SECTION **16**

Economic Impact on Regional Industries

THIS IS **ONE** SECTION OF **TWENTY TWO,**

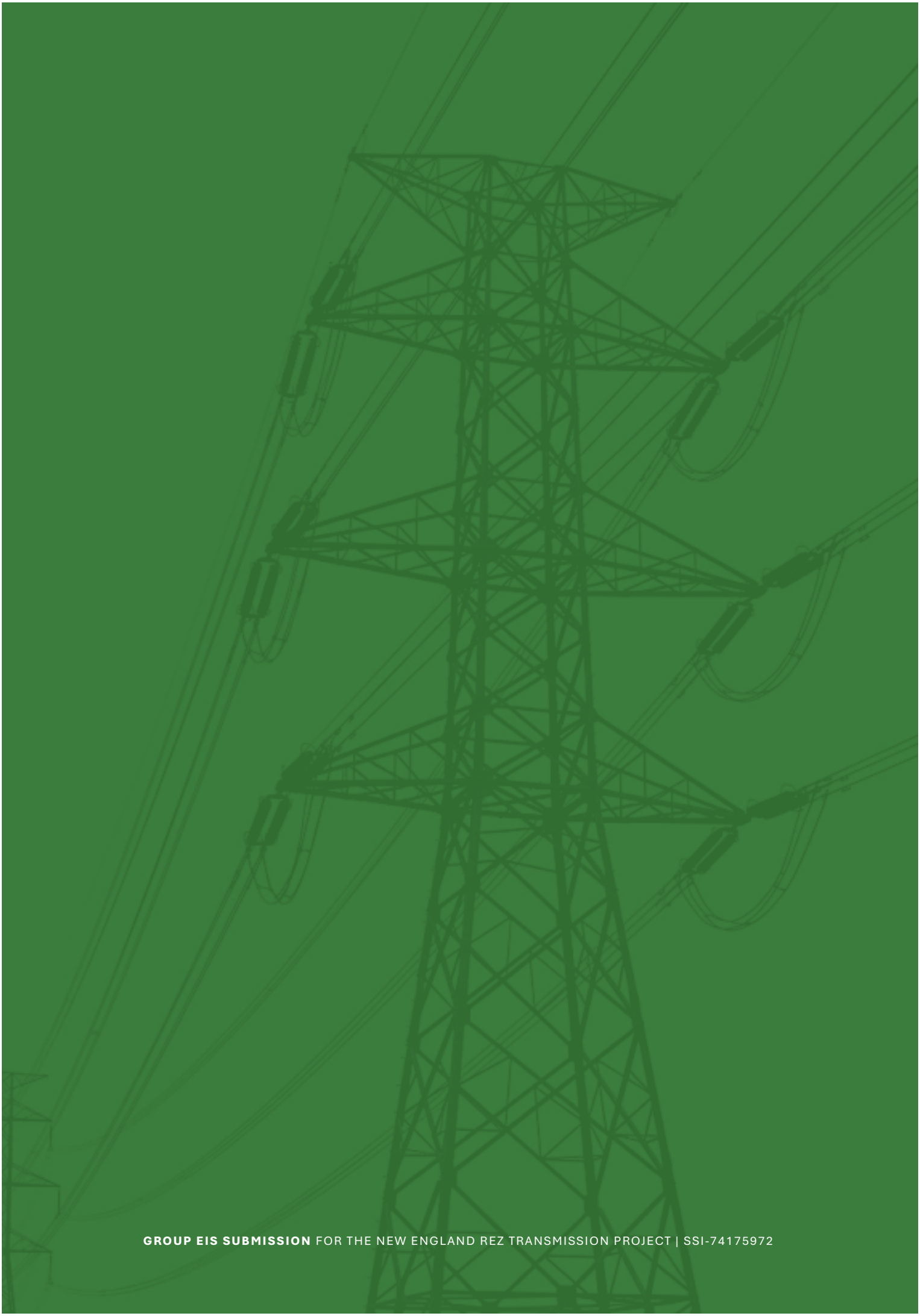
THAT FORMS PART OF A LARGER GROUP SUBMISSION

TO THE NEW ENGLAND REZ TRANSMISSION PROJECT

SSI-74175972



Walcha High Country Guardians | Rouchel Brook Action Group | Protect the Valley Upper Hunter | Voice for Walcha



GROUP EIS SUBMISSION FOR THE NEW ENGLAND REZ TRANSMISSION PROJECT | SSI-74175972

SECTION 16

Economic Impact on Regional Industries

Key issues we have found ...

Tourism losses are not quantified	The EIS does not establish how access disruption, landscape change and construction pressures affect visitor spending, bookings or business viability.
Visitor accommodation needs protection	Room totals do not establish vacancies; workforce demand during events, seasonal peaks and camp delays could displace tourists from accommodation.
Visitor routes and destinations matter	Scenic roads, attractions, events and farm stays need combined assessment of delays, noise, dust and visual changes affecting visitor experiences.
Local employers face labour competition	Construction recruitment can draw staff from hospitality, retail, freight and essential services, yet consequences for individual towns remain insufficiently assessed.
Council services face resource pressure	Councils need assessment of staffing risks, contractor availability and rising materials costs, with funding commitments to protect maintenance and services.
Existing businesses need secure supplies	Combined demand for drivers, machinery, trades, quarry products and concrete could disrupt forestry, freight, housing construction and ordinary regional business.

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> The Open Air Gallery in Walcha is a drawcard for tourists to the area

SECTION **16**

Economic Impact on Regional Industries

EXECUTIVE SUMMARY

The project passes through communities whose tourism economies depend on rural scenery, reliable visitor access, accommodation, events, outdoor recreation and agricultural experiences. The EIS recognises tourists, scenic routes and visitor accommodation in individual technical studies. However, it does not demonstrate an integrated assessment of the consequences for materially exposed tourism businesses and destinations between Bayswater, the Upper Hunter, Tamworth, Walcha, Uralla and Armidale.

The project will create substantial demand for labour, accommodation, transport, construction materials and local services. Technical Report 8 acknowledges that cumulative construction demand may draw workers from other sectors, raise wages and prices, and cause shortages of goods and services. The central question is whether existing regional industries and essential services can continue to operate during construction. Tourism is one important component of this wider economic assessment. [7]

Tourism and the visitor economy

1. The EIS has not demonstrated a corridor-wide, locality-based assessment of exposed tourism businesses, visitor attractions and agritourism operations.
2. Regional economic modelling does not separately establish the consequences for tourism bookings, visitor spending and business viability.
3. Short-stay accommodation pressure is recognised, but critical protective arrangements for seasonal tourism, events and workforce demand are deferred.
4. Traffic and visual assessments identify relevant routes and receptors without consistently establishing the implications for visitor journeys and tourism operations.
5. The combined effects of access, amenity, accommodation demand and other infrastructure projects on tourism destinations are not adequately brought together.

Other regional industries and essential services

6. Labour competition and wage pressures acknowledged in the economic report have not been translated into town-level risks for existing employers and essential services.
7. The costs to councils and consequences for freight, forestry, hospitality, retail, trades and other businesses have not been assessed in sufficient industry-specific detail.
8. Cumulative demand for workers, materials, plant and transport has not been reconciled with ordinary regional needs and available supply.

The community groups seek further assessment and specific mitigation commitments before determination, rather than deferral of fundamental matters to post-approval plans.

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> Figure 1 - **Apsley Falls Walcha**

2 | SEARs and Assessment Requirements

The amended SEARs do not expressly require a separate tourism chapter. They do require assessment of likely economic, social and environmental impacts, existing conditions, uncertainty, cumulative effects, community views and mitigation proportionate to the significance of impacts. Tourism must therefore be examined across the relevant technical studies. [1]

2.1 Applicable assessment requirements

1. **General requirements:** identify tourism activities and localities exposed to likely social, economic and environmental effects, and assess their significance and uncertainty.
2. **Traffic and transport**: assess traffic generation, access, cumulative impacts and mitigation, including relevant visitor routes and events.
3. **Landscape and visual**: assess impacts on relevant scenic roads, visitor destinations and accommodation.
4. **Social impacts and workforce accommodation**: assess livelihoods, amenity, housing and accommodation pressures affecting tourism communities.
5. **Economic and workforce matters:** establish local economic consequences and how workforce management will minimise impacts.
6. **Engagement**: demonstrate relevant consultation, responses to concerns and mitigation.
7. **Appendix A cross-references the SEARs to the EIS.** The adequacy test is whether the cited studies substantively answer the requirements, not whether a reference appears in the table. [2]

2.2 Council advice

Tamworth Regional Council requested assessment of cumulative workforce effects on visitor accommodation and its major-events economy, together with an Accommodation and Employment Strategy in the EIS addressing visitor-economy displacement. Armidale Regional Council requested a comprehensive Workforce Accommodation and Employment Strategy with the EIS, rather than after approval, and opposed workforce use of tourist and visitor accommodation. Uralla Shire Council requested analysis of relative local impacts and capacity, including smaller settlements rather than reliance on broad regional averages. The EIS should show how each material concern has been resolved. [3–5]

The same assessment requirements must also be tested against the labour availability, business continuity, supply-chain and council service-delivery risks identified in Part B. Regional economic activity does not, by itself, establish that existing industries and essential services can continue operating. [7]

3 | Assessment of Economic Impacts

Part A
Tourism and the visitor economy



> Figure 2 - **Glenbawn Dam provides a significant input into the economy, through tourism**

3.1.1 Coverage of tourism communities and businesses

The Social Impact Assessment profiles Muswellbrook, Upper Hunter/Scone, Tamworth, Walcha, Uralla and Armidale and addresses smaller localities. This establishes geographic recognition but does not, by itself, establish which tourism businesses and visitor destinations are exposed to the project or the consequences for them. [6]

The assessment should identify exposed accommodation, farm stays, agritourism operations, attractions, scenic routes, recreation sites and events, then connect their location and operations to project impacts. Relevant areas for examination include the Bayswater–Upper Hunter visitor economy and Lake Glenbawn access; Nundle and Hanging Rock tourism and events; Walcha and its surrounding scenic routes including the Oxley Highway, Thunderbolts Way and Niangala Road; Uralla, Kentucky and Gostwyck heritage and farm tourism; and Armidale and northern accommodation and visitor destinations. These are areas for assessment, that should have all impacts assessed.

Regional averages can conceal concentrated impacts in small settlements and on individual businesses dependent on a particular route, landscape or visitor activity.

3.1.2 Economic consequences and agritourism

Technical Report 8 models project economic activity across broad regions. Its input-output results do not incorporate local price changes and contraction in other sectors; those effects are discussed qualitatively. It does not separately establish displaced visitor bookings, tourism spending losses or individual tourism business viability. Agricultural production-loss estimates do not separately identify farm-tourism income. [7]

Construction spending cannot be treated as evidence that the existing visitor economy will remain viable. Workers occupying accommodation do not necessarily replace visitors who spend on tours, attractions, events and other local businesses. Farms may also depend on tours, tastings, accommodation and visitor experiences beyond their agricultural production.

The greatest impact might be from visitors being unable to find available accommodation, and the region losing its identity as a tourism destination. This has flow on impacts in future tourism seasons.

EnergyCo should identify materially exposed tourism and agritourism businesses and assess the plausible consequences for bookings, visitor demand, income, operating costs and business viability, with uncertainties disclosed.

3.1.3 Workforce accommodation and visitor displacement

Technical Report 4 assumes 40 workers establishing each camp over six months. Its Table 5.3 compares this demand with short-stay room stock: Camp 1, 23.5% of 170 rooms; Camp 2, 71.4% of 56 rooms; Camp 3, 31.4% of 127 rooms; Camp 4, 2.6% of 1,563 rooms; and Camp 5, 4.7% of 851 rooms. These are shares of total stock, not evidence of vacant rooms when workers need them. [6]

Camp 4 pools Tamworth, Walcha, Uralla and Armidale; Camp 5 pools Walcha, Uralla and Armidale. Those catchments do not reveal the actual pressure on Walcha or other individual towns, particularly during events, seasonal peaks, overlapping construction and delays in camp opening.

Appendix F measure SO4 defers accommodation-use arrangements, enabling-work demand, major events, seasonal tourism and cumulative pressure to a Workforce Management Plan during detailed design/construction. Technical Report 8 nevertheless concludes that the camps make cumulative accommodation impacts unlikely. These findings require reconciliation. [7, 8]

A town-by-town and month-by-month assessment should establish workforce demand against realistically available rooms and identify enforceable measures to prevent material visitor displacement before determination.

3.1.4 Scenic routes, landscape and visitor experience

Technical Report 5 identifies tourist accommodation, private recreation areas and Tourist Drives 19 and 21. At viewpoint PVP-07 on Niangala Road, the report identifies a moderate visual impact and recognises multiple open views along the road, for which continuous screening would be impractical or inappropriate. [9]

A technical visual rating does not necessarily establish what the change means for accommodation bookings, scenic journeys, outdoor visitor activities or the attraction of a destination. Viewpoints should represent actual visitor-use areas and repeated views along routes, not only isolated static views. Where easement-affected private receivers are excluded under the visual assessment framework, any tourism consequences should be addressed in the social or economic assessment.

3.1.5 Visitor access, construction traffic and events

Technical Report 7 recognises tourist routes and recreational cycling and proposes liaison on cycling events and future controls. Its property-access discussion is principally directed to residential access and temporary restrictions. The practical consequences for tour schedules, visitor arrivals, coaches, caravans, events and passing trade are not demonstrated together. [10]

Acceptable intersection performance does not establish reliable visitor access. EnergyCo should specify expected delays, closures, detours and restrictions by location and construction period, including enabling works and road upgrades, and explain protections for visitor routes and events.

3.1.6 Noise, dust and tourism amenity

The EIS assesses noise, vibration and amenity through technical chapters. The contributor's review raises a specific verification question: whether the receptor locations represent visitor cabins, campsites, outdoor dining, farm-tour areas and other outdoor activities, rather than only residences. [11]

EnergyCo should cross-check tourism properties and visitor-use areas against the relevant receptor maps, predictions and construction timing. This is an identified assessment question, not a verified claim that all such properties were omitted.

3.1.7 Combined and cumulative effects

Tourism businesses may experience road disruption, visual change, noise, dust and accommodation pressure at the same time. Individual technical assessments do not necessarily explain the combined consequences for a business or destination. Relevant overlapping projects and the experience of visitors travelling through several affected localities should also be examined. [6, 9, 10]

The EIS should identify materially exposed destinations, assess their combined effects during construction and operation, and explain the significance of projects excluded from cumulative scenarios or construction assumptions not yet resolved.

3.1.8 Tourism-specific engagement

Section 5 and Appendix E summarise community engagement. The contributor's review does not establish which tourism operators and tourism organisations were consulted, what issues they raised and how these changed the project assessment or mitigation. [11]

A locality-based account of tourism-sector engagement and responses is required. General community engagement alone does not demonstrate that business-specific operational impacts were identified.

Part B
Workforce, regional industries and essential services

3.2.1 Labour availability and business continuity

Technical Report 8 expressly recognises that cumulative construction demand can attract workers from other sectors, cause shortages of goods and services, and increase wages and prices. However, the report does not demonstrate the resulting recruitment, wage and operating risks for existing employers in individual towns. Regional economic activity estimates cannot show whether a café can open, a freight operator can retain drivers or a council can maintain services. [7, executive summary and §7.2.8]

EnergyCo should quantify labour demand by occupation, locality and construction phase, distinguish genuinely additional workers from those recruited away from existing employers, and assess the capacity of businesses and essential services to continue operating.

3.2.2 Council services and finances

Councils compete for engineers, road crews, mechanics, plant operators, planners, administrators and contractors. Project recruitment and demand for equipment, road materials and contractors may raise costs or delay ordinary maintenance and capital works. The EIS does not demonstrate a council-by-council

assessment of vacancies, recruitment risks, cost escalation or service continuity. These consequences require assessment, not an assumption that every council will experience losses.

EnergyCo should consult affected councils on vacancies, wage and contractor costs, works programs and statutory service obligations, and identify funding and mitigation for material additional costs.

3.2.3 Hospitality, retail and other local employers

Pubs, cafés, restaurants, accommodation operators, supermarkets, fuel outlets, trades, repairers and small service businesses may gain customers but lose staff to higher-paid construction work. Increased turnover is not necessarily increased profit where businesses cannot recruit, must pay higher wages or lose established customers. The economic report does not establish net outcomes for these sectors in small communities. [7]

The assessment should test labour availability, operating costs, supplier reliability and business viability by locality, with particular attention to small employers and seasonal peaks.

3.2.4 Transport and freight

Construction demand for heavy vehicle drivers, haulage, mechanics, vehicles and road access may compete with ordinary freight, passenger transport and local deliveries. The transport assessment addresses road impacts but does not demonstrate the economic consequences of cumulative demand, delay and access restrictions for existing operators. [10]

EnergyCo should identify peak demand for drivers, haulage and plant and assess overlap with established freight movements, servicing and delivery commitments.

3.2.5 Forestry and timber businesses

Technical Report 8 identifies 100.4 hectares of native production forest and 62.6 hectares of plantation forest affected in the New England region, and describes the regional economic activity effect as negligible relative to construction. That comparison does not establish impacts on individual forestry contractors, timber haulage, machinery availability, harvesting schedules or business continuity. [7]

This section addresses forestry employment, supply chains and commercial operations; direct forest land-use and management effects are addressed in Section 7.

3.2.6 Trades, construction materials and other regional works

Technical Report 8 recognises that excess demand for quarry materials and concrete may increase prices and cause shortages for other uses. The December 2025 New England REZ Local Supply Chain Study identifies approvals and water constraints affecting the expansion of concrete and road aggregate supply. These pressures may affect council works, housing construction, maintenance contractors and other local customers. [7; 13]

EnergyCo should reconcile project demand for aggregate, concrete, plant and skilled trades with verified supply capacity and ordinary regional demand, identifying potential price and availability consequences.

3.2.7 Health, care, education and essential services

Health providers, aged care, childcare, schools and community organisations depend on available workers and affordable housing. Even where they do not recruit construction trades, accommodation and cost pressures may affect retention and recruitment. The EIS should screen essential employers for material workforce and housing exposure; this is a risk requiring assessment, not a verified finding of staff losses.

3.2.8 Local procurement benefits versus displacement

Technical Report 8 proposes Local Workforce Development, Local Industry Participation and Australian Industry Participation plans, and council and chamber consultation (EC1 and EC2). These may create

opportunities but do not demonstrate who receives benefits and who bears higher wages, staff losses or supply costs. The economic assessment should distinguish gross project expenditure from net outcomes for existing regional businesses. [7, §8, Table 8.1]

3.2.9 Cumulative demand and construction timing

The EIS acknowledges that overlapping major projects can cause labour shortages, wage increases and pressure on construction inputs. It does not demonstrate how quickly the small labour and supply markets of affected towns can adjust. A credible assessment must align enabling works, road works, camp establishment, transmission construction and concurrent projects on a common timeline, and test delayed camps and peak demand. [7; EIS Chapter 24 §24.2.2.8]

4 | Summary of Deficiencies

4.1 Tourism and the visitor economy

1. The EIS has not demonstrated a locality-based register and assessment of tourism exposure across the affected communities.
2. Economic modelling does not establish material tourism business and agritourism consequences.
3. Accommodation analysis uses total room stock and defers important arrangements for protecting visitors.
4. Visual and transport findings are not consistently translated into consequences for visitor activities and business operations.
5. Combined tourism impacts and relevant overlapping projects are not adequately assessed at destination level.
6. Tourism-specific consultation, responses and enforceable protections remain insufficiently demonstrated.

4.2 Regional industries and essential services

9. Labour competition and wage pressures acknowledged in the economic report have not been translated into town-level risks for existing employers and essential services.
10. The costs to councils and consequences for freight, forestry, hospitality, retail, trades and other businesses have not been assessed in sufficient industry-specific detail.
11. Cumulative demand for workers, materials, plant and transport has not been reconciled with ordinary regional needs and available supply.

These deficiencies leave affected communities unable to evaluate the consequences for tourism income, visitor access and destination appeal before the project is determined. Essential impact assessment and protective commitments should not be left to future management plans.

The broader deficiencies also leave existing employers and councils unable to assess the risks to staff retention, operating costs, supply reliability and service delivery. The assessment must establish the consequences for existing regional industries, not simply the scale of project expenditure.

> POSITION SOUGHT

The community groups request that the Department require EnergyCo to address the following matters before determination:

Tourism-specific requirements

- Provide a corridor-wide, locality-based register and screening assessment of exposed tourism businesses, attractions, accommodation, agritourism operations, scenic routes and events.
- Assess material business and destination effects, including visitor demand, bookings, expenditure, access, operating costs and viability where relevant.
- Identify and assess tourism income streams in mixed agricultural and visitor businesses.
- Provide a town-by-town, month-by-month accommodation assessment covering enabling works, camp establishment and delays, events, seasonal demand and other projects, using realistic room availability.
- Reconcile the social and economic accommodation conclusions and establish enforceable protections against material visitor displacement.
- Assess practical road delays, closures, detours and event conflicts on tourism routes, with defined access protections.
- Verify that tourism premises and outdoor visitor-use areas are represented appropriately in visual, noise, dust and amenity assessments.
- Assess combined and cumulative effects on materially exposed tourism destinations and explain excluded projects and uncertainties.
- Document tourism-operator and tourism-organisation consultation, issues raised, responses and any resulting changes.
- Set measurable mitigation, monitoring and intervention triggers for material tourism impacts, with key commitments assessed before approval.

Regional industry and service-continuity requirements

- Provide a town-by-town economic baseline and workforce vacancy assessment for existing non-agricultural industries and essential services.
- Quantify project recruitment by occupation and phase, including likely recruitment from existing employers and associated wage, retention and service-continuity risks.
- Assess council staffing, contractor availability, road maintenance, materials costs and service-delivery capacity, and establish who will fund additional costs.
- Assess industry-specific business continuity for hospitality, retail, transport, forestry, trades, health and care services, and other materially exposed employers.
- Reconcile project demand for drivers, plant, quarry materials, concrete and trades with existing regional demand and verified supply capacity.
- Assess overlapping projects and delayed workforce accommodation under plausible peak-demand scenarios; establish measurable mitigation and intervention thresholds.

Until these matters are addressed, the EIS does not provide a sufficient basis to conclude that the project's effects on the tourism sector, other regional industries and essential services have been adequately identified, assessed and mitigated.

Key References

[1] Amended SEARs, SSI-74175972, pp.2–6.

[2] EIS Appendix A, Table A.1, SEARs compliance table.

[3] Tamworth Regional Council amended advice, §§3.2 and 3.5, pp.4–5.

[4] Armidale Regional Council amended advice, p.7.

[5] Uralla Shire Council amended advice, pp.1–2.

[6] Technical Report 4, Social Impact Assessment, §5.2.8.1, Table 5.3, p.142, and community baseline.

[7] Technical Report 8, Economic Impact Assessment, executive summary; §§2.1–2.4, 4.3, 5.4, 7.2.3 and 7.2.8; §8 and Table 8.1.

[8] EIS Appendix F, mitigation measure SO4, pp.45–47.

[9] Technical Report 5, Landscape and Visual Impact Assessment, §§5.8.3, 9.4.1, Tables 37 and 46.

[10] Technical Report 7, Traffic and Transport Impact Assessment, §§5.1.2 and 6.7.11–6.7.13.

[11] Corinne Annetts, Section 16 – Tourism – Draft 01, tables 1–4 (contributor review).

[12] EIS Chapter 24, §24.2.2.8, cumulative economic impacts.

[13] New England REZ Local Supply Chain Study, December 2025, constraints on aggregates, concrete, plant and transport.

WALCHA HIGH COUNTRY GUARDIANS

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