

REDS Impact Review

Coffs Coast 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 Coffs Coast. 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 the 2 LGAs in Coffs Coast Functional Economic Region (FER): Bellingen and Coffs Harbour.

During the 2019-2020 bushfires Coffs Coast's tourism, agriculture and horticulture industries were all significantly impacted by fires. Some impact was felt in the form of severe smoke conditions and of direct destruction of industry assets and infrastructure. However, the relatively small size of the burn scar limited the extent of direct fire damage to industries in the region. In addition, certain communities have been more affected than others, specifically Nana Glen. Tourism and primary production nevertheless experienced significant and sustained indirect impacts from the bushfires. Impacts included approximately 40-60% decrease in tourism business revenue, significant flow-on impact to retail trade as a tourism-related industry and disruptions to primary production. Because of this, the overall impact to the region's economy is likely significant in the short to medium term. However, due to the diverse nature of the Coffs Coast economy and minimal long-run destruction of industry assets, overall impact from the bushfires on economic output is not likely to endure in the long term.

Example priorities identified in this document relate to, but are not limited to, continuing existing work on regional food hubs and provenance/branding, the development of emerging industries, 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.

Coffs Coast REDS addendum table of contents

Summary

Slide 4 High level summary of impacts and integrity of underlying REDS

Slide 5 Summary of REDS

Impacts on region and economy

Slide 6 □Map of impacts

Slide 7 □Magnitude of impacted industries

Slide 8 □Impact on endowments

Slide 9 □Assessment of impact on strategic priorities

Focus areas

Slide 11 □Summary of initiatives and changes to strategic priority focus areas

Slide 12 □**Deep dive:** Detailed view of short-term focus areas

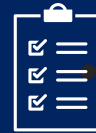
Slide 13 □**Deep dive:** Detailed view of medium-term focus areas

Slide 14 □**Deep dive:** Detailed view of long-term focus areas



Impact summary

- 1 Fire within Coffs Coast has burnt 256km², 9% of the FER, and impacted a number of industries
- 2 Significant tourism downturn from September to December, approximately 40-60% decrease in revenue for tourism-related businesses
- 3 Substantial infrastructure damage and some product loss for agriculture and horticulture industry, along with smoke disruption



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 highlighted by bushfires
- 3 Assistance is likely required to support impacted industries in short term

Recap: Coffs Coast REDS



Regional endowments

- 1 University and TAFE facilities
- 2 Coastal and river amenity
- 3 Arable lands and climate
- 4 Road, rail and airport infrastructure
- 5 Health precinct
- 6 Creative and cultural industries
- 7 Balance of opportunities
- 8 Councils and industry organisations
- 9 Harbour and foreshore areas



Regional Specialisations

- Engines of growth
 - Tourism
 - Agriculture, Forestry and Fishing
 - Manufacturing
- Enabling industries
 - Finance and Insurance Services
 - Professional and Scientific Services
 - Information Media and Telecommunications
- Population serving industries
 - Health Care and Social Assistance
 - Construction
 - Education and Training
 - Retail Trade



Strategic Priorities



▫Grow the year-round visitor economy by further diversifying offerings and connecting businesses in the sector



▫Enhance and support the Health Care and Social Assistance, tourism and professional and creative services industries by implementing skills development and attraction initiatives



▫Assist development of key Agri-business by building on the Region's clean and green image

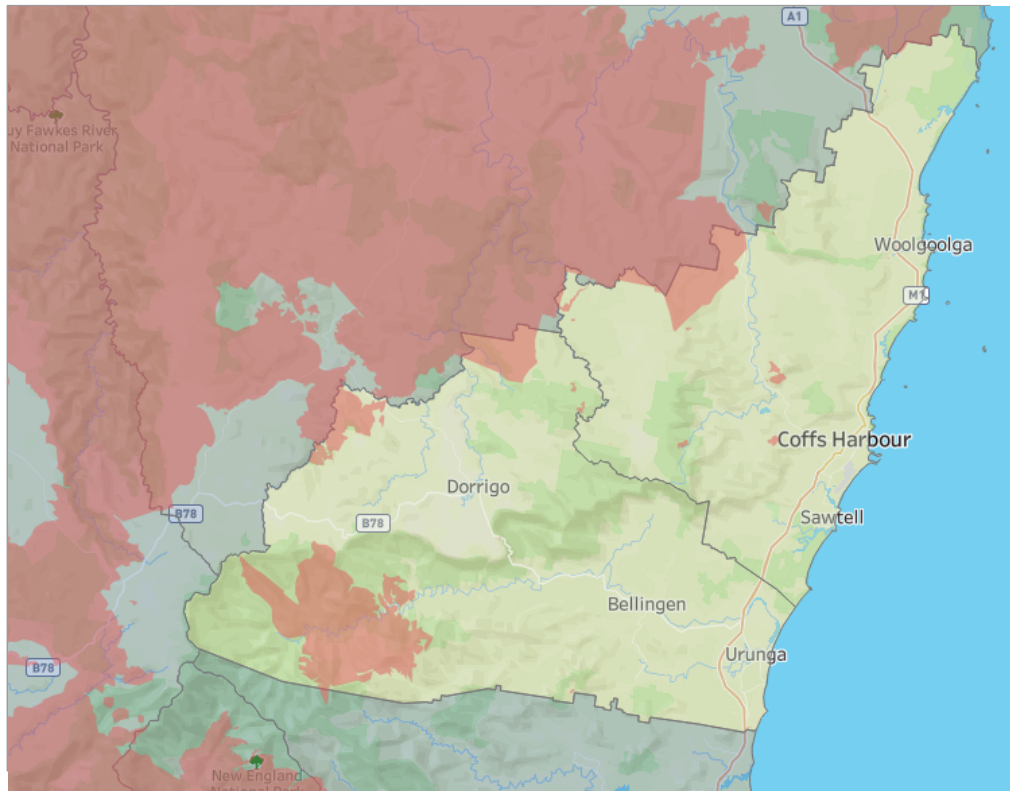


▫Enhance and grow the Health Care and Social Assistance; Education and Training and Manufacturing industries by the development and implementation of a Regional Precincts and Activity Centres

Masterplan

256km² of FER is physically impacted by fire, approximately 9% of the entire FER

Fire impacted area within Coffs Coast:



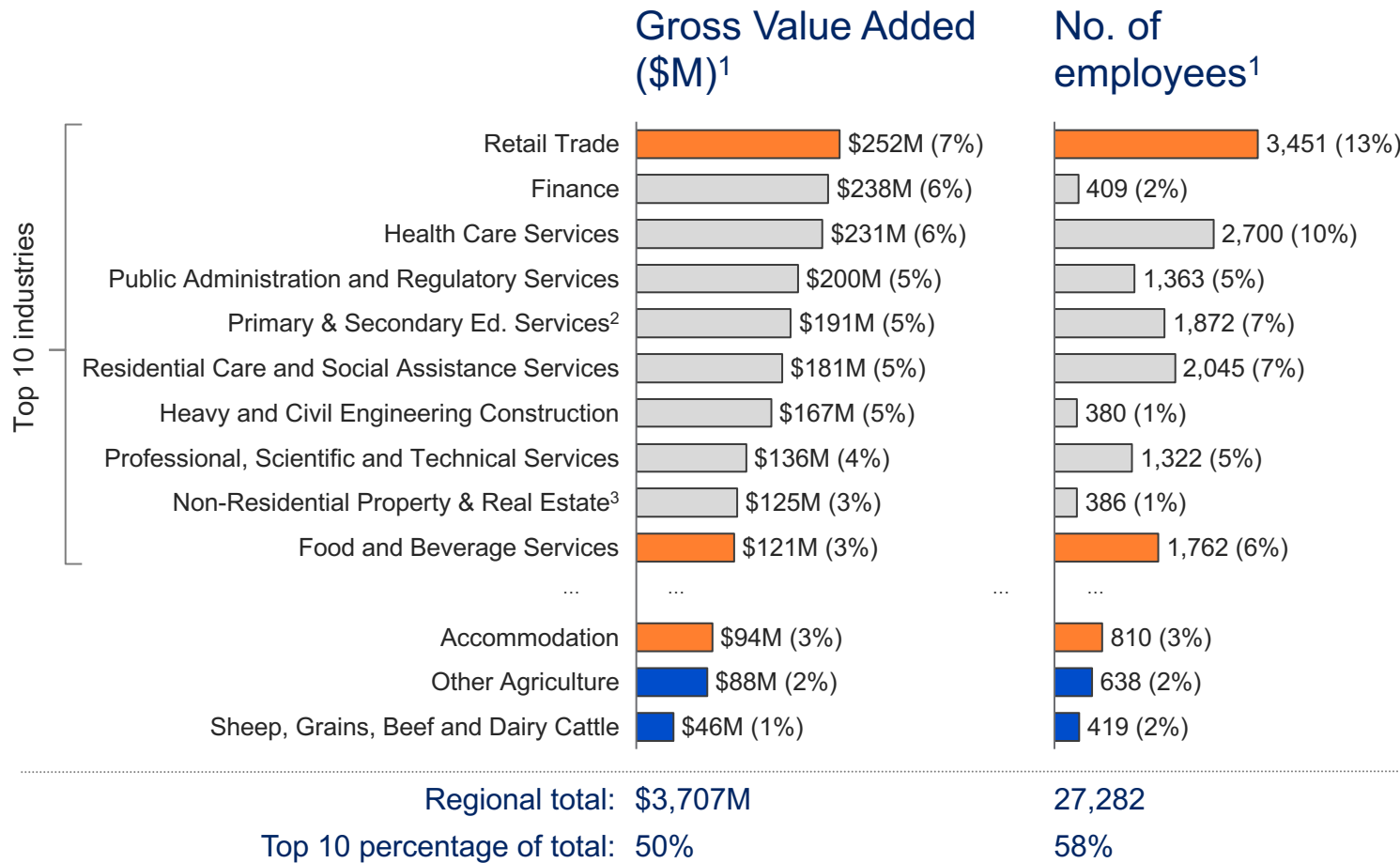
■ Fire affected area

LGAs: Bellingen; Coffs Harbour

Key physical impacts:

- □ **Area burnt¹:** 256 km² in burn scar (9% of total FER area – 2,774km²)
- □ **Property damage²:** 64 properties damaged or destroyed
- □ **Tourism³:** Bushfires resulted in National Park closures throughout FER
- □ **Agriculture⁴:** ~350km of boundary fencing reported destroyed by fires

Coffs Coast's diverse economy has limited 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 **~\$215M** in GVA and **~8.5%** of FTE employment
- 2** **Agriculture and horticulture:** 'Other Agriculture' (Horticulture) and 'Sheep, Grains, Beef and Dairy Cattle' account for **~\$134M** in GVA (and **~4%** of FTE employment)

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




Focus industries	Dependent endowments	Impacted
<p>1  Tourism</p>	<ul style="list-style-type: none"> 2 Coastal and river amenity 4 Road, rail and airport infrastructure 6 Creative and cultural industries 9 Harbour and foreshore areas 	<p>Yes – 9% of FER in burn scar, significant damage to natural amenity and nature-based attractions</p> <p>Yes – Significant access issues during bushfires</p> <p>Yes – Indirectly disrupted by visitation down-turn and impacts to individuals in industries</p> <p>No</p>
<p>2  Agriculture and horticulture</p>	<ul style="list-style-type: none"> 3 Arable lands and climate 4 Road, rail and airport infrastructure 7 Balance of opportunities 	<p>Yes – Some direct damage to arable land</p> <p>Yes – Significant access issues during bushfires</p> <p>No</p>

Coffs Coast focus areas require restructuring to respond to fire impact

 Strategic priorities	 Degree of impact	 Restructured priority focus areas
□ Grow the year-round visitor economy by further diversifying offerings and connecting businesses in the sector	 High	Bushfires had significant impact on visitor economy, indirectly disrupting implementation of this strategic priority <ul style="list-style-type: none"> □ Assist with recovery of industry to minimise overall impact on businesses
□ Enhance and support the Health Care and Social Assistance, tourism and professional and creative services industries by implementing skills development and attraction initiatives	 Low	Bushfires had minimal direct impact on skills development and attraction initiatives, but did highlight the importance of this strategic priority <ul style="list-style-type: none"> □ Where there was direct damage to infrastructure build back better to assist with implementation of this strategic priority
□ Assist development of key Agri-business by building on the Region's clean and green image	 Medium	Direct impact on perceptions about Coffs Coast during high point of fires, but longer-term perception problems for agribusiness unlikely <ul style="list-style-type: none"> □ Ensure that bushfires do not have an ongoing impact on perceptions about region □ Continue focusing on increased value add and regional provenance
□ Enhance and grow the Health Care and Social Assistance; Education and Training and Manufacturing industries by the development and implementation of a Regional Precincts and Activity Centres Masterplan	 Low	Bushfires had minimal direct impact on masterplan, but did highlight the importance of this strategic priority <ul style="list-style-type: none"> □ Continue to focus on strategic priority, ensuring sufficient focus is received



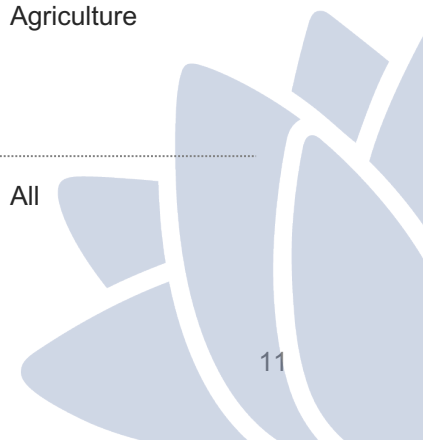
Coffs Coast potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 Tourism	<ol style="list-style-type: none"> 1 Support immediate industry recovery 2 Develop and deploy business education initiatives 3 Develop coordinated marketing plan 	<ol style="list-style-type: none"> 1 Implement coordinated marketing plan 2 Support tourism industry development, building new tourism attractions and assets 	<ol style="list-style-type: none"> 1 Continue to support tourism industry development
 Agriculture and horticulture	<ol style="list-style-type: none"> 4 Support recovery of damaged industry infrastructure 5 Support greater industry connectivity, cooperation and value-add 	<ol style="list-style-type: none"> 3 Diversify and intensify agricultural production 4 Continue developing regional value add to agriculture and horticulture industry 	<ol style="list-style-type: none"> 2 Continue to diversify and intensify agricultural production
 Other	<ol style="list-style-type: none"> 6 Consider initiatives that build community integrity and resilience 	<ol style="list-style-type: none"> 5 Invest in regional infrastructure to improve connectivity and resilience 6 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: Coffs Coast short-term focus areas



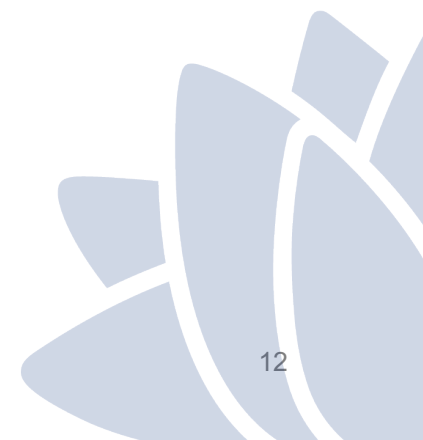
Focus areas	Description	Rationale	Relevant industry
1 Support immediate industry recovery and rebuild	<ul style="list-style-type: none"> Support rebuild of directly damaged assets and enabling infrastructure Identify ways to capitalise on future demand for domestic travel 	<ul style="list-style-type: 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
2 Develop and deploy business education initiatives	<ul style="list-style-type: none"> Develop tourism industry through access to business planning and management skills training Encourage tourism operators to construct professional development and skill-building pathways for employees and future workforce 	<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 recovery of damaged industry infrastructure	<ul style="list-style-type: none"> Support rebuild of supporting infrastructure and sourcing new stock and seedlings 	<ul style="list-style-type: none"> Assists industry to return to pre-bushfire baseline as quickly as possible, minimising bushfire impact on longer-term production 	<ul style="list-style-type: none"> Agriculture
5 Support greater industry connectivity, cooperation and in-region value-add	<ul style="list-style-type: none"> Identify ways to improve in-region for primary producers, expanding their access to more markets Encourage greater cooperation/industry clustering and in-region value-add through innovation and product development (e.g innovation within agriculture/food hub) 	<ul style="list-style-type: none"> Improves connectivity for primary producers, allows smaller operators to access scale/equipment they currently do not have the size to use 	<ul style="list-style-type: none"> Agriculture
6 Consider initiatives that build community integrity and resilience	<ul style="list-style-type: none"> Initiatives around community infrastructure that will build community integrity and resilience 	<ul style="list-style-type: none"> Community assets provide a sense of place and community, important to recovery 	<ul style="list-style-type: none"> All



Deep dive: Coffs Coast medium-term focus areas (I/II)



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	<ul style="list-style-type: none"> Support tourism industry development such as new tourism attractions and supporting infrastructure (e.g. accommodation) that leverage existing endowments and natural amenity and are disability-inclusive Support development of industry clusters (e.g. wellness industry) 	<ul style="list-style-type: none"> Promotes emergence of a more varied and resilient tourism offering; ultimately improves visitor experience and increases total visitor spend, driving higher GVA 	<ul style="list-style-type: none"> Tourism
3 Diversify and intensify agricultural production	<ul style="list-style-type: none"> Continue strategic planning around agricultural production already underway, promote production of high-value products suited to regional climate (e.g. blueberries) and optimise primary production in the FER 	<ul style="list-style-type: none"> Grow total agriculture income through high value operations, reduce dependency on single crop/type of livestock 	<ul style="list-style-type: none"> Agriculture
4 Continue developing regional value add to agriculture and horticulture industry	<ul style="list-style-type: none"> Improve regional agriculture value-add through industry development initiatives, leveraging work currently underway on regional provenance and food branding; consider initiatives that support industry innovation; identify ways to improve industry representation and collaboration 	<ul style="list-style-type: none"> Improves demand for agricultural production; encourages more primary producers to operate in the region, and encourages existing producers to innovate/value add 	<ul style="list-style-type: none"> Agriculture



Deep dive: Coffs Coast medium-term focus areas (II/II)



Focus areas	Description	Rationale	Relevant industry
<p>5 Invest in regional infrastructure to improve resilience and connectivity</p>	<ul style="list-style-type: none"> Improve mobile and internet connectivity in the region, and physical connectivity 	<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
<p>6 Support large and emerging industries with appropriate initiatives and infrastructure</p>	<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, arts and creative industries, the wellness sector) 	<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: Coffs Coast long-term focus areas



Focus areas	Description	Rationale	Relevant industry
<p>1 Continue to support tourism industry development</p>	<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
<p>2 Continue to diversify and intensify agricultural production</p>	<ul style="list-style-type: none"> Continue promoting production of high value products suited to regional climate in line with strategic planning 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"> Agriculture
<p>3 Continue to support large and emerging industries with appropriate initiatives and infrastructure</p>	<ul style="list-style-type: none"> Guide new business initiatives and provide assistance where required such as business skills advice 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

