

REDS impact review

Upper North West REDS fire impact addendum
May 2020



Regional
NSW



Executive summary

This document serves as a summary of the fire impact assessment for the Upper North West Regional Economic Development Strategy (REDS) in response to the 2019-2020 bushfire crisis. It was developed in collaboration with regional staff and Local Government representatives, and utilised input from industry experts.

The purpose of this addenda is to identify the degree of fire impact to the strategic priorities within the existing REDS. This work was undertaken with a focus on impact from bushfire.

The original REDS for Upper North West indicate an economy with significant contribution from agriculture, making up 13% of Gross Value Add (GVA) and 23% of employment. Tourism was the most impacted industry by fires, with Pilliga State Forest closure and large event cancellations affecting visitation. The agriculture industry has also experienced damage to infrastructure such as fencing, gates and other assets which has compounded on difficult business conditions and destocking caused by drought.

Overall, the strategic priorities within the REDS are not affected by fire. Revised priorities and initiatives to respond to fire impact are not required.

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.

As the length and impact from COVID-19 becomes clearer, the strategic priorities mentioned in this addenda and the timing of any related initiatives may need to be further adjusted.

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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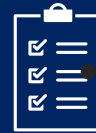
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Impact summary

- 1 Total burn scar size from fire is 474 km², ~1% of total FER
- 2 Limited exposure to impacted industries due to dominance of agriculture in the region
- 3 Some impact to tourism due to National Park closure and perception of safety of the region, however anticipated to recover quickly due to diverse visitor types
- 4 Minor damage to some agricultural infrastructure, but unlikely to affect productivity



Key takeaways

- 1 Ability to deliver REDS strategic priorities not affected
- 2 Continue to focus on improving engine industries of agriculture and mining while diversifying through emerging industries

Recap: Upper North West REDS



Regional endowments

- 1 Agricultural land and agricultural know-how
- 2 Access to water
- 3 Location and transport infrastructure
- 4 Industry-specific assets and institutions
- 5 Mineral and gas resource
- 6 Renewable energy resource
- 7 Quality cultural, natural and tourism assets and experiences



Regional Specialisations

- □ Sheep, beef cattle and grain farming
- □ Mining
- □ Meat and meat product manufacturing
- □ Manufacturing
- □ Health care and social assistance

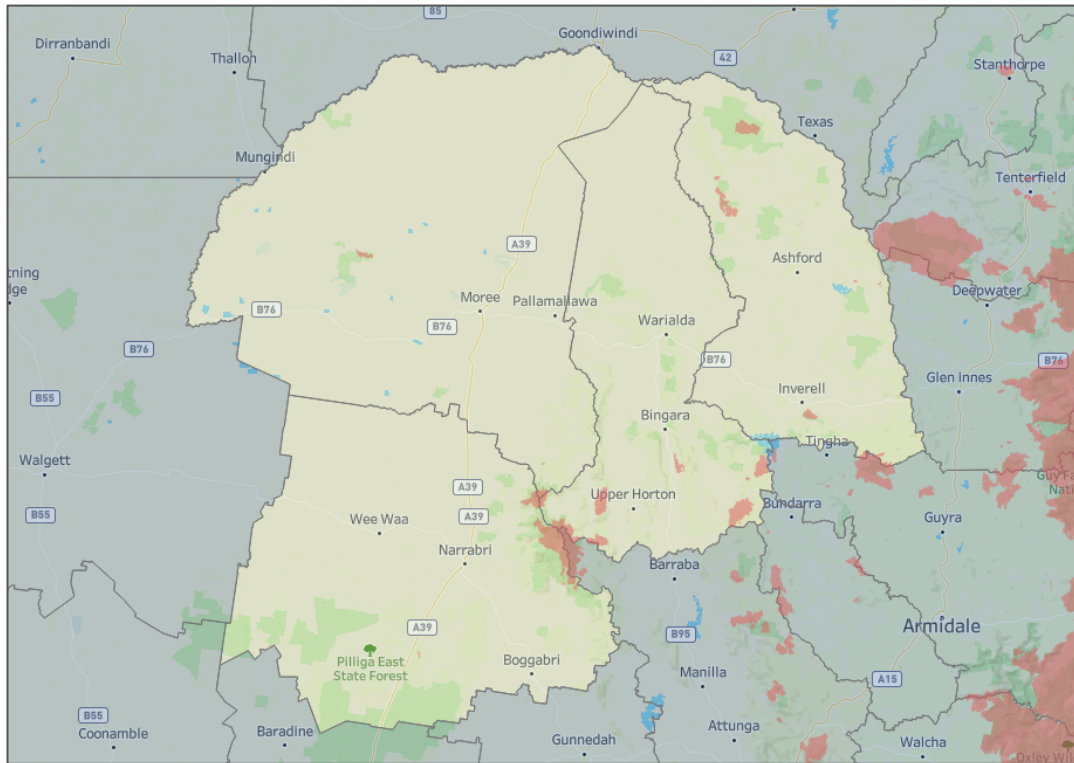


Strategic Priorities

- Improve freight efficiency of engine industries of Agriculture and Mining
- Encourage investment, increased productivity and value adding
- Invest in people, skills, community and lifestyle to address the Region's skills gap
- Diversify the economy through emerging industry sectors

474km² of the FER is physically impacted by fire, approximately 1% of the entire FER

Fire impacted area within Upper North West FER

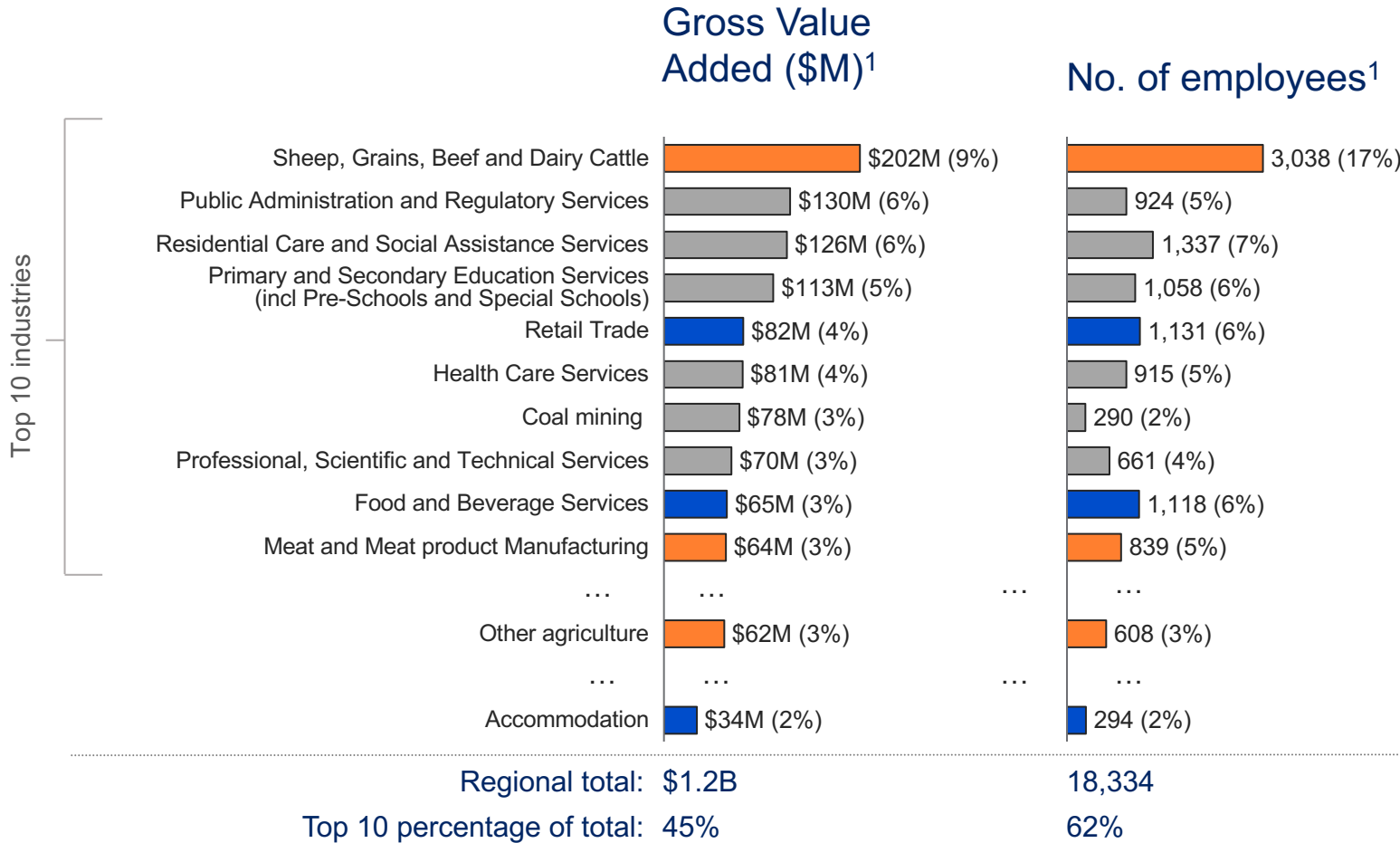


Fire affected area **LGAs:** Gwydir; Inverell; Mooree Plains; Narrabri

Key physical impacts

- **Area burnt¹:** 474 km² burnt by bushfires, 1% of total FER area—48,777 km²
- **Property damage²:** 4 properties damaged or destroyed²
- **Tourism:** Impacted by closure of Pilliga State Forest and cancellation of nearby Seasons of New England event
- **Agriculture³:** Reported damage to fencing, sheds, machinery and other agricultural infrastructure

Upper North West experienced minimal fire impact which is not expected to be ongoing





Impacted engine industries

1. **Tourism:** Tourism is broadly a subset of tourism-related industries such as Retail Trade, Food and Beverage Services, Accommodation etc; CERD analysis indicates that tourism contributes ~\$79M in GVA and ~5% of FTE employment.

Immediate impact to tourism industry due to cancellation of events in adjacent regions, perception of safety in the region and closure of attractions. Recovery expected quickly due to diverse visitor profiles (e.g. visiting friends and family)
2. **Agriculture:** Limited damage to fencing and gates.³ Agriculture contributes \$290m, 13% of GVA and 23% of employment.

Some industry endowments are impacted, but magnitude is low

Focus industries	Dependent endowments	Impacts
<p>1</p>  <p>Tourism</p>	<p>3 Location and transport infrastructure</p> <p>7 Quality cultural, natural and tourism assets and experiences</p>	<ul style="list-style-type: none">• Yes – Closures to transport corridors (such as Newell, Gwydir Highways)• Yes – Closure of and damage to Pilliga National Park
<p>2</p>  <p>Agriculture</p>	<p>1 Agricultural land and agricultural know-how</p> <p>2 Access to water</p> <p>3 Location and transport infrastructure</p> <p>4 Industry-specific assets and institutions</p>	<ul style="list-style-type: none">• No• No• No• Yes - Some cattle loss but minimal percentage of overall herd loss

Upper North West's REDS strategic priorities are not materially impacted and remain viable



Strategic priorities



Degree of impact



Restructured priority focus areas

Improve freight efficiency of engine industries of Agriculture and Mining



Low

- Some initial impact to transport corridor access but not expected to materially impact priorities

□ Encourage investment, increased productivity and value adding



Low

- No material impact to priorities from fire
- Opportunity to build supply chain and landscape resilience in areas identified by the fires for improved efficiency and yield

□ Invest in people, skills, community and lifestyle to address the Region's skills gap



Low

- No material impact to priorities from fire

□ Diversify the economy through emerging industry sectors



Low

- Ability to diversify regional offering through developing new and existing tourism industry offerings (e.g. Aboriginal cultural tourism) and supporting marketing to attract new visitation
- Support required to stimulate visitation but will not materially impact priority over long term