

# REDS Impact Review

Nambucca 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 Nambucca. 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.

Nambucca is a relatively small regional economy with a diverse range of engine industries, from primary production to manufacturing. During the 2019-2020 bushfires forestry, tourism, and agriculture all sustained significant direct bushfire damage, either to core assets or enabling industry infrastructure. All industries sustained protracted indirect effects, including visitation downturn in the tourism industry and processing disruptions in forestry. Though the gross impact to regional Gross Value Added (GVA) may be small, as a proportion of Nambucca's economy that impact may be significant in the short term. This reflects Nambucca's exposure to the industries affected by fires. The bushfires have also highlighted the importance of the existing strategic priorities, as well as the benefits of improving resilience, connectivity and disaster response management.

Example priorities identified in this document relate to, but are not limited to, infrastructure investment, forestry recovery, tailored housing support, 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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## Impact summary

- 1 Fire within Nambucca has burnt 392km<sup>2</sup>, approximately 26% of the FER, and impacted a number of industries
- 2 Approximately 30-50% tourism downturn from September to December
- 3 Significant disruption to agriculture caused by asset damage, herd and product loss
- 4 Significant disruptions to forestry supply in FER, affecting harvesting and manufacturing industries and potentially causing sizable impact to regional GVA in long term



## 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 emphasised by bushfires
- 3 Assistance required to support impacted industries in short term

# Recap: Nambucca REDS



## Regional endowments

- 1 Natural amenity, state forests and national parks
- 2 Arable land, climate and water
- 3 Midpoint between major metropolitan markets
- 4 Roads, airports and private capital equipment
- 5 Clean, Green, Organic Branding
- 6 North Coast Institute of TAFE
- 7 Nambucca Shire Council
- 8 Aboriginal Cultural Heritage
- 9 Human endowments (balance of opportunities, specialised skill sets and entrepreneurship)



## Regional Specialisations

- Engines of growth
  - Tourism
  - Vehicle Manufacturing
  - Agriculture
- Enabling industries
  - Tourism-related services
  - Commercial construction
  - Financial, profession and technical services
- Population serving industries
  - Residential construction
  - Residential care

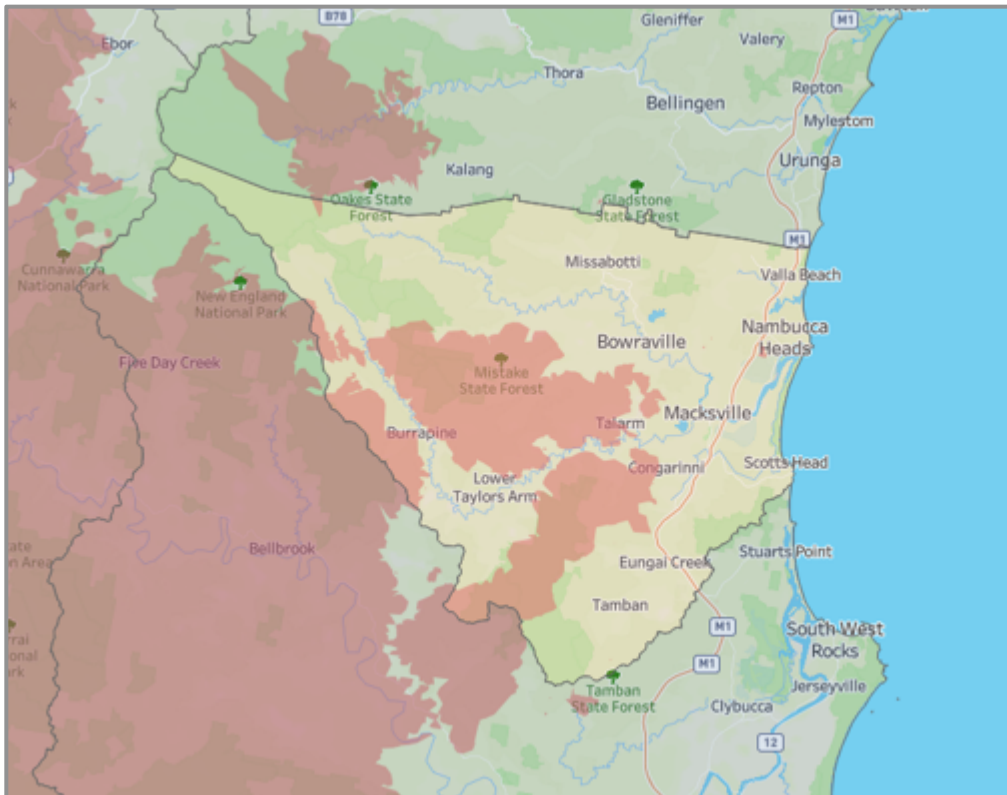


## Strategic Priorities

- Enable the growth of the manufacturing cluster by increasing the supply of industrial land
- Develop a vehicle body manufacturing cluster plan
- Protect and enhance the region's endowments supporting tourism and agriculture
- Facilitate population growth to expand the shire's internal markets

# 393km<sup>2</sup> of FER is physically impacted by fire, approximately 26% of the entire FER

Fire impacted area within Nambucca:



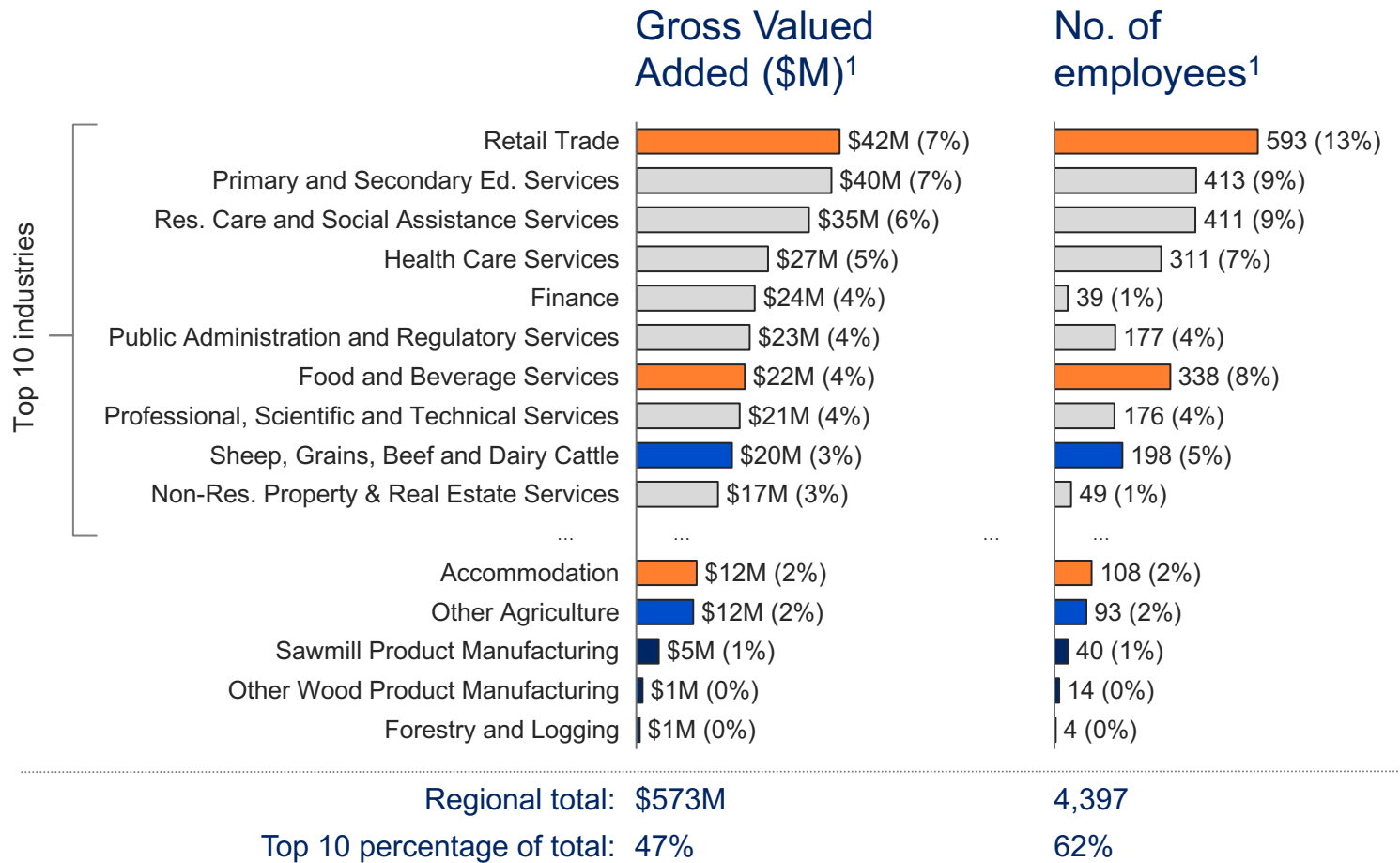
■ Fire affected area

**LGAs: Nambucca**

Key physical impacts:

- **Area burnt<sup>1</sup>**: 393 km<sup>2</sup> in burn scar (26% of total FER area – 1,491km<sup>2</sup>)
- **Property damage<sup>2</sup>**: 249 properties damaged or destroyed
- **Tourism<sup>3</sup>**: Significant direct bushfire impact to national parks
- **Agriculture<sup>4</sup>**: At least 1,400km of fencing reported as destroyed
- **Forestry<sup>5</sup>**: Potential for up to ~10% of forestry supply lost; significant damage to private plantations

# Nambucca has a small and diverse economy with primary fire impacts to tourism and agriculture






## Impacted focus industries

- 1 Tourism:** Tourism is a broad subset of tourism-related industries such as Retail Trade, Food and Beverage Services, Accommodation etc; CERD analysis indicates that tourism contributes **~\$31M** in GVA and **~8%** of FTE employment
- 2 Agriculture and horticulture:** Agriculture and horticulture-related industries (Sheep, Grains, Beef and Dairy Cattle) account for **~\$32M** in GVA (and 7% of FTE employment)
- 3 Forestry:** Forestry-related industries account for **~\$6.5M** in GVA



# Nambucca's 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>3 Midpoint between major metropolitan markets</li> <li>4 Roads, airports and private capital equipment</li> <li>5 Clean, Green, Organic Branding</li> <li>8 Aboriginal Cultural Heritage</li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> No</li> <li>• <input type="checkbox"/> Yes – Direct impact from bushfires</li> <li>• <input type="checkbox"/> Yes – Bushfire damage affects perception</li> <li>• <input type="checkbox"/> No</li> </ul>
<p>2  Agriculture and horticulture</p>	<ul style="list-style-type: none"> <li>1 Natural amenity, state forests and national parks</li> <li>2 Arable land, climate and water</li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Yes – 26% of FER in burn scar</li> <li>• <input type="checkbox"/> Yes – Direct impact from bushfires</li> </ul>
<p>3  Forestry</p>	<ul style="list-style-type: none"> <li>1 Natural amenity, state forests and national parks</li> <li>2 Arable land, climate and water</li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Yes – 26% of FER in burn scar</li> <li>• <input type="checkbox"/> Yes – Direct impact from bushfires</li> </ul>

# Nambucca focus areas require restructuring to respond to fire impact



## Strategic Priorities



## Degree of impact



## Restructured priority focus areas

▫ Enable the growth of the **manufacturing cluster** by increasing the supply of industrial land



Low

Bushfires had minimal direct impact on development of a manufacturing cluster. However, bushfires delayed implementation of strategic priorities by redirecting limited resources and creating delays in development processes:

- Ensure the growth of the manufacturing cluster through access to industry resources
- Look to capitalise on potential increased demand for domestic manufacturing base due to COVID-19

▫ Develop a **vehicle body manufacturing cluster plan**



Low

▫ Protect and enhance the region's **endowments supporting tourism and agriculture**



Medium

▫ Burn in FER has damaged natural endowments supporting both tourism and agriculture (e.g. national parks, pasture and soil quality).

- Where possible assist with rebuild and repair of endowments and enabling infrastructure to minimise overall impact on tourism and agriculture industries

▫ Facilitate **population growth** to expand the shire's **internal markets**







High

▫ Bushfires have disrupted efforts to grow internal population by creating risk of depopulation in the FER through impact on employment and damage to housing;

- Support access to accommodation solutions for vulnerable people, and provide social support for bushfire-affected individuals

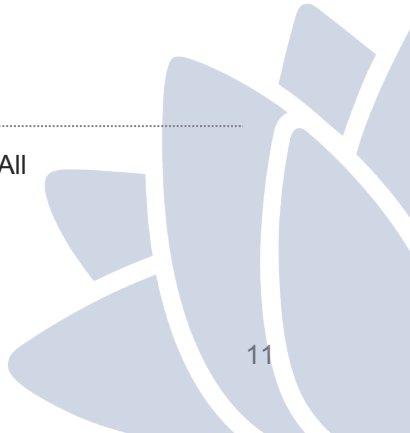
# Nambucca potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 <p><b>Tourism</b></p>	<ol style="list-style-type: none"> <li>1 Develop and deploy business education initiatives</li> <li>2 Develop coordinated marketing plan</li> </ol>	<ol style="list-style-type: none"> <li>1 Implement coordinated marketing plan</li> <li>2 Encourage emergence of industry clusters</li> </ol>	<ol style="list-style-type: none"> <li>1 Continue to support tourism industry development</li> </ol>
 <p><b>Agriculture and horticulture</b></p>	<ol style="list-style-type: none"> <li>3 Rectify damaged industry infrastructure</li> </ol>	<ol style="list-style-type: none"> <li>3 Diversify and intensify agricultural production</li> </ol>	<ol style="list-style-type: none"> <li>2 Continue to diversify and intensify agricultural production</li> </ol>
 <p><b>Forestry</b></p>	<ol style="list-style-type: none"> <li>4 Support workforce displaced by bushfire impact on operations</li> <li>5 Explore ways to ensure continuity of supply to mill operators</li> </ol>	<ol style="list-style-type: none"> <li>4 Support consistent supply arrangements for mill operators</li> </ol>	<ol style="list-style-type: none"> <li>3 Continue to support forestry industry development</li> </ol>
 <p><b>Other</b></p>	<ol style="list-style-type: none"> <li>6 Support community members particularly impacted by bushfires</li> <li>7 Continue improving disaster management practices around provision of information</li> </ol>	<ol style="list-style-type: none"> <li>5 Invest in regional infrastructure to improve connectivity and resilience</li> <li>6 Build disaster response capabilities and infrastructure</li> <li>7 Support large and emerging industries with appropriate initiatives and infrastructure</li> </ol>	<ol style="list-style-type: none"> <li>4 Continue to support large and emerging industries with appropriate initiatives and infrastructure</li> </ol>

# Deep dive: Nambucca short-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Develop and deploy business education initiatives	<ul style="list-style-type: none"> <li>Develop tourism industry through access to business planning and management skills training and encourage professional development pathways for employees</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>Tourism, other</li> </ul>
2 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>
3 Rectify damaged industry infrastructure	<ul style="list-style-type: none"> <li>Support repair of damaged industry infrastructure and support sourcing of new stock and seedlings</li> </ul>	<ul style="list-style-type: none"> <li>Assists industry to return to pre-bushfire baseline as quickly as possible, minimising bushfire impact on longer-term production</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture</li> </ul>
4 Support workforce displaced by bushfire impact on operations	<ul style="list-style-type: none"> <li>Identify ways to support workforce potentially stood down due to decreased throughput at local mills; ensure adjacent workforce (contractors, freight operators) receive assistance and structure transitions where possible</li> </ul>	<ul style="list-style-type: none"> <li>Ensures continuity of work for employees part of an important and highly impacted industry</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
5 Explore ways to ensure continuity of supply to mills	<ul style="list-style-type: none"> <li>Where possible, support local mills to source alternative wood where disrupted to maximise throughput and preserve jobs</li> </ul>	<ul style="list-style-type: none"> <li>Minimises impact to production (and contribution to overall GVA) in forestry processing industry</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
6 Support community members particularly impacted by bushfires	<ul style="list-style-type: none"> <li>Support housing solutions for vulnerable members of the community to minimise risk of depopulation</li> <li>Leverage detailed information gathered through bushfire response to provide tailored economic and social support to bushfire-affected individuals</li> </ul>	<ul style="list-style-type: none"> <li>Assists vulnerable members of the community most directly affected by the bushfires. Minimises risk of depopulation and minimises bushfires' ongoing impact on their security and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
7 Continue improving disaster management practices around provision of information	<ul style="list-style-type: none"> <li>Continue finding ways to ensure people across Nambucca can access timely information during a disaster. Where possible, improve mobile connectivity blackspots and increase overall uptake of satellite internet services to improve resilience</li> </ul>	<ul style="list-style-type: none"> <li>Directly improves community safety and wellbeing in the event of future crises, whilst providing platform for digital business innovation</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>



# Deep dive: Nambucca medium-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 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</li> <li>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>
2 Encourage emergence of industry clusters	<ul style="list-style-type: none"> <li>Encourage tourism operators to share information and create joint product offerings.</li> <li>Encourage the creation of tourism offerings that tap into multiple sectors (e.g. farmgate tourism)</li> </ul>	<ul style="list-style-type: none"> <li>Promotes emergence of a more integrated and mature tourism industry; ultimately improves visitor experience and increases total visitor spend, driving higher GVA</li> </ul>	<ul style="list-style-type: none"> <li>Tourism, agriculture</li> </ul>
3 Diversify and intensify agricultural production	<ul style="list-style-type: none"> <li>Promote production of high value products suited to regional climate</li> </ul>	<ul style="list-style-type: none"> <li>Grow total agriculture income through high value operations, reduce dependency on single crop/type of livestock</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture</li> </ul>
4 Support consistent supply arrangements for mill operators	<ul style="list-style-type: none"> <li>Support operators to position supply arrangements and business operations to better account for variations in input material volumes received in response to crisis</li> </ul>	<ul style="list-style-type: none"> <li>Increases overall efficiency of operations and increases overall throughput. Improves overall forestry GVA contribution (and possible FTE employment capacity)</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
5 Invest in regional infrastructure to improve resilience and connectivity	<ul style="list-style-type: none"> <li>Improve mobile and internet connectivity in the region, and physical connectivity through roads etc.</li> </ul>	<ul style="list-style-type: none"> <li>Improves overall regional resilience against future bushfire events; at the same time provides broader economic benefits to community and business</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
6 Build disaster response capabilities and infrastructure	<ul style="list-style-type: none"> <li>Improve disaster response capacity and institutions; including crisis response infrastructure (SES headquarters)</li> </ul>	<ul style="list-style-type: none"> <li>Enhances future bushfire response and recovery efforts. Minimises risk of disruption to those efforts because of natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
7 Support large and emerging industries with appropriate initiatives and infrastructure	<ul style="list-style-type: none"> <li>Support large and emerging industries through initiatives such as promotion, regional branding, co-investment, and infrastructure development</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>

# Deep dive: Nambucca medium-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 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</li> <li>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>
2 Encourage emergence of industry clusters	<ul style="list-style-type: none"> <li>Encourage tourism operators to share information and create joint product offerings.</li> <li>Encourage the creation of tourism offerings that tap into multiple sectors (e.g. farmgate tourism)</li> </ul>	<ul style="list-style-type: none"> <li>Promotes emergence of a more integrated and mature tourism industry; ultimately improves visitor experience and increases total visitor spend, driving higher GVA</li> </ul>	<ul style="list-style-type: none"> <li>Tourism, agriculture</li> </ul>
3 Diversify and intensify agricultural production	<ul style="list-style-type: none"> <li>Promote production of high value products suited to regional climate</li> </ul>	<ul style="list-style-type: none"> <li>Grow total agriculture income through high value operations, reduce dependency on single crop/type of livestock</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture</li> </ul>
4 Support consistent supply arrangements for mill operators	<ul style="list-style-type: none"> <li>Support operators to position supply arrangements and business operations to better account for variations in input material volumes received in response to crisis</li> </ul>	<ul style="list-style-type: none"> <li>Increases overall efficiency of operations and increases overall throughput. Improves overall forestry GVA contribution (and possible FTE employment capacity)</li> </ul>	<ul style="list-style-type: none"> <li>Forestry</li> </ul>
5 Invest in regional infrastructure to improve resilience and connectivity	<ul style="list-style-type: none"> <li>Improve mobile and internet connectivity in the region, and physical connectivity through roads etc.</li> </ul>	<ul style="list-style-type: none"> <li>Improves overall regional resilience against future bushfire events; at the same time provides broader economic benefits to community and business</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
6 Build disaster response capabilities and infrastructure	<ul style="list-style-type: none"> <li>Improve disaster response capacity and institutions; including crisis response infrastructure (SES headquarters)</li> </ul>	<ul style="list-style-type: none"> <li>Enhances future bushfire response and recovery efforts. Minimises risk of disruption to those efforts because of natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>All</li> </ul>
7 Support large and emerging industries with appropriate initiatives and infrastructure	<ul style="list-style-type: none"> <li>Support large and emerging industries through initiatives such as promotion, regional branding, co-investment, and infrastructure development</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>

# Deep dive: Nambucca long-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Continue to support tourism industry development	<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 operations to increase regional GVA and capture maximum tourism activity with region</li> </ul>	<ul style="list-style-type: none"> <li>Tourism</li> </ul>
2 Continue to diversify and intensify agricultural production	<ul style="list-style-type: none"> <li>Continue promoting production of high value products suited to regional climate</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>Agriculture</li> </ul>
3 Continue to support forestry industry development	<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>
4 Continue to support large and emerging industries with appropriate initiatives and infrastructure	<ul style="list-style-type: none"> <li>Guide new business initiatives and provide assistance where required such as business skills advice</li> <li>Consider initiatives that support large engine industries that support large numbers of jobs, diversify the economy and increase resilience</li> <li><b>Specific opportunities to be reviewed as they become evident</b></li> </ul>	<ul style="list-style-type: none"> <li>Promoting large and 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>

