

REDS Impact Review

Wingecarribee 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 Wingecarribee. 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 fire affected engine industry experts. The priorities within this document were identified and are owned by Local Government.

The original REDS for Wingecarribee highlighted a number of industries such as tourism, professional services, manufacturing, aged care and health care, and agriculture as core to the regional economy. The existence of a variety of industries highlights the diversification within the Wingecarribee economy and suggests a degree of resilience to fire crisis. In terms of impact, tourism was the most impacted industry, with significant damage to natural amenity and property, and indirect effects from access issues and public perception. Agriculture and viticulture also experienced direct fire impact through asset, herd and crop loss. These affected industries are expected to recover in the medium term as natural amenity recovers and new production seasons evolve, but support is likely necessary to assist industries over the short term.

Example priorities identified in this document relate to, but are not limited to, infrastructure investment, diversification and professionalisation of the tourism industry, and development of adjacent emerging industries to improve economic resilience.

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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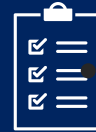
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Impact summary

- 1 Fire within Wingecarribee has impacted a number of engine industries
- 2 Approximately 70% tourism downturn in December and January
- 3 Significant impact to viticulture with majority of 2020 harvest lost
- 4 Substantial fencing and infrastructure damage for agriculture and horticulture industry
(over 1,000km of boundary fencing destroyed)



Key takeaways

- 1 Ability to deliver REDS strategic priorities not materially affected over the long term
- 2 Moderate impact, however, to certain industries in short term; opportunity to support recovery moving forward
- 3 Importance of implementing original strategic priorities emphasised by bushfires

Recap: Wingecarribee REDS



Regional endowments

- 1 Water, climate and soil
- 2 Mineral resources
- 3 Location, accessibility and lifestyle benefits
- 4 Natural resources
- 5 Aboriginal heritage and historic heritage
- 6 Healthcare infrastructure
- 7 Human endowments
- 8 Local institutions and strong leadership
- 9 Education infrastructure



Regional Specialisations

- Accommodation and Food Services
- Non-Metallic Mineral Product Manufacturing, Machinery and Equipment Manufacturing, Wood Product Manufacturing and Fabricated Metal Product Manufacturing
- Residential Care Services
- Sheep, Beef Cattle and Grain Farming



Strategic Priorities



- Enhance the liveability of the Wingecarribee region



- Facilitate the development of agriculture as a key strength and cultivate the visitor economy based on food, wine and events



- Grow the education, health and aged care sectors



- Strengthen the region's manufacturing base and monitor opportunities in the mineral resource sector

707km² of FER is physically impacted by fire, approximately 26% of the entire FER

Fire impacted area within Wingecarribee:



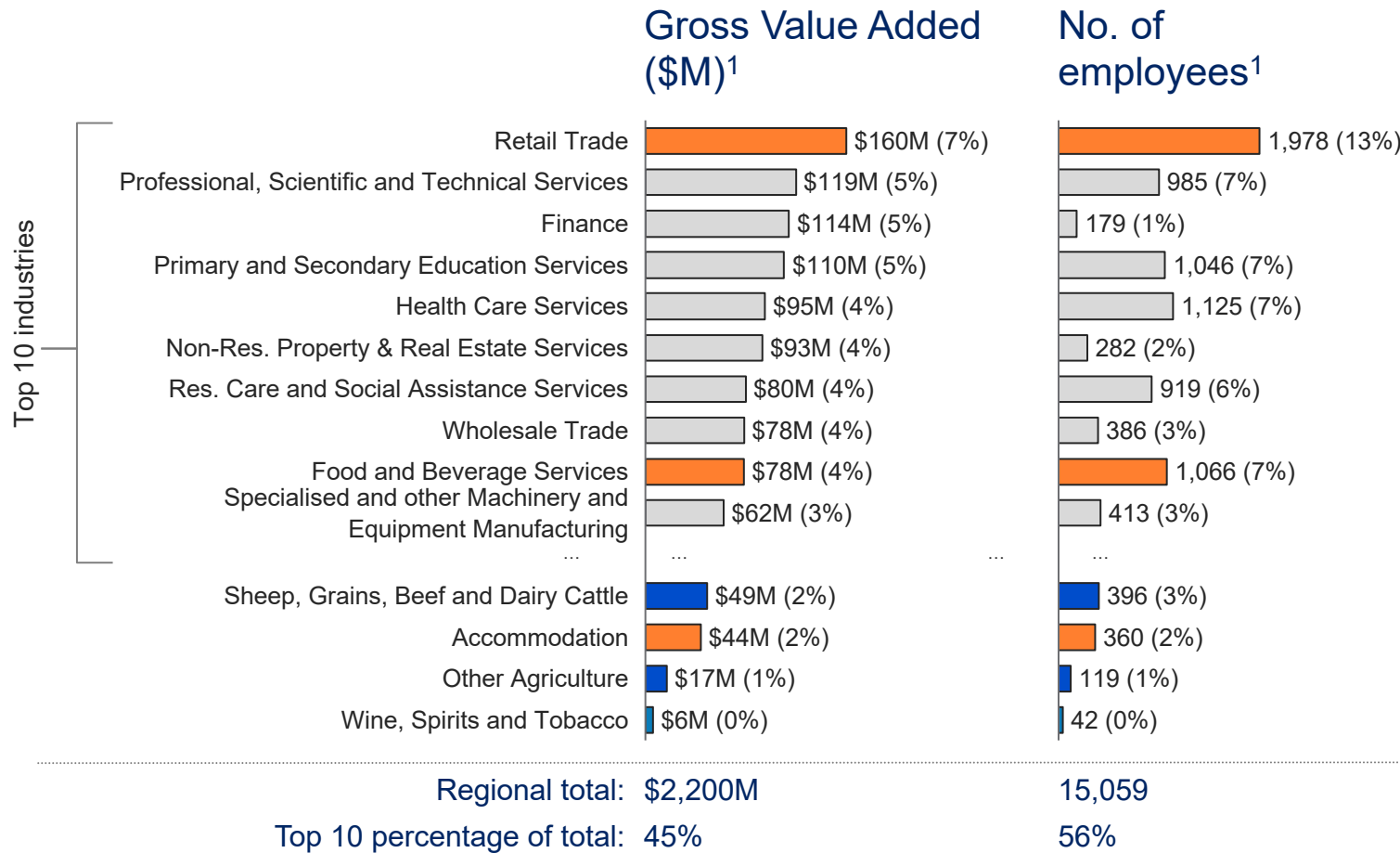
■ Fire affected area

LGAs: Wingecarribee

Key physical impacts:

- □ **Area burnt¹**: 707 km² burnt by bushfires (26% of total FER area – 2,689km²)
- □ **Property damage²**: 354 properties damaged or destroyed
- □ **Tourism³**: significant damage to Wombeyan Caves Road and other natural amenity
- □ **Agriculture⁴**: 15 livestock reported dead, of which 5 are cattle
- □ **Viticulture⁴**: Majority of 2020 vintage lost to smoke taint

Wingecarribee relatively exposed to impacted focus industries, especially tourism-related industries



Impacted focus 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 **\$94M** in GVA and **~7%** of FTE employment
- 2** **Viticulture:** 'Wine, Spirits and Tobacco manufacturing' (proxy for wine manufacturing) account for **~\$6M** in GVA
- 3** **Agriculture and horticulture:** Agriculture and horticulture-related industries ('Sheep, Grains, Beef and Dairy Cattle' and 'Other Agriculture' (Horticulture)) account for **~\$66M** in GVA (and **~4%** in FTE employment)

Wingecarribee's impacted focus industries leverage regional endowments, some of which are impacted

Focus industries	Dependent endowments	Impacted
<p>1  Tourism</p>	<p>3 Location, accessibility and lifestyle benefits</p> <p>4 Natural resources</p> <p>5 Aboriginal heritage and historic heritage</p>	<ul style="list-style-type: none"> • Yes – Connectivity disruption during fires • Yes – 26% of FER in burn scar • Yes – Potential impact to Aboriginal heritage
<p>2  Viticulture</p>	<p>1 Water, climate and soil</p> <p>4 Natural resources</p>	<ul style="list-style-type: none"> • Yes – Direct bushfire impact on water and soil • Yes – Smoke impaired air quality for prolonged periods impacting fruit
<p>3  Agriculture and horticulture</p>	<p>1 Water, climate and soil</p> <p>4 Natural resources</p>	<ul style="list-style-type: none"> • Yes – Direct impact from bushfire burn • Yes – Direct impact from bushfire burn

Wingecarribee focus areas require restructuring to respond to fire impact



Strategic priorities



Degree of impact



Restructured priority focus areas

▫ Enhance the **liveability** of the Wingecarribee region



Medium

▫ Direct fire impact to natural endowments and human resources, affecting liveability of the region in the short term

- Assist with recovery of natural endowments (e.g. national parks) to ensure no sustained impact on liveability of region

▫ Facilitate the **development of agriculture** as a key strength and **cultivate the visitor economy** based on food, wine and events



Medium

▫ Direct bushfire impact to agriculture and the visitor economy, temporarily impeding strategic priority

- Focus on minimising bushfire impact through rapid recovery, industry professionalisation and product development
- Bushfire impact in FER highlighted importance of economy-wide industry diversity to support economic resilience to future crises

▫ Foster the development of **emerging industries** and specialisations



Low

▫ Minimal direct bushfire impact to emerging industries or implementation of this strategic priority

- However, bushfire impact in FER highlighted importance of industry diversity and overall economic resilience against future crises





▫ Grow the **population** and **internal markets** of the region



Low

▫ No/minimal direct impact reported, however important to ensure bushfire impact does not create a risk of depopulation (e.g. by supporting rapid rebuild of damaged property)

Wingecarribee potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 Tourism	<ol style="list-style-type: none"> 1 Rebuild damaged industry infrastructure 2 Develop and deploy business education initiatives 3 Develop coordinated marketing plans 	<ol style="list-style-type: none"> 1 Support new and emerging tourism offerings 2 Implement coordinated marketing plans 	<ol style="list-style-type: none"> 1 Continue to support development of tourism industry
 Viticulture	<ol style="list-style-type: none"> 4 Support cellar doors to offset 2020 loss through recovered or new revenue streams 5 Capitalise on region's strengths in viticulture and wine tourism 	<ol style="list-style-type: none"> 3 Promote business resilience through diversification 4 Support the development of the wine tourism industry cluster 	<ol style="list-style-type: none"> 2 Continue to support industry diversification and wine tourism offering
 Agriculture and horticulture	<ol style="list-style-type: none"> 3 Support industry development and diversification 	<ol style="list-style-type: none"> 5 Diversify and intensify agricultural production 6 Consider enablers for industry growth 	<ol style="list-style-type: none"> 3 Continue to diversify and intensify agricultural production
 Other	<ol style="list-style-type: none"> 7 Refine vision for emerging industries 	<ol style="list-style-type: none"> 7 Develop emerging industries to support diversification based on endowments 8 Explore investment in regional infrastructure 9 Investigate development potential of industry/business precinct 	<ol style="list-style-type: none"> 4 Continue to develop emerging industries

Deep dive: Wingecarribee short-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Rebuild damaged industry infrastructure	<ul style="list-style-type: none"> Assist with recovery of damaged assets (e.g., Wombeyan Caves Road) 	<ul style="list-style-type: none"> Where assets were directly damaged by fires, accelerates return of industry to pre-bushfire state 	<ul style="list-style-type: none"> Tourism, agriculture
2 Develop and deploy business education initiatives	<ul style="list-style-type: none"> Professionalise tourism industry through access to business planning and management skills training, and development pathways for employees 	<ul style="list-style-type: none"> Professionalising and educating tourism operators and employees will help maximise tourism GVA and improve future resilience 	<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 Support to offset 2020 viticulture loss through recovered or new revenue streams	<ul style="list-style-type: none"> Identify possible short-term solutions to mitigate impact from bushfires (e.g., sourcing grapes from outside of the FER) Look to diversify viticulture revenue into adjacent industries (e.g. agri-tourism etc) 	<ul style="list-style-type: none"> Assists with recovery of an important industry significantly affected by smoke taint, and builds diversity in income streams 	<ul style="list-style-type: none"> Viticulture
5 Leverage region's strengths in viticulture and wine tourism	<ul style="list-style-type: none"> Capitalise on opportunities for Wingecarribee viticulture to position itself as unique offering in NSW Create an opportunity out of bushfire impact to recover with a new industry identity/brand presence 	<ul style="list-style-type: none"> Identifies potential ways to increase viticulture's overall contribution to GVA and connection to a broader wine tourism offering 	<ul style="list-style-type: none"> Viticulture
6 Support industry development	<ul style="list-style-type: none"> Support industry development and diversification through initiatives that promote productivity of industry (e.g., regional provenance branding, produce hub etc) 	<ul style="list-style-type: none"> Will develop new revenue streams, and is directly connected to existing strategic priorities surrounding agriculture industry development 	<ul style="list-style-type: none"> Agriculture
7 Refine vision for emerging industries	<ul style="list-style-type: none"> Confirm strategic vision for emerging industries such as the equine industry, wine tourism and intensive agriculture where based on strategic endowments (e.g. strategic planning for emergent equine industry) 	<ul style="list-style-type: none"> Helps confirm desired future state for emerging industries, and actions needed to get there 	<ul style="list-style-type: none"> All



Deep dive: Wingecarribee medium-term focus areas (I/II)



Focus areas	Description	Rationale	Relevant industry
1 Support new and emerging tourism offerings	<ul style="list-style-type: none"> Support product developments and enabling infrastructure that will assist the growth of emerging tourism product offerings (e.g., cultural and events precincts) 	<ul style="list-style-type: none"> Decreases seasonality of tourism industry and reliance on any one specific season or tourism offering; improves overall desirability of region as a tourism destination 	<ul style="list-style-type: none"> Tourism
2 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
3 Promote business resilience through diversification	<ul style="list-style-type: none"> Identify and promote ways for cellar doors and viticulture operations to minimise reliance on any one year's harvest (e.g. business resilience training, diversified product offerings, sourcing grapes outside of the FER) 	<ul style="list-style-type: none"> Mitigates risk of future disruptions to viticulture industry; improves business resilience across the industry, and improves overall business performance and contribution to GVA 	<ul style="list-style-type: none"> Viticulture
4 Support the development of a wine tourism industry cluster	<ul style="list-style-type: none"> Encourage cellar doors to diversify their offering and increase their overall value-add by building tourism offerings into their business model 	<ul style="list-style-type: none"> Increases overall industry contribution to GVA, insulates against risk posed by damage to any one year's grape harvest 	<ul style="list-style-type: none"> Viticulture
5 Diversify and intensify agricultural production	<ul style="list-style-type: none"> Promote production of high value agricultural products suited to regional climate 	<ul style="list-style-type: none"> Maximise GVA and employment provided by an important industry within the region 	<ul style="list-style-type: none"> Agriculture
6 Consider enablers for industry growth	<ul style="list-style-type: none"> Support the intensification of agricultural production in the FER; consider value of a regional produce hub; continue to build a regional provenance brand (e.g. Southern Highlands); support creation of enabling infrastructure to allow producers to service diverse markets 	<ul style="list-style-type: none"> Will significantly improve overall agricultural contribution to FER GVA; creates conditions for individual business innovation while also building regional food brand 	<ul style="list-style-type: none"> Agriculture

Deep dive: Wingecarribee medium-term focus areas (II/II)



Focus areas	Description	Rationale	Relevant industry
7 Develop emerging industries to support diversification based on endowments	<ul style="list-style-type: none"> Support industry diversification such as through development precincts and value-added activities (e.g., events to support the equine industry that leverage existing tourism market) 	<ul style="list-style-type: none"> Increases overall resilience of FER economy, desirability as a tourism destination and leverages existing natural and human endowments 	<ul style="list-style-type: none"> All
8 Explore investment in regional infrastructure	<ul style="list-style-type: none"> Invest in regional infrastructure to support engine industries, promote industry diversification and better leverage endowments Identify ways to improve overall infrastructure resilience and connectivity (e.g., improvements to telecommunications networks and roads) 	<ul style="list-style-type: none"> Infrastructure will provide positive economic activity, improve productivity and improve connectivity within market and to other markets for key industries 	<ul style="list-style-type: none"> All
9 Investigate development potential of industry/business precinct	<ul style="list-style-type: none"> Confirm enabling infrastructure required for the precinct's success, help source and provide required funding and encourage business activity in the precinct 	<ul style="list-style-type: none"> Capitalises on existing infrastructure (e.g. rail sidings) to create significant driver for business activity and employment in the region 	<ul style="list-style-type: none"> All



Deep dive: Wingecarribee long-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Continue to support development of the tourism industry	<ul style="list-style-type: none"> Provide 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 tourism industry and integration with existing operators can increase regional GVA and capture maximum tourism activity with region 	<ul style="list-style-type: none"> Tourism
2 Continue to support industry diversification and wine tourism offering	<ul style="list-style-type: none"> Provide 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"> Maximise GVA and employment provided by an important industry within the region 	<ul style="list-style-type: none"> Viticulture
3 Continue to diversify and intensify agricultural production	<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
4 Continue to develop emerging industries	<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 emerging industry will increase regional GVA, diversify industry risk and promote additional employment 	<ul style="list-style-type: none"> All

