

# REDS Impact Review

Clarence Valley 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 Clarence Valley. 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 fire affected engine industry experts. The priorities within this document were identified and are owned by Local Government.

The original REDS for Clarence Valley highlighted a number of industries such as forestry, tourism, aged care and health care, government administration, marine manufacturing and horticulture as core to the regional economy. This highlighted the diversification within Clarence Valley industry and the inherent insulation to crisis. Although forestry and agriculture were fire impacted, and tourism has been indirectly fire affected, the overall impact to the region's economy is anticipated to be low given diversification and short lived due to limited tourism asset loss. Despite this, immediate support is required to support the local economy over the short term.

Example priorities identified in this document relate to, but are not limited to, infrastructure investment, forestry recovery, marine industry development, and 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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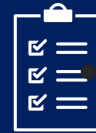
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Slide 14 □**Deep dive:** Detailed view of long-term focus areas



## Impact summary

- 1 Fire within Clarence Valley has impacted engine industries
- 2 80% of harvestable forests are fire damaged
- 3 Approximately 80% of yearly tourism revenue lost due to fires and evacuation period, with potential for sustained decline over 3-4 year period
- 4 Ongoing perception issue for Clarence Valley tourism



## Key takeaways

- 1 Ability to deliver REDS strategic priorities mildly affected
- 2 Support required to sustain tourism industry in short to medium term

# Recap: Clarence Valley REDS



## Regional endowments

- 1 Riverine, hinterland and coastal amenity
- 2 Access to SE QLD markets
- 3 Arable land
- 4 Industrial activity
- 5 Built endowments  
(Pacific Highway, Gwydir Highway etc.)
- 6 Indigenous culture and history
- 7 Diverse specialised skill sets
- 8 Private investor and operator collaboration
- 9 Clarence Valley Council



## Regional Specialisations

- Engines of growth
  - Tourism, agriculture and manufacturing
- Enabling industries
  - Construction, tourism connected property services, road transport, electricity distribution and financial and professional services
- Population serving industries
  - Health, retail and public administration and safety



## Strategic Priorities



- Further expand the “Engines of Growth” like tourism, sugar production, forestry, aquaculture, marine manufacturing and services and logistics



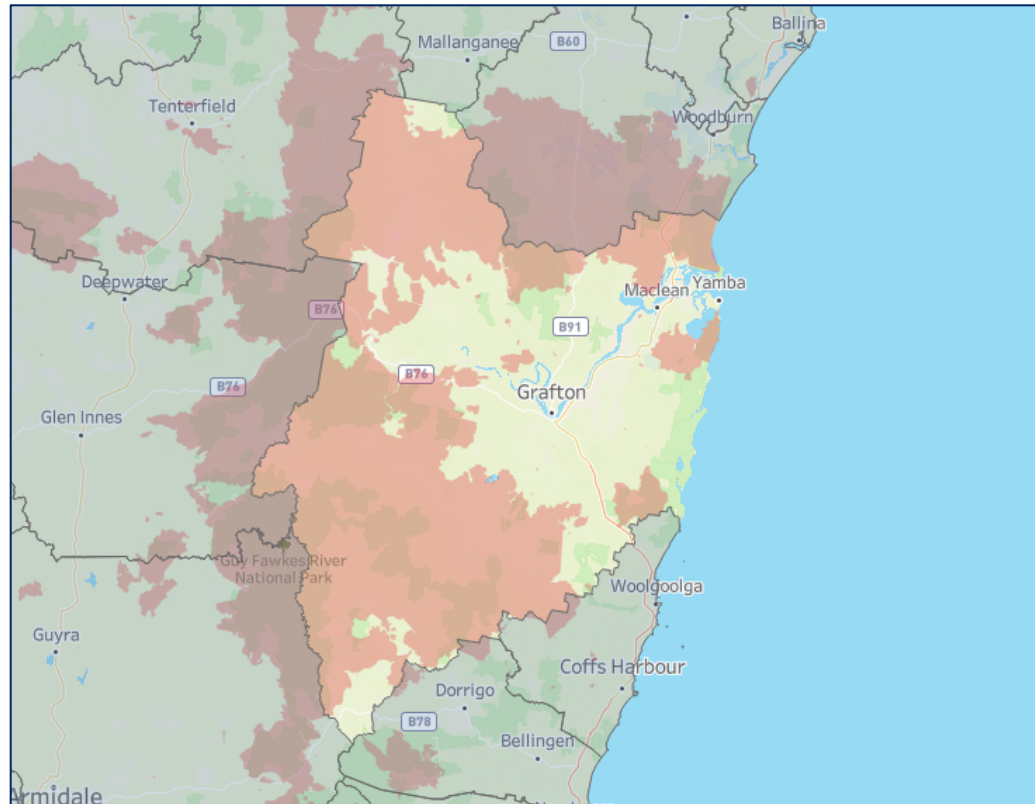
- Develop the region’s key tourism attractions and precincts



- Grow the population and internal markets of the region

# 6,154 km<sup>2</sup> of the FER is physically impacted by fire, approximately 60% of the entire FER

## Fire impacted area within Clarence Valley

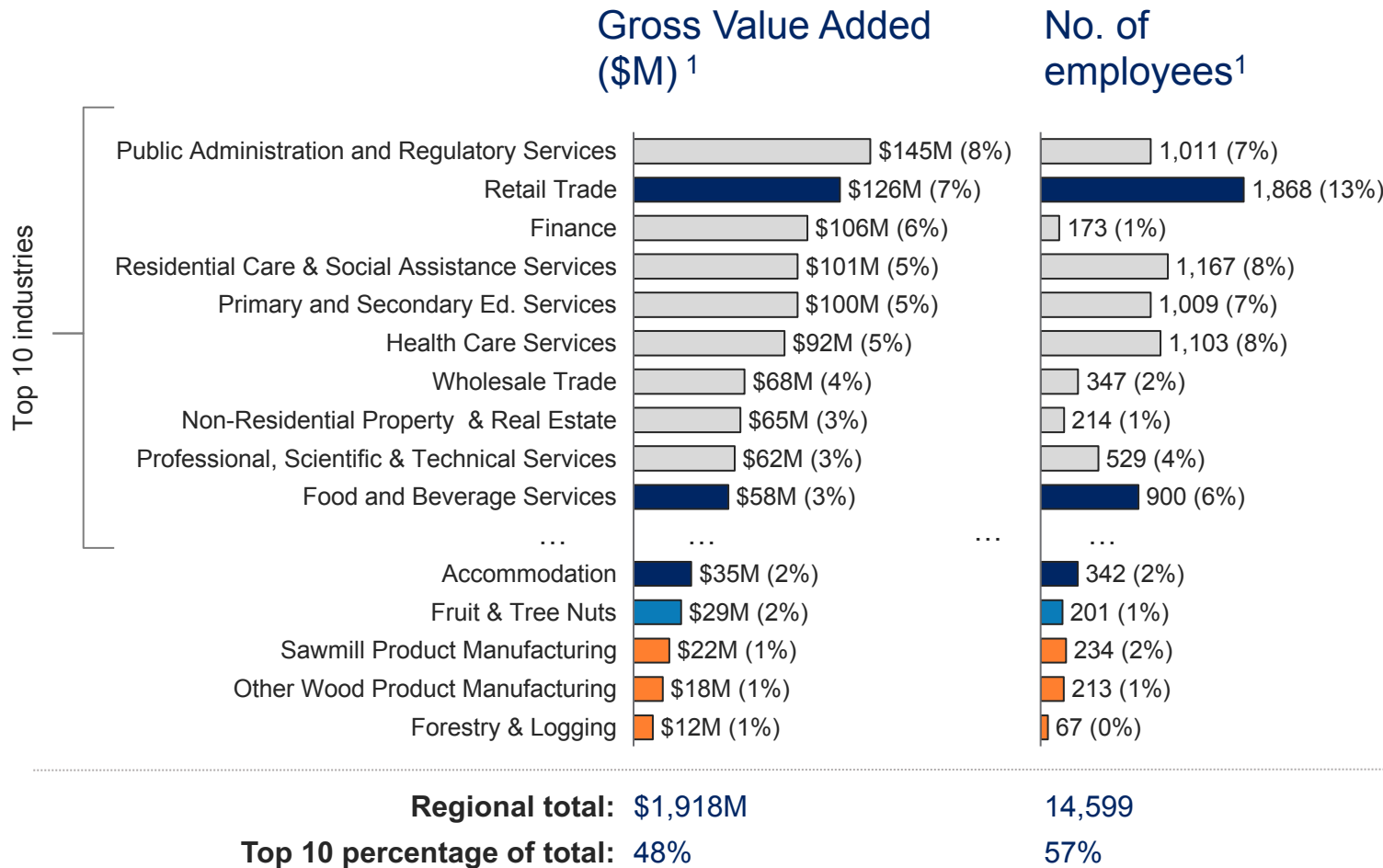


Fire affected area LGAs within FER: Clarence Valley

## Key physical impacts

- **Area burnt<sup>1</sup>**: 6,154 km<sup>2</sup> burnt by bushfires (59% of total FER area—10,428 km<sup>2</sup>)
- **Property damage<sup>2</sup>**: 848 properties damaged or destroyed
- **Cattle Farming<sup>3</sup>**: 365 head of cattle reported lost
- **Forestry<sup>4</sup>**: An estimated 1,525 km<sup>2</sup> of forestry land affected by bushfires (81% of total)
- **Tourism<sup>5</sup>**: Estimated 50% tourism year-on-year downturn in December; 25% in January and February

# Clarence Valley overall economy has limited exposure to impacted industries



## Impacted focus industries

- 1 Tourism:** Tourism is broadly a subset of tourism-related industries such as Retail Trade, Food and Beverage Services, Accommodation etc; CERD analysis indicates that tourism contributes **\$130M** in GVA and **~8%** of FTE employment
- 2 Forestry:** Industries along the Forestry and Logging value chain contribute **~\$52M** in GVA<sup>2</sup>
- 3 Fruit and Tree Nuts:** Fruit and tree nut agriculture accounts for **\$29M** GVA, **~200 FTE**, across the region





# Impacted focus industries leverage regional endowments, some of which are impacted

Focus industries	Dependent endowments	Impacted
<p>1  Tourism</p>	<ul style="list-style-type: none"> <li>1 Riverine, hinterland and coastal amenity</li> <li>5 Built endowments (e.g., Pacific Highway)</li> <li>6 Indigenous culture and history</li> </ul>	<ul style="list-style-type: none"> <li>• Yes—Forest and access roads damaged</li> <li>• Yes—Bridges and roads damaged</li> <li>• Yes — Personal impacts likely</li> </ul>
<p>2  Forestry and logging</p>	<ul style="list-style-type: none"> <li>1 Riverine, hinterland and coastal amenity</li> <li>4 Industrial activity</li> <li>5 Built endowments</li> <li>7 Diverse specialised skill sets</li> </ul>	<ul style="list-style-type: none"> <li>• Yes—Native forestry assets damaged</li> <li>• Yes—Mill activity impacted during fires</li> <li>• No</li> <li>• Yes—Personal impacts likely</li> </ul>
<p>3  Fruit and Nut Trees</p>	<ul style="list-style-type: none"> <li>1 Riverine, hinterland and coastal amenity</li> <li>3 Arable land</li> <li>7 Diverse specialised skill sets</li> </ul>	<ul style="list-style-type: none"> <li>• Yes — Pasture and agri. product damaged</li> <li>• Yes — Pasture damage</li> <li>• No</li> </ul>

# Clarence Valleys focus areas require restructuring to respond to fire impact



## Strategic Priorities

□ Further **expand the “Engines of Growth”** like tourism, sugar production, forestry, aquaculture, marine manufacturing and services and logistics

□ **Develop** the region’s key **tourism attractions and precincts**

□ **Grow the population** and internal markets of the region



## Degree of impact

Medium

Medium

Low



## Restructured priority focus areas

□ Components of strategic priority are fire affected, limiting ability to fully deliver strategic priority

- Support salvage efforts and viability of forestry industry over longer term
- Focus on diversifying tourism product to increase resilience





□ Tourism impact is short/medium term with damage only to natural amenity e.g. national parks

- Address short-term perception issues around safety
- Support tourism operators to continue operating through downturn
- Continue to develop and diversify tourism, creating a more resilient regional economy

□ Priority is not directly affected by fire impact, but could be indirectly affected

- Continue to focus on growing population
- Develop better connectivity infrastructure to improve regional transport connections, and links to western NSW markets

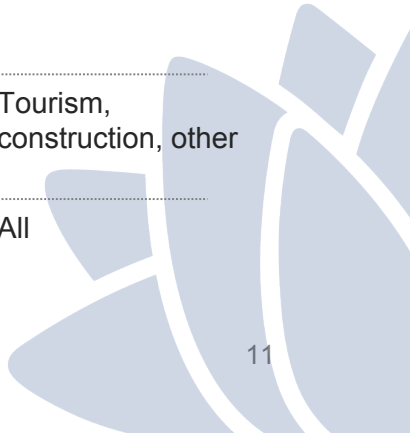
# Clarence Valley potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 <b>Forestry</b>	<ol style="list-style-type: none"> <li>1 Rectify damaged industry infrastructure and enable forestry access</li> <li>2 Assess private forestry asset damage</li> </ol>	<ol style="list-style-type: none"> <li>1 Support forestry related manufacturing industry by ensuring ongoing supply</li> </ol>	<ol style="list-style-type: none"> <li>1 Continue to support forestry related manufacturing industry</li> </ol>
 <b>Tourism</b>	<ol style="list-style-type: none"> <li>3 Develop enabling infrastructure to better utilise natural amenity assets</li> <li>4 Develop coordinated marketing plan</li> </ol>	<ol style="list-style-type: none"> <li>2 Expand the hinterland tourism cluster (e.g. improve white water rafting tourism offering; enabling accommodation)</li> <li>3 Deploy business education initiatives</li> <li>4 Implement coordinated marketing plan</li> </ol>	<ol style="list-style-type: none"> <li>2 Continue to support development of tourism industry</li> </ol>
 <b>Other</b>	<ol style="list-style-type: none"> <li>5 Improve connectivity and infrastructure resilience (e.g., telecommunications assets damaged during fires; community assets identified as at-risk during fires)</li> </ol>	<ol style="list-style-type: none"> <li>5 Invest in regional infrastructure to promote industry diversification and better leverage endowments</li> <li>6 Consider marine precinct as a potential manufacturing hub</li> </ol>	<ol style="list-style-type: none"> <li>3 Continue to encourage emerging industries</li> </ol>
 <b>Industry transition</b>	<ol style="list-style-type: none"> <li>6 Deploy education and training initiatives to support worker transition</li> <li>7 Enable more extensive use of local procurement</li> </ol>	<ol style="list-style-type: none"> <li>7 Support ongoing workforce transition</li> </ol>	<ol style="list-style-type: none"> <li>4 Continue supporting workforce transition as new industries emerge</li> </ol>

# Deep dive: Clarence Valley short-term focus areas



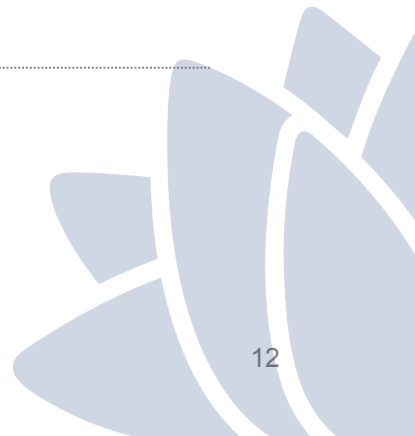
Focus areas	Description	Rationale	Relevant industry
1 Rectify damaged industry infrastructure	<ul style="list-style-type: none"> <li>Repair key industry infrastructure such as forestry roads and timber bridges</li> </ul>	<ul style="list-style-type: none"> <li>Ensure continuity of business for engine industries</li> </ul>	<ul style="list-style-type: none"> <li>Forestry, Tourism</li> </ul>
2 Assess private forestry asset damage	<ul style="list-style-type: none"> <li>Assess scope of forestry supply damage on private land (50% of supply is found on private land)</li> </ul>	<ul style="list-style-type: none"> <li>Crucial to accurately understand future impact on forestry supply</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
3 Develop enabling infrastructure	<ul style="list-style-type: none"> <li>Invest in natural amenity based tourism assets such as walking trails, bike paths, boardwalks, eco-tourism accommodation, etc. to increase ability to leverage natural amenity assets</li> </ul>	<ul style="list-style-type: none"> <li>Increase appeal of existing natural amenity assets, including in national parks where possible, and increase regional GVA</li> </ul>	<ul style="list-style-type: none"> <li>Tourism</li> </ul>
4 Develop coordinated tourism marketing plan	<ul style="list-style-type: none"> <li>Develop coordinated message that identifies region is open for business. Tap into likely pent-up demand for domestic travel</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate return of tourism industry where possible</li> </ul>	<ul style="list-style-type: none"> <li>Tourism</li> </ul>
5 Improve connectivity and infrastructure resilience	<ul style="list-style-type: none"> <li>Identify what connectivity and infrastructure assets were destroyed/almost damaged during bushfires and engage projects to improve resilience moving forward</li> <li>Aim to improve telecommunications connectivity throughout the region</li> </ul>	<ul style="list-style-type: none"> <li>Improve underlying community and economic resilience, while improving community confidence about its infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
6 Deploy education initiatives to support worker transition	<ul style="list-style-type: none"> <li>Provide in region information on available training and deploy training to transition affected tourism workers (e.g., recovery and construction skills)</li> </ul>	<ul style="list-style-type: none"> <li>Prepare affected workforce for transition and ensure sufficient skills required for recovery</li> <li>Ensure skills exist for emerging industries</li> </ul>	<ul style="list-style-type: none"> <li>Tourism, construction, other</li> </ul>
7 Enable local procurement	<ul style="list-style-type: none"> <li>Encourage and incentivise the use of local workers and local suppliers for major projects</li> </ul>	<ul style="list-style-type: none"> <li>Will generate demand for local goods and services and increase regional GVA</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>



# Deep dive: Clarence Valley medium-term focus areas I/II



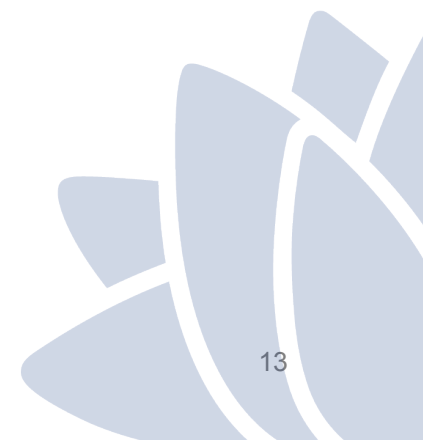
Focus areas	Description	Rationale	Relevant industry
1 Support forestry related processing industry	<ul style="list-style-type: none"> <li>Ensure ongoing supply from state forests, plantations and private forests to support processing industry</li> </ul>	<ul style="list-style-type: none"> <li>Processing industry is significant employer, and contributor to regional GVA</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
2 Expand the hinterland tourism cluster	<ul style="list-style-type: none"> <li>Improve white water rafting product cluster</li> <li>Enhance enabling tourism accommodation</li> <li>Identify other, possibly diversified, tourism products for the cluster e.g mountain bike trails etc</li> </ul>	<ul style="list-style-type: none"> <li>Increased sophistication and diversity of region's tourism offerings will drive employment and regional GVA</li> </ul>	<ul style="list-style-type: none"> <li>Tourism</li> </ul>
3 Implement coordinated marketing plan	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate return of tourism industry where possible</li> </ul>	<ul style="list-style-type: none"> <li>Tourism, other</li> </ul>
4 Deploy business education initiatives	<ul style="list-style-type: none"> <li>Professionalise tourism industry through access to business planning and management training</li> <li>Encourage tourism operators to construct professional development pathways for employees</li> <li>Close key skills demand gaps in region e.g. chefs</li> </ul>	<ul style="list-style-type: none"> <li>Professionalising and educating tourism operators and employees will help maximise tourism opportunity and improve resilience in future crisis</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>



# Deep dive: Clarence Valley medium-term focus areas III/II



Focus areas	Description	Rationale	Relevant industry
5 Invest in regional infrastructure	<ul style="list-style-type: none"> <li>Invest in regional infrastructure that reinforce endowments (e.g. improved resilient telecommunications, improve roads in upper catchments, replace timber bridges and improve dams)</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure will improve productivity, increase attractiveness of region, and diversify GVA sources</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
6 Consider diversification through marine precinct as a potential manufacturing hub	<ul style="list-style-type: none"> <li>Continue developing a marine manufacturing precinct (specialised in boat and ship-building and recycling; "waste to wages" projects; upskilling workers in industries likely disrupted by bushfires, i.e. forestry)</li> </ul>	<ul style="list-style-type: none"> <li>Further diversify regional economy and increase total GVA</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing</li> </ul>
7 Support ongoing workforce transition	<ul style="list-style-type: none"> <li>Conduct in region training so workforce has skills to capitalise on emerging industry and infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>Support emerging industries and maximise benefit from infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Forestry, tourism construction and other</li> </ul>



# Deep dive: Clarence Valley long-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Continue to support forestry related manufacturing industry	<ul style="list-style-type: none"> <li>Support initiatives that drive long-term productivity and innovation in forestry industry</li> <li><b>Specific opportunities to be reviewed as they become evident</b></li> </ul>	<ul style="list-style-type: none"> <li>Maximise GVA and employment provided by globally significant industry</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
2 Continue to support development of tourism industry	<ul style="list-style-type: none"> <li>Provide assistance such as professional, entrepreneurial business skills training</li> <li>Ensure cohesive regional tourism message that promotes diversified tourism opportunity</li> <li><b>Specific opportunities to be reviewed as they become evident</b></li> </ul>	<ul style="list-style-type: none"> <li>Promoting emerging tourism industry and integration with existing operators can increase regional GVA and capture maximum tourism activity with region</li> </ul>	<ul style="list-style-type: none"> <li>Tourism</li> </ul>
3 Continue to encourage emerging industry	<ul style="list-style-type: none"> <li>Guide new business initiatives and provide assistance where required such as business skills advice, and targeted investments as appropriate</li> <li><b>Specific opportunities to be reviewed as they become evident</b></li> </ul>	<ul style="list-style-type: none"> <li>Promoting emerging industry will increase regional GVA, diversify industry risk and promote additional employment</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
4 Continue supporting workforce transition new industries emerge	<ul style="list-style-type: none"> <li>Provide in region information on available training to transition affected workers.</li> <li><b>The nature of this support will change as the economy evolves</b></li> </ul>	<ul style="list-style-type: none"> <li>Ensures local employees are equipped to fully leverage opportunities available to them</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>

