

REDS Impact Review

Southern 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 Southern 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 this FER's Local Governments: Armidale, Uralla and Walcha.

The original REDS for Southern New England High Country identified strengths in industries such as agriculture, tertiary education, manufacturing and tourism. The Functional Economic Region (FER) is made up of two distinct economic profiles: Armidale, the major urban centre which is more exposed to the education and tourism industries; and the more rural areas of Uralla and Walcha, which are more heavily exposed to primary industries. During the 2019-2020 bushfires tourism, agriculture and horticulture were significantly impacted; with some additional impacts to the small forestry industry. Visitation downturn was particularly severe from around September onwards, largely driven by connectivity disruptions such as the closure of the Oxley Highway. Agriculture suffered direct impact in the form of asset damage and loss, and suffered significant indirect impacts because of the connectivity disruptions, affecting supply chains and freight & transport options. The absolute short-term impact of the bushfires is likely to be significant, especially for areas such as Walcha and Lower Creek. However, due to relatively minimal asset loss, and because the impacted industries are likely to recover to pre-bushfire baseline relatively quickly, the bushfires' long-term impact on regional economic output is likely to be minimal. 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, assistance with industry recovery, investment in resilience-building and connectivity-building infrastructure, 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.

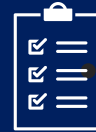
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Impact summary

- 1 Fire within Southern New England High Country has burnt 4892km², 27% of the FER, and impacted key industries
- 2 Significant tourism visitation downturn across FER, driven by major road closures
- 3 Substantial fencing, stock and infrastructure damage for agriculture and horticulture industry *(over 5,800km of boundary fencing destroyed)*
- 4 Major impact to primary industries supply chains and transport/freight options



Key takeaways

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

Recap: Southern New England HC REDS



Regional endowments

- 1 Climate
- 2 Good quality soil
- 3 National Parks, State Forests and World Heritage Areas
- 4 Road, rail and airport infrastructure
- 5 NBN Infrastructure
- 6 Education, lifestyle and other facilities
- 7 Established institutions and clusters



Regional Specialisations

- Livestock farming
- Fruit and nut tree growing
- Mushroom and vegetable growing
- Tertiary education
- Manufacturing
- Tourism
- Medical services/facilities

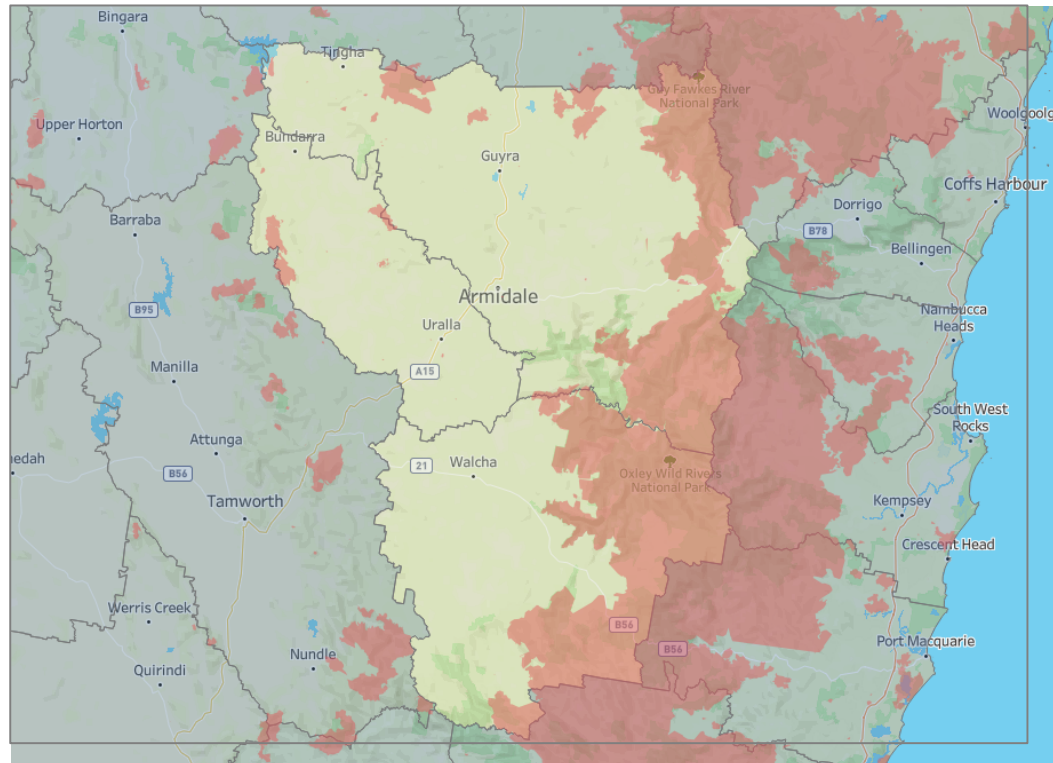


Strategic Priorities

- “
▫Strengthen the Region's connectivity
- “
▫Secure the inputs for growth
- “
▫Strengthen, consolidate and grow key sectors
- “
▫Enhance the attractive, desirable lifestyle
- “
▫Effective marketing and promotion

4,892km² of FER is physically impacted by fire, approximately 27% of the entire FER

Fire impacted area within Southern New England:



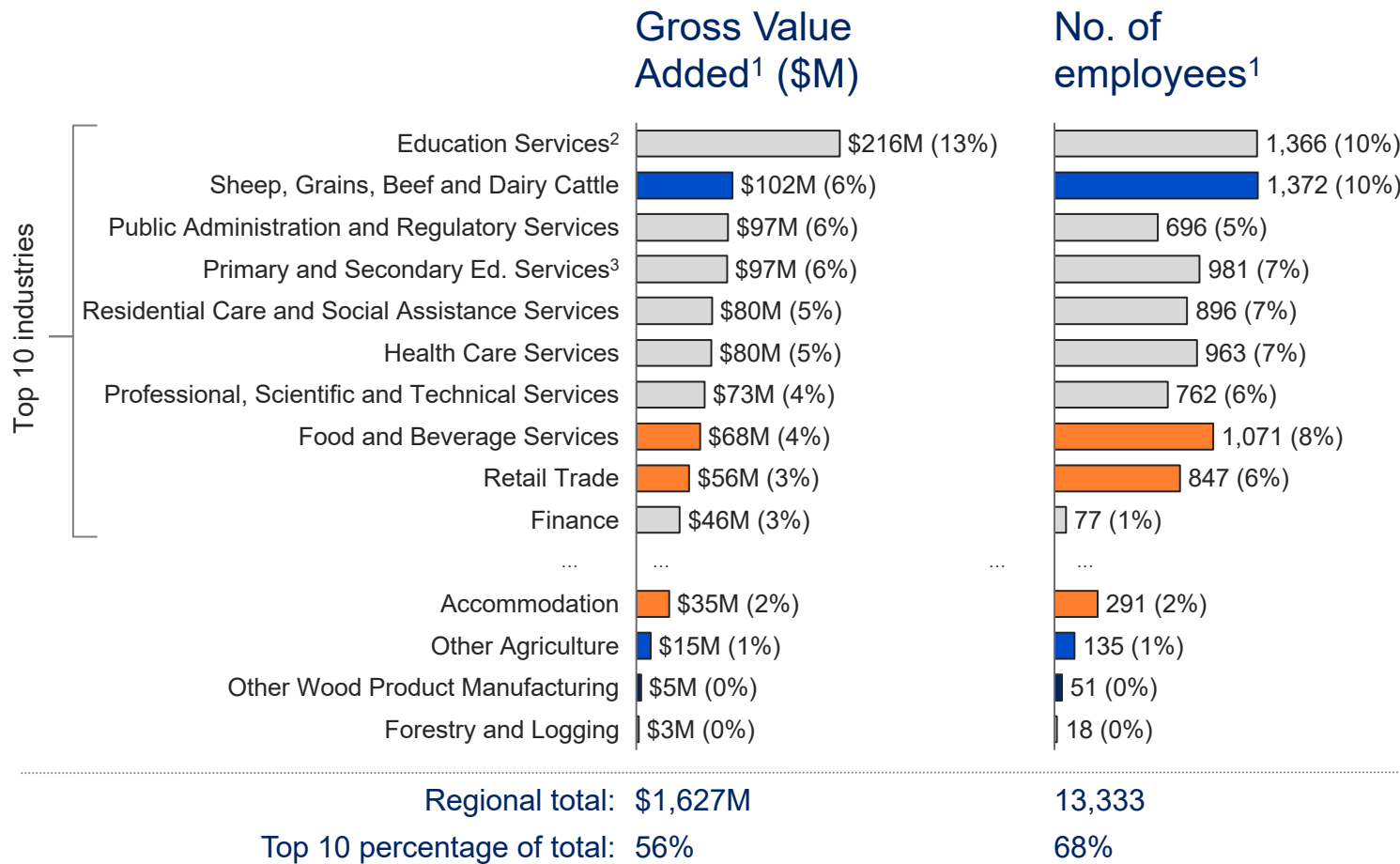
■ Fire affected area

LGAs: Armidale, Uralla, Walcha

Key physical impacts:

- **Area burnt¹:** 4,892 km² burnt by bushfires (27% of total FER area – 18,108km²)
- **Property damage²:** 98 properties damaged or destroyed
- **Tourism³:** Direct damage to National Parks; closures throughout FER due to fires
- **Agriculture⁴:** 303 livestock reported dead, significant loss of infrastructure e.g. fences
- **Forestry:** Minor plantation loss⁵
- **Infrastructure:** Loss of vegetation resulted in land slips damaging infrastructure (e.g. Kempsey Road, bridges)⁶

Southern New England High Country significantly exposed to agriculture and relatively exposed to tourism and horticulture 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 ~\$65M in GVA and ~6% of FTE employment
- 2 Agriculture and horticulture:** Agriculture and horticulture-related industries ('Sheep, Grains, Beef and Dairy Cattle', and 'Other Agriculture') account for \$117M in GVA (and 11% of FTE employment)
- 3 Forestry:** Forestry-related industries account for ~\$8M in GVA (and ~70 FTE positions)

Southern New England High Country's impacted focus industries leverage regional endowments, some of which are impacted

Focus industries	Dependent endowments	Impacted
<p>1  Tourism</p>	<p>3 National Parks, State Forests and Heritage Areas 4 Road, rail and airport infrastructure 6 Education, lifestyle and other facilities 7 Established institutions and clusters</p>	<ul style="list-style-type: none"> • Yes – 27% of FER in burn scar, including parks and forestry • Yes – Some asset damage due to fires and land slips; interruptions to transport connectivity during fires • Yes – Natural amenity infrastructure affected • Yes – Industry clusters affected by economic disruption and loss of natural amenity
<p>2  Agriculture and horticulture</p>	<p>1 Climate 2 Good quality soil</p>	<ul style="list-style-type: none"> • No • Yes – Short-term impact on soil quality
<p>3  Forestry</p>	<p>1 Climate 2 Good quality soil 3 National Parks, State Forests and Heritage Areas</p>	<ul style="list-style-type: none"> • No • Yes – Fire damage to soil impacting productivity • Yes – 27% of FER in burn scar, including parks and forestry

Southern New England High Country focus areas require restructuring to respond to fire impact (I/II)



Strategic priorities

▫ Strengthen the Region's connectivity

▫ Secure the inputs for growth

▫ Strengthen, consolidate and grow key sectors



Degree of impact



High

Medium

Medium



Restructured priority focus areas

Significant connectivity disruptions throughout FER because of bushfires, including direct impact on transportation and intermodal networks

- Support recovery of connectivity infrastructure
- Support improved transportation and intermodal networks to increase regional connectivity and resilience against future disruptions
- Support improved levels of mobile connectivity for the region

Bushfires had direct impact on inputs for growth such as arable land and water assets

- Where inputs have been damaged/destroyed, support recovery
- Support initiatives that build the resilience and accessibility of inputs for growth into the future

Bushfires caused direct economic impact to key sectors such as agriculture and tourism

- Assist with sectoral recovery and rebuild to bring industries back to pre-bushfire state as quickly as possible

Southern New England High Country focus areas require restructuring to respond to fire impact (II/II)



Strategic priorities



Degree of impact



Restructured priority focus areas

▫ Enhance the *attractive, desirable lifestyle*



Medium

Bushfires had clear impact on regional lifestyle and quality of life in short term, for example significant connectivity disruptions at Walcha

- Support rapid recovery to prevent ongoing impact to residents' quality of life from the bushfires
- Explore resilience-building initiatives that will minimise the risks posed by future events on regional quality of life

▫ *Effective marketing and promotion*






Low

Bushfires directly impacted attractiveness of region as a tourism destination in the short term; longer-term impacts unlikely

- Develop coordinated marketing plan, to be implemented when COVID-19 movement restrictions are lifted, to encourage visitation to the region and to communicate that the FER is "open for business"

Southern New England High Country potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 Tourism	<ul 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 	<ul style="list-style-type: none"> 1 Implement coordinated marketing plan 2 Support tourism industry development, focusing on tourism assets and product development 	<ul style="list-style-type: none"> 1 Continue to support tourism industry development
 Agriculture and horticulture	<ul style="list-style-type: none"> 4 Rectify damaged industry infrastructure and plan to increase industry resilience 	<ul style="list-style-type: none"> 3 Improve agriculture industry connectivity, productivity and infrastructure resilience 	<ul style="list-style-type: none"> 2 Continue to improve industry infrastructure resilience and connectivity
 Other	<ul 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 	<ul style="list-style-type: none"> 4 Improve regional digital connectivity to drive resilience 5 Support large and emerging industries with appropriate initiatives and infrastructure 	<ul style="list-style-type: none"> 3 Continue to support large and emerging industries with appropriate initiatives and infrastructure

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



Focus areas	Description	Rationale	Relevant industry
<p>1 Support immediate tourism recovery and rebuild, and future planning</p>	<ul style="list-style-type: none"> Support rebuild of directly damaged assets and enabling infrastructure Support planning for tourism industry development, identifying new tourism assets, and product development for future 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
<p>2 Continue existing work on business education initiatives</p>	<ul style="list-style-type: none"> Continue existing work currently being done to develop the 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
<p>3 Develop coordinated tourism marketing plan</p>	<ul style="list-style-type: none"> Develop coordinated message that identifies region is open for business Leverage and integrate marketing with existing New England High Country regional brand 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
<p>4 Rectify damaged agriculture industry infrastructure</p>	<ul style="list-style-type: none"> Support recovery of industry infrastructure and with sourcing new stock and seedlings Support initiatives that increase overall size of the agriculture 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



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



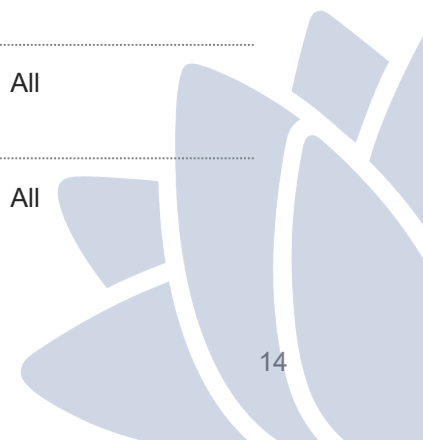
Focus areas	Description	Rationale	Relevant industry
<p>5 Promote regional population growth to drive economy</p>	<ul style="list-style-type: none"> Capitalise on increased demand for 'flexible/remote working'; identify enabling infrastructure (e.g. digital connectivity) required to maximise population growth Support initiatives that improve amenity and services 	<ul style="list-style-type: none"> Increases overall population, attracts highly paid residents and grows size of internal markets Amenity and access to services is a barrier to attracting and retaining skilled workers 	<ul style="list-style-type: none"> All
<p>6 Explore projects aimed at building community integrity and resilience</p>	<ul style="list-style-type: none"> Support connectivity infrastructure resilience, ensuring access to information during crisis, decreasing regional connectivity blackspots, improve disaster preparation and response management Support research into disaster recovery and landscape management practices Support improvements to water supply and arrangements for emergency energy supply 	<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 Assists with response during potential future bushfire events 	<ul style="list-style-type: none"> All



Deep dive: Southern 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, focusing on tourism assets and product development	<ul style="list-style-type: none"> Support tourism industry development, including small business considering new tourism attractions and assets that leverage existing endowments and natural amenity. 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; support development of other offerings that tap into region's endowments (e.g. sports/events-based 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 and overall resilience; consider coordinated building back of industry infrastructure in a way that improves on resilience Investigate other policies and initiatives that may help with resilience-building 	<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 and physical connectivity to drive resilience	<ul style="list-style-type: none"> Support improvements of digital (mobile and internet) and road connectivity across the region; explore improved access to water and emergency energy supply 	<ul style="list-style-type: none"> Improves regional resilience against bushfire events; assists with responding during bushfire events; 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	<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: Southern 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 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 industry infrastructure resilience and connectivity	<ul style="list-style-type: none"> Continue to improve connectivity for primary producers and develop 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	<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 have access to a skilled workforce that supports small business, large and emerging industries 	<ul style="list-style-type: none"> All

