

REDS impact review

Southern Tablelands REDS fire impact addendum
May 2020



Regional
NSW



Executive summary

This document serves as a summary of the fire impact assessment for the Southern Tablelands Regional Economic Development Strategy (REDS) in response to the 2019-2020 bushfire crisis. It was developed in collaboration with regional staff and Local Government representatives, and utilised input from industry experts.

The purpose of this addenda is to identify the degree of fire impact to the strategic priorities within the existing REDS. This work has been undertaken with a focus on impact from bushfire.

The original REDS for the Southern Tablelands indicate a diverse economy in which the top 10 Gross Value Add (GVA) contributors make up only 47% of total GVA. The tourism industry is the largest industry to be impacted by fires, with closures of Wombeyan Caves region and proximity to South Coast fires affecting visitation. These impacts are not anticipated to be long term. Viticulture was also impacted with the entire 2020 vintage grapes affected by smoke, but future vintages were not affected by these fires. There was also small-scale damage to agricultural infrastructure such as fencing, sheds and machinery.

Overall the strategic priorities within the REDS are not affected by fire. Revised priorities and initiatives to respond to fire impact are not required.

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.

As the length and impact from COVID-19 becomes clearer, the strategic priorities mentioned in this addenda and the timing of any related initiatives may need to be further adjusted.

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 Total burn scar size from fire is 372 km², approximately 2.6% of total FER
- 2 Tourism visitation impacted due to perception issues and road closures but recovery expected due to diverse tourism offering
- 3 All of Yass Valley's 2020 vintage impacted by smoke taint with longer-term supply shocks anticipated due to vineyard destruction in nearby regions
- 4 Damage to some agricultural infrastructure due to fire e.g. fencing



Key takeaways

- 1 Ability to deliver REDS strategic priorities not materially affected
- 2 Continue to focus on original REDS priorities such as building strength in agriculture and energy, and driving growth in other emerging industries

Recap: Southern Tablelands REDS



Regional endowments

- 1 Topography, water, climate and soil
- 2 Location, accessibility and lifestyle benefits
- 3 Extractive and mineral resources
- 4 Natural resources
- 5 Public order and safety institutions
- 6 Aboriginal heritage and historic heritage
- 7 Hospitals
- 8 Labour resources
- 9 Local institutions and strong leadership



Regional Specialisations

- Sheep, Beef and Grain Farming
- Meat and Meat Product Manufacturing
- Non-Metallic Mineral Mining and Quarrying
- Accommodation and Food Services
- Construction
- Public order and safety services
- Residential Care Services
- Renewable energy (wind, solar)

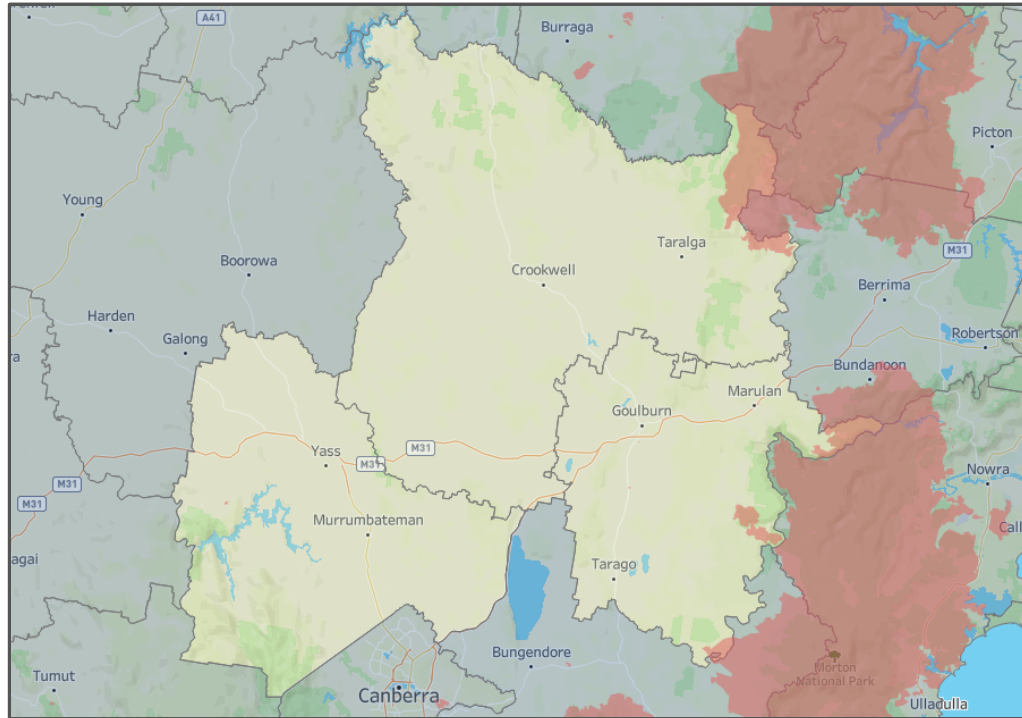


Strategic Priorities

- “
▫Sustain the Region's agriculture and agricultural processing advantage, especially in livestock
- “
▫Build on the Region's core strength in energy generation and natural resource extraction
- “
▫Realise the economic opportunity presented by public order, safety and aged care
- “
▫Drive growth in the transport, access and logistics sector
- “
▫Enhancing the liveability of the Region and grow its visitor economy

372km² of the FER is physically impacted by fire, approximately ~2.6% of the entire FER

Fire impacted area within Southern Tablelands FER

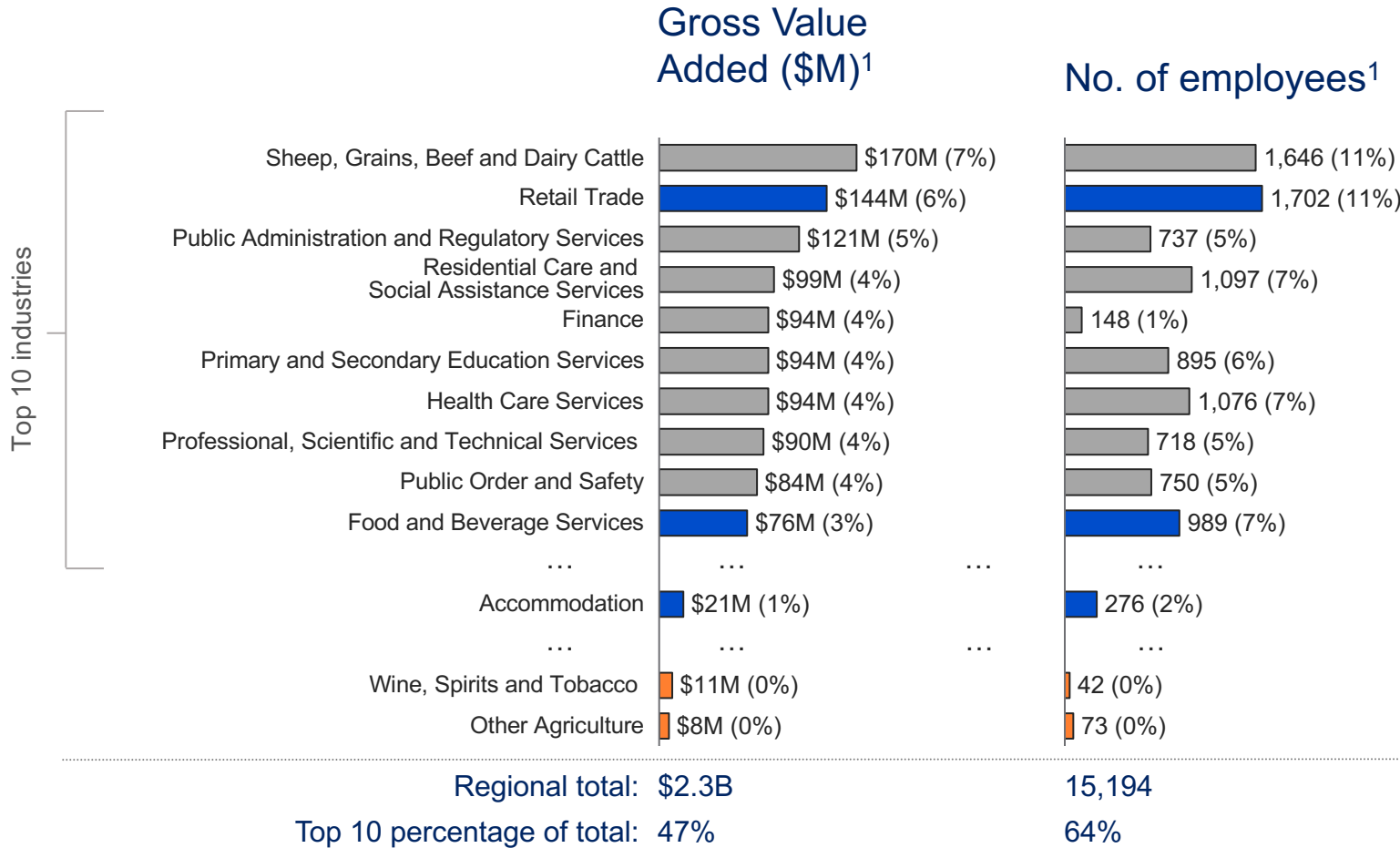


 Fire affected area **LGAs:** Goulburn Mulwaree; Upper Lachlan Shire; Yass Valley

Key physical impacts

- **Area burnt¹:** 372 km² burnt by bushfires, ~2.6% of total FER area—14,342 km²
- **Property damage²:** 16 properties damaged or destroyed²
- **Tourism:** Significant damage to areas surrounding Wombeyan Caves causing shut-down
- **Viticulture³:** ~1,331 tonnes of grapes affected by smoke taint across Yass Valley region impacting entire 2020 vintage
- **Agriculture⁴:** Reported damage to fencing, sheds, machinery and other agricultural infrastructure

Southern Tablelands experienced some fire impact, but is not exposed to ongoing impact due to diverse economy




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 ~\$86M in GVA and ~6% of FTE employment.

Some immediate impact to tourism due to nearby South Coast fire fears and tourism asset damage, however industry resilient due to visitation by transit travellers.
- 2** **Viticulture:** Smoke taint affecting 2020 vintage production with ~\$27M in economic loss in Yass Valley.² Grape supply chains affected by vineyard fire damage. However, limited impact as viticulture represents <1% of GVA.
- 3** **Agriculture³:** Minor damage to agricultural infrastructure (fencing, sheds and machinery) owned by individual landholders not expected to materially affect overall GVA.

Some industry endowments are impacted, but magnitude is low

Focus industries	Dependent endowments	Impacts
<p>1</p>  <p>Tourism</p>	<ul style="list-style-type: none"> 1 Topography, water, climate and soil 2 Location, accessibility and lifestyle benefits 4 Natural resources 6 Aboriginal heritage and historic heritage 8 Labour resources 	<ul style="list-style-type: none"> • No • Yes – Some immediate impact to accessibility with closure of transport corridors • Yes – Significant damage to areas surrounding Wombeyan Caves • No • No
<p>2</p>  <p>Viticulture</p>	<ul style="list-style-type: none"> 1 Topography, water, climate and soil 2 Location, accessibility and lifestyle benefits 4 Natural resources 8 Labour resources 	<ul style="list-style-type: none"> • Yes – Impact to irrigation water assets • Yes – Some immediate impact to accessibility with closure of transport corridors • No • Yes – No 2020 vintage will impact jobs
<p>3</p>  <p>Agriculture</p>	<ul style="list-style-type: none"> 1 Topography, water, climate and soil 4 Natural resources 8 Labour resources 	<ul style="list-style-type: none"> • No • No • No

Southern Tablelands's REDS strategic priorities are not materially impacted and remain viable



Strategic priorities



Degree of impact



Restructured priority focus areas

Sustain the Region's agriculture and agricultural processing advantage, especially in livestock



Low

- No material impact to priorities from fire

▫Build on the Region's core strength in energy generation and natural resource extraction



Low

- No material impact to priorities from fire

▫Realise the economic opportunity presented by public order, safety and aged care



Low

- No material impact to priorities from fire

▫Drive growth in the transport, access and logistics sector



Low

- Some disruption due to road closures but no significant ongoing impact expected

▫Enhancing the liveability of the Region and grow its visitor economy



Low

- Closure of Wombeyan Caves has some impact on small businesses in this region relying on passing trade spend

▫Prioritise lifestyle infrastructure and local place-making



Low

- No material impact to priorities from fire