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THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

Great Koala National Park

Economic impact analysis and environmental benefit assessment

Final Report

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NEWCASTLE | CENTRAL COAST | PORT MACQUARIE | SINGAPORE

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Executive summary

OVERVIEW

The koala is one of the iconic, national symbols of Australia but is currently listed as a vulnerable species and populations of koalas are in decline across the country. The major issues for koalas are clearing, fragmentation and degradation of habitat, disease, natural disasters, roads, dogs and over-browsing. The 2020 NSW Parliamentary Inquiry into *Koala populations and habitat in New South Wales* found that koalas will become extinct in NSW before 2050 without urgent government intervention. Critically, this assessment was based on evidence presented to the inquiry, before the bushfires in the summer of 2019/2020.

Whilst understanding about koalas and their habitat increases, the policy base no longer supports their survival and is deeply politicised at the national, state and local levels. What is clear is that their habitat, which also supports many other species of flora and fauna, needs to be preserved, regenerated and protected in order for the koala to have a chance at survival in the wild. This cannot happen at a local, piecemeal level. It requires ambitious planning at a large, landscape scale in order to provide long term positive outcomes for koala populations and their habitat.

The Great Koala National Park (GKNP) was first conceived in 2015 as a direct response to a loss of valuable habitat in the Mid North Coast of NSW. It aims to be Australia's first large national park dedicated to protecting a significant, but vulnerable, koala habitat. The area of the proposed GKNP already contains two nationally recognised koala metapopulations and areas of World Heritage listed rainforest. The proposal is to transition 175,000 hectares of state forest to existing national parks to create a more contiguous national park of 315,000 hectares.

THIS INDEPENDENT ASSESSMENT

This independent assessment provides an economic impact analysis (EIA) and environmental benefit assessment (EBA) of the potential regional and broader impacts of the proposed GKNP which is located in five local government areas (LGAs): Bellingen Shire Council, Clarence Valley Council, Coffs Harbour City Council, Kempsey Shire Council and Nambucca Shire Council.

The assessment was jointly commissioned by Bellingen Shire Council, Coffs Harbour City Council and Destination North Coast. The findings provide an evidence base which highlights several key channels of potential value which may warrant further evaluation and consideration.

OVERALL FINDINGS

Economic impact analysis

The EIA assesses the potential regional impact of the proposed GKNP on the five LGAs over 15 years, starting in 2021. The approach estimates expenditure from the following three key economic channels of value:

- **Stage 1: Park establishment.** Capital investment, including habitat restoration and support for private landholders
- **Stage 2: Park management.** Capital investment and operating expenditure, including visitor infrastructure such as a multi-purpose visitor centre, including a wildlife hospital, new and upgraded tracks and amenities for bushwalkers, mountain bike trails, horse riding trails and four-wheel drive tracks
- **Visitor expenditure.** Spend by a higher number of park visitors.

In addition, the impact of the transition from state forest native logging is estimated.

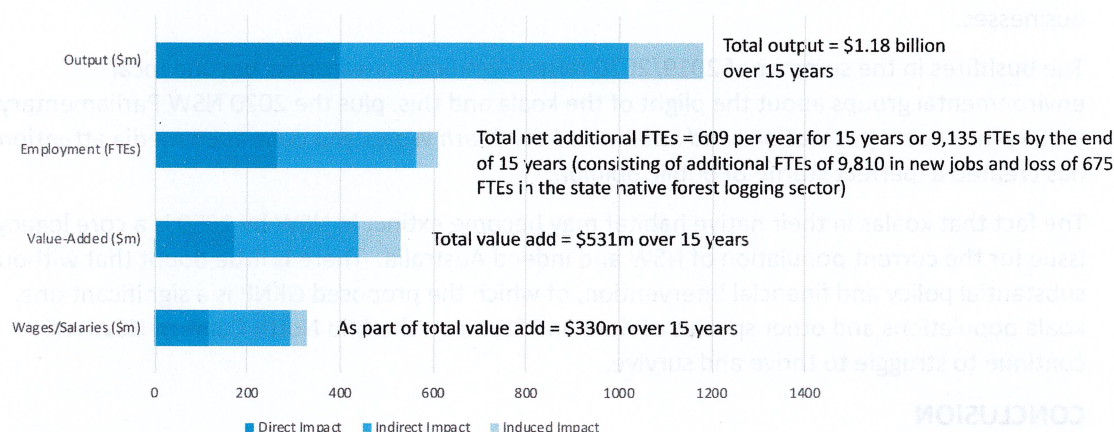
The EIA is conservative as there is significant potential to further increase the assumptions for international and domestic overnight visitor numbers and visitor expenditure. It also includes the impacts of the state forest native logging transition and an industry transition support package.

The flow-on impacts across the supply-chain, and via increased consumption in the region, are estimated to be very significant.

The assessment shows that the net impact is:

- Increase in **total output of \$1.18 billion over 15 years**
- **Additional FTEs of 9,810 in new jobs by the end of 15 years and loss of 675 FTEs in the state native forest logging sector over 10 years i.e. net additional 9,135 FTEs**
- **Additional total value-added of \$531 million over 15 years.** Of this, \$330 million is paid in wages and salaries in net present value terms to workers living in the region.

This is also shown below.



Environmental benefit assessment

The EBA is provided separately to the EIA because the benefits accrue to the whole of Australia, rather than just the five LGAs.

Aside from the devastating impact of the bushfires in the summer of 2019/2020, the decline in the NSW koala population is arguably a symptom of a broader trend in which the biodiversity of ecosystems are increasingly under threat. The environmental benefits of transitioning 175,000 hectares of state forests to national park primarily relate to preserving koalas and their habitat and, more broadly, preserving other aspects of the natural environment, including increased biodiversity. It is worth noting that, given the significant decline in the koala population as a result of the recent drought and bushfire season, the environmental value of each individual koala is now significantly higher than a decade ago.

The EBA assessment is also conservative and there is potential to further develop these estimates. However, even on a conservative basis, the benefits are not insignificant and equate to added biodiversity value of around \$530 million for the NSW population and around \$1.7 billion for all Australians.

The assessment shows that the environmental benefits equate to added biodiversity value of:

- Around **\$530 million for the NSW population**
- Around **\$1.7 billion for all Australians.**

Policy alignment

The policy environment for the creation of the proposed GKNP has shifted slightly in the last six months due to community and political pressure due to both NSW Government and Australian Government policy decisions. The NSW Minister for Energy and Environment actions and more recent commitments to increase the national park estate in NSW will support the proposed GKNP. However, these may have to be treated with caution given there is a lack of an existing policy framework and considerable uncertainty about how koalas and their habitat will be impacted by the Koala SEPP and further policies on land clearing within NSW.

Other considerations

There are many other benefits to the proposed GKNP which go beyond increased visitation, especially nature-based and eco-tourism in the Mid North Coast. These include mental health benefits and additional soil, water and air quality benefits which have not been considered in this assessment. Although these benefits are less easy to quantify, they will potentially generate significant positive outcomes to visitors, the community, local indigenous people and local businesses.

The bushfires in the summer of 2019/2020 raised significant awareness beyond local environmental groups about the plight of the koala and this, plus the 2020 NSW Parliamentary Inquiry into *Koala populations and habitat in New South Wales* and continued media attention has created a 'perfect storm' of public opinion.

The fact that koalas in their native habitat may become extinct in NSW by 2050 is a core legacy issue for the current population of NSW and indeed Australia. There is little doubt that without substantial policy and financial intervention, of which the proposed GKNP is a significant one, koala populations and other species of flora and fauna on the Mid North Coasts of NSW will continue to struggle to thrive and survive.

CONCLUSION

Based on this independent assessment, the proposed GKNP will provide positive economic impacts. These arise from an increase in regional investment and a corresponding increase in tourism in the five LGAs, taking into account a transition away from state forest native logging.

The environmental benefits of the proposed GKNP are several and long-lived, especially considering the decline in the NSW koala population in recent years. The increased biodiversity value of an expanded national parks estate will benefit all Australians for many decades.

The overall assessment is shown in the following graphic.

GREAT KOALA NATIONAL PARK INFOGRAPHIC

