

REDS Impact Review

Northern New England High Country 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 Northern New England High Country. 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 3 LGAs: Tenterfield, Glen Innes Severn and the Southern Downs.

The 2019-2020 bushfires directly affected Northern New England High Country as early as February 2019, significantly earlier than many of the bushfires that affected the south of the state. During the fires, agriculture and tourism both sustained significant direct damage, with loss of industry assets and infrastructure. Both industries also experienced sustained indirect effects, such as tourism visitation downturn and connectivity disruptions. Despite significant direct fire burn and economic contribution from agriculture and other affected industries, long term economic impact may be limited due to minimal long-term damage to industry assets. The bushfire impacts, however, come in addition to previous long running drought impacts. Short to medium-term priorities for the Functional Economic Region (FER) will be in continuing industry recovery and resilience building. In the medium term, the bushfires have highlighted the importance of the existing strategic priorities, as well as the broad benefits from further investment in enabling infrastructure to improve resilience and connectivity.

Example priorities identified in this document relate to, but are not limited to, improving resilience and connectivity for primary producers, professionalising and diversifying tourism industry offerings, and support economic diversity.

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 Northern New England High Country has burnt 4506km², 23% of the FER, and has impacted engine industries
- 2 Significant impact on tourism and related sectors (supporting service industries) as early as February 2019; impact ongoing and to be felt into short-term future
- 3 Substantial disruption to agriculture caused by asset damage and herd and product loss
(over 6,500km of boundary fencing destroyed)



Key takeaways

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

Recap: Northern New England High Country REDS



Regional endowments

- 1 Climate
- 2 Water resources
- 3 Mineral deposits
- 4 Location and accessibility
- 5 Tourism and lifestyle endowments
- 6 Glen Innes Airport



Regional Specialisations

- Fruit and Tree Nut Growing
- Sheep, Beef Cattle and Grain Farming
- Education and Training
- Food Product Manufacturing
- Road Freight Transport
- Tourism



Strategic Priorities

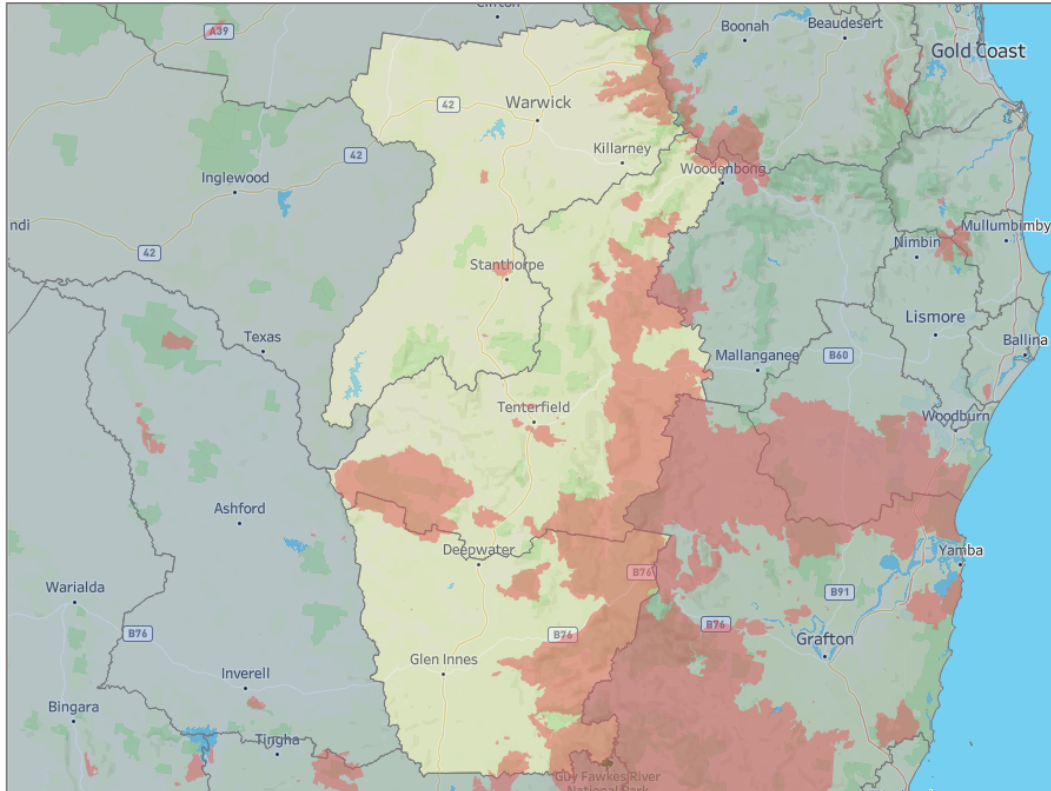
“
▫Improve connectivity as a foundation for growth

“
▫Support and grow key sectors

“
▫Attract new business and residents to the Region

4,506km² of FER is physically impacted by fire, approximately 23% of the entire FER

Fire impacted area within Northern New England:



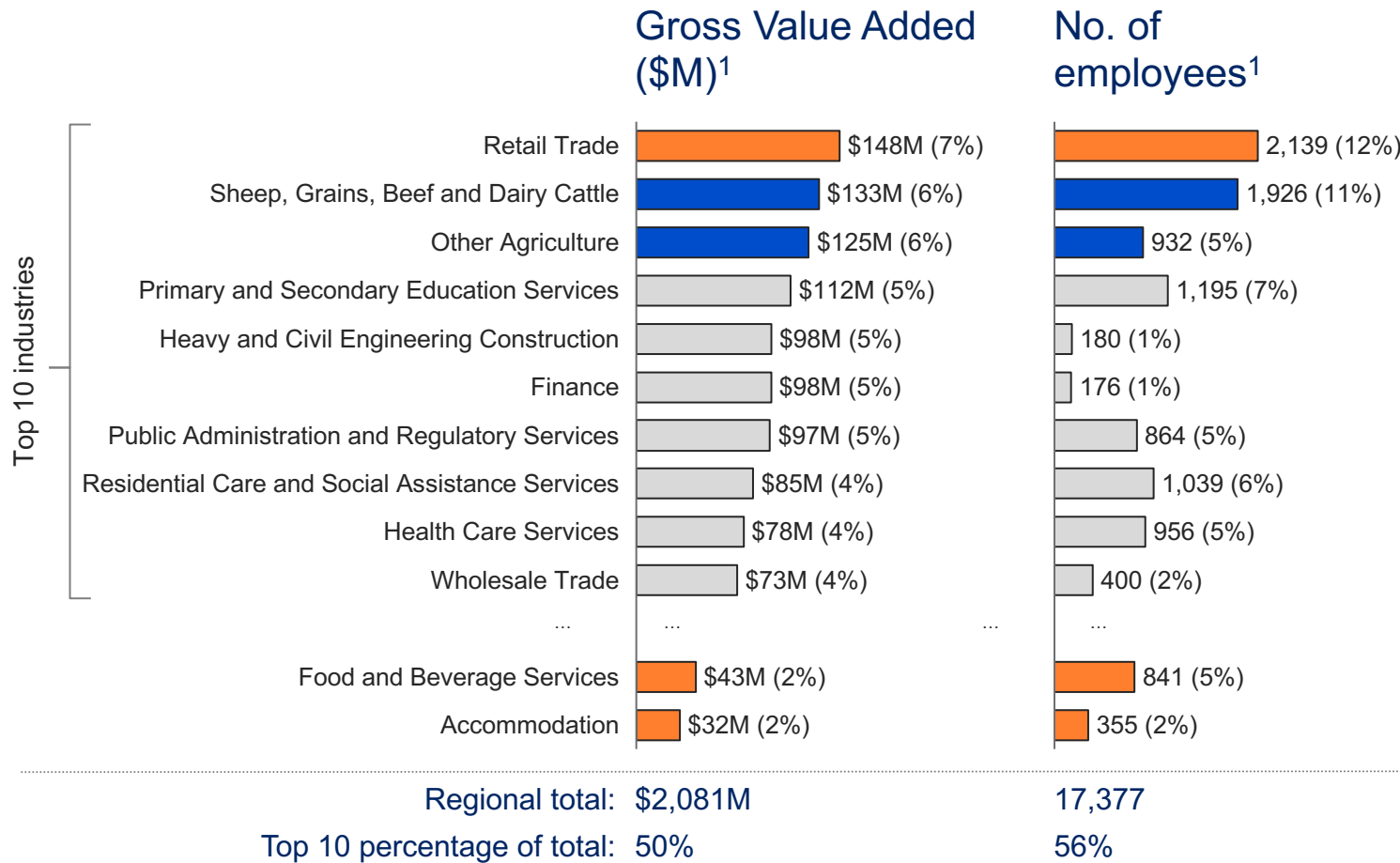
■ Fire affected area

LGAs: Glen Innes Severn, Southern Downs⁵, Tenterfield

Key physical impacts:

- **Area burnt¹:** 4,506 km² in burn scar (23% of total FER area – 19,910km²)
- **Property damage²:** 445 properties damaged or destroyed²
- **Tourism³:** Severe impact from smoke at high point of fires; damage to and closure of all National Parks. Direct impacts to Aboriginal and cultural heritage because of fires
- **Agriculture⁴:** Over 6,500km of boundary fencing reported as destroyed


Northern New England heavily exposed to fire impacts to agriculture and horticulture, and to tourism



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 **\$31M** in GVA and **~7.5%** of FTE employment
- 2 Agriculture and horticulture:** Agriculture and horticulture-related industries (Sheep, Grain, Beef and Dairy Cattle and Other Agriculture) account for **\$258M** in GVA (and **16%** of FTE employment)

Northern New England High Country impacted focus industries leverage regional endowments, some of which are impacted

Focus industries	Dependent endowments	Impacted
<p>1</p>  <p>Tourism</p>	<ul style="list-style-type: none"> 1 Climate 4 Location and accessibility 5 Tourism and lifestyle endowments 6 Glen Innes Airport 	<ul style="list-style-type: none"> • <input type="checkbox"/> Yes – Direct fire burn and smoke damage • <input type="checkbox"/> Yes – Accessibility impacted by severity of fires • <input type="checkbox"/> Yes – Damage to tourism assets (e.g. roads, national parks, flora and fauna) • <input type="checkbox"/> No
<p>2</p>  <p>Agriculture and horticulture</p>	<ul style="list-style-type: none"> 1 Climate 2 Water resources 	<ul style="list-style-type: none"> • <input type="checkbox"/> Yes – Direct fire burn and smoke damage • Yes – Bushfire impact on water systems possible

Northern New England High Country focus areas require restructuring to respond to fire impact



Strategic priorities



Degree of impact



Restructured priority focus areas

▫ Improve **connectivity** as a **foundation for growth**



Medium

Direct bushfire damage to some digital and physical connectivity infrastructure (e.g. phone connections and timber bridges); significant indirect impact to regional connectivity from road and highway closures

- Assist with recovery and rebuild of directly damaged infrastructure
- Build connectivity resilience across FER to minimise risk of disruption from future events

▫ **Support** and **grow key sectors**



Medium

Bushfires had limited direct impact to growing key sectors, but those industries were already disrupted by drought

- Assist with industry recovery to restore impacted industries to baseline as quickly as possible
- Promote industry development to offset indirect disruptions to growth caused by bushfires

▫ **Attract new business** and **residents** to the Region






Medium

Bushfires had some impact to implementation of this strategic priority

- Ensure that housing loss does not result in depopulation for the FER
- Support businesses and workforce most heavily disrupted by bushfires, to minimise risk that they move out of region for work

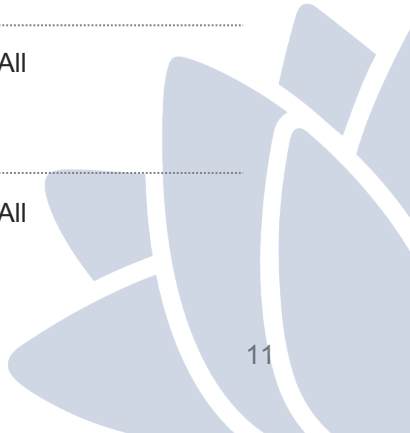
Northern New England High Country potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 Tourism	<ol style="list-style-type: none"> 1 Support immediate industry recovery and planning for future development 2 Continue deploying 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 Rectify damaged industry infrastructure and plan to increase industry resilience 	<ol style="list-style-type: none"> 3 Improve agriculture industry connectivity, productivity and infrastructure resilience 	<ol style="list-style-type: none"> 2 Continue to improve industry infrastructure resilience and connectivity
 Other	<ol style="list-style-type: none"> 5 Promote regional population growth to drive economy by supporting remote working practices and improving amenity 6 Explore projects aimed at building community resilience 	<ol style="list-style-type: none"> 4 Improve regional digital connectivity to drive resilience 5 Support large and emerging industries with appropriate initiatives and infrastructure, especially targeting small businesses 	<ol style="list-style-type: none"> 3 Continue to support large and emerging industries with appropriate initiatives and infrastructure

Deep dive: Northern New England High Country short-term focus areas



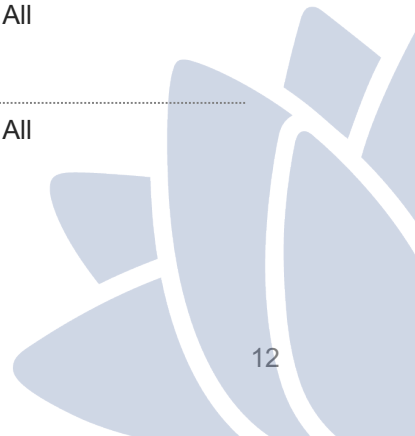
Focus areas	Description	Rationale	Relevant industry
1 Support immediate tourism recovery and rebuild and future planning	<ul style="list-style-type: none"> Support rebuild of directly damaged assets and enabling infrastructure Support planning for tourism industry development, identifying new tourism attractions and assets for future support Identify ways to capitalise on future demand for domestic travel 	<ul style="list-style-type: none"> Assists industry to return to pre-bushfire baseline as quickly as possible, minimising bushfire impact on longer-term visitation numbers New tourism events and assets may drive future tourism demand 	<ul style="list-style-type: none"> Tourism, other
2 Continue existing work on business education initiatives	<ul style="list-style-type: none"> Continue robust work currently being done to develop tourism industry through access to business planning and management skills training Encourage tourism operators to construct professional development pathways for employees Identify ways to supplement existing work in light of impacts from bushfires 	<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 Rectify damaged agriculture industry infrastructure	<ul style="list-style-type: none"> Assist with supporting infrastructure rebuild and with landholders sourcing new stock and seedlings Support initiatives that increase overall size of the sector 	<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 Promote regional population growth to drive economy	<ul style="list-style-type: none"> Capitalise on increased demand for 'flexible/remote working'; identify enabling infrastructure (e.g. digital connectivity) required to maximise population growth Support initiatives that improve amenity and services 	<ul style="list-style-type: none"> Increases overall population, attract highly paid residents and grow size of internal markets Amenity and access to services is a barrier attracting and retaining skilled workers 	<ul style="list-style-type: none"> All
6 Explore projects aimed at building community integrity and resilience	<ul style="list-style-type: none"> Continue finding ways to ensure people across FER can access timely information during a disaster. Where possible, try to decrease digital connectivity blackspots Support research into disaster recovery and landscape management practices 	<ul style="list-style-type: none"> Directly improves community safety and wellbeing in the event of future crises Contributes to better landscape management practices, efficient/productive use of land, and increases community and industry resilience 	<ul style="list-style-type: none"> All



Deep dive: Northern New England High Country 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	<ul style="list-style-type: none"> Support tourism industry development, considering new tourism attractions and assets that leverage existing endowments and natural amenity. Support start-ups Support development of multicultural tourism offerings and attractions that build on local diversity; further leverage region's Aboriginal and cultural heritage with new tourism offerings and products 	<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 Improve agriculture industry connectivity and infrastructure resilience	<ul style="list-style-type: none"> Explore improvements to regional connectivity that improve freight/access options for primary producers; consider building industry infrastructure in a way that improves on resilience in a coordinated way (e.g. improved water access to fight fires); promote resilience-building land management practices 	<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 Improve regional digital connectivity to drive resilience	<ul style="list-style-type: none"> Improve mobile and internet connectivity across the region 	<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
5 Support large and emerging industries with appropriate initiatives and infrastructure, especially targeting small businesses	<ul style="list-style-type: none"> Support large and emerging industries through initiatives such as promotion, regional branding, co-investment, and infrastructure and workforce development 	<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: Northern New England High Country long-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Continue to support tourism industry development	<ul style="list-style-type: none"> Continue providing assistance such as professional, entrepreneurial business skills training. Ensure cohesive regional tourism message that promotes diversified tourism opportunity. Support start-ups 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
2 Continue to improve agriculture infrastructure resilience and connectivity	<ul style="list-style-type: none"> Continue to improve connectivity for primary producers as well as the underlying resilience of agriculture industry infrastructure and landscape management practices 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
3 Continue to support large and emerging industries with appropriate initiatives and infrastructure, especially targeting small businesses	<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 Lowering barriers for business to establish and builds a skilled workforce that can support small business, large and emerging industries 	<ul style="list-style-type: none"> All

