

REDS Impact Review

Abercrombie REDS fire impact addendum
May 2020



Regional
NSW



Executive summary

This document serves as a fire impact addendum to the Regional Economic Development Strategy (REDS) for Abercrombie. Its purpose is to identify potential short, medium and long-term focus areas for Local, State and Commonwealth Government to consider when prioritising industry and place-based economic recovery funding in response to the 2019-2020 bushfire crisis.

This document was developed in collaboration with regional staff and Local Government Area (LGA) representatives, and utilised input from industry experts. The priorities within this document were identified and are owned by Local Government, covering 2 LGAs: Bathurst and Oberon.

The original REDS for Abercrombie indicated a relatively large regional economy with specialisations in a number of different industries such as manufacturing and education. Tourism is the main industry significantly impacted by the 2019-2020 bushfires, though the Functional Economic Region (FER) also experienced minor impacts to forestry with some softwood plantation burnt. In addition to the significant national park impacts, Jenolan Caves, Mount Panorama and Mayfield Gardens suffered from sustained visitation downturn, with Jenolan Caves also experiencing direct bushfire impact to staff accommodation. In addition to these direct impacts the FER experienced significant indirect impacts through connectivity disruptions, including to train services, and through perceptions that it was "closed for business". The bushfires' absolute economic impact on the tourism industry is expected to be significant over the short term to medium term. However, the economic impact on the FER is not expected to endure into the long term given minimal built asset damage, and medium term anticipated recovery of the tourism industry.

Example priorities identified in this document relate to, but are not limited to, assisting with asset recovery and rebuild, promoting innovation and entrepreneurialism, and further diversification and professionalisation of the tourism industry.

These materials are based on preliminary data available as of May 2020.

Note to reader: COVID-19 context and considerations

This document has been prepared in response to the 2019-2020 bushfire crisis. **It does not factor in the economic impacts from COVID-19, providing only a bushfire economic impact baseline. As a result: this document and any impact estimates within do not take into account any additional economic impacts which arise from COVID-19 and consider only the economic impact of bushfires.**

In response to COVID-19 the Commonwealth and NSW Governments have put in place restrictions on business trade and personal movement to combat the spread of disease. It is anticipated that these restrictions will further impact regional economies and engine industries.

- Industries analysed within this document likely to experience additional impact include tourism related industries such as retail, food and beverage and accommodation services.
- Other regional industries not directly affected by fire are also likely to experience impact including, but not limited to, construction and manufacturing.

The timing of short/medium/long-term priorities and initiatives outlined in this addenda have been adjusted for COVID-19 restrictions known as at May 2020. This includes delays to tourism recovery initiatives such as marketing campaigns. As the length and impact from COVID-19 becomes clearer, the timing of some initiatives may need to be adjusted further.

Any measures put in place by the Commonwealth and NSW Government to support businesses and industries in response to bushfire impact should be viewed in the context of broader recovery measures.

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Impact summary

- 1 Bushfire in Abercrombie has burnt 731km², approximately 10% of the FER, primarily affecting the tourism industry
- 2 Significant tourism visitation downturn throughout FER; impact to National Parks and region's major tourism assets (Jenolan Caves, Mayfield Gardens and Mount Panorama)
- 3 Some minor impact to forestry (e.g. minor plantation loss, workforce disruptions but no significant supply disruptions anticipated)



Key takeaways

- 1 Ability to deliver REDS strategic priorities not materially affected over the long term, disrupted in short term
- 2 Importance of implementing original strategic priorities emphasised by bushfires
- 3 Assistance required to support impacted tourism industry in short term

Recap: Abercrombie REDS



Regional endowments

- 1 Location
- 2 Tourist sites: Jenolan Caves and Mayfield Garden
- 3 Pine forests and National Parks
- 4 Education (universities and schools)
- 5 Industry (tourism, agriculture, manufacturing)
- 6 Railway and road infrastructure
- 7 Aviation
- 8 Mount Panorama Motor Racing Circuit
- 9 Aboriginal history and contribution



Regional Specialisations

- Agriculture, Forestry and Fishing
- Manufacturing
- Education
- Health Care and Social Assistance

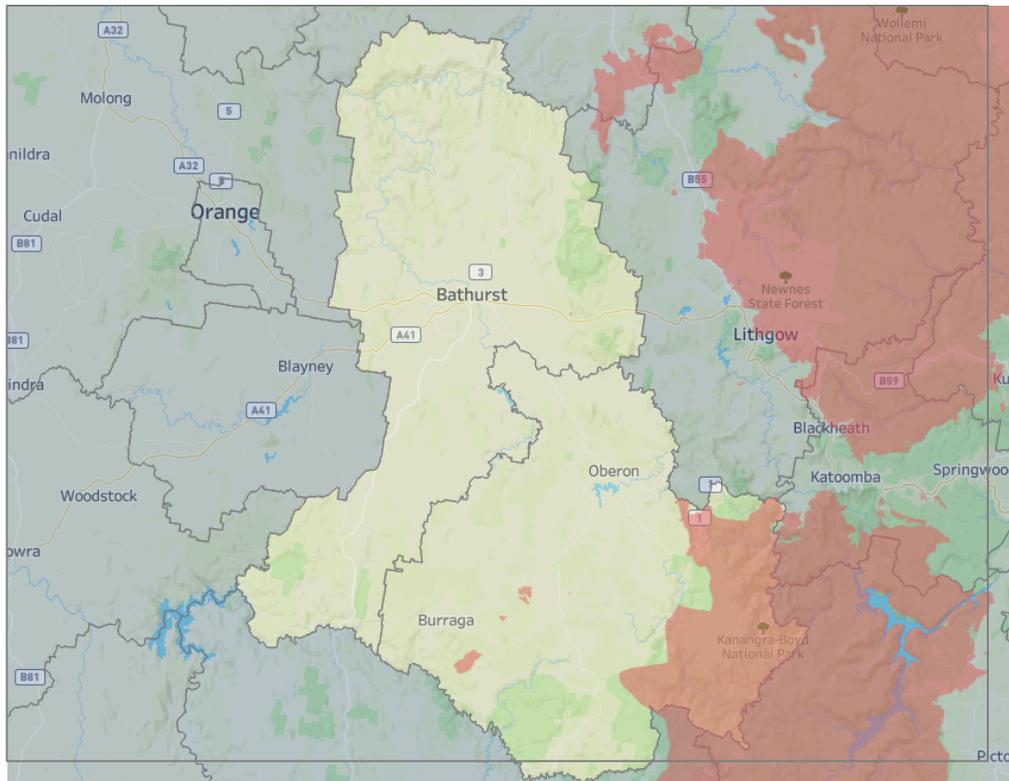


Strategic Priorities

- “
▫ Increase value-adding in agricultural products through innovation
- “
▫ Capitalise on existing strengths in manufacturing
- “
▫ Optimise competitiveness in Agriculture, Forestry and Manufacturing through Transportation and Intermodal Networks
- “
▫ Optimise growth in the development of regional infrastructure
- “
▫ Provide opportunities for attracting and retaining entrepreneurs and skilled professionals
- “
▫ Develop the region's brand and diversify local tourism offerings

731km² of FER is physically impacted by fire, approximately 10% of the entire FER

Fire impacted area within Abercrombie:



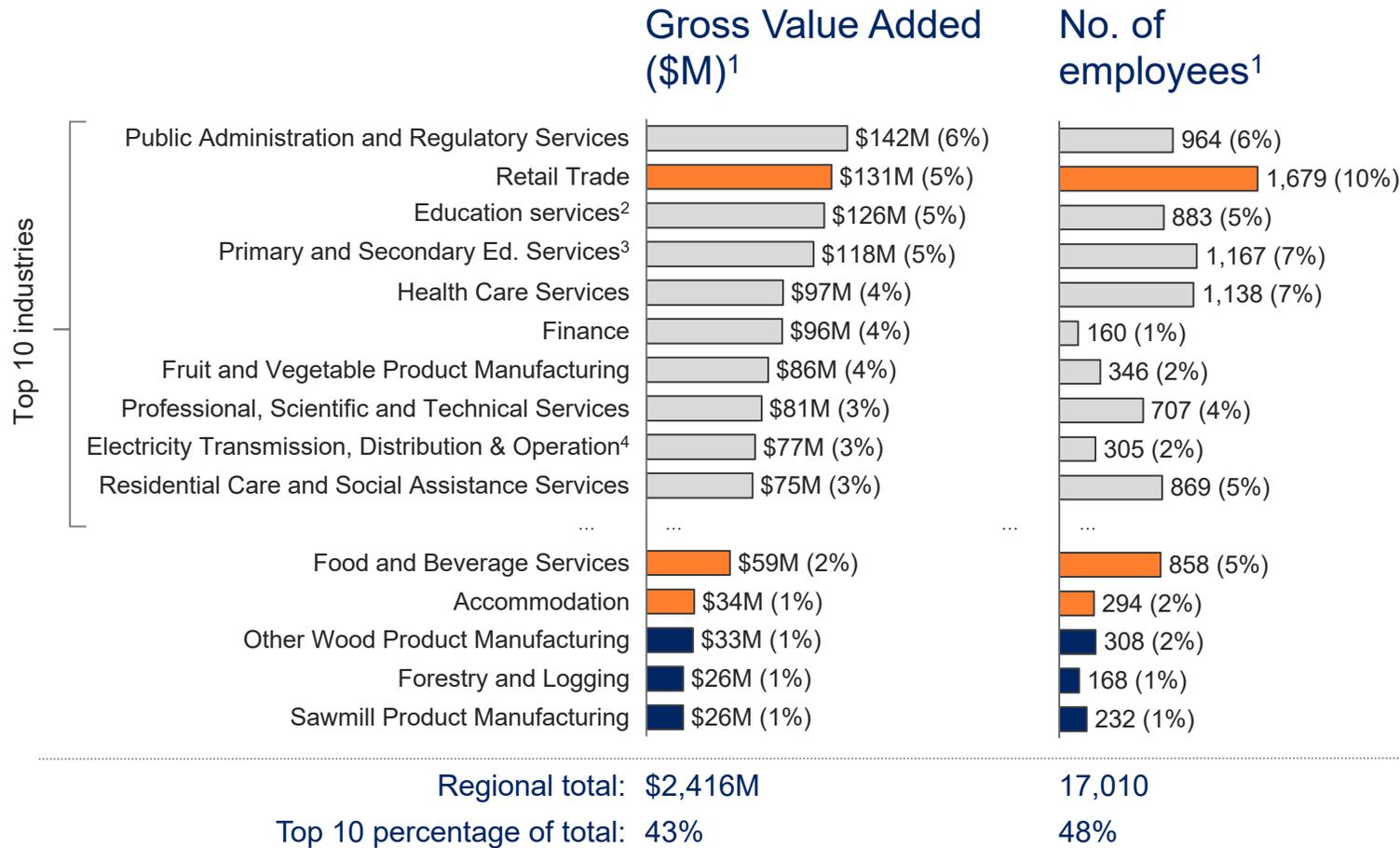
■ Fire affected area

LGAs: Bathurst, Oberon

Key physical impacts:

- **Area burnt¹:** 731 km² burnt by bushfires (10% of total FER area – 7,443km²)
- **Property damage²:** 16 properties damaged or destroyed
- **Tourism³:** Direct bushfire impact to National Parks and state forests; destruction of staff accommodation at Jenolan Caves
- **Forestry⁴:** Minor damage to plantations in FER; not expected to impact supply
- **Viticulture⁵:** Loss of vast majority of 2020 vintage for boutique vineyards in FER

Abercrombie a diverse regional economy with relatively low exposure to impacted focus industries



Impacted focus industries

- 1 Tourism:** Tourism is broadly a subset of tourism-related industries (Retail Trade, Food and Beverage Services and Accommodation); according to CERD it contributes **~\$91M** in GVA and **~6%** of FTE employment
- 2 Forestry:** Forestry-related industries account for **~\$85M** in GVA (and **~4%** of FTE employment)

Abercrombie's impacted focus industries leverage regional endowments, some of which have been affected by bushfires

Focus industries	Dependent endowments	Impacted
<p data-bbox="219 579 313 676">1</p>  <p data-bbox="420 686 552 719">Tourism</p>	<ul style="list-style-type: none"> <li data-bbox="868 458 1072 511">1 Location <li data-bbox="868 544 1536 615">2 Tourist sites: Jenolan Caves and Mayfield Garden <li data-bbox="868 648 1396 701">3 Pine forests and National Parks <li data-bbox="868 743 1498 796">8 Mount Panorama Motor Racing Circuit <li data-bbox="868 839 1429 892">9 Aboriginal history and contribution 	<ul style="list-style-type: none"> <li data-bbox="1671 465 1765 498">• No <li data-bbox="1671 544 2359 615">• Yes – Direct bushfire damage to Jenolan and indirect visitation downturn to both <li data-bbox="1671 665 2308 698">• Yes – Direct damage to forests and parks <li data-bbox="1671 751 2193 783">• Yes – Indirect visitation downturn <li data-bbox="1671 843 2377 915">• Yes – Aboriginal history and culture potentially impacted by fire
<p data-bbox="219 1001 313 1098">2</p>  <p data-bbox="420 1093 552 1126">Forestry</p>	<ul style="list-style-type: none"> <li data-bbox="868 943 1396 996">3 Pine forests and National Parks <li data-bbox="868 1039 1582 1092">5 Industry (tourism, agriculture, manufacturing) <li data-bbox="868 1135 1391 1188">6 Railway and road infrastructure 	<ul style="list-style-type: none"> <li data-bbox="1671 943 2415 1015">• Yes – Direct damage to forests and parks, but no anticipated supply disruptions <li data-bbox="1671 1043 2402 1115">• Yes – Disruptions to contractor workforce due to demand for workers for salvage in other regions <li data-bbox="1671 1136 2415 1208">• Yes – Closure of roads across region and railway infrastructure disrupted connectivity

Abercrombie focus areas require restructuring to respond to fire impact I/II



Strategic priorities



Degree of impact



Restructured priority focus areas

▫ Increase **value-adding** in **agricultural products** through **innovation**



Low

Limited direct bushfire impact identified

▫ Capitalise on **existing strengths** in **manufacturing**



Low

No direct bushfire impact on this strategic priority identified. Importance of industry diversity and economic resilience highlighted by bushfires

- Support development of manufacturing footprint, capitalising on increased demand for domestic manufacturing in the future

▫ Optimise competitiveness in **Agriculture, Forestry and Manufacturing** through **Transportation and Intermodal Networks**



High

Significant connectivity disruptions, including to train services throughout FER because of bushfires, including direct impact on transportation and intermodal networks affecting supply chain logistics

- Support recovery of connectivity infrastructure
- Support improved transportation and intermodal networks to increase regional connectivity and resilience against future disruptions

Abercrombie focus areas require restructuring to respond to fire impact II/II

 Strategic priorities	 Degree of impact	 Restructured priority focus areas
□ Optimise growth in the development of regional infrastructure	  Low	Minimal direct impact on development of regional infrastructure. Potential for additional focus on development of regional infrastructure as part of broader recovery
□ Provide opportunities for attracting and retaining entrepreneurs and skilled professionals	  Low	Minimal direct impact on the implementation of this strategic priority. Importance of innovative and entrepreneurial business community highlighted by bushfires <ul style="list-style-type: none">□ Continue supporting innovation and entrepreneurship to improve region's overall business productivity and resilience
□ Develop the region's brand and diversify local tourism offerings	  Medium	Direct impact on perceptions about safety of region during bushfires; diversification of local tourism offerings likely disrupted by significant impact of bushfires on tourism industry <ul style="list-style-type: none">□ Support coordinated marketing plan to communicate that the region is open for business□ Focus on diversification of tourism offerings

Abercrombie potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 Tourism	<ol style="list-style-type: none"> 1 Support tourism asset recovery and rebuild 2 Continue developing and deploying business education initiatives 3 Develop coordinated marketing plan 	<ol style="list-style-type: none"> 1 Implement coordinated marketing plan 2 Support tourism industry development, encourage emergence of industry clusters 	<ol style="list-style-type: none"> 1 Continue to support tourism industry development
 Forestry	<ol style="list-style-type: none"> 4 Support forestry workforce industry to adapt to disruptions 	<ol style="list-style-type: none"> 3 Support forestry industry development 	<ol style="list-style-type: none"> 2 Continue to support forestry industry development
 Other	<ol style="list-style-type: none"> 5 Explore projects aimed at building community integrity and resilience 6 Continue to support business innovation and entrepreneurship 	<ol style="list-style-type: none"> 4 Invest in regional infrastructure to improve connectivity, resilience and disaster response capabilities 5 Support large and emerging industries with appropriate initiatives and infrastructure 	<ol style="list-style-type: none"> 3 Continue to support large and emerging industries with appropriate initiatives and infrastructure

Deep dive: Abercrombie short-term focus areas

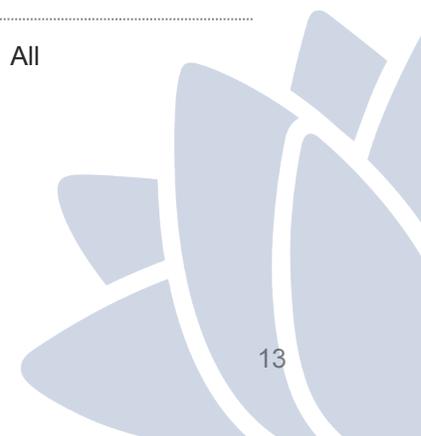


Focus areas	Description	Rationale	Relevant industry
1 Support with tourism asset recovery and rebuild	<ul style="list-style-type: none"> Support with recovery of damaged assets such as signage and recovery of National Parks as appropriate 	<ul style="list-style-type: none"> Where assets were directly damaged by fires, accelerates return of industry to pre-bushfire state 	<ul style="list-style-type: none"> Tourism
2 Continue developing and deploying business education initiatives	<ul style="list-style-type: none"> Continue to develop tourism industry through access to business planning and management skills training Encourage tourism operators to construct professional development pathways for employees Focus on assisting businesses to do the basics right, increase turnover, and increase digitisation and online presence 	<ul style="list-style-type: none"> Professionalising and educating tourism operators and employees will help maximise tourism opportunity and improve resilience in future crisis 	<ul style="list-style-type: none"> Tourism, other
3 Develop coordinated tourism marketing plan	<ul style="list-style-type: none"> Develop coordinated message that identifies region is open for business. Tap into likely pent-up demand for domestic travel 	<ul style="list-style-type: none"> Accelerate return of tourism industry where possible 	<ul style="list-style-type: none"> Tourism
4 Support forestry industry to adapt to workforce disruptions	<ul style="list-style-type: none"> Support forestry industry disruptions to contractor workforce numbers; identify ways to encourage contractors to work in-region while minimising industry disruption; support operators to explore how they can adjust operations to accommodate gap between workforce and possible timber to process 	<ul style="list-style-type: none"> Ensures continuity of industry operations and that processing/logging are not constrained by availability of contractor labor, requiring them to decrease throughput 	<ul style="list-style-type: none"> Forestry
5 Explore projects aimed at building community integrity and resilience	<ul style="list-style-type: none"> Identify possible projects that will provide broad benefits to community integrity and to resilience across the region 	<ul style="list-style-type: none"> Develops assets of importance to community integrity 	<ul style="list-style-type: none"> All
6 Continue to support business innovation and entrepreneurship	<ul style="list-style-type: none"> Continue to support business innovation, cooperation and entrepreneurship (e.g. planning and development for innovation hubs, precincts and start-up accelerators) 	<ul style="list-style-type: none"> Attracts new businesses and talent to the region. Encourages business innovation and collaboration that increases employment, productivity and drives greater regional GVA 	

Deep dive: Abercrombie medium-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Implement coordinated marketing plan	<ul style="list-style-type: none"> When appropriate, implement coordinated message that identifies region is open for business, focusing on region's right to win and targeting focus tourism segments. Tap into likely pent-up demand for domestic travel 	<ul style="list-style-type: none"> Accelerate return of tourism industry where possible 	<ul style="list-style-type: none"> Tourism, other
2 Support tourism industry development and encourage emergence of industry clusters	<ul style="list-style-type: none"> Incentivise tourism operators to share information and create joint/cross industry product offerings. Encourage the creation of tourism offerings that tap into multiple sectors 	<ul style="list-style-type: none"> Promotes emergence of a more integrated and mature tourism industry; ultimately improves visitor experience and increases total visitor spend, driving higher GVA 	<ul style="list-style-type: none"> Tourism, agriculture
3 Support forestry industry development	<ul style="list-style-type: none"> Support initiatives that drive long-term productivity and innovation in forestry industry 	<ul style="list-style-type: none"> Maximise GVA and employment provided by globally significant industry 	<ul style="list-style-type: none"> Forestry
4 Invest in regional infrastructure to improve resilience, connectivity and disaster response capabilities	<ul style="list-style-type: none"> Improve mobile and internet connectivity in the region, and physical connectivity (roads, rail, etc.) Improve water infrastructure and the communications infrastructure whose vulnerability was highlighted by the fires 	<ul style="list-style-type: none"> Improves overall regional resilience against future bushfire events; at the same time provides broader economic benefits to community and business 	<ul style="list-style-type: none"> All
5 Support large and emerging industries with appropriate initiatives and infrastructure	<ul style="list-style-type: none"> Support large and emerging industries through initiatives such as promotion, regional branding, co-investment, and infrastructure development (e.g. manufacturing, transport and freight) 	<ul style="list-style-type: none"> Promoting emerging industry will increase regional GVA, diversify industry risk and promote additional employment 	<ul style="list-style-type: none"> All



Deep dive: Abercrombie long-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Continue to support tourism industry development	<ul style="list-style-type: none"> Provide assistance such as professional, entrepreneurial business skills training Ensure cohesive regional tourism message that promotes diversified tourism opportunity Specific opportunities to be reviewed as they become evident 	<ul style="list-style-type: none"> Promoting emerging tourism industry and integration with existing operators to increase regional GVA and capture maximum tourism activity with region 	<ul style="list-style-type: none"> Tourism
2 Continue to support forestry industry development	<ul style="list-style-type: none"> Support initiatives that drive long-term productivity and innovation in forestry industry Specific opportunities to be reviewed as they become evident 	<ul style="list-style-type: none"> Maximise GVA and employment provided by globally significant industry 	<ul style="list-style-type: none"> Forestry
3 Continue to support large and emerging industries with appropriate initiatives and infrastructure	<ul style="list-style-type: none"> Guide new business initiatives and provide assistance where required such as business skills advice, targeted investments as appropriate. Consider initiatives that support large engine industries that support large numbers of jobs, diversify the economy and increase resilience. Specific opportunities to be reviewed as they become evident 	<ul style="list-style-type: none"> Promoting large and emerging industry will increase regional GVA, diversify industry risk and promote additional employment 	<ul style="list-style-type: none"> All

