REDS impact review

Tweed REDS fire impact addendum
May 2020
Executive summary

This document serves as a summary of the fire impact assessment for the Tweed Regional Economic Development Strategy (REDS) in response to the 2019-2020 bushfire crisis. It was developed in collaboration with regional staff, 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 was undertaken with a focus on impact from bushfire.

Fire impact in Tweed is primarily, but not limited to, tourism-related industries such as Retail Trade; Tweed’s largest industry by Gross Value Added (GVA) contribution. The tourism industry was impacted by road closures, smoke and perception issues primarily in the Western hinterlands. As fire impact is low and due to the strength of the Tweed’s tourism offering in Northern and Coastal areas drawing visitation from South East Queensland, tourism was temporarily impacted but there is limited long-term effect.

Overall, the strategic priorities within the REDS are not affected by fire. Revised priorities and initiatives to respond to fire impacts are not required as ability to delivery existing strategic priorities is not affected.

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 25 km², ~1% of total FER
2. Some immediate impact to tourism industry primarily in Western hinterlands due to proximity to fire, smoke and road closures
3. Recovery expected to be rapid due to strength of adjacent Gold Coast/South East Queensland tourism industry

Key takeaways

1. Ability to deliver REDS strategic priorities not affected
2. Continue to focus on developing tourism offering and reinforcing trade and visitation linkages with South East Queensland
Recap: Tweed REDS

### Regional endowments
1. Riverine, hinterland and coastal amenity
2. Proximity to South East Queensland
3. Rich soils and high rainfall
4. Airport, road and hospital infrastructure
5. Strong councils and government agencies
6. Southern Cross University
7. Rich indigenous culture and history
8. Wollumbin National Park
9. Strong Collective Arts Community

### Regional Specialisations
- **Engines of growth**
  - Tourism
  - Specialised agriculture
  - Food and wood product manufacturing
- **Enabling industries**
  - Tourism support services
- **Population serving industries**
  - Construction
  - Building Installation and Completion
  - Residential Care and Allied Health
  - Hospitals

### Strategic Priorities
- Leverage tourism endowments in a culturally and environmentally sensitive way
- Cultivate Tweed Shire’s specialised economic precincts and activities
- Increase cross border integration and offset tax and regulatory distortions
- Develop a precinct strategy for the Tweed Valley Hospital Development

Source: Tweed Regional Economic Development Strategy
25km² of the FER is physically impacted by fire, approximately 1% of the entire FER

Fire impacted area within Tweed FER

Key physical impacts

- **Area burnt**: 25 km² burnt by bushfires, ~1% of total FER area—2,641 km²
- **Property damage**: Only 2 properties damaged or destroyed
- **Tourism assets**: Some road closures of Pacific Highway to the south, heavy smoke diminished visitation and amenity

Fire affected area **LGAs**: Tweed; Gold Coast (QLD)

Source: 1. National Indicative Aggregated Fire Extent dataset (25/02/20); 2. RFS building impact assessments 31/01/20
Tweed experienced minimal fire impact that is not expected to be ongoing

Top 10 industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Gross Value Added ($M)</th>
<th>No. of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>$243M (8%)</td>
<td>3,050 (15%)</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>$201M (6%)</td>
<td>2,152 (10%)</td>
</tr>
<tr>
<td>Non-Residential Property Operators and Real Estate Services</td>
<td>$184M (6%)</td>
<td>1,788 (9%)</td>
</tr>
<tr>
<td>Public Administration and Regulatory Services</td>
<td>$180M (6%)</td>
<td>1,711 (8%)</td>
</tr>
<tr>
<td>Residential Care and Social Assistance Services</td>
<td>$167M (5%)</td>
<td>1,496 (7%)</td>
</tr>
<tr>
<td>Primary and Secondary Education Services</td>
<td>$163M (5%)</td>
<td>1,193 (6%)</td>
</tr>
<tr>
<td>Food and Beverage Services</td>
<td>$133M (4%)</td>
<td>1,116 (5%)</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>$117M (4%)</td>
<td>873 (4%)</td>
</tr>
<tr>
<td>Construction Services</td>
<td>$99M (3%)</td>
<td>623 (3%)</td>
</tr>
<tr>
<td>Road Transport</td>
<td>$79M (2%)</td>
<td>501 (2%)</td>
</tr>
<tr>
<td>...</td>
<td></td>
<td>397 (2%)</td>
</tr>
<tr>
<td>Accommodation</td>
<td>$53M (2%)</td>
<td></td>
</tr>
</tbody>
</table>

Regional total: $3.2B
Top 10 percentage of total: 49%

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 ~$179M in GVA and ~8% of FTE employment.

Tourism impacted by heavy smoke, Pacific Highway road closures and fire spread concerns. However, region expected to recover due to strength of Northern tourism industry continuing to attract travellers from South East Queensland.

1. 2015-16 CERD Input-Output tables | Source: CERD Input-Output tables; BCG analysis; CERD tourism analysis
Industry endowments are impacted, but magnitude of impact is low

<table>
<thead>
<tr>
<th>Focus industries</th>
<th>Dependent endowments</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Tourism</td>
<td>1 Riverine, hinterland and coastal amenity</td>
<td>- Yes – Minor forest burn in hinterland regions reducing amenity and accessibility</td>
</tr>
<tr>
<td></td>
<td>2 Proximity to South East Queensland</td>
<td>- No</td>
</tr>
<tr>
<td></td>
<td>4 Airport, road and hospital infrastructure</td>
<td>- Yes – Pacific Highway closures</td>
</tr>
<tr>
<td></td>
<td>7 Rich indigenous culture and history</td>
<td>- No</td>
</tr>
<tr>
<td></td>
<td>8 Wollumbin National Park</td>
<td>- No</td>
</tr>
<tr>
<td></td>
<td>9 Strong Collective Arts Community</td>
<td>- Yes – Personal impact to local community</td>
</tr>
</tbody>
</table>

Source: Tweed Regional Economic Development Strategy
Tweed REDS strategic priorities are not materially impacted and remain viable

**Strategic priorities**

- Leverage tourism endowments in a culturally and environmentally sensitive way
- Cultivate Tweed Shire’s specialised economic precincts and activities
- Increase cross border integration and offset tax and regulatory distortions
- Develop a precinct strategy for the Tweed Valley Hospital Development

**Degree of impact**

- Low

**Restructured priority focus areas**

- Some immediate impact to visitation but will not impact strategic priorities
- No material impact to priorities from fire
- No material impact to priorities from fire