

REDS Impact Review

Snowy Monaro 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 Snowy Monaro. 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 Snowy Monaro highlighted a number of industries such as forestry, tourism, and agriculture as core to the regional economy. The direct fire impact within this Functional Economic Region (FER) is limited with approximately 100 properties damaged or destroyed and limited fire burn across the FER. Despite limited damage, engine industries are both directly and indirectly fire affected. For example, forestry has had plantation burnt but does not anticipate production decline for approximately 5 years, and tourism has lost both assets such as Selwyn snowfields and lost revenue due to tourist evacuations and ongoing perception issues.

Example priorities to address fire impact identified in this document relate to, but are not limited to, infrastructure investment, industry skills and transition 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, defence 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.

Snowy Monaro REDS addendum Table of Contents

Summary	Slide 4	High level summary of impacts and integrity of underlying REDS
	Slide 5	REDS summary
Impacts on region and economy	Slide 6	Map of impacts
	Slide 7	Magnitude of impact on industries
	Slide 8	Impact on endowments
	Slide 9	Assessment of impact on strategic priorities
Focus areas	Slide 10	Summary of initiatives and changes to strategic priority focus areas
	Slide 11	Deep dive: Detailed view of short-term focus areas
	Slide 12	Deep dive: Detailed view of medium-term focus areas
	Slide 13	Deep dive: Detailed view of long-term focus areas



Impact summary

- 1 Fire within Snowy Monaro has affected economy engine industries
- 2 Tourism summer revenue significantly impacted by evacuations and access issues however large portion of revenue earned in winter
 - *Minimal winter asset damage, with exception of destroyed asset Selwyn snowfields*
- 3 Softwood forestry impacted by fire, however, supply impact not expected to be significant for 5 years



Key takeaways

- 1 Ability to deliver REDS strategic priorities mildly affected
- 2 Need for tourism recovery support over short to medium term

Recap: Snowy Monaro REDS



Regional endowments

- 1 Mountain and lake amenities
- 2 Agricultural land and commercial forests
- 3 Location
- 4 Built endowments
- 5 Road and highway infrastructure
- 6 Specialised skill sets
- 7 Snowy Hydro scheme
- 8 Local institutions
- 9 Snowy Monaro council



Regional Specialisations

- Agriculture, Forestry and Fishing
- Electricity, Gas, Water and Waste Services
- Tourism:
 - Accommodation and Food Services
 - Arts and Recreation Services
 - Rental, Hiring and Real Estate Services

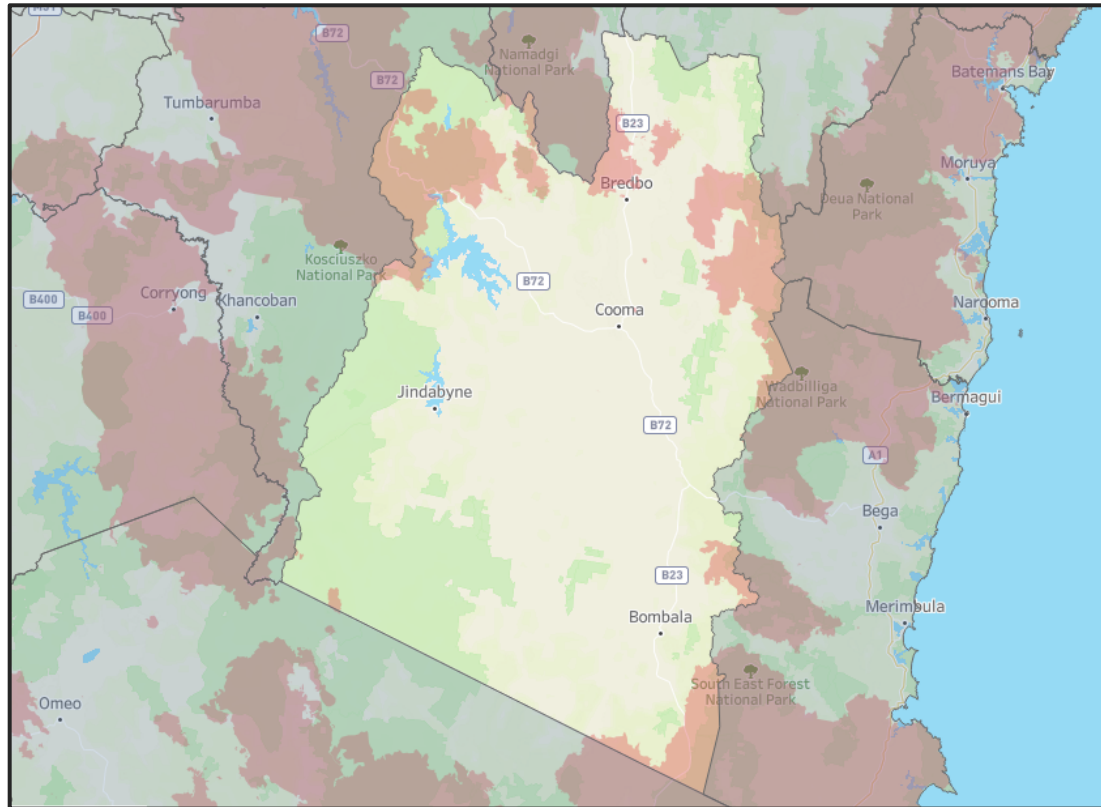


Strategic Priorities

- Develop the Region's year round tourism offering and accessibility from major markets
- Cultivate the Region's "Engines of Growth" specialisations in agriculture, forestry and wood products
- Promote skills acquisition and industrial land development to strengthen the Region's employment base
- Grow the population to deepen the Region's internal markets for goods, services and labour

2,053 km² of the FER is physically impacted by fire, approximately 14% of the entire FER

Fire impacted area within Snowy Monaro

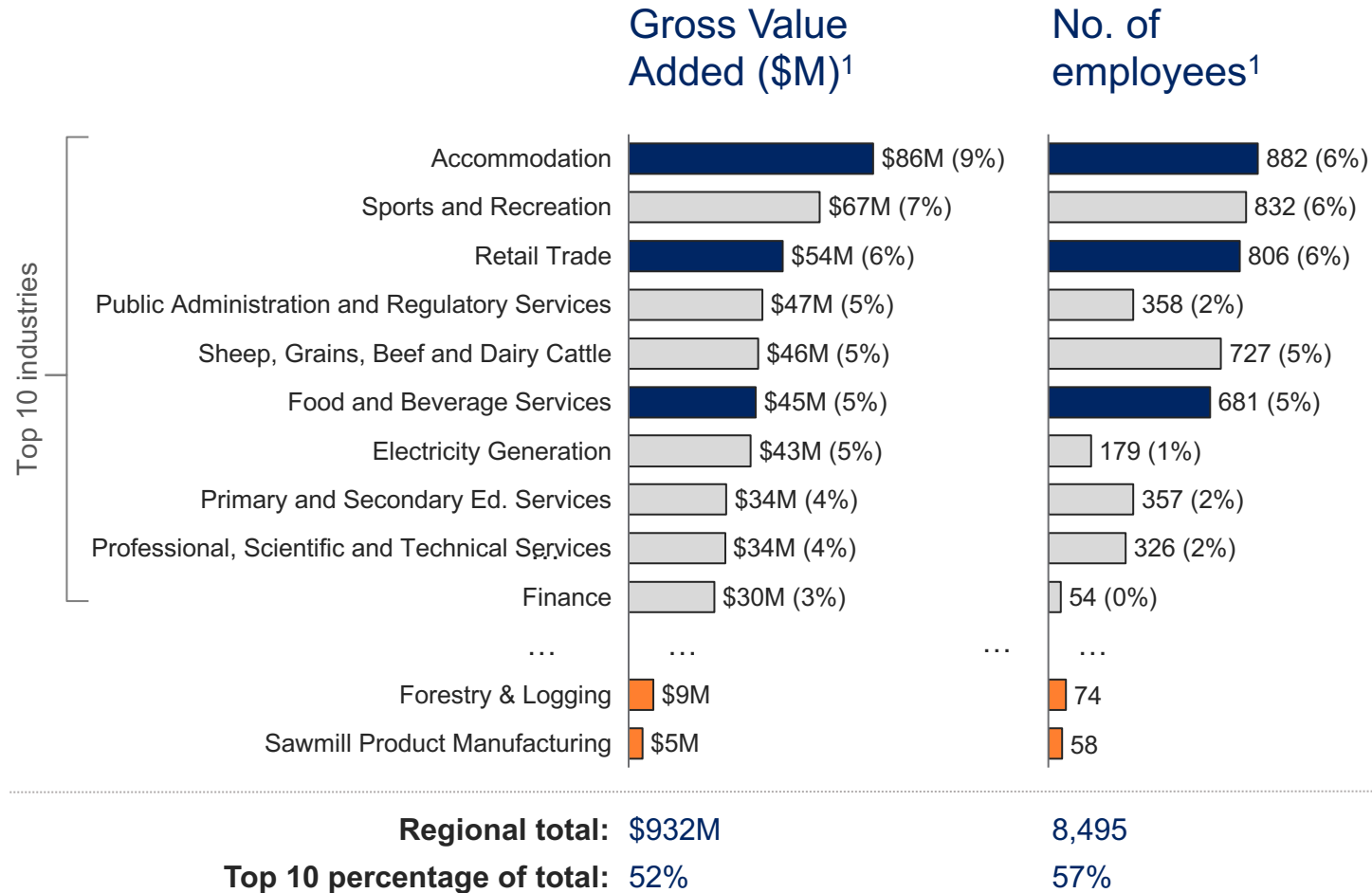


Fire affected area LGAs within FER: Snowy Monaro

Key physical impacts

- **Area burnt¹**: 2,053 km² burnt by bushfires (14% of total FER area—15,163 km²)
- **Property damage²**: ~100 properties damaged or destroyed
- **Forestry³**: 287km² of forestry land in burn scar – 45% of total (634km²)
- **Tourism⁴**: Selwyn Snowfields destroyed and Kosciuszko National Park damaged in bushfires

Snowy Monaro overall economy has limited exposure to impacted 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 **\$200M** in GVA and **~21%** of FTE employment
- 2 Forestry:** Industries along the forestry value chain account for **~15M** in GVA

Impacted focus industries leverage endowments, some of which are impacted

Focus industries	Dependent endowments	Impacted
<p data-bbox="231 522 326 615">1</p>  <p data-bbox="417 668 547 701">Tourism</p>	<ul style="list-style-type: none"><li data-bbox="873 454 1335 496">1 Mountain and lake amenities<li data-bbox="873 568 1054 611">3 Location<li data-bbox="873 682 1388 725">5 Road and highway infrastructure	<ul style="list-style-type: none"><li data-bbox="1696 462 2321 534">• Yes—National parks and natural amenity impacted<li data-bbox="1696 576 2117 648">• Yes—Impacted by tourism evacuation period<li data-bbox="1696 691 1786 719">• No
<p data-bbox="231 843 326 936">2</p>  <p data-bbox="377 968 588 1053">Forestry and logging</p>	<ul style="list-style-type: none"><li data-bbox="873 825 1498 868">1 Agricultural land and commercial forests<li data-bbox="873 939 1166 982">3 Local institutions<li data-bbox="873 1025 1388 1068">8 Road and highway infrastructure	<ul style="list-style-type: none"><li data-bbox="1696 825 2091 896">• Yes—Forest and access assets damaged<li data-bbox="1696 939 1786 968">• No<li data-bbox="1696 1025 1786 1053">• No

Snowy Monaro focus areas require restructuring to respond to fire impact



Strategic Priorities

Develop the Region's **year round tourism offering** and accessibility from major markets



Degree of impact

Medium



Restructured priority focus areas

- Tourism impact is short/medium term
 - Address short-term perception issues around safety
 - Continue to develop and diversify tourism, creating a more resilient regional economy

Cultivate the Region's "Engines of Growth" specialisations in **agriculture, forestry and wood products**



High

- Small impact to agriculture, however impact to forestry is high with immediate salvage require, but output impact not expect for ~5yrs.
 - Support workforce transition through education and training
 - Ensure forestry recovery

Promote **skills acquisition and industrial land** development to strengthen the Region's employment base



Low

- No impact identified
 - Continue to ensure full benefits of Snowy 2.0 are realised in region through appropriate skill development





Grow the population to deepen the Region's internal markets for goods, services and labour



Low

- No change identified
 - Continue to emphasise economic development and diversification as a leading indicator for population growth

Snowy Monaro potential priorities and initiatives

	6–18mths Short term	18mths–5yrs Medium term	5yrs+ Long term
 Forestry	<ol style="list-style-type: none"> 1 Rectify damaged industry infrastructure 	<ol style="list-style-type: none"> 1 Investigate alternative forestry fibre sources for timber processing industry 	<ol style="list-style-type: none"> 1 Continue to support forestry related manufacturing industry in Bombala
 Tourism	<ol style="list-style-type: none"> 2 Support redevelopment of key tourism assets 3 Deploy business education initiatives 4 Develop coordinated marketing plan 	<ol style="list-style-type: none"> 2 Develop and diversify regional tourism 3 Deploy business education initiatives 4 Implement coordinated marketing plan 	<ol style="list-style-type: none"> 2 Continue to support tourism industry development
 Other	<ol style="list-style-type: none"> 5 Diversify agricultural production and integrate with tourism operations 	<ol style="list-style-type: none"> 5 Continue to pursue regional infrastructure projects 	<ol style="list-style-type: none"> 3 Continue to encourage emerging industries
 Industry transition	<ol style="list-style-type: none"> 6 Deploy education and training initiatives to re-skill local workers 	<ol style="list-style-type: none"> 6 Support workforce transition to maximise benefit from infrastructure 	<ol style="list-style-type: none"> 4 Continue supporting workforce transition as new industries emerge

Deep dive: Snowy Monaro short-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Repair damaged industry infrastructure	<ul style="list-style-type: none"> Ensure rapid repair of state, local government and forestry infrastructure such as roads, bridges, fire trails 	<ul style="list-style-type: none"> Enables forestry recovery and ongoing harvest, supporting processing operations 	<ul style="list-style-type: none"> Forestry and agriculture
2 Support redevelopment of key tourism assets	<ul style="list-style-type: none"> Support redevelopment of assets such as Selwyn snowfields, walking trails etc Promote new product development 	<ul style="list-style-type: none"> Essential contributors to regional economy with large multiplier benefits 	<ul style="list-style-type: none"> Tourism
3 Deploy business education initiatives	<ul style="list-style-type: none"> Upskill tourism industry operators by providing access to business planning and management skills training Ensure operators are aware of and have access to entrepreneurial skills training 	<ul style="list-style-type: none"> Professionalising and educating tourism operators will help maximise tourism opportunity and improve resilience for future crisis 	<ul style="list-style-type: none"> Tourism
4 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
5 Diversify agricultural production and integrate with tourism industry	<ul style="list-style-type: none"> Realise full value of agricultural production by adding value and connecting to provenance e.g. <i>farm-gate and micro-industry aligned to tourism</i> 	<ul style="list-style-type: none"> Capture value added GVA and integrate offering with tourism opportunities 	<ul style="list-style-type: none"> Tourism and agriculture
6 Deploy education and training initiatives	<ul style="list-style-type: none"> Provide in region information on available training to transition affected workers e.g. <i>recovery and construction skills</i> 	<ul style="list-style-type: none"> Prepare workforce for transition and ensure sufficient skills required for recovery Ensure skills exist for emerging industries 	<ul style="list-style-type: none"> Forestry, agriculture, other

Deep dive: Snowy Monaro medium-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Investigate alternative fibre sources	<ul style="list-style-type: none"> Investigate sourcing additional sawmill logs from out of region to ensure sufficient supply to support workforce as best as possible 	<ul style="list-style-type: none"> Sawmill is main economic driver of Bombala and continued operation will be key to preventing de-population 	<ul style="list-style-type: none"> Forestry
2 Develop and diversify regional tourism	<ul style="list-style-type: none"> Develop tourism initiatives focused on endowments e.g., <i>provenance based food initiatives, and value adding agriculture connected to tourism initiatives such as. micro industry and farm gate sales</i> 	<ul style="list-style-type: none"> Reduce dependence on key assets to insulate and diversify tourism income 	<ul style="list-style-type: none"> Tourism
3 Deploy business education initiatives	<ul style="list-style-type: none"> Professionalise tourism industry operators by providing access to business planning and management skills training Ensure operators are aware of and have access to BEC entrepreneurial skills training 	<ul style="list-style-type: none"> Professionalising and educating tourism operators will help maximise tourism opportunity and improve resilience for future crisis with appropriate business planning 	<ul style="list-style-type: none"> Tourism
4 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
5 Continue to pursue regional infrastructure projects	<ul style="list-style-type: none"> Develop regional infrastructure to improve connectivity and productivity within market e.g., <i>Snowy 2.0, roads, etc</i> 	<ul style="list-style-type: none"> Infrastructure will provide positive economic activity, improve productivity and improve connectivity to market for key industries such as tourism, agriculture and forestry 	<ul style="list-style-type: none"> All
6 Support ongoing workforce transition	<ul style="list-style-type: none"> Conduct in region training to ensure local workforce has skills to capitalise on large infrastructure construction 	<ul style="list-style-type: none"> Maximise benefit from large capex state infrastructure e.g., <i>Snowy 2.0</i> 	<ul style="list-style-type: none"> Construction and other

Deep dive: Snowy Monaro long-term focus areas



Focus areas	Description	Rationale	Relevant industry
1 Continue to support forestry related manufacturing industry	<ul style="list-style-type: none"> Source logs where possible from out of region to maintain viability of Bombala sawmill Support initiatives that drive long-term productivity and innovation in forestry industry 	<ul style="list-style-type: none"> Maximise GVA and employment provided by globally significant industry 	<ul style="list-style-type: none"> Forestry
2 Continue to support tourism industry development	<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 emerging tourism industry and integration with existing operators to increase regional GVA and maximise tourism activity within region 	<ul style="list-style-type: none"> Tourism
3 Continue to encourage emerging industry	<ul style="list-style-type: none"> Guide new business initiatives and provide assistance where required such as business skills advice, targeted investments as appropriate— 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
4 Continue supporting workforce transition as new industries emerge	<ul style="list-style-type: none"> Provide in region information on available training to transition affected workers. The nature of this support will change as the economy evolves 	<ul style="list-style-type: none"> Ensures local employees are equipped to fully leverage opportunities available to them 	<ul style="list-style-type: none"> All

