

REDS Impact Review

MidCoast 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 MidCoast. 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 the document were identified and developed in collaboration with Local Government.

The original REDS for MidCoast identified its strengths in a number of different industries including primary production, education and tourism-related industries such as accommodation and food services. The Functional Economic Region (FER) is also geographically and socially diverse, being large in overall size (~10,000km²), with both a hinterland and a coastal footprint, and communities of different size and proximity to urban centres. During the bushfires tourism, agriculture were all significantly affected – both by direct bushfire impact to assets and infrastructure, as well as various indirect impacts such as visitation downturn and connectivity disruptions. In particular, areas near Taree were indirectly affected, with in region consumption reduced and 'business as usual' operations disrupted. In the short term it is anticipated that the overall impact of the bushfires on tourism and primary production is likely to be significant. Over the long term, as industries recover, fire impact on the economy will be limited. The bushfire impacts, however, come in addition to previous long running drought impacts.

Example priorities identified in this document relate to, but are not limited to, improving disaster response and management, investment in enabling infrastructure to improve resilience, diversification and continuity 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 Fires within MidCoast have burnt 2371km², 24% of the FER, and have impacted a number of core industries
- 2 Sustained tourism downturn from September 2019 to January 2020
- 3 Significant loss of agricultural assets/infrastructure and disruptions, as well as major short-term disruptions to productivity and business operations



Key takeaways

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

Recap: MidCoast REDS



Regional endowments

- 1 Agricultural land
- 2 Reliable rainfall
- 3 Road and rail infrastructure
- 4 Proximity to Sydney, Newcastle
- 5 Lifestyle and amenity
- 6 Institutions such as health



Regional Specialisations

- Agriculture
- Aged Care and Social Assistance
- Accommodation and Food Services
- Food product manufacturing



Strategic Priorities



- Strengthening the region as a location of choice



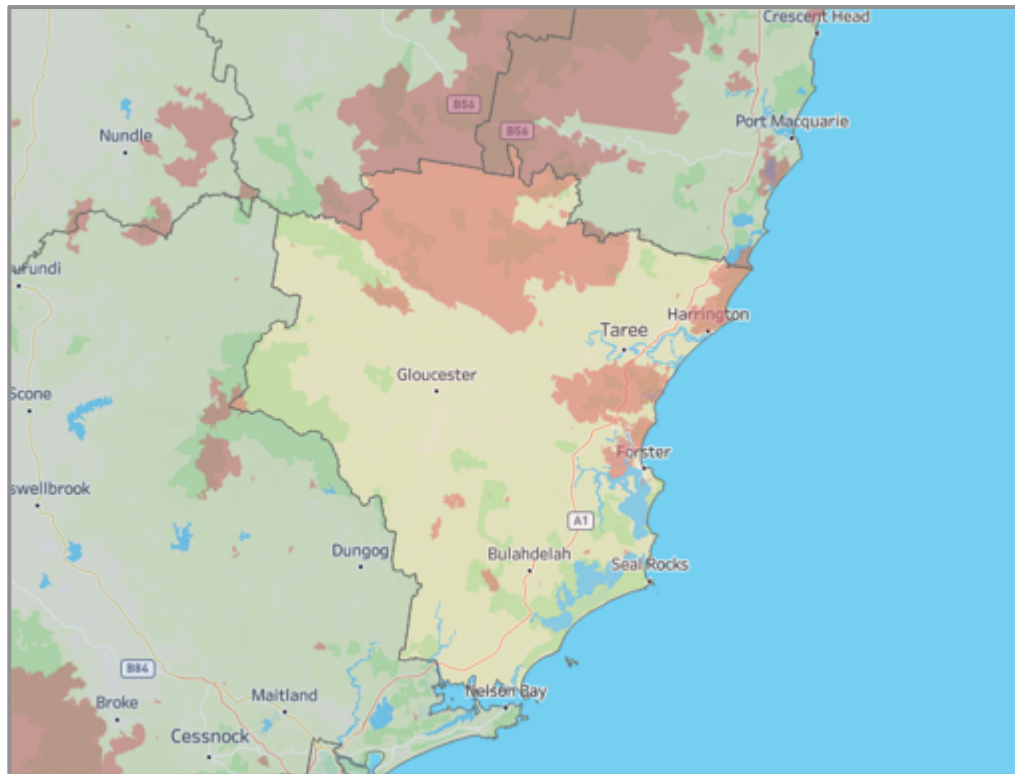
- Creating a supportive environment for businesses to invest and grow



- Marketing the MidCoast region

2,371km² of FER is physically impacted by fire, approximately 24% of the entire FER

Fire impacted area within MidCoast:



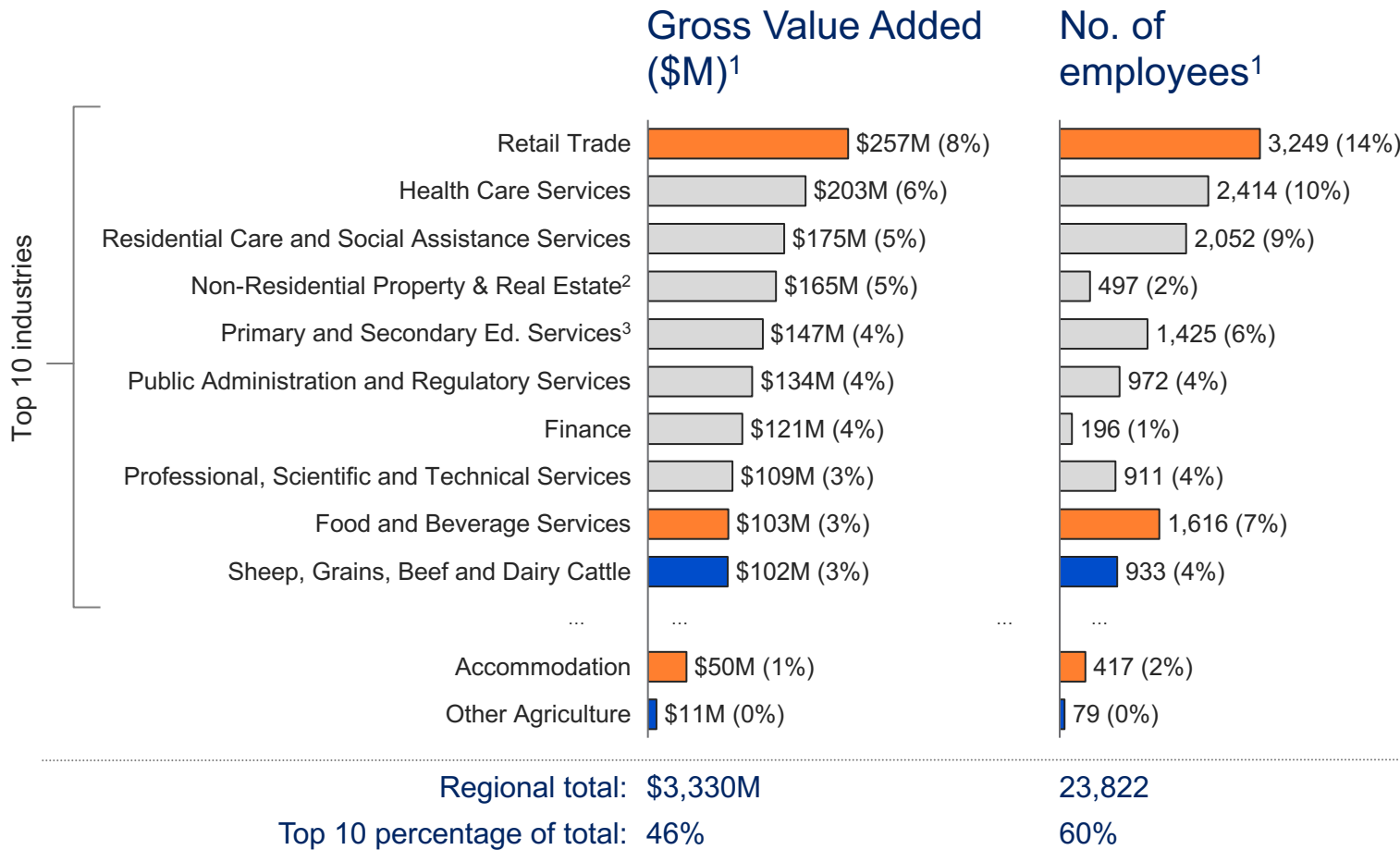
■ Fire affected area

LGAs: MidCoast

Key physical impacts:

- **Area burnt¹**: 2,371 km² burnt by bushfires (24% of total FER area – 10,054km²)
- **Property damage²**: 617 properties damaged or destroyed
- **Tourism³**: Direct bushfire impact to National Parks and State Forests (including closures); connectivity disruptions significantly affecting visitation
- **Agriculture⁴**: Significant fencing loss across FER (~20,000km including both boundary and internal fencing⁵); 52 livestock reported dead, of which 29 are cattle⁶

MidCoast relatively exposed to tourism and agriculture 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 **\$250M** in GVA and **~10.5%** of FTE employment
- 2 Agriculture:** 'Sheep, Grains, Beef and Dairy Cattle' and 'Other Agriculture' (Horticulture) account for **~\$133M** in GVA (~4% of total regional GVA), and 1,012 in FTE positions (~4% of total)

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

Focus industries	Dependent endowments	Impacted
<p>1  Tourism</p>	<p>3 Road and rail infrastructure 4 Proximity to Sydney, Newcastle 5 Lifestyle and amenity</p>	<ul style="list-style-type: none"> • Yes – Damage to infrastructure and connectivity disruptions during fires • Yes – Impacted during fires due to access issues and road closures • Yes – 25% of FER in burn scar
<p>2  Agriculture</p>	<p>1 Agricultural land 2 Reliable rainfall</p>	<ul style="list-style-type: none"> • Yes – Agricultural land directly burnt • No – Fires have not affected rainfall, but drought continues to affect agriculture

MidCoast focus areas require some restructuring to respond to fire impact



Strategic priorities

▫ Strengthening the region as a **location of choice**

▫ Creating a **supportive environment** for businesses to invest and grow

▫ **Marketing** the **MidCoast** region



Degree of impact

Medium

Medium

Medium



Restructured priority focus areas




▫ The bushfires have significantly affected the regional economy in the short term. This has potentially disrupted the development of the FER as a location of choice for future residents and businesses

- Where industry impacts emerged, support recovery
- Where the bushfires highlighted problems with enabling infrastructure (e.g. mobile connectivity/road networks), support improved resilience to build community confidence

Bushfires had a direct impact on perceptions of the region at the high point of the fire crisis

- Continue developing a coordinated marketing plan which identifies how best to market the region as open for business and to maximise visitation; implement when COVID-19 movement restrictions are lifted
- In parallel, continue existing work on destination management to increase the number of attractions and assets and improve industry capacity that can compliment marketing campaigns

MidCoast potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 <p>Tourism</p>	<ol style="list-style-type: none"> 1 Develop and deploy business education and capacity building initiatives 2 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
 <p>Agriculture</p>	<ol style="list-style-type: none"> 3 Rectify damaged industry infrastructure and support increased industry resilience 	<ol style="list-style-type: none"> 3 Support agricultural industry development, planning and innovation 4 Diversify and intensify agricultural production 	<ol style="list-style-type: none"> 2 Continue to support agricultural industry development
 <p>Other</p>	<ol style="list-style-type: none"> 4 Invest in regional infrastructure to improve connectivity and resilience, and boost regional economy 5 Build disaster response capabilities and infrastructure 	<ol style="list-style-type: none"> 5 Support major and emerging industries with appropriate initiatives and infrastructure 	<ol style="list-style-type: none"> 3 Continue to support major and emerging industries with appropriate initiatives and infrastructure

Deep dive: MidCoast short-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Develop and deploy business education initiatives	<ul style="list-style-type: none"> Develop tourism industry through access to business planning and management skills training and resources Encourage tourism operators to construct professional development pathways for employees 	<ul style="list-style-type: none"> Building the capacity of 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 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
3 Rectify damaged industry infrastructure and support increased industry resilience	<ul style="list-style-type: none"> Support recovery and rebuild of damaged agriculture infrastructure (e.g. productive assets, buildings) and sourcing new stock and seedlings Identify ways promote improved resilience, potentially through infrastructure 	<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
4 Invest in regional infrastructure	<ul style="list-style-type: none"> Invest in regional infrastructure to support key industries, promote industry diversification and better leverage endowments (e.g. road or air connectivity, telecommunications and water infrastructure) 	<ul style="list-style-type: none"> Infrastructure will promote positive economic activity, improve productivity and improve connectivity within market and to other markets for key industries such as tourism, agriculture and forestry 	<ul style="list-style-type: none"> All
5 Build disaster response capabilities and infrastructure	<ul style="list-style-type: none"> Improve disaster response capacity and institutions including crisis response plans, risk management and infrastructure 	<ul style="list-style-type: none"> Enhances future bushfire response and recovery efforts. Minimises risk of disruption to those efforts because of natural disasters 	<ul style="list-style-type: none"> All



Deep dive: MidCoast 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"> Support new enabling tourism infrastructure that leverages existing endowments into new attractions/offerings (e.g. iconic coastal walk, state forest and national park development), in line with existing robust destination management planning¹ Encourage tourism operators to share information and create joint product offerings. Encourage the creation of offerings that tap into multiple sectors (e.g. agritourism/farmgate tourism, Aboriginal and cultural heritage tourism) and adjacent regions (e.g. through Hunter and Port Macquarie regions) 	<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 agriculture industry development, planning and innovation	<ul style="list-style-type: none"> Explore improvements to regional connectivity that improve freight/access options for primary producers Support industry infrastructure that improves regional resilience 	<ul style="list-style-type: none"> Improves overall industry resilience and connectivity, insulating it against risk from future fires and increasing contribution to GVA 	<ul style="list-style-type: none"> Agriculture
4 Diversify and intensify agricultural production	<ul style="list-style-type: none"> Promote production of high value products suited to regional climate 	<ul style="list-style-type: none"> Grow total agriculture income through high value operations, reduce dependency on single crop/livestock 	<ul style="list-style-type: none"> Agriculture
5 Support major and emerging industries with appropriate initiatives and infrastructure	<ul style="list-style-type: none"> Support major and emerging industries through initiatives such as promotion, regional branding, co-investment, and infrastructure development 	<ul style="list-style-type: none"> Promoting emerging industries will increase regional GVA, diversify industry risk and promote additional employment 	<ul style="list-style-type: none"> All

1. MidCoast Destination Management Plan; as discussed during LGA engagement on 24/04/20

Deep dive: MidCoast 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 entrepreneurial business skills training • Ensure cohesive regional tourism message that promotes diversified tourism opportunity and align with existing industry strategies • Specific opportunities to be reviewed as they become evident 	<ul style="list-style-type: none"> • Promoting emerging and diversifying 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 support agricultural industry development</p>	<ul style="list-style-type: none"> • Continue promoting production of high value products suited to regional climate • 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 major 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 major 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 major and emerging industry will increase regional GVA, diversify industry risk and promote additional employment 	<ul style="list-style-type: none"> • All

