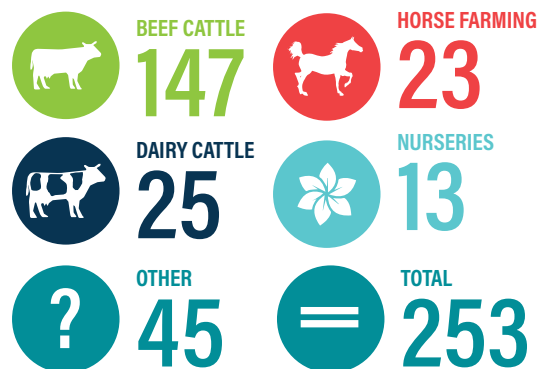
VALUE OF PRODUCTION

Source: ABS (2017)



NUMBER OF FARMS

Source: ABS (2017)



Local Strategic Planning Statement (LSPS)

The LSPS sets out the 20-year land use vision for our Shire and provides a long-term planning framework to meet the economic, housing, social and environmental needs of our community.

The Statement builds on the community’s priorities outlined in the Community Strategic Plan and Local Planning Strategy to outline how our Shire will continue to evolve in a way that protects our local character, natural areas and rural landscapes in accordance with our community’s expectations.

There are six key land use themes, including our environment and sustainability, our rural lands, our economy, our housing, our infrastructure and our place. Each land use theme includes a set of planning priorities and actions to achieve the community’s vision for the Wingecarribee.

The Destination Strategy aligns to the LSPS and effects an implementation plan for many elements highlighted in the Economy section, supporting others as well.

The industry make-up of the Southern Highlands has undergone significant change over the decade to 2019. The public sector is a key employer in the region, with the Healthcare and Social Assistance, and Education and Training industries two of the six leading employers in 2019.

Tourism is also a key employer in the region, with Retail Trade together with Accommodation and Food Services providing almost a quarter of total employment. It is the seventh largest employment sector behind manufacturing and ahead of Professional Services.

The region’s manufacturing industry has been in decline, employing fewer and fewer people. Though consistent with state and national trends, this

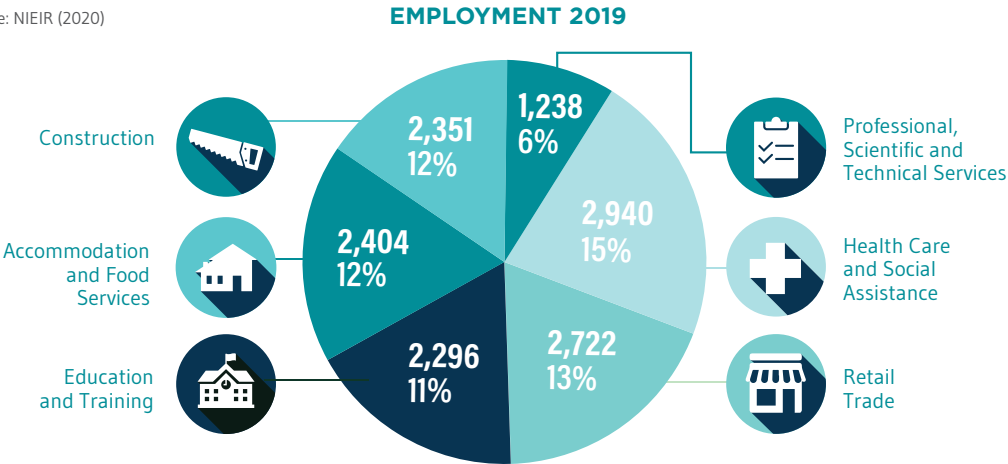
decline has had a relatively lower impact on the Southern Highlands than many other regions.

Almost 3,000 more Southern Highlands residents are employed than there are jobs in the Shire, which means that some residents have to look outside the region for work. That some of our residents choose to travel to get to work if it means they can live in the region, is indicative of our high quality of life.

This is further supported by the fact that Southern Highlands residents who work outside of the Shire tend to work in neighbouring regions. Conversely, most of the local jobs in the Southern Highlands that are not filled by residents are occupied by residents from neighbouring shires.

TOP 6 EMPLOYMENT SECTORS

Source: NIEIR (2020)





2.4 Housing Affordability

The Southern Highlands median house price is by far the highest amongst the broader region, over \$100,000 more than the next highest shire in the region (Wollondilly, median of \$665,000).

Locals value the Shire for its country lifestyle, characterised by a pristine landscape, natural beauty, 'urban villages', and sense of both space and community, and all of this so close to Australia's biggest metropolis.

The relatively high median house price demonstrates the attractiveness of the area for people choosing to trade a rural lifestyle over an urban one; often moving out of Sydney and thereby capitalising on relatively high housing prices to afford a lifestyle in the beautiful Southern Highlands.

This is juxtaposed by typically low-wage industries dominant in the region (for example, tourism-related businesses), meaning that residents experience a higher cost of living than might be expected ordinarily in regional NSW.

MEDIAN HOUSE PRICE

JUNE 2019

SOUTHERN HIGHLANDS \$765,000

WOLLONDILLY \$663,000

GOULBURN MULWAREE \$418,000

GREATER SYDNEY \$900,000

NSW \$650,000

Source: FACS (2020)

The pressure on housing affordability needs to be balanced with maintaining the country lifestyle that is precisely what creates the demand for housing, thereby pushing up house prices.

Wingecarribee Local Housing Strategy – Housing our Community

This Strategy provides a long-term planning framework to meet the housing needs of our community. The Strategy will guide the decisions that Council, the private sector and our community will make to deliver new living areas and a greater diversity of housing types to accommodate our growing population and changing demographics.

The Strategy has a number of specific objectives:

- Ensure that our housing stock meets the needs of our community, both now and into the future
- Ensure that our residents have equity in access to housing, services and infrastructure
- Ensure population growth is managed in a manner which endorses and promotes community values
- Ensure new living areas enhance lifestyle quality and choice for our residents

- Promote sustainable communities that build on and utilise existing services and infrastructure
- Provide greater certainty to the community, development industry and Council in the location of new development areas to facilitate informed investment decisions.

Housing affordability is an issue in the community. Increasing the local supply of housing and providing a range of different types of housing (e.g. detached dwelling, medium density, etc.) will assist in making the area more affordable and accessible for a range of young families. Additionally, many businesses have highlighted issues accessing local labour markets, so increasing the housing supply could also bring new workers to the area.

Ensuring that the local population can expand (by accessing increased housing) is important for the future economic development of the Shire, because creating local jobs without the ability to attract a young family to fulfill that job will not be creating local value and will not address local weaknesses in the demography.

2.5 Tourism Overview

The Southern Highlands attracted almost 2.1 million visitors in the year ending December 2019, which is similar to the number of visitors to Byron Bay. Most tourists are day-trippers (70% of total visitation in 2019), predominantly from Sydney and other parts of New South Wales.

Most people visit our region for holiday and leisure purposes or to visit friends and relatives. While all visitor types have grown strongly since 2014, holiday and business visitors to the region have

more than doubled over the past five years. Estimated total visitor expenditure in the Southern Highlands region was \$362 million in the year ending December 2019, making an important contribution to the local visitor economy.

Many visitors are attracted to the region for special events such as Tulip Time, Pie Time, Brigadoon, Bong Bong Picnic Races and Bowral Classic; but most engaged in just relaxing, either in a local café or restaurant or through enjoying the copious amount of natural attractions and experiences the region has to offer.

TOURISM

YE December 2019



OVER 2 MILLION VISITORS



OVER 1.5 MILLION VISITOR NIGHTS



\$362 MILLION IN VISITOR EXPENDITURE

Source: TRA (2020); Lucid Economics

TOURISM CONTRIBUTION



8% TO GROSS REGIONAL PRODUCT



10% TO LOCAL EMPLOYMENT

Source: Lucid Economics; NIEIR (2020)

Note: includes direct and indirect contribution

ACCOMMODATION



875 COMMERCIAL ACCOMMODATION ROOMS

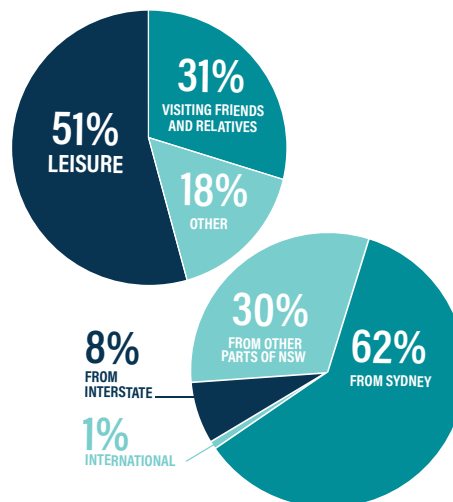


763 AIRBNB LISTINGS

Source: Tripadvisor (2020); Booking.com (2020); AirDNA (2020)

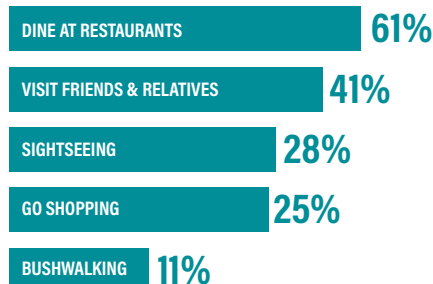
VISITORS

Source: TRA (2020)



TOP VISITOR ACTIVITIES

(% of visitors participating)



Source: TRA (2020)

Note: Destination Southern Highlands compiles data from Tourism Research Australia on a quarterly basis. Please refer to shcorporate.com.au for updates



3. Determining Our Future

There are a number of key characteristics and trends that are currently taking place, which can, and will, determine the future make-up and nature of the Southern Highlands community.

If these trends continue unchecked, the Southern Highlands will become a very different region to the place we love and treasure today.

3.1 Expected Future

Our ageing demographic will change the make-up of our community. Beyond the simple fact of people getting older, current projections show a large increase in older people and an actual decline in younger people. There will simply be fewer young families here and more older people.

Our schools and many community organisations will shrink. The retail offering we currently enjoy may change dramatically as local expenditure reduces greatly.

Furthermore, our economy is likely to become more and more dependent upon tourism, leaving us more exposed to seasonal variations, competition from cheap overseas destinations and a potential lack of mid-week visitation. As such, our business community will become very dependent on weekend trade and will be vulnerable to any shocks (i.e. economic, bushfires, pandemics, etc.).

The look and feel of the region will change, as more and more family farms are sold off to become weekend homes or hobby farms. The country feel of the area will change. Housing affordability will become worse as the community becomes more elitist. The community will begin to shift, creating a significant divide between those generally older residents that can afford to purchase and live in the area, and those younger residents who simply cannot leave and wind up serving the older residents in the cafes and restaurants.

3.2 Desired Future

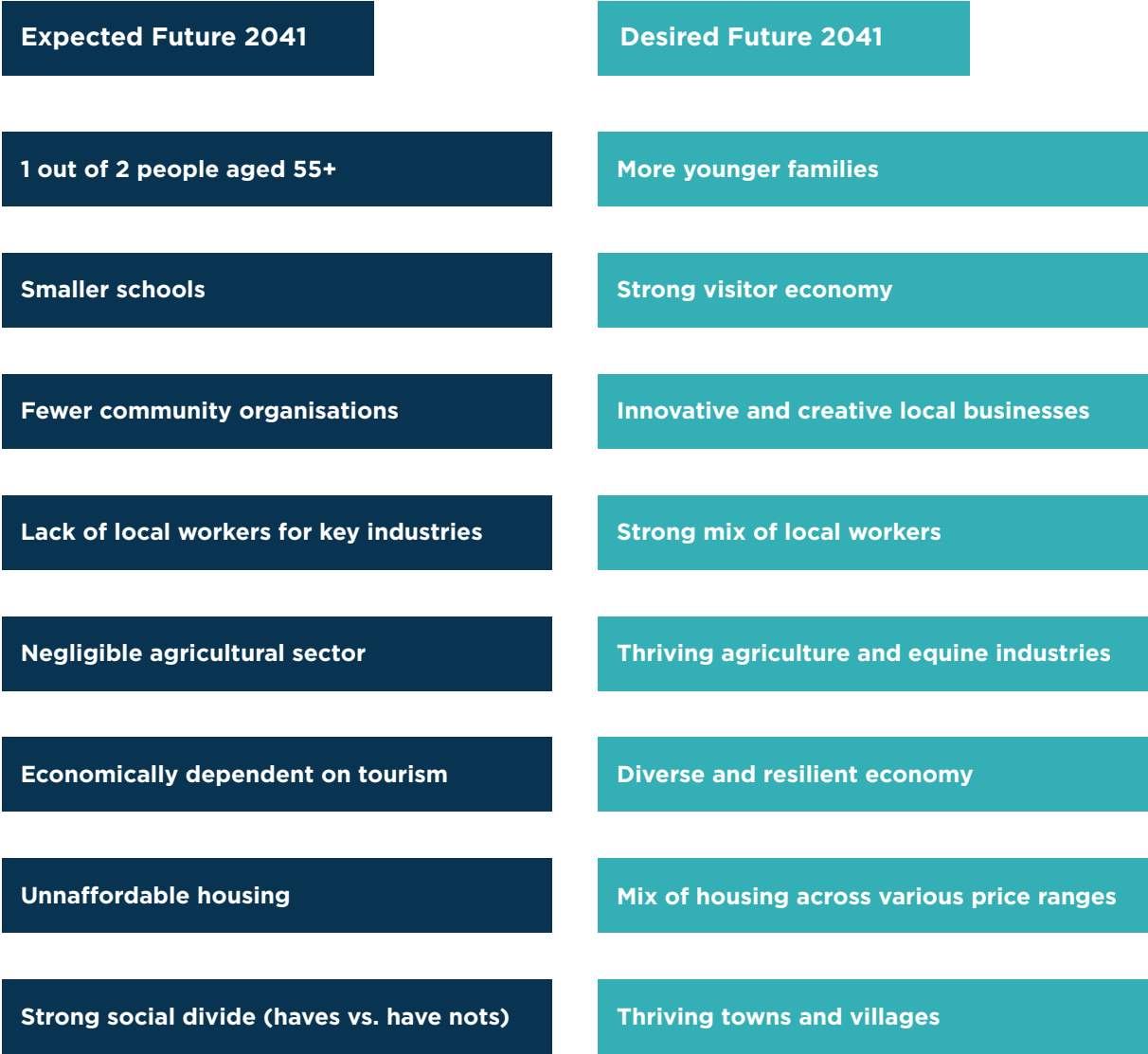
But it does not have to be that way. We have another option. We can focus on and embrace our region’s strengths, protecting what makes the area special, while still driving economic growth and vitality in a sustainable and resilient manner. We have opportunities that we can pursue over the next ten years that will change our current course towards the expected future (Figure 3.1).

This Southern Highlands Destination Strategy 2020-2030 provides a 10 year roadmap for the journey to the Desired Future of 2041. In order to achieve this alternate future, we must change course today, and this Destination Strategy outlines the priority activities that are required. It is about establishing a strong foundation for action and creating an environment that is going to be conducive to sustainable economic and tourism growth in our special place.

Key Characteristics and Trends

- The Southern Highlands population is ageing rapidly
- Tourism is growing rapidly
- Conversion of local farming land to ‘unproductive’ luxury weekenders
- A significant manufacturing industry that is concentrated across a handful of businesses
- Unaffordable housing, driving up the local cost of living
- Potential conflict with development and unique character of the area

Figure 3.1. Our Expected 2041 versus the Desired Future 2041



Source: Lucid Economics



4. Competitive Position

What do we have to work with? What areas are going to generate jobs?

The regional economic analysis and broad stakeholder engagement helped us to map out a way to our Desired Future 2041 for the Southern Highlands, based on our region's key economic strengths, challenges and opportunities. The Background Report associated with this Strategy provides the detailed economic analysis that is the basis for this Strategy. This information and data were then also 'ground truthed' and refined through engagement with stakeholders.



4.1 Our Strengths

The Southern Highlands has a number of key economic strengths:

- **Strategic location:** the Southern Highlands region provides proximity to Sydney, Canberra, Wollongong and the new Western Sydney Airport and Aerotropolis. The area has good transport access in and out of the region through the Hume and Illawarra Highways and fixed rail.
- **Natural beauty:** the Southern Highlands provides a pristine natural environment with numerous vistas, gorges, waterfalls and a picturesque rural landscape experiencing four distinct seasons.
- **Local lifestyle and amenity:** our towns and villages all have their own distinct character, heritage and unique features. Our lifestyle is relaxed with a rural feel, but provides all the creature comforts of the city. We have good schools, recreational facilities, hospitals, allied health professionals; and other services that we need.
- **Strong local agriculture and equine industry:** we have a strong tradition in agriculture and while today our agriculture sector is predominantly beef cattle, dairy cattle and horse properties, we grow a wide range of fresh produce. Our vineyards benefit greatly from our cool climate, allowing production of unique wines that are appreciated across the country and world.
- **Strong tourism sector:** we are a recognised tourist destination, receiving over 2 million visitors per year who are attracted to our wineries, our towns and our landscapes. We have a strong brand and we are busy almost every weekend, with these visitors injecting \$362 million into our local visitor economy.
- **Existing strengths across variety of industries:** we also have a number of sectors that make an important existing contribution to the economy, with potential for growth, including:
 - Advanced manufacturing
 - Healthcare
 - Professional business services
 - Creative industries

- **Southern Highlands Innovation Park:** provides a unique opportunity for large scale industrial development conveniently close to Sydney, and good distribution to most of the country. The Moss Vale Enterprise Corridor (MVEC) and adjacent industrial zoned land total 1,023 hectares, with a vacant area of 652 hectares. Together, this industrial area will be referred to ongoing as the Southern Highlands Innovation Park (SHIP)
- **Extractive resources:** the Southern Highlands has a range of extractive resources.

"This is a great place for manufacturing, we are so centrally located that we can reach 2/3 of Australian population within 10 hours."

"We're an hour from anywhere you could ever want to be."

"We are fully booked, nearly every weekend."

"The value of our farms is over and above just what they produce, it's the ambience the farms contribute to the area, it's why people want to come here."

"It's just so beautiful here, it's like waking up every day in paradise."

"There is so much art and culture here."

4.2 Our Challenges

The Southern Highlands has a number of key challenges:

- **Council planning:** based on historical planning decisions, there is a perception that the Shire is 'closed for business' and investment.
- **Lack of local jobs and training opportunities:** there are not enough local jobs, particularly non-tourism and high paying jobs. At the same time, there is a lack of quality and skilled labour locally and insufficient local training opportunities for existing staff and local residents.
- **Affordability:** the region has a very high cost of living and housing, which is compounded by relatively low wages locally. There is also anecdotal evidence of very high retail and commercial rents. There is a widening gap between the advantaged and disadvantaged.
- **Utilities and transport infrastructure:** the region has a number of mobile phone and internet blackspots and other areas with insufficient power infrastructure. There are issues with inter-regional transport and connectivity and wastewater treatment will become a barrier to growth in the near future.
- **Relatively small-scale nature of agriculture:** most farms are relatively small, which makes it difficult to generate economies of scale and maintain sufficient levels of profitability; putting added pressure on older farmers to simply sell the land to someone interested in a weekend home or hobby farm. The region has lost a lot of its agricultural production due to this transition.
- **Lack of mid-week visitation:** there is a lack of mid-week visitation and most weekends are full, creating traffic issues and a sense of crowding, which works against the regional brand.
- **Low level of international visitors:** the region currently receives less than 2% of total visitation from international visitors and very few local tourism businesses are prepared for international markets and wholesalers.
- **Lack of visitor activities and experiences:** there is a lack of commissionable tourism product in the region and the existing offering is not very sophisticated (i.e. mobile and online engagement, international market ready, etc.).

- **Lack of awareness of the brand:** there is a lack of awareness regarding the full extent of visitor activities available in the region and the regional brand/identity is not clear enough. While the tourism destination Southern Highlands has an existing brand, the value of this brand does not spread across the entire region and other facets of the economy.
- **Lack of regional events infrastructure:** large capacity events (equine, agricultural, concerts) require a multi-purpose all weather function centre; and the region lacks a performing arts centre and regional sports hub.

"We have a TAFE campus, we have a university campus, but somehow there is no training available."

"There is a growing divide between the 'haves' and 'have nots'. A lot of people don't see it, but it's there."

"We need more local jobs."

"Our internet connection is woeful, it's a joke, it's like we are on a dial up connection."

"All of our farms are small, we need to get everyone working together to build some scale."

"Our existing tourism operators are just not ready for the international market. Some businesses don't even open up for current visitors."

"Events and weddings are a huge opportunity for us, but we don't have any facilities that can host large events."

"We need to protect our existing farms by allowing them to succeed, so they don't become someone's weekend home."

4.3 Our Opportunities

Based on the region’s competitive advantages and input from stakeholders, the following future opportunities have been identified (Table 4.1). These opportunities will be pursued with respect to our sensitive environment and in the context of climate change adaptation. All of these opportunities can contribute positively to growing our economy in a sustainable manner.

Table 4.1. Future Economic Opportunities, Southern Highlands

Industry	Description	Considerations
Tourism and Attractions	<ul style="list-style-type: none"> • Agritourism – farm stays, farm tours, events, café/restaurant • Events – more events embracing local food, wine, arts culture and heritage; business events and weddings • Nature-based experiences – eco tourism and accommodation, hiking, mountain biking, adventure tourism etc. • Wellness – health and wellbeing experiences and services • Internationalisation of tourism product – getting existing products and experiences international ready • Additional marketing and promotion – increased targeted marketing to drive demand • Luxury – experiences with a focus on quality over quantity and volume • Recreational amenity – leverage existing recreational facilities to drive utilisation and participation 	<ul style="list-style-type: none"> • Proximity to Sydney region (source market) • Adjacent to National Parks and State Forests • Proximity to new Western Sydney Airport and Aerotropolis, improving access to international visitors and export markets • Strong existing brand/reputation • Local wineries, restaurants, cafes and associated amenity • Development of mid-week attractions and product to ensure sustainable businesses and strong workforce • Range of existing recreational assets
Agribusiness	<ul style="list-style-type: none"> • More intensive agriculture – intensive crop growing and production, nurseries • High value, niche production – more high value and niche products, capable of commanding a higher price and supporting lower levels of production • Value-adding processing – increased products from local production • Southern Highlands produce ‘brand’ • Agritourism – farm stays, farm tours, events, café/restaurant • Food and beverage production – wine, spirits, beer production as well as various food products utilising local production • Wildlife Hospital 	<ul style="list-style-type: none"> • Strong local agricultural sector • Existing supply chain linkages • Proximity to large consumer markets of Sydney, Canberra and Wollongong • Existing brand • Tap into global interest in meeting the maker/producer • Contribution to Australian food security • Strong existing tourism market • Reliable climate and soil conditions • Specialist veterinary care and training in a regional native animal medical treatment centre for rehabilitation and release. Potential tourist attraction

Industry	Description	Considerations
Equine	<ul style="list-style-type: none"> • Expansion of local equine industry and events 	<ul style="list-style-type: none"> • Strong existing local sector • Existing supply chain linkages • Displacement of equine industry from other areas • Availability of rural land • Proximity to Sydney Region • Access to national and international transport routes
Professional Business Services	<ul style="list-style-type: none"> • Range of professional business services – legal, accounting, insurance, financial advisory, IT, etc. 	<ul style="list-style-type: none"> • Strong existing local sector • Proximity to Sydney • Attractiveness of region • Post pandemic ‘working from anywhere’
Creative Industries	<ul style="list-style-type: none"> • Arts and culture – range of performance and visual arts, theatre, etc. • Professional creatives – architects, graphic designers, photographers, writers, media, digital technologies and other professional creatives 	<ul style="list-style-type: none"> • Attractiveness of the region • Strong existing arts and culture sector • Proximity to Sydney • Resident artist population, many of national and international renown • Post pandemic ‘working from anywhere’
Healthcare	<ul style="list-style-type: none"> • Aged care and retirement village • Ageing in place 	<ul style="list-style-type: none"> • Ageing population • Attractiveness of the region • Existing medical services • Proximity to Sydney • A healthy environment and interest in wellness
Advanced Manufacturing	<ul style="list-style-type: none"> • Renewable metals/materials/recycling/waste to energy • Building components and construction materials • Food and food product manufacturing • Defence • Other advanced manufacturing and processing 	<ul style="list-style-type: none"> • Southern Highlands Innovation Park • Proximity and access to large Australian populations • Access to Hume and Illawarra Highways • Access to Main Southern Railway • Direct rail connection to Port Kembla • Opportunities to respond to the challenge of climate change
Education	<ul style="list-style-type: none"> • Local and specialised education and training opportunities 	<ul style="list-style-type: none"> • Seven high schools, including boarding • TAFE and University of Wollongong campus • Strong U3A membership • Commitment to lifelong learning

Source: Lucid Economics

4.4 Key Catalytic Projects

Through the analysis and engagement with stakeholders, a number of catalytic projects were identified:

- Agribusiness Hub
- Equine Centre of Excellence
- Local Education Precinct
- Regional Events Infrastructure
- Southern Highlands Innovation Park Infrastructure

These projects have the ability to significantly enhance local business capability and to encourage economic growth, both in terms of attracting new investment and jobs as well as supporting the expansion of local businesses. These projects are highlighted in the table below (Table 4.2).

Table 4.2. Key Catalytic Projects

Industry	Description
Agribusiness Hub	The region has a large number of smaller farms, which combined would create greater scale and capability. The development of a central hub that could be used by many local growers to value-add their production would provide immense value to the local industry and assist in ensuring the industry's financial future. Beyond the processing and value-adding capability, the hub may allow for aggregation of products under a single brand, which could provide opportunities in Sydney and other domestic markets, and potentially overseas.
Equine Centre of Excellence	Southern Highlands is optimally positioned to become the equine centre for NSW (or Southern hemisphere). The equine industry is currently looking for a national centre and the Racing NSW Strategic Plan identifies the Southern Highlands as a site for an equine centre of excellence. Many equine farms elsewhere are being forced to relocate due to encroachment from residential and other urban development and mining activities; which creates further potential growth for the Southern Highlands.
Local Education Precinct	Many of the region's key industries have difficulty accessing staff with the skills and training they need and at the same time the local TAFE and University campuses are underutilised. Repurposing the local TAFE building and establishing a training precinct to deliver a wide range of skills and training the region needs is a fundamental opportunity to support local business growth.
Regional Events Infrastructure	The region would benefit from a Multi-purpose all weather events centre with an indoor arena of 3,000+ seats in a precinct with other facilities, suitable for large capacity events such as equestrian events, agricultural shows, and large capacity seated concerts. The Southern Highlands community has also identified the need for a Regional Performing Arts Centre and a Regional Sports Hub.
Southern Highlands Innovation Park infrastructure	The Southern Highlands Innovation Park (SHIP) was identified as a local competitive advantage. During consultation, stakeholders identified that there is a range of infrastructure issues in the area, including a lack of internet connectivity, water/ wastewater, power and transport infrastructure. Additionally, it was noted that the current infrastructure charging regime is very expensive and becomes cost prohibitive for large-scale industrial developments. Increasing the local infrastructure provision will increase the attractiveness of the area for industrial investment.

Source: Lucid Economics



5. Destination Strategy

How are we going to get to our Desired Future 2041?

Wingecarribee Shire Council Bushfire and COVID-19 Response and Recovery

This Strategy provides a long-term vision and a framework to achieve this vision over time. Given the bushfire and COVID-19 crisis, the immediate requirement focuses on recovery from these adverse events.

Council has engaged in a number of economic response and recovery initiatives for both the bushfire recovery effort and to deal with the COVID-19 crisis. Many elements of this Strategy can further support the recovery process and aid in building greater resilience to future economic shocks from natural disasters or other adverse events such as a pandemic.

5.1 Role of Council

Wingecarribee Shire Council has a responsibility to address economic, social, environmental, cultural, civic leadership and land use issues in an integrated manner. The work of state and federal government provides the legislative frameworks and financial resources within which local authorities operate. We have control over our core business including statutory responsibility, service provision and management of facilities, buildings and other assets. We can influence in areas of partial or shared responsibility; and have concern for a wide range of issues which involve us as educators and advocates.

The following roles of the Council have been highlighted in our Community Strategic Plan and they have been confirmed through the consultation conducted for this Strategy. These roles include:

- **Leader:** Strategic planning and direction through policy and practices; providing an environment conducive to economic and tourism growth; encouraging private industry to invest, grow and create new jobs
- **Provider:** Council provides essential services, facilities, buildings and other assets which contribute to Council's whole-of-council approach to economic sustainability. Council is also a major provider of local jobs
- **Regulator:** Responsible for planning and development approval and services; including inspections, licensing, certification and enforcement in the interests of community health and safety and the environment
- **Partner:** Creating governance structures, partnerships and forums to foster opportunities for collaboration with community, private and government organisations, business and industry
- **Supporter:** Education, communication, advocacy and lobbying for and on behalf of the community and places Council represents
- **Promoter:** The Southern Highlands attracts investors and is a great place to live, work, learn, play and visit.

5.2 Future Vision

The aspiration for the Southern Highlands economy theme is defined in the Council’s Strategic Community Plan 2031 as follows:

Our Economy In 2031...

We harness the economic potential of the area by building on the intrinsic advantages of the Shire. Our primary industries are thriving through the protection of good quality agricultural land, water and the environment. We broaden our economic base to provide a variety of jobs locally while embracing and capitalising on technological

advancements. Our sustainable economy attracts and retains people to live and work in the area.

We encourage creativity and innovation in the expansion of ‘clean’ industries in the Shire. Local training and development opportunities are tailored to complement the skillsets required by current and future local employers.

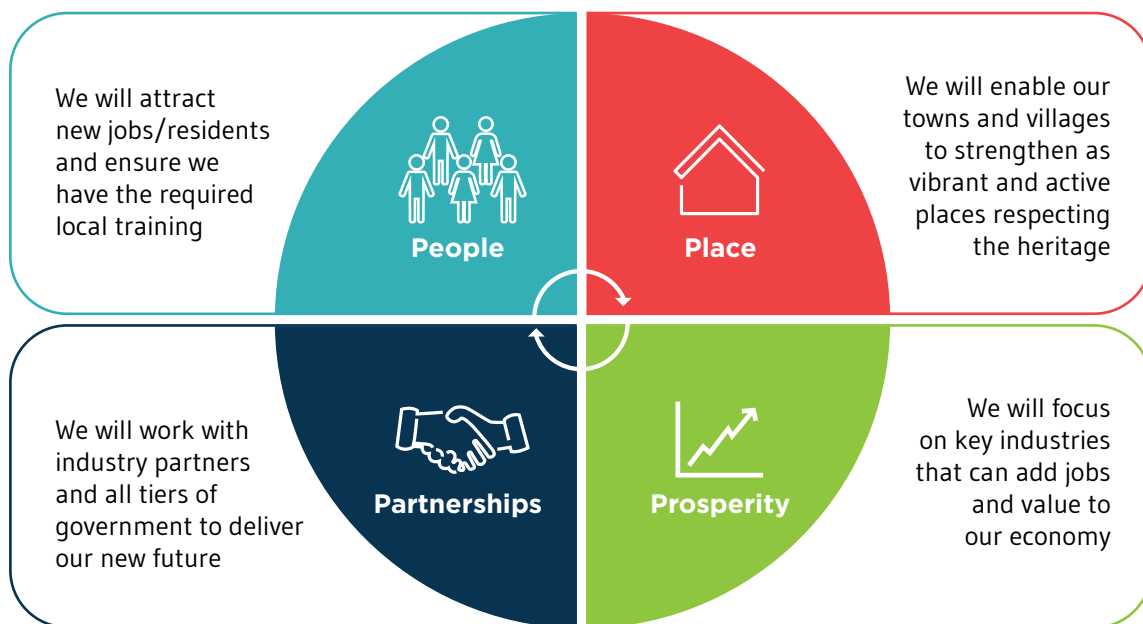
This vision further supports the Desired Future 2041 outlined in Section 3, and sets the scene for the changes that are required between 2020 and 2030 in order to reach the Desired Future 2041.

The Destination Strategy sets the foundation for Council’s actions over the next 10 years and will start to facilitate change over the short-term.

5.3 Destination Strategy Foundation Pillars





In order to provide a wholistic approach to economic and tourism development in the Southern Highlands, to achieve the vision and progress towards the Desired Future 2041, this Destination Strategy has its foundation on the four pillars of People, Place, Prosperity and Partnerships (Figure 5.1).

Figure 5.1. Foundation Pillars, Southern Highlands Destination Strategy



Source: Lucid Economics

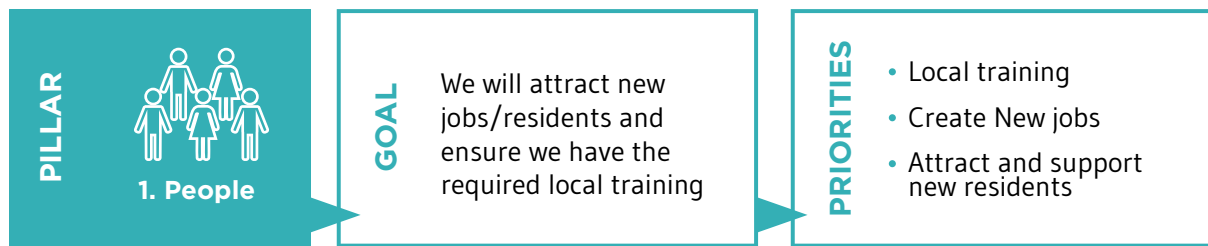
Figure 5.2. Southern Highlands Destination Strategy

PILLAR	 1. PEOPLE	 2. PLACE	 3. PROSPERITY	 4. PARTNERSHIPS
GOAL	<p>We will attract new jobs/ residents and ensure we have the required local training</p>	<p>We will enable our towns and villages to strengthen as vibrant and active places respecting the heritage</p>	<p>We will focus on key industries that can add jobs and value to our economy</p>	<p>We will work with industry partners and all tiers of government to deliver our new future</p>
COUNCIL ROLE	<ul style="list-style-type: none"> • Leader • Partner • Supporter • Promoter 	<ul style="list-style-type: none"> • Leader • Provider • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Partner • Promoter
PRIORITY ACTIVITIES	<ul style="list-style-type: none"> • Encourage local training and workforce development outcomes • Create new jobs through promotion of the area for new and expanding businesses • Attract and support new residents 	<ul style="list-style-type: none"> • Conduct place activation initiatives in key towns • Support local events in towns and villages • Ensure local planning controls support investment and vibrancy of our towns and villages 	<ul style="list-style-type: none"> • Focus on key Industries: <ul style="list-style-type: none"> • Tourism and Attractions • Agribusiness • Equine • Professional Business Services • Creative Industries • Healthcare • Advanced Manufacturing • Education • Ensure efficient and transparent planning and development process for investors 	<ul style="list-style-type: none"> • Partner with industry to deliver key catalytic projects • Create a local environment that is conducive to economic and investment growth

Source: Lucid Economics

5.4 Destination Strategy – Priority Activities

PRIORITY ACTIVITIES – PEOPLE



1.1. Local Training

- 1.1.1. Work with local industry leaders to identify courses that will provide the professional and VET skills the region needs
- 1.1.2. Investigate options to establish an Education Precinct (e.g. at the Moss Vale TAFE campus) to deliver local training courses critical to the regional economy

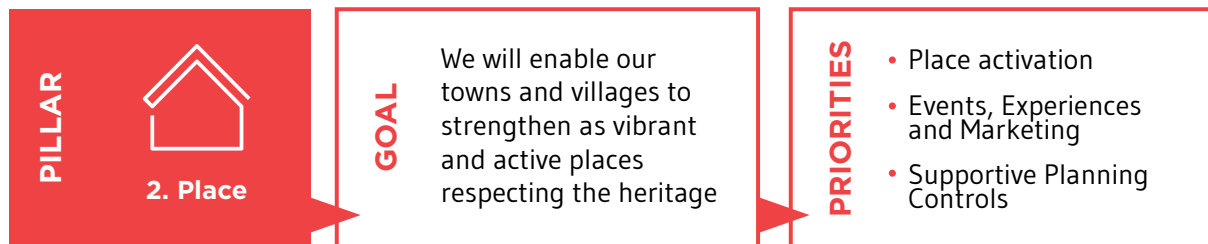
1.2. Create new jobs

- 1.2.1. Broaden and promote a range of business opportunities across the identified key industries
- 1.2.2. Promote the Southern Highlands as a business destination

1.3. Attract and support new residents

- 1.3.1. Promote the Southern Highlands as a place to live and work, attracting working age population and encouraging young families to relocate to the region
- 1.3.2. Provide opportunities for young people
- 1.3.3. Develop new mechanisms to connect new residents settling in the region with the 'Welcome to the Southern Highlands' program (including broadening promotion of the program)

PRIORITY ACTIVITIES - PLACE



2.1. Place Activation

- 2.1.1. Identify and promote the commercial corridor of Mittagong, Bowral and Moss Vale as the Greater Southern Highlands Commercial Business District
- 2.1.2. Engage meaningfully with key towns and villages to develop local committees and place activation initiatives that reflect the unique character, history and culture of each town; maintaining 'the green between'
- 2.1.3. Work with the State and Federal Governments to secure funding for key enabling infrastructure across the Shire

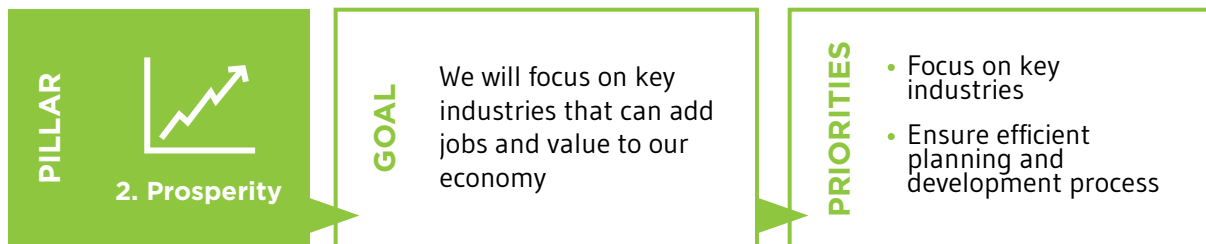
2.2. Events, Experiences and Marketing

- 2.2.1. Work with community organisations and towns to develop additional local events that can attract visitors
- 2.2.2. Ensure the permit process for events is clear, transparent and very efficient, in order to support the development and operations of additional events
- 2.2.3. Work with community, local owners and government to establish unique attractions and experiences in the Southern Highlands
- 2.2.4. Conduct on-going, targeted destination marketing in conjunction with various partners

2.3. Supportive Local Planning Controls

- 2.3.1. Review Council's planning controls to provide a balance between allowing for appropriate tourism development, affordable housing, profitable primary production, and preserving the highly valued Southern Highlands rural lifestyle
- 2.3.2. Ensure that planning controls are adhered to and developments that can contribute positively to the economy, in a manner that is respectful to the character of the area, can proceed

PRIORITY ACTIVITIES - PROSPERITY



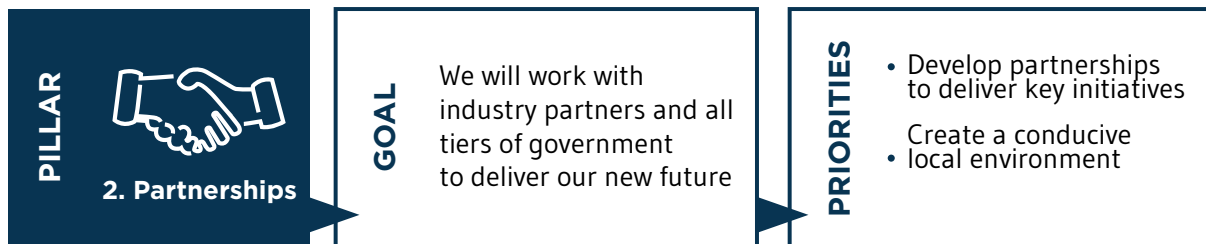
3.1. Focus on key industries

- 3.1.1. Continue to provide a high level of concierge and visitor servicing through the Welcome Centre and other avenues
- 3.1.2. Continue to engage with key stakeholder and industry groups and individual businesses
- 3.1.3. Maintain regular communication and engagement with key businesses and industries to identify opportunities to support local industry development
- 3.1.4. Support and facilitate local partnerships with industry, businesses and the Council, State and Federal Governments
- 3.1.5. Review Council's procurement processes and identify ways to maximise expenditure with local businesses
- 3.1.6. Review Council land holdings and assets to identify opportunities to encourage key industries to grow

3.2. Ensure efficient planning and development process

- 3.2.1. Ensure the planning framework facilitates new and innovative business opportunities through providing flexibility across rural lands to allow appropriate ancillary activities to primary production as well as flexibility in other zonings to encourage and facilitate development
- 3.2.2. Create a priority development approval process for projects that create local employment, which proponents have access to:
 - Case manager from Council (concierge)
 - Information regarding the process to ensure it is clear and transparent
 - Fast track development assessment process

PRIORITY ACTIVITIES - PARTNERSHIPS



Forging Partnerships

Council recognises that it can only seek to influence future economic development by providing an environment and facilitating processes that are conducive to future growth. It is the private sector and industry that must grow in order to create new jobs and attract future business and investment. As such, the Council will partner with industry to deliver key catalytic projects that not only provide economic value and jobs directly, but those that can create a stimulus for further growth, investment and jobs.

Council will partner with industry through sourcing of government grants to support the advancement of the following Key Catalytic Projects. (Also at Table 4.2)

Some of these projects are currently well advanced in their planning, while others are just beginning. It is imperative that industry champion these projects and be responsible for their completion. Council will support these efforts through various funding contributions and source grants; however, the industry will drive these projects forward.

For each project, Council must investigate the most suitable model to partner with industry and all tiers of government.

4.1. Develop partnerships to deliver key initiatives

4.1.1. Partner with local industry to deliver key catalytic projects:

- Agribusiness Hub
- Equine Centre of Excellence
- Local Education Precinct
- Regional Events Infrastructure
- Southern Highlands Innovation Park Infrastructure

4.2. Create a conducive local environment

4.2.1. Ensure alignment across Council of strategic planning, statutory planning, economic development, community development and other Council services to support economic growth and success of the Strategy



6. Measuring Progress

How can we be sure we are changing and progressing towards our goals?

We are seeking the Desired Future 2041 and will need to track progress towards this goal over the next 10 years. We need to change direction and change now. As such, the Destination Strategy will be implemented on an annual basis through an action Strategy that is based on the structure above. To ensure progress towards our goals, we will track the following metrics on an annual basis:

- People – monitoring of population growth and employment
- Place – use a community wellbeing monitoring tool to track the health of our places
- Prosperity – tracking of industry contribution to Gross Regional Product as well as major industry developments
- Partnerships – monitoring of annual milestones with key catalytic and other projects.

At the same time, it will be important to recognise that Council can only control outcomes that are related directly to its role in economic development. Council does not control business decisions to invest or expand. As such, it will be important to measure Council's achievement of its goals and recognise that while Council is not solely responsible for the metrics outlined above, its actions should support and contribute to the growth across these metrics.

The Destination Strategy actions will complement those outlined in the Local Strategic Planning Statement, and will also be monitored through the organisation's annual reporting process outlined below.

Council's Integrated Planning and Reporting framework strategically links Council plans and policies to the aspirations of the community articulated in the Community Strategic Plan (CSP), Wingecarribee 2031. The CSP is supported by a four year Delivery Program (DP) that outlines the actions Council will undertake to achieve the goals of the CSP. A one year Operational Plan (OP) specifically details the activities to be performed in that financial year and the budget for doing so. Council's annual achievements are outlined within each of the key themes of the CSP – Leadership, People, Places, Environment and Economy – and the relevant DP and OP strategies are reported on in Council's annual report.



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Appendix A: Review of Plans and Strategies

The following documents were reviewed and included in the development process of this Strategy:

- Wingecarribee 2031 Community Strategic Plan (2017)
- Wingecarribee Draft Local Strategic Planning Statement (2020)
- Wingecarribee Draft Housing Strategy (2020)
- Wingecarribee Regional Economic Development Strategy 2018-2022
- Wingecarribee Arts and Culture Strategic Plan 2015-2031
- Wingecarribee Shire Council Climate Change Adaptation Plan
- Southern Highlands Tourism Strategy 2012-2016
- NSW 20 year Regional Economic Vision (2018)
- South East and Tablelands Regional Plan 2036 (2017)
- NSW Government Statewide Destination Management Plan (2019)
- Destination Sydney Surrounds South Destination Management Plan 2018-2022
- Economic Opportunities and Infrastructure Review – Wingecarribee LGA, prepared by Cardno for Illawarra First
- The Big Movers: Understanding Population Mobility in Regional Australia, Regional Australia Institute (2020)

TULIP TIME



Appendix B: Consultation and Engagement

On completion of the Background Report, it was essential to present key findings to key stakeholders to 'ground-truth' the findings in lived experience within the Southern Highlands. In preference to larger presentation formats, a series of engagement forums were devised which created an environment conducive to interactive discussion. Seven two-hour forums were conducted in February 2020 with representatives from key industry sectors, peak business organisations, Council's group managers and Councillors. Over 100 people participated.

The engagement forums were hosted by Council and facilitated by Lucid Economics.

Wingecarribee Shire Council acknowledges and thanks the contribution made by all those who attended; and looks forward to collaborating on delivering outcomes.

A Draft Destination Plan was placed on public exhibition for 6 weeks and over 33 submissions were received.

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